



Digimatic Group  
ASX (ASX:DMC)

HELPING BRANDS CONNECT

## ASX Interim Report – 30 September 2017

### Lodged with the ASX under Listing Rule 4.2A.3

This information should be read in conjunction with the 31 March 2017 financial report.

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to half-year ended 30 September 2016)

	S\$	Up/Down	% Movement
Revenue from ordinary activities	6,862,557	Down	19.3%
Loss after tax from ordinary activities attributable to members	(166,343)	Down	578.1%
Net loss attributable to members	(166,343)	Down	578.1%
		<b>Franked</b>	
	<b>Amount per share</b>	<b>amount per share</b>	<b>Tax rate for franking credit</b>
<b>Dividend information</b>			
Final FY2017 dividend per share	NIL	NIL	NIL
Interim FY2018 dividend per share	NIL	NIL	NIL
		<b>30.9.2017</b>	<b>30.9.2016</b>
		<b>Singapore</b>	<b>Singapore</b>
		<b>Cent</b>	<b>Cent</b>
Net tangible assets per security		1.9159	1.9532

This information should be read in conjunction with the Directors' Statement and Financial Statements for the six months ended 30 September 2017 of Digimatic Group Ltd. and its subsidiaries and any public announcements made in the period by Digimatic Group Ltd. in accordance with the continuous disclosure requirements of the Company Act (Chapter 50) and Listing Rules.

Additional Appendix 4D disclosure requirements can be found in the Directors' Statement and Financial Statements for the six months ended 30 September 2017.

This report is based on the Directors' Statement and Financial Statements for the six months ended 30 September 2017 of Digimatic Group Ltd. and its subsidiaries, which have been reviewed by Kong, Lim & Partners LLP. The Independent Auditor's Review Report provided by Kong, Lim & Partners LLP is included in the Directors' Statement and Financial Statements for the six months ended 30 September 2017.

#### **DIGIMATIC GROUP LTD.** (ASX: DMC)

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Digimatic Group

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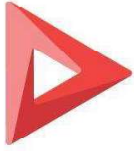
**DIGIMATIC GROUP LTD.**

**ARBN 605 944 198**

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**HALF-YEAR REPORT FY18**

**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**



Digimatic Group

 ASX (ASX:DMC)

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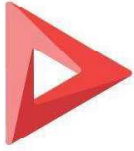
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## CHAIRMAN'S STATEMENT

Dear Shareholders,

2017 has been an eventful year for Digimatic Group. From the sale of Digimatic Solutions to the proposed purchase of 8VIC Global Pte. Limited ("**8VIC Global**"), the group is undergoing an evolution and transformation of our business model. We will expand further into the area of Education events in the region and the world. I expect that Digimatic Group will be able to transform itself with the inclusion of 8VIC Global into the group. The board and management will share more subsequently at an appropriate time upon the approval and successful completion of the transaction.

With the inclusion of 8VIC Global, their management team and vision, I am confident that Digimatic Group will grow well in the future. The existing businesses are still running as per usual, and we expect that all operations, unless obviously synergistic as decided by the management, will carry on separately.

As we seek to transform the business of Digimatic Group, what gives reassurance to all stakeholders is that we are able to do so on the foundation of a strong balance sheet. With good leadership, management and a sound strategy and plan, I believe that Digimatic Group will build a growing, sustainable and scalable business. I would like to urge all shareholders to be patient with the acquisition and transformation and to exercise caution if and when trading the stock.

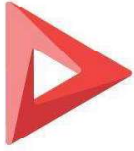
I thank all shareholders for your continuous and encouraging support. I would also like to acknowledge the management and team members of Digimatic Group for their past, present and future contributions to the group.

Clive Tan  
Non-Executive Chairman

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## DIRECTOR'S STATEMENT

Dear Shareholders,

Many of you might have known that I hurt my spine in a bicycle accident in February 2017, I have devoted all my attention in therapy and treatment since then. Thank God, I have recovered speedily, and DMC's operation was unaffected.

Over the past 6 months, the group had registered a revenue of S\$6,862,557, a 19% reduction as compared to the same period for FY17. The reduction is mainly due to the disposal of the Solutions segment in March 2017. If we remove the revenue generated from the Solutions segment in 1H FY17, there is in fact a growth in revenue of 9% from S\$6,306,481.

To enhance the group's profitability and operating cash flows further, DMC has entered into an Option Agreement to acquire 8VIC Global on 6 November 2017. We strongly believe the acquisition of 8VIC Global will capitalise on and strengthen the business fundamentals of DMC Group and will add significant value and growth potential to the group.

With DMC Group's solid revenue generating and sustainable business model, and strong management team with vast business experiences and strategic mindset, DMC Group is ready to achieve our long-term goals and to unleash greater value to our shareholders and stakeholders. Last but not least, I would also like to thank all our shareholders for your continuous support to Digimatic Group!

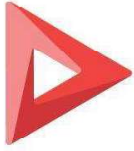
Thank you.

Ivan Ong  
Executive Director

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## OPERATIONS AND FINANCIAL REVIEW FOR 1H FY18

During the 1H FY18, Digimatic Group Ltd. and its subsidiaries (“**DMC Group**”) recorded a revenue decrease of 19% to S\$6,862,557 for the financial period ended 30 September 2017 (1H FY17 of S\$8,507,834). The reduction in revenue was mainly due to the disposal of 2 subsidiaries in March 2017.

Both the Earnings Before Interest, Tax, Depreciation and Amortisation (“**EBITDA**”) and Net Profit Before Tax (“**NPBT**”) for DMC Group had deteriorated from a profit of S\$132,421 in 1H FY17 to a loss of S\$35,282 in 1H FY18 and from a profit of S\$47,761 in 1H FY17 to a loss of S\$99,805 in 1H FY18 respectively. These were mainly due to the reduction in revenue as well as in the Gross Profit Margin (“**GPM**”) from 32% in 1H FY17 to 26% in 1H FY18. The reduction in GPM was to enable DMC Group to capture a greater market share and to improve its competitiveness.

The overall administrative expenses had improved by 22% from S\$2,750,163 in 1H FY17 to S\$2,137,807 in 1H FY18. This was mainly due to the disposal of 2 subsidiaries as mentioned earlier.

As at 30 September 2017, the Group held cash and cash equivalents (including the Fixed Deposits) of S\$11,055,830 (30 September 2016: S\$12,626,982).

### Results Overview

	1H FY18	1H FY17
	S\$	S\$
Revenue	6,862,557	8,507,834
EBITDA (Loss)	(35,282)	132,421
NPBT (Loss)	(99,805)	47,761
Cash and cash equivalents (including Fixed Deposits)	11,055,830	12,626,982

### Segment Review

#### Creatives



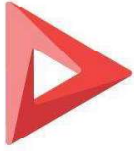
Digimatic Creatives Pte. Ltd. (“**DMR**”) is the branding and marketing arm of DMC Group, specialising in creative content as well as the full-fledged, end-to-end branding and marketing solutions for clients. Video and TVCs productions has been the core business since the inception of DMR. DMR has expanded their portfolio to include VR/AR solutions as well as strategic branding and marketing activations to help clients achieve their business and marketing objectives.

Over the last 6 months, DMR had achieved multiple wins and securing projects such as Singapore National Day Parade 2017, DBS Bank, Braun Buffel, Maritime Port of Authority of Singapore and Sheraton Hotel.

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As a result, DMR's revenue for 1H FY18 has increased by 32% to S\$769,507 and their corresponding NPBT has also improved from a loss of S\$60,584 in 1H FY17 to a profit of S\$87,803 in 1H FY18.

With their present capabilities and recent accreditation as a SPRING certified consultant, DMR's active innovation and adaption has placed us in a stronger position to evolve the business and answer further challenges ahead.

## Media



DMC Media segment comprises of Digimatic Media Private Limited (“**DMM**”) and Wewe Media Group Pte. Ltd. (“**WWM**”). DMM is the media and marketing arm of DMC Group, specialises in the provision of sustainable business solutions under their brand, Ace Profit Academy, via cost per lead or cost per acquisition (“**CPA**”) digital marketing consultation with their clients. Ace Profit Academy is one of the leading seminar organiser in the wealth creation, personal development and personal wellness industry. DMM has rapidly expanded the Ace Profit Academy footprint to Malaysia.

During the 1H FY18, DMM has continued to deliver a solid and consistent results. Their revenue has increased by 11% from S\$3,508,079 in 1H FY17 to S\$3,905,320 in 1H FY18. However, DMM's NPBT has reduced by 10%, from S\$353,080 in 1H FY17 to S\$317,034 in 1H FY18 as additional costs were incurred to cope with the market expansion into Malaysia.

With the proven business model and DMM's expertise in digital advertising, we foresee few boundaries that may hinder the expansion of Ace Profit Academy global outreach. Through constant innovation and adaptation, DMM effectively maximises the use of advanced marketing, automation and analytics tools to increase their performance marketing capabilities, generating quality leads and higher return of investment.



WWM is the mobile marketing arm of DMC Group and has undergone a pivotal development, progressing the business model from direct media buying to affiliate / traffic networking in FY17. The revised business model repositions WWM as a CPA network provider, allowing WWM a wider reach to other advertising networks as well as traffic sources. This will enable WWM to efficiently monetise any forms of traffic.

Reviewing the results of 1H FY18, WWM's revenue has slightly decreased by 3% from S\$2,217,541 in 1H FY17 to S\$2,140,623 in 1H FY18. WWM has maintained their pricing strategy and which has kept their GPM low, so as to capture higher traffic and market share. This has resulted WWM's NPBT remaining in a loss position, from a loss of S\$34,799 in 1H FY17 to a loss of S\$137,749 in 1H FY18.

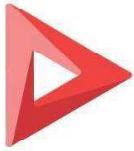
WWM makes continual efforts to aggressively improve their internal core systems and processes to ensure they can serve a larger clientele base. They also have a focus on data quality and reducing unnecessary loss so that WWM will continue to grow significantly, riding on the thriving mobile advertising arena.

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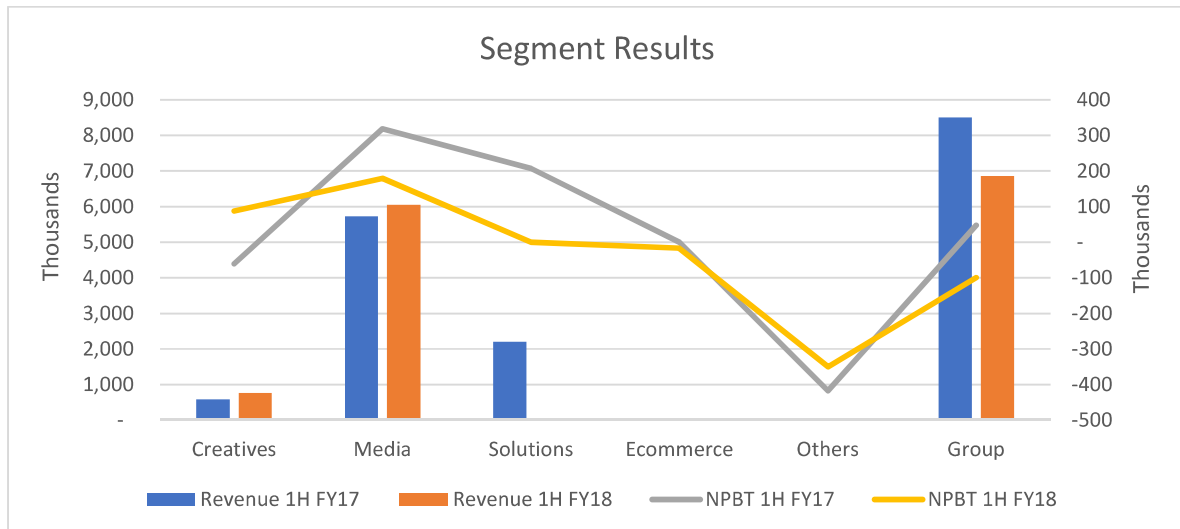
## Ecommerce

Webbynomics Pte. Ltd. (“**WBY**”) is the ecommerce arm of DMC Group. WBY was incorporated on 26 May 2017. WBY generates business growth in vibrant global marketplaces with variety of products by leveraging on the various ecommerce platform to market and sell their products worldwide, utilising data analytics and customers’ feedback to sell their own products effectively with ROI focused.

Since incorporation, WBY has developed 2 new products in toys and game niche, under their brand, Whizbuilders. The sales of these 2 products is approximately 90 units per day. It is expected to be increased during the coming festive seasons. Through the accumulation of additional positive reviews, WBY will be able to strengthen its position in the market and hence to capture a greater market share.

WBY is also considering to branch into ecommerce coaching business in the near future so as to build a thriving community of Amazon sellers in Singapore and in the rest of the world.

## Segment Results



## Significant Events after Balance Sheet Date

On 6 November 2017, DMC has entered into an option agreement (“**Option Agreement**”) to acquire 8VIC Global Pte Limited (“**8VIC Global**”) (“**Transaction**”), from 8I Holdings Limited (“**8IH**”) (a substantial shareholder of the DMC) and Glorymont Ltd by issuing 1,525,216,000 shares at a deemed issue price of A\$0.042 per share. Upon completion of the Transaction, 8IH’s interest in DMC’s issued share capital will increase from 10.81% to approximately 69.74% of the enlarge share capital of DMC.

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Digimatic Group

**Digimatic Group Ltd. and its subsidiaries**  
Company Registration Number: 201505599H  
ABRN 605 944 198

**Directors' Statement and Financial Statements**  
**For the six months ended 30 September 2017**

**Digimatic Group Ltd. and its subsidiaries**  
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**Digimatic Group Ltd. and its subsidiaries**  
**General Information**  
**For the six-month period ended 30 September 2017**

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<b>Directors</b>	Mr Clive Tan Che Koon (Non-Executive Chairman) Mr Ivan Ong Shao Kuang (Executive Director) Mr Zane Robert Lewis (Non-Executive Director and Compliance Manager)
<b>Company Secretary (Singapore)</b>	Ms Amanda Thum Sook Fun
<b>Company Secretary (Australia) Compliance Manager (Australia)</b>	SmallCap Corporate Pty Ltd Suite 6, 295 Rokeby Road Subiaco WA 6008
<b>Registered office (Singapore)</b>	82 Ubi Avenue 4 ,#06-04 Edward Boustead Centre Singapore 408832
<b>Registered office (Australia)</b>	SmallCap Corporate Pty Ltd Suite 6, 295 Rokeby Road Subiaco WA 6008
<b>Principal place of business</b>	82 Ubi Avenue 4 ,#06-04 Edward Boustead Centre Singapore 408832
<b>Share registrar</b>	Link Market Services Limited Level 4, Central Park 152-158 St Georges Terrace Perth WA 6000
<b>Auditors</b>	Kong, Lim & Partners LLP Public Accountants and Chartered Accountants 13A MacKenzie Road Singapore 228676 Partner in charge: Lim Yeong Seng
<b>Stock exchange listing</b>	Digimatic Group Ltd.'s shares are listed on the Australian Securities Exchange (ASX code: DMC)
<b>Website</b>	<a href="http://www.digimaticgroup.com">www.digimaticgroup.com</a>

**Digimatic Group Ltd. and its subsidiaries**  
**Directors' Statement**

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In the opinion of the directors,

- (a) to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the accompanying interim financial information for the six months ended 30 September 2017 to be false or misleading; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,



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Clive Tan Che Koon  
Director



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Ivan Ong Shao Kuang  
Director

Singapore, 24 November 2017

## Report on Review of Interim Financial Information to the members of Digimatic Group Ltd.

### *Introduction*

We have reviewed the accompanying statement of financial position of Digimatic Group Ltd. as of 30 September 2017 and the related statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Singapore Financial Reporting Standards, Interim Financial Reporting ("FRS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with the Singapore Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Group as at 30 September 2017, and of its financial performance and its cash flows for the six-month period then ended in accordance with FRS 34.



**KONG, LIM & PARTNERS LLP**  
Public Accountants and  
Chartered Accountants

Singapore, 24 November 2017

**Digimatic Group Ltd. and its subsidiaries**  
**Consolidated Statement of Financial Position**  
**As at 30 September 2017**

	<u>Note</u>	<u>30.9.2017</u> S\$	<u>31.3.2017</u> <u>(Audited)</u> S\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	372,750	451,195
Intangible assets	5	2,214,469	2,223,678
Other investment	6	100,000	100,000
Loan receivable	7	2,626,356	2,600,285
		<u>5,313,575</u>	<u>5,375,158</u>
<b>Current assets</b>			
Inventories	8	148,943	-
Trade and other receivables	9	1,596,286	1,015,067
Prepayment		207,133	149,617
Fixed deposits	10	5,757,040	8,000,000
Cash and cash equivalents	11	5,298,790	3,613,270
		<u>13,008,192</u>	<u>12,777,954</u>
<b>Total assets</b>		<u><u>18,321,767</u></u>	<u><u>18,153,112</u></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	12	13,804,374	13,804,374
Retained earnings		1,028,543	1,201,442
Foreign currency translation reserve	13	5,145	(1,411)
		<u>14,838,062</u>	<u>15,004,405</u>
Non-controlling interest		386,600	352,814
<b>Total equity</b>		<u>15,224,662</u>	<u>15,357,219</u>
<b>Current liabilities</b>			
Trade and other payables	14	1,860,235	1,589,611
Unearned revenue	15	1,002,914	1,005,595
Provision for income tax		77,071	43,781
		<u>2,940,220</u>	<u>2,638,987</u>
<b>Non-current liabilities</b>			
Provision for reinstatement cost	16	65,000	65,000
Deferred tax liabilities		91,885	91,906
		<u>156,885</u>	<u>156,906</u>
<b>Total liabilities</b>		<u>3,097,105</u>	<u>2,795,893</u>
<b>Total equity and liabilities</b>		<u><u>18,321,767</u></u>	<u><u>18,153,112</u></u>

The accompanying notes form an integral part of these financial statements.

**Digimatic Group Ltd. and its subsidiaries**  
**Interim Consolidated Statement of Comprehensive Income**  
**For the six months ended 30 September 2017**

	<u>Note</u>	<u>30.9.2017</u> <b>S\$</b>	<u>30.9.2016</u> <b>S\$</b>
<b>Revenue</b>	17	6,862,557	8,507,834
Cost of services		<u>(5,044,396)</u>	<u>(5,801,983)</u>
<b>Gross profit</b>		1,818,161	2,705,851
Other income	18	225,764	110,114
<b>Other items of expense</b>			
Administrative expenses		(2,137,807)	(2,750,163)
Other expenses		<u>(5,923)</u>	<u>(18,041)</u>
<b>(Loss)/profit before tax</b>	19	(99,805)	47,761
Income tax expense	21	<u>(39,372)</u>	<u>(21,752)</u>
<b>(Loss)/profit after tax</b>		<u>(139,177)</u>	<u>26,009</u>
<b>Other comprehensive income/(loss):</b>			
Foreign currency translation		<u>6,571</u>	<u>(98)</u>
Other comprehensive income/(loss) for the period, net of tax		<u>6,571</u>	<u>(98)</u>
<b>Total comprehensive (loss)/income for the period</b>		<u>(132,606)</u>	<u>25,911</u>
<b>Total (loss)/profit after tax attributable to:</b>			
Owners of the Company		(172,899)	34,894
Non-controlling interests		<u>33,722</u>	<u>(8,885)</u>
		<u>(139,177)</u>	<u>26,009</u>
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company		(166,343)	34,796
Non-controlling interests		<u>33,737</u>	<u>(8,885)</u>
		<u>(132,606)</u>	<u>25,911</u>
<b>Earnings per share (cents per share)</b>	22		
Basic		<u>(0.03)</u>	<u>0.01</u>
Diluted		<u>(0.03)</u>	<u>0.01</u>

The accompanying notes form an integral part of these financial statements.

**Digimatic Group Ltd. and its subsidiaries**  
**Interim Consolidated Statement of Changes in Equity**  
**For the six months ended 30 September 2017**

	<b>Attributable to the owners of the Company</b>					<b>Total equity</b>
	<b>Share capital</b>	<b>Retained earnings</b>	<b>Foreign currency translation reserve</b>	<b>Total equity attributable to owner of the Company</b>	<b>Non-controlling interest</b>	
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	
<b>Balance as at 1 April 2016</b>	17,332,503	90,585	(1,592)	17,421,496	312,449	17,733,945
Acquisition of subsidiary	-	-	-	-	4,900	4,900
Profit/(loss) for the period	-	34,894	-	34,894	(8,885)	26,009
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(98)	(98)	-	(98)
Total comprehensive income for the period	-	34,894	(98)	34,796	(8,885)	25,911
<b>Balance as at 30 September 2016</b>	<u>17,332,503</u>	<u>125,479</u>	<u>(1,690)</u>	<u>17,456,292</u>	<u>308,464</u>	<u>17,764,756</u>
<b>Balance as at 1 April 2017</b>	13,804,374	1,201,442	(1,411)	15,004,405	352,814	15,357,219
(Loss)/profit for the period	-	(172,899)	-	(172,899)	33,722	(139,177)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	6,556	6,556	15	6,571
Total comprehensive (loss)/income for the period	-	(172,899)	6,556	(166,343)	33,737	(132,606)
<u>Contributions by and distributions to owners</u>						
Shares issued for incorporation of subsidiary	-	-	-	-	49	49
Total contributions by distributions and total transaction with owners in their capacity as owners	-	-	-	-	49	49
<b>Balance as at 30 September 2017</b>	<u>13,804,374</u>	<u>1,028,543</u>	<u>5,145</u>	<u>14,838,062</u>	<u>386,600</u>	<u>15,224,662</u>

The accompanying notes form an integral part of these financial statements.



**Digimatic Group Ltd. and its subsidiaries**  
**Interim Consolidated Statement of Cash Flows**  
**For the six months ended 30 September 2017**

	<b>30.9.2017</b>	<b>30.9.2016</b>
	<b>S\$</b>	<b>S\$</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit before income tax	(99,805)	47,761
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	128,542	119,238
Amortisation of intangible assets	14,090	26,122
Currency realignment	11,991	(5,917)
Interest income	(78,109)	(60,700)
<b>Operating cash flow before changes in working capital</b>	<b>(23,291)</b>	<b>126,504</b>
Working capital changes in:		
Inventories	(148,943)	-
Trade and other receivables	(584,942)	(684,035)
Prepayment	(57,516)	(139,631)
Trade and other payables	277,297	57,353
Unearned revenue	(2,681)	163,489
Cash used in operating activities	(540,076)	(476,320)
Income tax paid	(6,210)	(51,027)
<b>Net cash used in operating activities</b>	<b>(546,286)</b>	<b>(527,347)</b>
<b>Cash flow from investing activities</b>		
Acquisition of subsidiary, net of cash acquired	-	(808,333)
Proceeds from shares issued to non-controlling interest	49	-
Other investment	-	(100,000)
Purchase of property, plant and equipment	(50,205)	(176,384)
Purchase of intangible assets	(6,935)	(369,452)
Fixed deposits	2,242,960	(4,500,000)
Interest received	49,571	17,600
<b>Net cash generated from/(used in) investing activities</b>	<b>2,235,440</b>	<b>(5,936,569)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,689,154</b>	<b>(6,463,916)</b>
Cash and cash equivalents at the beginning of financial period	3,613,270	9,582,989
Effects of currency translation on cash and cash equivalents	(3,634)	7,909
<b>Cash and cash equivalents at the end of financial period</b>	<b>5,298,790</b>	<b>3,126,982</b>

The accompanying notes form an integral part of these financial statements.

**Digimatic Group Ltd. and its subsidiaries**  
**Notes to the Financial Statements**  
**For the six months ended 30 September 2017**

These notes form an integral part and should be read in conjunction with the accompanying financial statements.

**1. General**

Digimatic Group Ltd. (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Australian Securities Exchange (ASX). The registered office and principal place of business of the Company is located at 82 Ubi Avenue 4, #06-04, Edward Boustead Centre, Singapore 408832.

The principal activities of the Company are an investment holding company, development of other software and programming activities.

The principal activities of the subsidiaries are as follows:

Name	Principal place of business	Principal activities	Proportion (%) of ownership interest	
			30.9.2017	31.3.2017 (Audited)
<i>Held by the Company</i>				
Digimatic Creatives Pte. Ltd.	Singapore	Motion picture/video production	51	51
Digimatic Media Private Limited	Singapore	Conducting business courses/advertising activities	100	100
Wewe Media Group Pte. Ltd.	Singapore	Advertising activities	100	100
Webbynomics Pte. Ltd. <sup>(1)</sup>	Singapore	Retail sale via internet	51	-
<i>Held through subsidiaries</i>				
Digimatic Media Sdn Bhd	Malaysia	Conducting business courses	100	100
Anonymous Production Sdn Bhd	Malaysia	Motion picture/video production	100	100

<sup>(1)</sup> Incorporated on 26 May 2017

**Digimatic Group Ltd. and its subsidiaries**  
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**1. General (continued)**

The Group has the following subsidiaries that have NCI that are material to the Group.

Name	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit/(Loss) allocated to NCI during the reporting period S\$	Accumulated NCI at the end of reporting period S\$
<b>30.9.2017:</b>				
Digimatic Creatives Pte Ltd	Singapore	49%	46,922	399,557
Webbynomics Pte. Ltd.	Singapore	49%	(13,200)	(12,957)
<b>31.3.2017:</b>				
Digimatic Creatives Pte Ltd	Singapore	49%	35,465	352,814

There was no significant restriction on the acquisition of the subsidiary.

**2 Basis of preparation and changes in accounting policies**

The interim financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards 34 (FRS 34), Interim Financial Reporting.

The interim financial statements do not include all the information and disclosures required in the annual financial statement, and should be read in conjunction with the Group's annual financial statement as at 31 March 2017.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (S\$).

The accounting policies adopted in the preparation of the interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the financial year ended 31 March 2017, except for the adoption of new standards effective as of 1 April 2017. The adoption of these standards did not have any effect on the financial performance or position of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The standards, interpretation and amendments to FRS that were issue but not effective as of 1 April 2017 are not expected to have a material impact on the financial performance or position of the Group in the period of their initial adoption.

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2017 and which the Group has not early adopted:

**2 Basis of preparation and changes in accounting policies (continued)**

- a. FRS 115 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018).

The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessment of the impact over the next twelve months.

- b. FRS 116 leases (effective for annual periods beginning on or after 1 January 2019).

FRS 116 will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

As at 30 September 2017, the Group has non-cancellable operating lease commitments of S\$358,089 (31 March 2017: S\$551,015). The Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

**3. Significant accounting judgments and estimates**

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

**3.1 Judgments made in applying accounting policies**

The management is of the opinion that there are no significant judgments made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**3. Significant accounting judgments and estimates (continued)**

**3.2 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation of uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**a) Useful lives of property, plant and equipment**

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Group's property, plant and equipment at 30 September 2017 was S\$372,750 (31 March 2017: S\$451,195).

**b) Impairment of intangible assets**

As disclosed in Note 5 to the financial statements, the recoverable amounts of the cash generating units which goodwill and brands have been allocated to are determined based on value in use calculations. The value in use calculations are based on a discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 5 to the financial statements.

The carrying amount of the intangible assets as at 30 September 2017 for the Group is S\$2,214,469 (31 March 2017: S\$2,223,678).

**c) Impairment of loans and receivables**

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's trade and other receivables at the end of the reporting period is disclosed in Note 9 to the financial statements.

**Digimatic Group Ltd. and its subsidiaries**  
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**4. Property, plant and equipment**

	<b>Computers</b>	<b>Furniture and fittings</b>	<b>Office equipment</b>	<b>Production equipment</b>	<b>Renovation</b>	<b>Total</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>Group Cost</b>						
At 1 April 2017	56,124	23,485	9,953	68,145	587,283	744,990
Additions	19,218	-	1,779	26,558	2,650	50,205
Exchange differences	(554)	(14)	-	-	-	(568)
At 30 September 2017	<u>74,788</u>	<u>23,471</u>	<u>11,732</u>	<u>94,703</u>	<u>589,933</u>	<u>794,627</u>
<b>Accumulated depreciation</b>						
At 1 April 2017	23,019	11,604	5,531	13,498	240,143	293,795
Depreciation	10,235	2,458	1,961	14,822	99,066	128,542
Exchange differences	(452)	(11)	3	-	-	(460)
At 30 September 2017	<u>32,802</u>	<u>14,051</u>	<u>7,495</u>	<u>28,320</u>	<u>339,209</u>	<u>421,877</u>
<b>Net carrying amount</b>						
At 31 March 2017	<u>33,105</u>	<u>11,881</u>	<u>4,422</u>	<u>54,647</u>	<u>347,140</u>	<u>451,195</u>
At 30 September 2017	<u><u>41,986</u></u>	<u><u>9,420</u></u>	<u><u>4,237</u></u>	<u><u>66,383</u></u>	<u><u>250,724</u></u>	<u><u>372,750</u></u>

**Digimatic Group Ltd. and its subsidiaries**  
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**5. Intangible assets**

	<b>Goodwill</b>	<b>Brands</b>	<b>Trademark</b>	<b>Computer software</b>	<b>Development cost - work in progress</b>	<b>Total</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>Group Cost</b>						
At 1 April 2017	1,583,558	407,814	38,007	39,402	168,016	2,236,797
Additions	-	-	-	6,935	-	6,935
Transfer of assets	-	-	-	64,237	(64,237)	-
Exchange differences	-	-	-	(414)	(1,863)	(2,277)
At 30 September 2017	<u>1,583,558</u>	<u>407,814</u>	<u>38,007</u>	<u>110,160</u>	<u>101,916</u>	<u>2,241,455</u>
<b>Accumulated amortisation</b>						
At 1 April 2017	-	-	-	13,119	-	13,119
Amortisation	-	-	-	14,090	-	14,090
Exchange differences	-	-	-	(223)	-	(223)
At 30 September 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,986</u>	<u>-</u>	<u>26,986</u>
<b>Net carrying amount</b>						
At 31 March 2017	<u>1,583,558</u>	<u>407,814</u>	<u>38,007</u>	<u>26,283</u>	<u>168,016</u>	<u>2,223,678</u>
At 30 September 2017	<u>1,583,558</u>	<u>407,814</u>	<u>38,007</u>	<u>83,174</u>	<u>101,916</u>	<u>2,214,469</u>

**5. Intangible assets (continued)**

*Brands*

Brands relate to “Wewe Media” brand name for the Group’s Media businesses.

*Trademark*

Trademark relates to the brands that the Groups has registered in Singapore.

*Computer software*

Computer software relate to software application.

*Development costs*

Development costs relates to the development of software application which has yet to be completed. Development costs have a finite useful life and are amortised over the period of expected sales from the related project (ranging from 3 to 5 years) on a straight line basis.

*Impairment testing of goodwill and brands*

Goodwill and brands acquired through business combinations have been allocated to two cash-generating units (CGU), which are also the reportable operating segments, for impairment testing as follows:

- Creatives
- Media

The carrying amounts of goodwill and brands allocated to each CGU are as follows:

	<b>Creatives Segment</b>	<b>Media Segment</b>	<b>Total</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>30 September 2017</b>			
Goodwill	1,410,429	173,129	1,583,558
Brands	-	407,814	407,814
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>31 March 2017 (Audited)</b>			
Goodwill	1,410,429	173,129	1,583,558
Brands	-	407,814	407,814
	<u>                    </u>	<u>                    </u>	<u>                    </u>



**5. Intangible assets (continued)**

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate the cash flow projections beyond the five-year period are as follows:

	<b>Creatives segment</b>		<b>Media segment</b>	
	<b>30.9.2017</b>	<b>31.3.2017 (Audited)</b>	<b>30.9.2017</b>	<b>31.3.2017 (Audited)</b>
Growth rates <sup>(1)</sup>	5%	5%	50%	50%
Discount rates <sup>(2)</sup>	5%	15%	5%	14% - 17%

<sup>(1)</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period

<sup>(2)</sup> Pre-tax discount rate applied to the pre-tax cash flows projections

Key assumptions used in the value in use calculation

The calculations of value in use for both the CGUs are most sensitive to the following assumptions:

**Budgeted gross margin** – Gross margin is based on average values achieved in the five years preceding the start of the budget period. Management determined budgeted gross margins based on past performance and its expectations of market developments.

**Growth rates** – The weighted average growth rate used for Creatives segment was consistent with the forecasted growth rates based on the Singapore's expected long term real growth rate of between 3% and 6% according to Ministry of Trade and Industry of Singapore. For the Media segment, the weighted average growth rate used was 50% based on the fact that Digimatic Media Pte. Ltd. has expanded their market into Malaysia and Wewe Media Group Pte. Ltd has changed their business model to be an affiliate platform operator.

**Discount rates** – The discount rates used were pre-tax and represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flows estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segment and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors.

Sensitivity to changes in assumptions

Management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materiality exceed its recoverable amount.

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**6. Other investment**

	<u>30.9.2017</u>	<u>31.3.2017</u>
	S\$	(Audited) S\$
Unquoted shares	100,000	100,000

**7. Loan receivable**

Loan receivable from related party is unsecured, interest bearing at 2% p.a. for the first 2 years, and 5% p.a. for the subsequent years and are to be fully repaid by 31 March 2022.

The loan can be repaid by any of the following means:

- a) By payment in cash at any time; and
- b) By issuance of shares by the borrower.

**8. Inventories**

	<u>30.9.2017</u>	<u>31.3.2017</u>
	S\$	(Audited) S\$
<b>Statement of financial position:</b>		
Trading goods	148,943	-
<b>Statement of comprehensive income:</b>		
Inventories recognised as an expense in cost of sales	26,786	-

**9. Trade and other receivables**

	<u>30.9.2017</u>	<u>31.3.2017</u>
	S\$	(Audited) S\$
Trade receivables		
- related company	10,264	6,419
- third parties	783,428	461,444
Other receivables	34,493	37,175
Deposits	117,018	111,096
Unbilled revenue	651,083	398,933
	<u>1,596,286</u>	<u>1,015,067</u>

*Trade receivables*

Trade receivables are unsecured, non interest bearing and are generally on 0-180 days term.

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**10. Fixed deposits**

Fixed deposits had maturity of more than three months and had a weighted average effective interest rate of 1.18% (31 March 2017: 1.05%) per annum.

**11. Cash and cash equivalents**

	<b>30.9.2017</b>	<b>31.3.2017</b>
	<b>S\$</b>	<b>(Audited)</b>
		<b>S\$</b>
Cash on hand	750	640
Cash at banks	2,669,520	2,612,630
Cash on hand and at banks	<u>2,670,270</u>	<u>2,613,270</u>
Fixed deposits	2,628,520	1,000,000
	<u>5,298,790</u>	<u>3,613,270</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Fixed deposits had maturity of three months and had a weighted average effective interest rate of 1.12% (31 March 2017: 0.60%) per annum.

**12. Share capital**

	<b>30.9.2017</b>		<b>31.3.2017 (Audited)</b>	
	<b>Number of</b>	<b>Amount</b>	<b>Number of</b>	<b>Amount</b>
	<b>shares</b>	<b>S\$</b>	<b>shares</b>	<b>S\$</b>
<b>Issued and fully paid ordinary shares</b>				
At beginning of financial year	653,664,000	13,804,374	683,664,000	17,332,503
Cancellation of shares	-	-	(30,000,000)	(3,528,129)
At end of financial period/year	<u>653,664,000</u>	<u>13,804,374</u>	<u>653,664,000</u>	<u>13,804,374</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

**13. Foreign currency translation reserve**

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements whose functional currencies are different from that of the Group's presentation currency.

**Digimatic Group Ltd. and its subsidiaries**  
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**14. Trade and other payables**

	<b>30.9.2017</b>	<b>31.3.2017</b>
	<b>S\$</b>	<b>(Audited)</b>
		<b>S\$</b>
Trade payables		
- related companies	138,187	2,305
- third parties	290,205	253,880
Other payables	20,253	78,245
Accruals	1,272,938	1,007,301
Amount due to directors	14,649	162,794
GST payable	124,003	85,086
	<u>1,860,235</u>	<u>1,589,611</u>

Trade payables are non-interest bearing and are generally payable based on agreed terms between the parties.

Amount due to directors are non-trade, unsecured, interest-free and with no fixed terms of repayment.

**15. Unearned revenue**

This represents revenue received from customers but not yet recognised to the profit or loss due to service were not yet rendered as at reporting date.

**16. Provision for reinstatement cost**

Provision pertains to the estimated costs of dismantlement, removal or restoration of property, plant and equipment arising from the acquisition or use of assets, which are capitalised and included in the cost of property, plant and equipment.

**17. Revenue**

	<b>30.9.2017</b>	<b>30.9.2016</b>
	<b>S\$</b>	<b>S\$</b>
Rendering of services	789,145	2,578,136
Sale of goods	47,107	356,623
Commission income	2,140,622	2,239,027
Programme fees	3,885,683	3,334,048
	<u>6,862,557</u>	<u>8,507,834</u>

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**18. Other income**

	<u>30.9.2017</u>	<u>30.9.2016</u>
	S\$	S\$
Foreign exchange differences	(27,505)	(9,454)
Fixed deposit interest income	45,825	-
Interest income	32,284	60,700
PIC and SME grants	50,871	21,678
Venue rental	8,691	9,372
MBO arrangement	93,600	-
Others	21,998	27,818
	<u>225,764</u>	<u>110,114</u>

**19. (Loss)/profit before tax**

The following items have been included in arriving at (loss)/profit before tax:

	<u>30.9.2017</u>	<u>30.9.2016</u>
	S\$	S\$
Advertising fees	1,718,033	1,593,674
Audit fee	25,945	33,798
Credit card/NETS charges	143,794	123,231
Online marketing expenses	948,247	997,818
Others COS	8,306	772,279
Rental	263,472	215,100
Speakers fees	1,423,649	1,226,516
Employee benefits expense (Note 20)	1,518,104	2,290,457

**20. Employee benefits expense**

	<u>30.9.2017</u>	<u>30.9.2016</u>
	S\$	S\$
<u>Employee benefits expenses (including directors)</u>		
Salaries, fees and bonus	1,102,221	1,563,360
CPF contributions	135,959	162,218
Commission and other benefits	279,924	564,879
	<u>1,518,104</u>	<u>2,290,457</u>

**21. Income tax expense**

The major components of income tax expense recognised in profit or loss for the periods ended 30 September 2017 and 2016 were:

	<u>30.9.2017</u>	<u>30.9.2016</u>
	S\$	S\$
<b>Current year</b>		
- current year provision	74,364	21,752
- over provision in prior year	(34,992)	-
	<u>39,372</u>	<u>21,752</u>

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**22. Earnings per share**

The basic and diluted earnings per share are calculated by dividing profit net of tax by the weighted average number of ordinary shares during the financial period.

The following table reflect the profit and share data used in the computation of basic and diluted earnings per share for the periods ended 30 September 2017 and 2016:

	<u>30.9.2017</u>	<u>30.9.2016</u>
	<u>S\$</u>	<u>S\$</u>
(Loss)/profit net of tax used in the computation of earnings per share	<u>(172,899)</u>	<u>34,894</u>
	<u>30.9.2017</u>	<u>30.9.2016</u>
	<u>No. of shares</u>	<u>No. of shares</u>
Weighted average number of ordinary shares	<u>653,664,000</u>	<u>683,664,000</u>

**23. Related party transactions**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period.

	<u>30.9.2017</u>	<u>30.9.2016</u>
	<u>S\$</u>	<u>S\$</u>
<b>Revenue:</b>		
Rendering of services to related companies	89,031	218,729
Interest income charged to related company	26,071	-
<b>Expenses:</b>		
Cost of services to related companies	228,519	-
Rental expense charged by related company	<u>21,345</u>	<u>3,600</u>
<i>Compensation of key management</i>		
	<u>30.9.2017</u>	<u>30.9.2016</u>
	<u>S\$</u>	<u>S\$</u>
Salaries, fees and bonus	432,622	691,381
CPF contributions	37,128	51,010
Commission and other benefits	88,932	203,085
	<u>558,682</u>	<u>945,476</u>
<u>Comprise of amount paid to:</u>		
Directors of the Company	168,788	38,200
Directors of the subsidiaries and key management personnel	<u>389,894</u>	<u>907,276</u>
	<u>558,682</u>	<u>945,476</u>

**24. Operating lease commitments**

The Group have entered into commercial leases on rental of offices. The lease average life of 2 years with renewal option included in the contracts. There are no restrictions places upon the Group by entering into these leases.

Future minimum rental payable under non-cancellable operating leases as at the end of reporting period are as follows:

	<u>30.9.2017</u>	<u>30.9.2016</u>
	<u>S\$</u>	<u>S\$</u>
Not later than one year	331,836	150,162
Later than one year but not later than 5 years	17,853	208,435
	<u>349,689</u>	<u>358,597</u>

Minimum lease payments recognised as expense in the income statement for the financial period ended 30 September 2017 amounted to S\$225,712 (30 September 2016: S\$187,944).

**25. Contingent assets**

As part of the purchase agreement with the previous owner of subsidiary, a contingent consideration has been agreed as follow:

**Digimatic Creatives Pte. Ltd.**

The previous owner of Digimatic Creatives Pte. Ltd. guarantees the Company that the aggregate EBITDA for the financial year ending 31 March 2017 and 31 March 2018 shall not be less than S\$1,228,000. In the event there is any deficit, the previous owner of Digimatic Creatives Pte. Ltd. undertakes to make full payment of the deficit to the Company within 14 days from the Company's first written demand.

**26. Fair values of assets and liabilities**

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	<b>Quoted prices in active markets for identical instruments (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
<b>30.9.2017</b>			
<b>Financial assets:</b>			
Other investment (unquoted)	-	-	100,000
	<u>-</u>	<u>-</u>	<u>100,000</u>
<b>30.9.2016</b>			
<b>Financial assets:</b>			
Other investment (unquoted)	-	-	100,000
	<u>-</u>	<u>-</u>	<u>100,000</u>

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

**26. Fair values of assets and liabilities (continued)**

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair value of financial instruments by classes that are not carried out at fair value and whose carrying amounts are reasonable approximation of fair value

*Other receivables, cash and cash equivalents and other payables*

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

*Trade receivables and trade payables*

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

*Loan receivable and fixed deposits*

The carrying amounts of fixed deposits and loan receivable approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

**27. Segment information**

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

- i The creatives segment is the branding and marketing arm of Digimatic Group Ltd. and specialises in content creation as well as full end-to-end branding and marketing solutions for clients.
- ii. The media segment is specialists and training academy that assists brands and individuals with the opportunity to achieve business and financial success. Media segment specialises in online performance based marketing, and provides online marketing campaign planning and execution services. Media segment also manages a training academy that provides businesses and individuals with the opportunity to achieve financial stability and success via performance based marketing.



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**27. Segment information (continued)**

- iii. Ecommerce segment empower business growth in vibrant market places with variety of products by leveraging on the various ecommerce platform to market and sell their products globally, utilising data analytics and customers' feedback to sell their own products effectively with ROI focused.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	<u>Creatives</u>	<u>Media</u>	<u>Ecommerce</u>	<u>Others</u>	<u>Adjustments and elimination</u>	<u>Note</u>	<u>Per consolidated financial statement</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>		<u>S\$</u>
<b>30.9.2017</b>							
<b>Revenue:</b>							
External customers	769,507	6,045,943	47,107	-	-		6,862,557
Inter-segment	231,325	171,586	-	148,000	(550,911)	A	-
	<u>1,000,832</u>	<u>6,217,529</u>	<u>47,107</u>	<u>148,000</u>	<u>(550,911)</u>		<u>6,862,557</u>
<b>Results:</b>							
Depreciation	25,349	113,830	-	3,452	-		142,631
Segment profit/(loss)	<u>87,803</u>	<u>179,285</u>	<u>(16,909)</u>	<u>(349,984)</u>	<u>-</u>		<u>(99,805)</u>
<b>Assets:</b>							
Segment assets	<u>1,291,724</u>	<u>6,086,131</u>	<u>400,198</u>	<u>14,320,723</u>	<u>(3,777,009)</u>	A	<u>18,321,767</u>
<b>Liabilities:</b>							
Segment liabilities	<u>476,302</u>	<u>4,285,347</u>	<u>426,641</u>	<u>254,622</u>	<u>(2,345,807)</u>	B	<u>3,097,105</u>

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**27. Segment information (continued)**

	<b>Creatives</b>	<b>Media</b>	<b>Solutions</b>	<b>Others</b>	<b>Adjustments and elimination</b>	<b>Note</b>	<b>Per consolidated financial statement</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>		<b>S\$</b>
<b>30.9.2016</b>							
<b>Revenue:</b>							
External customers	580,861	5,725,620	2,201,353	-	-		8,507,834
Inter-segment	95,785	363,333	-	500,000	(959,118)	A	-
	<u>676,646</u>	<u>6,088,953</u>	<u>2,201,353</u>	<u>500,000</u>	<u>(959,118)</u>		<u>8,507,834</u>
<b>Results:</b>							
Depreciation Segment profit/(loss)	13,337	92,859	37,048	2,117	-		145,361
	<u>(60,584)</u>	<u>318,281</u>	<u>207,078</u>	<u>(417,014)</u>	<u>-</u>		<u>47,761</u>
<b>Assets:</b>							
Segment assets	984,489	4,054,454	3,423,572	16,666,749	(4,252,318)	A	20,876,946
<b>Liabilities:</b>							
Segment liabilities	354,969	3,117,537	3,238,927	88,768	(3,688,011)	B	3,112,190

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	<b>30.9.2017</b>	<b>31.3.2017</b>
	<b>S\$</b>	<b>(Audited) S\$</b>
Deferred tax liabilities	91,885	91,906
Provision for income tax	77,071	43,781
	<u>168,956</u>	<u>135,687</u>

**28. Events occurring after the reporting period**

On 6 November 2017, the Company has entered into an option agreement with 8I Holdings Limited ("8IH") and Glorymont Ltd to acquire 100% equity interest in 8IH's subsidiary, 8VIC Global Pte. Limited by issuing 1,525,216,000 shares at a deemed issue price of A\$0.042 per share. The issue shares will increase 8IH interest in the Company's issued share capital from 10.81% to approximately 69.74% of the enlarge share capital of the Company.