



Digimatic Group

**DIGIMATIC GROUP LTD.  
AND ITS SUBSIDIARIES**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET (ASX APPENDIX 4E)  
&  
PRELIMINARY FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR  
ENDED 31 MARCH 2018**

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**About Digimatic Group Ltd.**

Digimatic Group Ltd. (ASX: DMC) is a Leading Digital Performance Marketing Agency and Financial Education provider. It empowers brands to connect their customers in the most effective way.

Its Financial Education business is one of the leading financial education and training providers in Singapore and Malaysia through 8VIC Global Pte Ltd, supporting participants across China, Taiwan, Thailand, Myanmar, India, Dubai and Vietnam to build a foundation of value investing knowledge and methodology.



**Digimatic Group Ltd. (ASX: DMC)**  
(Incorporated in the Republic of Singapore)  
Company Registration Number: 201505599H  
ARBN 605 944 198

## RESULTS FOR ANNOUNCEMENT TO THE MARKET (ASX APPENDIX 4E)

*For the financial year ended 31 March 2018*

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to financial year ended 31 March 2017)

	S\$	Up/Down	% Movement
Revenue from ordinary activities	17,365,029	Up	58.24%
Profit after tax from ordinary activities attributable to members	696,441	Down	75.09%
Net profit attributable to members	694,441	Down	75.09%
Total comprehensive income attributable to members	709,883	Down	74.09%

Dividend information	Amount per share (Singapore cent)	Franked amount per share (Singapore cent)	Tax rate for franking credit
Final FY2017 dividend per share	NIL	NIL	NIL

	31.3.2018	31.3.2017
Net tangible assets per security	S\$0.206 <sup>(2)</sup>	S\$0.089 <sup>(1)</sup>

### Notes:

(1) As at 31 March 2017, the number of ordinary shares was 30,504,320.

(2) As at 31 March 2018, the number of ordinary shares was 43,577,600.

### Details of entities over which control has been gained during the period

Name	Date of gain in control	Net profit (S\$) contributed (where material)
8VIC Taiwan Co., Ltd.	10 January 2018 (incorporation)	\$168,327
8VIC (Thailand) CO.,LTD.	11 August 2017 (incorporation)	Immaterial
8VIC (AUSTRALIA) PTY LTD	13 December 2017 (acquisition)	Immaterial

This report is based on the Consolidated Financial Statements which are in the process of being audited by Kong, Lim & Partners LLP according to Singapore Financial Reporting Standards.

## DIGIMATIC GROUP LTD. AND ITS SUBSIDIARIES

### REVIEW OF PERFORMANCE OF THE GROUP

#### Overview

Digimatic Group Ltd. (ASX: DMC) was created in response to the growing power of digital media in shaping consumer perception, engagement and knowledge. With the recent acquisition of 8VIC Global Pte. Ltd. DMC has evolved into a digital and educational conglomerate. Since its inception, it has grown by adapting and harnessing the latest in Ad and Edu tech innovation.

The total consolidated revenue and net profit attributable to members for the financial year ended 31 March 2018 was S\$17.37 million and S\$696,441 respectively.

During the period, DMC completed the acquisition of 100% equity interest in 8VIC Global Pte. Ltd. The company has issued 30,504,320 CHESS Depositary interests (CDIs) as consideration (on post-consolidation basis) to acquire 8VIC Global from 8I Holdings Limited and Glorymont Ltd.

The Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") and Net Profit Before Tax ("NPBT") for DMC group is stipulated at S\$1.30million and S\$785,022 respectively.

Net tangible assets for the Group was S\$8,973,724.

Cash and cash equivalents at the end of the financial year was just over S\$9 million.

## DIGIMATIC GROUP LTD. AND ITS SUBSIDIARIES

### REVIEW OF PERFORMANCE OF THE GROUP (continued)

#### Business Segment Report

##### FINANCIAL EDUCATION

8VIC Global Pte. Ltd. (“8VIC Global”) is the financial education arm of DMC, conducting seminars and events on value investing. As a leading financial education and training provider in Singapore and Malaysia, its flagship programs, ‘Millionaire Investor Program (“MIP”)’ and ‘Value Investing Bootcamp (“VIB”)', focus on educating the layman on principles and techniques of value investing. Under the brand name of Value Investing College (“VIC”), their network supports more than 10,000 graduates across Singapore, Malaysia, Taiwan, Thailand, Myanmar, Vietnam, India and Dubai. In Singapore and Malaysia specifically, VIC is the leading Financial Education provider in the discipline of value investing. With new offices set up in Taiwan, Thailand and Australia, 8VIC is well advanced in its plans to position itself at the forefront of the rapidly growing Financial Education Industry.

In the first quarter of FY18, 8I Education (“8IE”) and VIC merged, rebranding the corporate identity as 8VIC Global Pte. Ltd., whilst promoting VIC or Value Investing College as the main brand. The merger brings together two previously different working systems to form a new culture, striving towards a common mission and goal. In this quarter, the team focuses in Change Management to build a common culture, centralizing working systems such as Human Capital, Operations, Finance, and IT, as well as achieving alignment from team members.

Growing from 8,000 to 10,000 graduates from FY17 to FY18, the 2 bestselling programs, MIP and VIB has contributed 6,156 and 3,847 graduates as of 31<sup>st</sup> March, with a total revenue of S\$3.09million and S\$3.75million generated respectively. These programs have been conducted in Singapore, Malaysia, Taiwan, Thailand, Myanmar, India, Vietnam and Sydney. VIC is currently forming more partnership collaborations in other cities around the world.

With efforts to build an international presence and brand, VIC has kicked off a series of Value Investing conference in Singapore, Malaysia, Thailand, Taiwan and Australia. Branded as “Investopia”, the one-day conference features Mary Buffett, together with other reputable value investors. The Investopia World Tour has reached over 4,450 audiences in just 8 months (April to November 2017). This has helped the team to break into markets regionally, particularly Malaysia, Thailand, Japan, Taiwan and Australia.

Additionally, the team has explored and expanded aggressively to regional countries, specifically towards Taiwan, Thailand, Australia and India. Their efforts bore fruits with successful incorporation in Taiwan, Thailand and Australia in FY18. With this, 8VIC Global is currently the holding company of 5 wholly owned subsidiaries, incorporated in Singapore, Malaysia, Taiwan, Thailand and Australia. They are 8VIC Singapore Pte. Ltd., 8VIC Malaysia Sdn Bhd, 8VIC Taiwan Co., Ltd., 8VIC (Thailand) Co., Ltd and 8VIC Australia Pty. Ltd. respectively.

In the financial year, 8VIC ‘s revenue grew from S\$11million in FY17 to S\$12million in FY18. Operating expense has increased from S\$8million in FY17 to S\$12million in FY18, primarily due to the cost of sales for marketing, as well as the overseas expansion and the launch of their e-learning platform.

VIC is growing from strength to strength and is working hard to achieve their vision to be the Number 1 Global Value Investing Education Provider.

## DIGIMATIC GROUP LTD. AND ITS SUBSIDIARIES

### REVIEW OF PERFORMANCE OF THE GROUP (continued)

#### Business Segment Report

##### CREATIVES

Digimatic Creatives Pte. Ltd. (DMR) is the branding and marketing activation arm of Digimatic Group Ltd. (DMC), specializing in creative content creation as well as the end-to-end branding and marketing solutions for clients. Leveraging on their core strengths of video and interactive production, DMR has furthered their value add to include strategic media, branding and marketing consultation, as well as turnkey solutions provision.

To support SMEs in their capability development efforts, DMR has advanced to certify their management consultants with the Enterprise Singapore recognized certification programs, aligned to the TR 43:2015. The certification allows the team to support SME clients seeking to leverage on government grant schemes to scale their business capabilities for sustainable growth.

In FY2018, DMR has accumulated an extensive portfolio in the public sector, securing projects with well-known statutory entities such as PSA Singapore, MPA Singapore, ST Aerospace, CAAS and more. DMR's virtual reality and 360 production arm: 360VR Asia has achieved a significant breakthrough for the successful delivery of a nationwide project – NDP2017 360 Livestream. Appointed as the 360VR production partner, the team executed a national level, multi-cam and multi-stream live 360 broadcasts.

Combining the present capabilities and constantly evolving, DMR continues to innovate to be ahead of the digital transformation landscape, creating value for stakeholders and shareholders alike.

##### 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, specialized in the provision of sustainable business solutions via cost per lead or cost per acquisition digital marketing in consultation with its clients. DMM is also the brand owner of Ace Profits Academy, a leading seminar and events provider known for running successful and quality wealth creation and personal development workshops.

DMM focuses on performance based digital marketing, generating positive ROI for their customer. As Singapore's leading events and seminar organizer, they empower individuals with the right skills and knowledge, helping students achieve greater heights in terms of wealth, health and personal development as well as investments. This year, Ace Profits Academy has expanded their program offerings from 12 to 14, expanding their range of offerings to their customers.

In addition, DMM has also commenced program offerings in Mandarin for some wellness and personal development programs, which is particularly receptive in Malaysia. With the success of this initial market test, the team is looking forward to work with new partners to conduct other training programs and seminars in mandarin.

Combining DMM's expertise in digital advertising and regional expansion, DMM anticipated additional growth in the next financial year.

## DIGIMATIC GROUP LTD. AND ITS SUBSIDIARIES

### REVIEW OF PERFORMANCE OF THE GROUP (continued)

#### Business Segment Report (continued)

##### MEDIA (continued)

WWM is the mobile marketing arm of DMC, specializing in performance-based marketing and leads generation for mobile applications and websites. As a global leading performance network, WWM connects advertisers with publishers to deliver quality user acquisition on a Cost-Per-Action pricing model. The team serves clients in more than 22 countries, with a reach of more than 4 billion impressions per month. Their huge network spans over 20 partners, serving up to millions of app download and quality conversions globally.

In FY18, WWM has placed emphasis in growing their business verticals as well as venturing into new industries. The team focusses on 3 main segments, namely the Mobile Application Advertisers, Lead Generation Advertisers and ecommerce advertising.

Showcasing and promoting WWM's exclusive machine learning and algorithm platform Intellink®, the team has actively participated and exhibited in mega affiliate marketing and deep tech events such as the Mobile World Congress, Switch Singapore and Affiliate world Asia. Beyond new client acquisition, joining these events also serve to enroll more affiliates and partners onboard.

##### ECOMMERCE

Webbynomics Pte. Ltd. ("WBY") is the ecommerce arm of Digimatic Group. It was incorporated on 26 May 2017, generating business growth in the vibrant global online marketplace with variety of products, marketed and transacted through various ecommerce platform. Utilizing data analytics and customers' feedback WBY can therefore sell their products effectively with ROI focused results.

Propelling the business is a lean team of ecommerce marketers, with a wealth of knowledge and experience about the online marketplace. Identifying a growing demand for 'Home and Kitchen' appliances, as well as 'Toys and Games' in the United States (US) market, the team has focused their efforts to drive for more sales conversion via digital marketing, social media marketing and media buy. In addition, WBY's logistics knowhow allows them to optimize their supply chain by sourcing products efficiently and be cost effective at the same time.

Since incorporation, WBY has developed 2 new products in toys and game niche, under their brand, Whizbuilders. The sales of these products are approximately 90 units per day and is expected see an increase in the upcoming festive season. With proven results and consistency, the team intends to replicate and adapt their business model, scaling to other product categories and other potential markets beyond US.

##### STRATEGIC REVIEW

As stated in the Announcement dated 16 Feb 2018, the Board is conducting a strategic review of Digimatic Group's Business segments. While all the various business segments have potential, in order for DMC to go to the next level of growth and success, the Board is of the opinion that DMC as a company is currently too diversified and will need to be clearer in its vision in order to focus the creativity and energy of the team. The board, together with the management, will decide on the business segment to focus on moving forward and will do the necessary restructuring needed to achieve the best outcome for the Group and shareholders.

**Digimatic Group Ltd. and its subsidiaries**  
**Statements of Financial Position**  
**As at 31 March 2018**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,061,832	584,271	7,633	13,126
Intangible assets	2,263,179	1,554,542	38,007	38,007
Investment in subsidiaries	-	-	31,883,429	3,348,937
Other investments	107,225	2,507	-	-
Loan receivable	-	-	-	2,600,285
Deferred tax assets	217,005	200,403	-	-
	<u>3,649,241</u>	<u>2,341,723</u>	<u>31,929,069</u>	<u>6,000,355</u>
<b>Current assets</b>				
Inventories	454,723	-	-	-
Trade and other receivables	3,317,805	1,113,036	500,233	632,665
Prepayment	827,350	702,366	29,296	13,636
Fixed deposits	581,280	-	-	6,500,000
Other investments	177,865	160,581	-	-
Cash and cash equivalents	9,299,179	4,630,446	766,810	1,518,180
	<u>14,658,202</u>	<u>6,606,429</u>	<u>1,296,339</u>	<u>8,664,481</u>
<b>Total assets</b>	<u>18,307,443</u>	<u>8,948,152</u>	<u>33,225,408</u>	<u>14,664,836</u>
<b>Equity and liabilities</b>				
Share capital	14,872,793	4,741,000	37,445,222	13,804,374
Accumulated profit/(losses)	356,692	4,060,251	(4,349,253)	536,476
Foreign currency translation reserve	(28,853)	(74,114)	-	-
Other reserves	(4,533,629)	(4,533,629)	-	-
	<u>10,667,003</u>	<u>4,193,508</u>	<u>33,095,969</u>	<u>14,340,850</u>
Non-controlling interest	569,900	79,386	-	-
<b>Total equity</b>	<u>11,236,903</u>	<u>4,272,894</u>	<u>33,095,969</u>	<u>14,340,850</u>
<b>Current liabilities</b>				
Trade and other payables	3,126,470	993,235	129,439	319,245
Unearned revenue	3,528,001	3,572,912	-	-
Hire purchase payables	17,883	15,797	-	-
Provision for income tax	202,569	37,965	-	4,301
	<u>6,874,923</u>	<u>4,619,909</u>	<u>129,439</u>	<u>323,546</u>
<b>Non-current liabilities</b>				
Hire purchase payables	37,027	51,349	-	-
Provision for reinstatement cost	65,000	-	-	-
Deferred tax liabilities	93,590	4,000	-	440
	<u>195,617</u>	<u>55,349</u>	<u>-</u>	<u>440</u>
<b>Total liabilities</b>	<u>7,070,540</u>	<u>4,675,258</u>	<u>129,439</u>	<u>323,986</u>
<b>Total equity and liabilities</b>	<u>18,307,443</u>	<u>8,948,152</u>	<u>33,225,408</u>	<u>14,664,836</u>

**Digimatic Group Ltd. and its subsidiaries**  
**Consolidated Statement of Comprehensive Income**  
**For the financial year ended 31 March 2018**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>S\$</b>	<b>S\$</b>
<b>Revenue</b>	17,365,029	10,973,869
Cost of services	(9,894,279)	(4,417,858)
<b>Gross profit</b>	<u>7,470,750</u>	<u>6,556,011</u>
Other income	502,086	172,929
<b>Other items of expense</b>		
Administrative expenses	(7,047,297)	(3,686,028)
Finance costs	(3,515)	(4,475)
Other expenses	(162,827)	(234,631)
<b>Profit before tax</b>	<u>759,197</u>	<u>2,803,806</u>
Income tax benefit/(expense)	16,153	224,091
<b>Profit after tax</b>	<u>775,350</u>	<u>3,027,897</u>
<b>Other comprehensive income:</b>		
Foreign currency translation	12,901	(71,164)
	<u>12,901</u>	<u>(71,164)</u>
<b>Other comprehensive income for the year, net of tax</b>	<u>12,901</u>	<u>(71,164)</u>
<b>Total comprehensive income for the year</b>	<u>788,251</u>	<u>2,956,733</u>
<b>Total profit after tax attributable to:</b>		
Owners of the Company	696,441	2,796,371
Non-controlling interests	78,909	231,526
	<u>775,350</u>	<u>3,027,897</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	709,883	2,739,550
Non-controlling interests	78,368	217,183
	<u>788,251</u>	<u>2,956,733</u>
<b>Earnings per share (cents per share)</b>		
Basic	1.99	9.17
Diluted	<u>1.99</u>	<u>9.17</u>

**Digimatic Group Ltd. and its subsidiaries**  
**Statements of Changes in Equity**  
**For the financial year ended 31 March 2018**

	Attributable to the owners of the Company					
	Share capital	Accumulated profit/(losses)	Foreign currency translation reserve	Premium paid on acquisition of non-controlling interest	Total equity to owners the Company	Non-controlling interest
	S\$	S\$	S\$	S\$	S\$	S\$
<b>Group</b>						
<b>Balance as at 1 April 2016</b>	1,000	2,963,880	(17,293)	-	2,947,587	220,198
Profit for the year	-	2,796,371		-	2,796,371	231,526
Other comprehensive income						
Foreign currency translation	-	-	(56,821)	-	(56,821)	(14,343)
Total comprehensive income for the year	-	2,796,371	(56,821)	-	2,739,550	217,183
<u>Contributions by and distributions to owners</u>						
Shares issued for acquisition of subsidiary	2,040,000				2,040,000	(13,972)
Shares issued for acquisition of remaining non-controlling interests in a subsidiary	2,700,000		-	(4,533,629)	(1,833,629)	(99,023)
Dividends paid	-	(1,700,000)	-		(1,700,000)	(245,000)
Total contributions by distributions and total transactions with owners in their capacity as owners	4,740,000	(1,700,000)	-	(4,533,629)	(1,493,629)	(357,995)
<b>Balance as at 31 March 2017</b>	<u>4,741,000</u>	<u>4,060,251</u>	<u>(74,114)</u>	<u>(4,533,629)</u>	<u>4,193,508</u>	<u>79,386</u>

**Digimatic Group Ltd. and its subsidiaries**  
**Statements of Changes in Equity**  
**For the financial year ended 31 March 2018**

	Share capital S\$	Accumulated profit/(losses) S\$	Foreign currency translation reserve S\$	Premium paid on acquisition of non- controlling interest S\$	Total equity to owners the Company S\$	Non- controlling interest S\$	Total equity S\$
<b>Group</b>							
<b>Balance as at 1 April 2017</b>	4,741,000	4,060,251	(74,114)	(4,533,629)	4,193,508	79,386	4,272,894
Profit for the year	-	696,441	-	-	696,441	78,909	775,350
Other comprehensive income							
Foreign currency translation	-	-	13,442	-	13,442	(541)	12,901
Total comprehensive income for the year	-	696,441	13,442	-	709,883	78,368	788,251
<u>Changes in ownership interest in subsidiaries</u>							
Shares issued for Reverse Takeover	10,131,793	-	5,993	-	10,137,786	355,734	10,493,520
Incorporation of subsidiaries					-	121,552	121,552
Disposal of a subsidiary			25,826		25,826	(65,140)	(39,314)
Dividends paid	-	(4,400,000)	-		(4,400,000)	-	(4,400,000)
Total contributions by distributions and total transactions with owners in their capacity as owners	10,131,793	(4,400,000)	31,819	-	5,763,612	412,146	6,175,758
<b>Balance as at 31 March 2018</b>	<u>14,872,793</u>	<u>356,692</u>	<u>(28,853)</u>	<u>(4,533,629)</u>	<u>10,667,003</u>	<u>569,900</u>	<u>11,236,903</u>
	14,872,793	356,692	(28,853)	(4,533,629)	10,667,003	569,900	11,236,903

**Digimatic Group Ltd. and its subsidiaries**  
**Statements of Changes in Equity**  
**For the financial year ended 31 March 2018**

	<u>Share capital</u> S\$	<u>Accumulated profit/(losses)</u> S\$	<u>Total equity</u> S\$
<b>Company</b>			
<b>Balance as at 1 April 2016</b>	17,332,503	(762,561)	16,569,942
Total comprehensive income for the year	-	1,299,037	1,299,037
<u>Contribution by and distribution to owners</u>			
Cancellation of shares	(3,528,129)	-	(3,528,129)
Total contributions by distributions and total transactions with owners in their capacity as owners	<u>(3,528,129)</u>	<u>-</u>	<u>(3,528,129)</u>
<b>Balance as at 31 March 2017</b>	13,804,374	536,476	14,340,850
Total comprehensive income for the year	-	(4,885,729)	(4,885,729)
<u>Contribution by and distribution to owners</u>			
Shares issued for Reverse Takeover	23,640,848	-	23,640,848
Total contributions by distributions and total transactions with owners in their capacity as owners	<u>23,640,848</u>	<u>-</u>	<u>23,640,848</u>
<b>Balance as at 31 March 2018</b>	<u><u>37,445,222</u></u>	<u><u>(4,349,253)</u></u>	<u><u>33,095,969</u></u>

**Digimatic Group Ltd. and its subsidiaries**  
**Consolidated Statement of Cash Flows**  
**For the financial year ended 31 March 2018**

	<b>2018</b>	<b>2017</b>
	<b>S\$</b>	<b>S\$</b>
<b>Cash flows from operating activities</b>		
Profit before income tax	759,197	2,803,807
<i>Adjustments for:</i>		
Amortisation of intangible assets	100,000	75,000
Depreciation of property, plant & equipment	442,845	270,724
Interest expense	3,515	4,475
Bad debts written off	-	35,880
Fair value gain on investments	(22,002)	-
Gain on disposal of subsidiaries	(243,200)	-
Interest income	(51,611)	(11,725)
Unrealised exchange (gain)/loss	217,915	(41,003)
<b>Operating cash flow before changes in working capital</b>	<b>1,206,659</b>	<b>3,137,158</b>
Working capital changes in:		
Inventories	82,671	
Trade and other receivables	(1,114,287)	(2,720,236)
Trade and other payables	447,776	563,093
Unearned revenue	(880,111)	(611,864)
Cash used in operating activities	(257,292)	368,151
Interest income	51,611	11,725
Income tax paid	102,101	(313,657)
<b>Net cash used in operating activities</b>	<b>(103,580)</b>	<b>66,219</b>
<b>Cash flow from investing activities</b>		
Acquisition of subsidiary, net of cash acquired	10,474,965	414,733
Disposal of subsidiary	(225,879)	-
Incorporation of new subsidiaries	121,552	-
Addition of other investments	-	(160,468)
Purchase of property, plant & equipment	(601,294)	(443,954)
Placement of fixed deposits	(581,280)	-
<b>Net cash generated from investing activities</b>	<b>9,188,064</b>	<b>(189,689)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to equity holders of the Company	(4,400,000)	(1,700,000)
Dividends paid to non-controlling interests	-	(245,000)
Repayment of finance leases	(15,751)	(26,799)
<b>Net cash used in financing activities</b>	<b>(4,415,751)</b>	<b>(1,971,799)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>4,668,733</b>	<b>(2,095,269)</b>
Cash and cash equivalents at the beginning of financial year	4,630,446	6,725,715
<b>Cash and cash equivalents at the end of financial year</b>		
<b>(Note 12)</b>	<b>9,299,179</b>	<b>4,630,446</b>