

LANG CAPITAL FUND

(Constituted under a Trust Deed in the Republic of Singapore)

UNAUDITED FINANCIAL STATEMENTS

For the half-year ended 30 June 2017

LANG CAPITAL FUND

UNAUDITED FINANCIAL STATEMENTS

For the half-year ended 30 June 2017

General Information

Investment Manager

Atlas Asset Management Pte. Ltd.
80 Raffles Place
#57-01, UOB Plaza 1
Singapore 048624

Trustee, Administrator and Custodian

Asiaciti Trust Singapore Pte. Ltd.
163 Penang Road
#02-03 Winsland House II
Singapore 238463

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LANG CAPITAL FUND

INVESTMENT MANAGER'S REPORT

For the half-year ended 30 June 2017

The Directors of Atlas Asset Management Pte. Ltd., the Investment Manager of Lang Capital Fund (the "Fund"), present their report for the half-year ended 30 June 2017.

Principal Activities

The Fund is a Singapore private unit trust.

The Fund has been established to pursue investment opportunities in listed securities and private equity through the investment strategies highlighted in the Information Memorandum. The Fund aims to achieve steady capital appreciation in the medium to long-term through investments in a diversified portfolio of listed securities and private equity on a global basis with emphasis on Europe and the emerging markets for the private equity investments.

Directors

The Directors of Atlas Asset Management Pte. Ltd. at the date of this report are:

Evgeny V. Astakhov	(Appointed on 23 June 2017)
Lambert Philipp Heinrich Kindt	(Appointed on 21 October 2016)
Roland Bernhard Knecht	(Resigned on 14 July 2017)
Will Alston Beinhorn	(Resigned on 21 October 2016)

Investment Management Fees

In accordance with the Information Memorandum, the management fees are paid to the Investment Manager.

Review and Results of Operations

The Fund engaged in its principal activities, the results of which are disclosed in the attached unaudited financial statements.

LANG CAPITAL FUND

INVESTMENT MANAGER'S REPORT

For the half-year ended 30 June 2017

Results

The functional and presentation currency of the Fund is United States Dollar ("US\$").

The performance of the Fund, as represented by the results of its operations, was as follows:

	01/01/2017 to 30/06/2017 US\$	01/01/2016 to 30/06/2016 US\$
Change in net assets attributable to unitholders	<u>11,891,210</u>	<u>(64,534)</u>

Distribution

No distribution was made during the half-year ended 30 June 2017.

Significant Changes in the State of Affairs

The Directors are not aware of any significant changes in the operations that will adversely affect the results of the Fund.


For and on behalf of
Atlas Asset Management Pte. Ltd.
As Investment Manager of
Lang Capital Fund

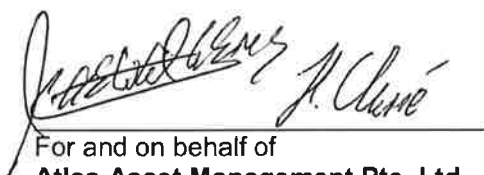
Date: 14/8/2017

LANG CAPITAL FUND

STATEMENT BY THE INVESTMENT MANAGER

For the half-year ended 30 June 2017

In the opinion of the directors of Atlas Asset Management Pte. Ltd., the accompanying unaudited financial statements set out on pages 4 to 22, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements in Unitholder's Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Lang Capital Fund (the "Fund") as at 30 June 2017 and the total return and changes in unitholder's funds for the half-year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.



For and on behalf of
Atlas Asset Management Pte. Ltd.
As Investment Manager of
Lang Capital Fund

Date: 14/8/2017

LANG CAPITAL FUND

STATEMENT OF TOTAL RETURN

For the half-year ended 30 June 2017

	Notes	01/01/2017 to 30/06/2017 US\$	01/01/2016 to 30/06/2016 US\$
Income			
Interest income on loan receivable	4	603,162	498,630
Gain on value of loans receivable		27,341	-
Reversal of overaccrued audit fee		79	-
Interest income on sale purchase agreement		-	331,784
Bank interest income		-	2,037
		<u>630,582</u>	<u>832,451</u>
Expenses			
Management fees	8	592,091	514,618
Trustee, administrator and custodian fees	8	40,072	36,071
Legal fees		13,815	156,162
Other professional fees		2,118	51,294
Listing fees		1,901	1,884
Loss on foreign currency transactions - net		1,556	1,621
Bank charges		983	2,110
Others		1,090	3,084
		<u>653,626</u>	<u>766,844</u>
Net (expense)/income		(23,044)	65,607
Net gain/(loss) on value of investments		<u>11,914,254</u>	<u>(130,141)</u>
Total income/(deficit) for the period before income tax		11,891,210	(64,634)
Less: Income tax	3	<u>-</u>	<u>-</u>
Net income/(loss) for the period		<u>11,891,210</u>	<u>(64,534)</u>

The accompanying notes form an integral part of these financial statements

LANG CAPITAL FUND

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	30 June 2017 US\$	31 December 2016 US\$
ASSETS			
Current assets			
Cash at bank		9,174,248	7,684,457
Financial assets at fair value through profit or loss	4	49,770,909	39,171,787
Receivables and prepayments	5	525,372	1,232,069
Total assets		59,470,529	48,088,313
LIABILITY			
Payables	6	242,156	128,911
EQUITY			
Net assets attributable to unitholders	7	59,228,373	47,959,402

The accompanying notes form an integral part of these financial statements

LANG CAPITAL FUND

STATEMENT OF MOVEMENTS IN UNITHOLDER'S FUNDS

For the half-year ended 30 June 2017

	30 June 2017	31 December 2016
	US\$	US\$
Net assets attributable to unitholder at beginning of period/year	<u>47,959,402</u>	<u>48,656,955</u>
Operations		
Change in net assets attributable to unitholder resulting from operations	11,891,210	(697,553)
Adjustments to net assets	<u>(622,239)</u>	<u>-</u>
Total increase/(decrease) in net assets attributable to unitholder	<u>11,268,971</u>	<u>(697,553)</u>
Net assets attributable to unitholder at end of period/year	<u>59,228,373</u>	<u>47,959,402</u>

The accompanying notes form an integral part of these financial statements

LANG CAPITAL FUND

STATEMENT OF PORTFOLIO

As at 30 June 2017

Primary

	Holdings at 30 June 2017	Fair value at 30 June 2017	Percentage of total net assets attributable to unitholder at 30 June 2017
By geography		US\$	%
Unquoted			
Debt securities			
Isle of Man			
Secap Holdings Limited		9,970,264	16.83
Samoa			
Brest Holdings Limited		2,050,000	3.46
British Virgin Islands			
Perlake Investments Ltd		2,000,000	3.38
Hong Kong			
Khuisberg Investment Holdings Limited		66,667	0.11
		14,086,931	23.78
Equities			
Hong Kong			
Khuisberg Investment Holdings Limited	19,634,715	30,309,293	51.17
United States of America			
Movencorp Inc.	687,631	2,999,990	5.07
CL SPV. LP.	N/A	491,832	0.83
United Kingdom			
Data Cloud Limited	1,081,081	1,300,200	2.20
Sweden			
Tinitell AB	44,027	515,631	0.87
Luxembourg			
Real Holding S.a.r.l	1,250	1	*
Samoa			
Brest Holdings Limited	1	67,031	0.11
		35,683,978	60.25
Portfolio of investments		49,770,909	84.03
Other net assets		9,457,464	15.97
Net assets attributable to unitholder		59,228,373	100.00

* below 0.01%

The accompanying notes form an integral part of these financial statements

LANG CAPITAL FUND

STATEMENT OF PORTFOLIO

As at 30 June 2017

Primary (continued)

	Percentage of total net assets attributable to unitholder at at 30 June 2017	Percentage of total net assets attributable to unitholder at 31 December 2016
By geography (summary)	%	%
Unquoted/Private		
Hong Kong	51.28	39.28
Isle of Man	16.83	20.54
United States of America	5.90	2.84
Samoa	3.57	2.19
British Virgin Islands	3.38	4.17
United Kingdom	2.20	2.57
Sweden	0.87	0.89
Luxembourg	*	0.03
Cyprus	-	9.17
Portfolio of investments	84.03	81.68
Other net assets	15.97	18.32
Net assets attributable to unitholder	100.00	100.00

* below 0.01%

The accompanying notes form an integral part of these financial statements

LANG CAPITAL FUND

STATEMENT OF PORTFOLIO

As at 30 June 2017

Secondary

	Fair value at 30 June 2017	Percentage of total net assets attributable to unitholder at 30 June 2017	Percentage of total net assets attributable to unitholder at 31 December 2016
By industry	US\$	%	%
Investment holding companies with equities in:			
Manufacturing	30,375,960	51.29	39.28
Hospitality	4,117,031	6.95	6.36
Investment holding	10,462,097	17.66	30.79
Financial services	2,999,990	5.06	1.79
Business and domestic software development	1,300,200	2.20	2.57
Technology	515,631	0.87	0.89
Portfolio of investments	49,770,909	84.03	81.68
Other net assets	9,457,464	15.97	18.32
Net assets attributable to unitholder	59,228,373	100.00	100.00

The accompanying notes form an integral part of these financial statements

LANG CAPITAL FUND

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2017

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

1. General information

Lang Capital Fund (the "Fund") is an open-ended Singapore unit trust constituted by a Deed of Trust dated 11 December 2014 (and as amended, restated and supplemented from time to time) (thereafter referred to as "Trust Deed"). The Trust Deed is governed in accordance with the laws of the Republic of Singapore. The Investment Manager of the Fund is Atlas Asset Management Pte. Ltd. (the "Investment Manager") and the Trustee, Administrator and Custodian is Asiatic Trust Singapore Pte. Ltd. (the "Trustee").

The Fund has 100% interest in Kluisberg Investment Holdings Limited, Real Holding SARL and Brest Holdings Limited (collectively referred to as "Subsidiaries"), which are incorporated in Hongkong on 17 July 2015, in Luxembourg on 22 March 2013 and in Samoa on 4 January 2011, respectively. The principal activity of the Subsidiaries is investment holding.

The Fund and its Subsidiaries were established to pursue investment opportunities in listed securities and private equity investment on a global basis. The portfolio of the listed securities and private equity investments will be diversified on a global basis, with emphasis on Europe and the emerging markets.

The Fund was listed on the official list of Singapore Stock Exchange ("SGX") on 31 March 2015. The Fund will not be traded on SGX as the securities are not Central Depository eligible and hence unable to be settled through Central Depository.

2. Significant accounting policies

2.1 Basis of preparation

The condensed semi-annual financial report for the half-year ended 30 June 2017 has been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants.

This condensed financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and investing activities of the entity as the full financial report.

The financial report is prepared on the basis of fair value measurements of assets and liabilities except where otherwise stated.

LANG CAPITAL FUND

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2017

2. Significant accounting policies (continued)

2.2 Recognition of income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

2.3 Distribution policy

The Investment Manager of the Fund shall have the sole discretion to determine whether a distribution is to be made and, as and when the Investment Manager shall decide, the Investment Manager may distribute such part or all of the assets of the Fund pursuant to the terms of the Trust Deed.

Distribution is accrued for at the reporting date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

2.4 Cash and bank balances

Cash and bank balances include cash at bank. As at the end of the financial year, the carrying amount of cash and bank balances approximates its fair value.

2.5 Financial assets at fair value through profit or loss

(a) Classification

The Fund's investments and the underlying investments held by its subsidiaries have been designated at fair value through profit or loss at inception as they are managed as a portfolio and their performance is evaluated on a fair value basis in accordance with the Fund's offering document.

(b) Recognition, measurement and derecognition

(i) *Initial recognition*

Purchase of investments is recognised on the trade date. Investments are recorded at fair value on initial recognition. Transaction costs are expensed as incurred in the Statement of Total Return.

(ii) *Subsequent measurement*

Investments are subsequently carried at fair value. Net change in the fair value of investments is included in the Statement of Total Return in the year in which they arise.

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NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2017

2. Significant accounting policies (continued)

2.5 Financial assets at fair value through profit or loss (continued)

(iii) Derecognition

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. The resultant realised gains and losses on the sale of investments are computed on the basis of the difference between the carrying amount and the sale proceeds, and are taken up in the Statement of Total Return.

(iv) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the date of the event or change in circumstances that caused the transfer.

(v) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of Subsidiaries are based on their net asset values while the fair value of financial assets at fair value through profit or loss is determined with reference to a valuation performed by an independent third party. The valuation methodology used by the independent third party was the comparable company/bond approach.

Interest income on debt securities at fair value through profit or loss is recognised in the Statement of Total Return within interest income on loan receivable based on the effective interest rate.

2.6 Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

LANG CAPITAL FUND

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2017

2. Significant accounting policies (continued)

2.6 Receivables (continued)

A provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due to be received. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount to be received is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument – or, when appropriate, a shorter period – to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Investment Manager estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

As at the end of the financial year, the carrying amount of the receivables approximate their fair values.

2.7 Payables

Payables are initially recognised at their fair values, and subsequently carried at amortised cost, using the effective interest method.

2.8 Foreign currencies

(i) *Functional and presentation currency*

The contributions received from the investor are denominated in United States Dollar ("US\$"). The performance of the Fund is measured and reported to the investors in US\$. The Investment Manager considers US\$ as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in US\$, which is also the Fund's functional currency.

The presentation currency of the Fund and the functional currency of each subsidiary is the same as the functional currency of the Fund.

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NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2017

2. Significant accounting policies (continued)

2.8 Foreign currencies (continued)

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in the Statement of Total Return.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Foreign exchange gains and losses relating to the financial assets carried at fair value through profit or loss are presented in the Statement of Total Return within 'Net gain/(loss) on value of investments'.

2.9 Investment entity and consolidation

These financial statements do not consolidate the financial performance and position of the Subsidiaries.

(a) *Investment entity*

The Fund's investor is not related to the Fund. The Fund holds multiple investments directly or indirectly through its Subsidiaries (Note 4). The Fund is deemed to meet the definition of an investment entity per FRS 110 as the following conditions exist:

- (i) The Fund has obtained funds for the purpose of providing investors with investment management services.
- (ii) The Fund's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income.
- (iii) The performance of investments made through the Subsidiaries are measured and evaluated on a fair value basis.

As such, consolidated financial statements have not been prepared by the Fund. These separate financial statements are the Fund's only financial statements where the Fund's investments in its Subsidiaries are carried as financial assets at fair value through profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2017

2. Significant accounting policies (continued)

2.9 Investment entity and consolidation (continued)

(b) *Subsidiaries*

The Fund does not have any other Subsidiaries other than those determined to be controlled subsidiary investments. Controlled subsidiary investments are measured at fair value through profit or loss and are not consolidated, in accordance with FRS 110. The fair value of controlled subsidiary investments is determined on a consistent basis to all other investments measured at fair value through profit or loss, and as described in the fair value estimation notes above.

Controlled subsidiary investments include holding companies over which the Fund has the power to govern the financial and operating policies generally accompanying a shareholding of an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. These holding companies are Subsidiaries that have been incorporated for the purpose of holding underlying investment on behalf of the Fund. The holding companies have no operations other than providing a vehicle for the acquisition, holding and onward sale of certain portfolio investment companies. The holding companies are also reflected at its fair value, with the key fair value driver thereof being the investment in the underlying portfolio company investments that the holding companies hold on behalf of the Fund. The holding companies require no consolidation as they are not deemed to be providing investment related services, as defined by FRS 110.

Where the Fund is deemed to control an underlying portfolio company either directly or indirectly and whether the control be via voting rights or through the ability to direct the relevant activities in return for access to a significant portion of the variable gains and losses derived from those relevant activities, the underlying portfolio company and its results are also not consolidated and are instead reflected at fair value through profit or loss. The Fund is directly invested in such portfolio company.

At 30 June 2017 and 31 December 2016, the Fund controlled various investments through its ownership in holding companies.

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NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2017

2. Significant accounting policies (continued)

2.9 Investment entity and consolidation (continued)

(b) *Subsidiaries* (continued)

The Fund operates as an investment structure whereby the Fund invests and commits to invest into various portfolio companies. The Fund primarily invests into the portfolio companies by purchasing directly the unlisted /private equity and debt securities of these unlisted private companies. The portfolio companies repay debt based on the terms of the respective agreements. Cash dividends may be paid based on the portfolio company's operating results and are at the discretion of the Board of Directors of the respective portfolio companies which are then paid up to the Fund directly or through the relevant holding company. There are no amounts due or accrued for preferred dividend or in-kind returns based on any of the shareholder agreements.

Movements in the fair value of the Fund's portfolio companies and the existence of unfunded commitments may expose it to potential losses.

2.10 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes:

- (a) restricted activities,
- (b) a narrow and well defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors,
- (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support, and
- (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks.

The Fund has determined that its investment in the Subsidiaries (Note 4) is an investment in unconsolidated structured entities. The Fund invests in the Subsidiaries whose objectives range from achieving medium to long term capital growth and applies various investment strategies to accomplish its investment objectives. The Subsidiaries finance its operations by issuing ordinary shares which entitles the holder to a proportionate stake in the Subsidiaries' net assets and shareholder loans. The maximum exposure to loss on these unconsolidated structured entities is the fair value of the investments listed on the Statement of Financial Position of US\$49,770,909, (31 December 2016: US\$39,171,787).

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NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2017

2. Significant accounting policies (continued)

2.11 Transaction costs

Transaction costs are legal and professional fees incurred to structure a deal to acquire the Fund's investments designated as financial assets at fair value through profit or loss. They include the upfront fees and commissions paid to agents, advisers, brokers and dealers and due diligence fees. Transaction costs, when incurred, are immediately recognised in the Statement of Total Return as an expense.

3. Taxation

Pursuant and subject to the conditions of Section 13G of the Income Tax Act, there shall be exempt from tax such income as the Minister may by regulations prescribe of such foreign trust as specified in those regulations and administered by a trustee company in Singapore.

The Fund qualifies as a foreign trust within the meaning of section 13G of the Income Tax Act and meets the qualifying criteria set out in the Taxation section of the Information Memorandum.

4. Financial assets at fair value through profit or loss

	30 June 2017 US\$	31 December 2016 US\$
Equities:		
Subsidiaries	30,376,325	18,784,049
Unquoted/private	5,307,653	3,020,646
	<u>35,683,978</u>	<u>21,804,695</u>
Debt securities:		
Third party	9,970,264	14,250,425
Subsidiaries	4,116,667	3,116,667
	<u>14,086,931</u>	<u>17,367,092</u>
	<u>49,770,909</u>	<u>39,171,787</u>

LANG CAPITAL FUND

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2017

4. Financial assets at fair value through profit or loss (continued)

Equities

Name of subsidiary	Principal activity	Country of incorporation /place of business	Equity holdings		Net assets	
			30 June 2017	31 December 2016	30 June 2017 US\$	31 December 2016 US\$
			%	%		
<u>Subsidiary held by the Company</u>						
Kluisberg Investment Holdings Limited	Investment holding	Samoa	100	100	30,309,293	18,770,903
Brest Holdings Limited ⁽¹⁾	Investment holding	Luxembourg	100	100	67,031	1
Real Holding S.a.r.l	Investment holding	Hong Kong	100	100	1	13,145
<u>⁽¹⁾Subsidiary held by Brest Holdings Limited</u>						
Perlake Investments Ltd.	Investment holding	British Virgin Islands	100	100	-	-
					<u>30,376,325</u>	<u>18,784,049</u>

Debt securities

Loan to Secap Holdings Limited

The loan is secured with collateral, non-trade, bears interest at 10% per annum and repayable twelve months after utilisation date of 24 July 2015. The interest is due every six months starting from the utilisation date.

On 30 May 2016, the final maturity of the loan was extended to 24 July 2017.

As at 30 June 2017, interest accrued on the loan amounted to US\$430,137 (31 December 2016: US\$435,636) (see Note 5). Income earned during the half-year on the loan amounted to US\$495,890 (2016: US\$498,630).

As at 30 June 2017 the fair value of the loan amounted to US\$9,970,264 (31 December 2016: US\$9,850,425) based on a valuation performed by an independent third party.

Loan to Gosforth Enterprises Ltd

The loan is unsecured, non-trade, bears interest at 5% per annum and repayable in 2 years after agreement date of 14 July 2016. The interest is due every 6 months starting from the utilisation date.

As at 30 June 2017, interest accrued on the loan amounted to nil (31 December 2016: US\$100,055) (see Note 5) while interest income earned during the half-year on the loan amounted to US\$96,439 (2016: nil).

On 9 June 2017, the principal amount of the loan together with its related interest were fully paid.

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NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2017

4. Financial assets at fair value through profit or loss (continued)

Debt securities (continued)

Loan to Cosimo Holdings Limited

The loan is unsecured, non-trade, bears interest at 5% per annum and repayable in 5 months after agreement date of 7 April 2017. The interest is due on the loan repayment together with the principal amount.

Interest income earned during the half-year on the loan amounted to US\$10,833 (2016: nil).

On 6 June 2017, the principal amount of the loan together with its related interest were fully paid.

Loans to Subsidiaries

	30 June 2017 US\$	31 December 2016 US\$
Brest Holdings Limited	2,050,000	1,050,000
Perlake Investments Ltd.	2,000,000	2,000,000
Kluisberg Investment Holdings Limited	66,667	66,667
	<u>4,116,667</u>	<u>3,116,667</u>

The loan to Perlake Investments Ltd, Brest Holdings Limited and part of the loan to Kluisberg Investment Holdings Limited, amounting to US\$19,634,714 (the "First Loan"), are non-trade, interest-free and repayable on demand. Part of the loan to Kluisberg Investment Holdings Limited of US\$66,667 is repayable on pari passu basis.

On 12 February 2016, the First Loan to Kluisberg Investment Holdings Limited was converted into its own shares at US\$1 per share or an additional of 19,634,714 shares to the Fund.

The carrying amount of the loans approximate their fair values as at the end of the reporting date due to their short-term nature.

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NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2017

4. Financial assets at fair value through profit or loss (continued)

Debt securities (continued)

The Fund's financial assets at FVTPL are denominated in the following currencies:

	30 June 2017 US\$	31 December 2016 US\$
United States Dollar	47,955,077	37,497,660
British Pound	1,300,200	1,233,600
Swedish Krona	515,631	427,382
Euro	1	13,145
	<u>49,770,909</u>	<u>39,171,787</u>

5. Receivables and prepayment

	30 June 2017 US\$	31 December 2016 US\$
Interest on loans receivable (Note 4)	430,137	535,691
Interest on sale purchase agreement	-	622,240
Prepayments	2,651	300
Others	81,584	73,838
	<u>525,372</u>	<u>1,232,069</u>

6. Payables

	30 June 2017 US\$	31 December 2016 US\$
Management fees payable	211,252	85,691
Accruals	16,698	37,213
Trustee, administrator and custodian fees payable	14,038	6,006
Others	168	1
	<u>242,156</u>	<u>128,911</u>

LANG CAPITAL FUND

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2017

6. Payables (continued)

The Fund's payables are denominated in the following currencies:

	30 June 2017 US\$	31 December 2016 US\$
United States Dollar	225,458	92,994
Singapore Dollar	16,698	35,917
	<u>242,156</u>	<u>128,911</u>

7. Units in issue

The number of shares issued and outstanding are as follows:

	30 June 2017 Number of Units	31 December 2016 Number of Units
Balance at end of	<u>50,252,525</u>	<u>50,252,525</u>

	30 June 2017 US\$	31 December 2016 US\$
Balance at end of period/ year	<u>50,000,000</u>	<u>50,000,000</u>
Net assets attributable to unitholder	<u>US\$59,228,373</u>	<u>47,959,402</u>
Net assets value per unit	<u>US\$1.18</u>	<u>US\$0.95</u>

8. Related party transactions

Parties are considered to be related to the Fund if the Fund has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Fund and the party are subject to common control or common significant influence. Related parties may be individual or other entities.

Related parties include the Investment Manager, the Trustee and the parties by reason of their relationship with the Investment Manager and the Trustee.

LANG CAPITAL FUND

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2017

8. Related party transactions (continued)

The management fees paid to the Investment Manager and the Trustee, administrator and custodian fees charged by the Trustee are shown in the Statement of Total Return.

The Investment Manager is entitled to receive a management fee equivalent to 2.00% per annum of the net asset value of the Fund (subject to a maximum of 3.00% of the net asset value of the Fund), calculated monthly in arrears. During the half-year ended 30 June 2017, management fees charged to the Fund amounted to US\$592,091 (2016: US\$514,618).

A single trustee, administrator and custodian fee equivalent to 0.15% per annum of the net asset value of the Fund for the first US\$50 million, 0.10% per annum of the net asset value of the Fund on the next US\$50 million, and 0.05% of the net asset value of the Fund thereafter (subject to a maximum and a minimum of US\$150,000 and US\$65,000 per annum, respectively) is calculated monthly in arrears and payable to the parties acting as Trustee of the Fund. During the half-year ended 30 June 2017, trustee, administrator and custodian fees charged to the Fund amounted to US\$40,072 (2016: US\$36,071).

Other related-party transactions during the period include loan arrangement with a subsidiary (see Note 4).

9. Financial ratios

	1/1/2017 to 30/6/2017	1/1/2016 to 30/6/2016
Expense ratio ¹	1.18%	1.60%
Turnover ratio ²	7.91%	5.24%

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore. The calculation of the expense ratio was based on operating expenses for the period of US\$652,070 (2016: US\$763,288) divided by the average net asset value for the half-year ended 30 June 2017 of US\$55,230,215 (2016: US\$47,834,592). The operating expenses do not include (where applicable), brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholder, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the month-end balances.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the value of the purchases/sales of the underlying investments divided by the average month-ended net asset value of US\$55,230,215 (2016: US\$47,834,592). The purchases during the half-year ended 30 June 2017 were lower than the sales made. Therefore, the total value of purchases of US\$4,366,670 (2016: US\$2,507,156) is used in the calculation of portfolio turnover ratio.
