

# WHITE ORCHID FUND

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

## UNAUDITED FINANCIAL STATEMENTS

*For the half-year ended 30 June 2020*

# **WHITE ORCHID FUND**

## **UNAUDITED FINANCIAL STATEMENTS**

*For the half-year ended 30 June 2020*

### **General Information**

#### **Manager**

7 Temasek Boulevard  
#11-04/05  
Suntec Tower One  
Singapore 038987

#### **Trustee, Administrator and Custodian**

Asiaciti Trust Singapore Pte. Ltd.  
61 Robinson Road  
Robinson Centre #19-02  
Singapore 068893

### **Contents**

|                                              | Page   |
|----------------------------------------------|--------|
| Manager's Report                             | 1 - 2  |
| Statement by the Manager                     | 3      |
| Statement of Total Return                    | 4      |
| Statement of Financial Position              | 5      |
| Statement of Movements of Unitholder's Funds | 6      |
| Statement of Portfolio                       | 7      |
| Notes to the Financial Statements            | 8 - 19 |

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## **WHITE ORCHID FUND**

### **MANAGER'S REPORT**

*For the half-year ended 30 June 2020*

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The Directors of Abacus Capital (S) Pte Ltd, the Manager of White Orchid Fund (the "Fund"), present their report for the half-year ended 30 June 2020.

#### **Principal Activities**

The Fund is a Singapore private unit trust.

The Fund was established to pursue investment opportunities in private investments which benefit from overall economic growth of Southern Africa and achieve long-term return on capital. The portfolio of the private investments will be broadly diversified across a range of industries, with primary focus on the infrastructure and energy related sectors.

#### **Directors**

The Directors of Abacus Capital (S) Pte Ltd at the date of this report are:

Hogi Hyun  
Kwan Kai Chong

#### **Management Fees**

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

## WHITE ORCHID FUND

### MANAGER'S REPORT

*For the half-year ended 30 June 2020*

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#### Results

The functional and presentation currency of the Fund is Singapore Dollar ("S\$").

The performance of the Fund, as represented by the results of its operations, are as follow:

|                                                 | 1/1/2020<br>to<br>30/6/2020<br>S\$ | 1/1/2019<br>to<br>30/6/2019<br>S\$ |
|-------------------------------------------------|------------------------------------|------------------------------------|
| Change in net assets attributable to unitholder | <u>540,476</u>                     | <u>(405,200)</u>                   |

#### Distribution

No distribution was made during the half-year ended 30 June 2020.

#### Significant Changes in the State of Affairs

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



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Signed by the Directors of  
**Abacus Capital (S) Pte Ltd**  
As Manager of White Orchid Fund

Date: 28/8/20

## WHITE ORCHID FUND

### STATEMENT BY THE MANAGER

*For the half-year ended 30 June 2020*

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In the opinion of the Directors of Abacus Capital (S) Pte Ltd as Manager of White Orchid Fund (the "Fund"), the accompanying unaudited financial statements set out on pages 4 to 19, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of 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 the Fund as at 30 June 2020 and the total return and changes in unitholder's funds for the half-year then ended in accordance with the recommendations of the 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.



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Signed by the Directors of  
**Abacus Capital (S) Pte Ltd**  
As Manager of White Orchid Fund

Date: 28/8/20

# WHITE ORCHID FUND

## STATEMENT OF TOTAL RETURN

For the half-year ended 30 June 2020

|                                                             | Notes | 1/1/2020<br>to<br>30/6/2020<br>S\$ | 1/1/2019<br>to<br>30/6/2019<br>S\$ |
|-------------------------------------------------------------|-------|------------------------------------|------------------------------------|
| <b>Income</b>                                               |       |                                    |                                    |
| Net foreign exchange gains                                  |       | -                                  | 17,370                             |
| <b>Expenses</b>                                             |       |                                    |                                    |
| Management fees                                             | 8     | 187,217                            | 184,966                            |
| Net foreign exchange losses                                 |       | 93,207                             | -                                  |
| Other professional fees                                     |       | 46,955                             | 3,586                              |
| Travel and accommodation expenses                           |       | 39,428                             | -                                  |
| Trustee, administrator and custodian fees                   | 8     | 25,875                             | 27,384                             |
| Listing fees                                                |       | 2,675                              | 2,675                              |
| Bank charges                                                |       | 1,030                              | 215                                |
| Others                                                      |       | 5,913                              | 203                                |
|                                                             |       | <u>402,300</u>                     | <u>219,029</u>                     |
| <b>Net expenses</b>                                         |       | <b>(402,300)</b>                   | <b>(201,659)</b>                   |
| Net gain/(loss) on value of investment                      | 5     | <u>942,776</u>                     | <u>(203,541)</u>                   |
| <b>Total income/(loss) for the period before income tax</b> |       | <b>540,476</b>                     | <b>(405,200)</b>                   |
| Less: Income tax                                            | 3     | <u>-</u>                           | <u>-</u>                           |
| <b>Total income/(loss) for the period after income tax</b>  |       | <b><u>540,476</u></b>              | <b><u>(405,200)</u></b>            |

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

**WHITE ORCHID FUND****STATEMENT OF FINANCIAL POSITION***As at 30 June 2020*

|                                                       | Notes | 30 June<br>2020<br>S\$ | 31 December<br>2019<br>S\$ |
|-------------------------------------------------------|-------|------------------------|----------------------------|
| <b>ASSETS</b>                                         |       |                        |                            |
| Cash at bank                                          | 4     | 77,648                 | 68,956                     |
| Financial assets at fair value through profit or loss | 5     | 27,428,253             | 26,853,462                 |
| Receivables                                           |       | 256,827                | 217,242                    |
| Prepayment                                            |       | 2,675                  | -                          |
| <b>Total assets</b>                                   |       | <b>27,765,403</b>      | <b>27,139,660</b>          |
| <b>LIABILITY</b>                                      |       |                        |                            |
| Payables                                              | 6     | 3,133,551              | 3,048,284                  |
| <b>EQUITY</b>                                         |       |                        |                            |
| Net assets attributable to unitholder                 | 7     | 24,631,852             | 24,091,376                 |

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

**WHITE ORCHID FUND****STATEMENT OF MOVEMENTS OF UNITHOLDER'S FUNDS***For the half-year ended 30 June 2020*

|                                                                                  | <b>30 June<br/>2020<br/>S\$</b> | <b>31 December<br/>2019<br/>S\$</b> |
|----------------------------------------------------------------------------------|---------------------------------|-------------------------------------|
| <b>Net assets attributable to unitholder at<br/>beginning of the period/year</b> | <u><b>24,091,376</b></u>        | <u><b>24,868,251</b></u>            |
| <b>Operations</b>                                                                |                                 |                                     |
| Change in net assets attributable to<br>unitholder resulting from operations     | <u><b>540,476</b></u>           | <u><b>(776,875)</b></u>             |
| Total increase/(decrease) in net assets<br>attributable to unitholder            | <u><b>540,476</b></u>           | <u><b>(776,875)</b></u>             |
| <b>Net assets attributable to unitholder<br/>at end of the period/year</b>       | <u><b>24,631,852</b></u>        | <u><b>24,091,376</b></u>            |

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

# WHITE ORCHID FUND

## STATEMENT OF PORTFOLIO

As at 30 June 2020

|                                                        | Holding<br>at<br>30 June<br>2020 | Fair value<br>at<br>30 June<br>2020 | Percentage<br>of net assets<br>attributable<br>to unitholder |                           |
|--------------------------------------------------------|----------------------------------|-------------------------------------|--------------------------------------------------------------|---------------------------|
|                                                        |                                  |                                     | at<br>30 June<br>2020                                        | at<br>31 December<br>2019 |
| <b>By industry</b>                                     |                                  | S\$                                 | %                                                            | %                         |
| <b>Unquoted</b>                                        |                                  |                                     |                                                              |                           |
| <b>Equities</b>                                        |                                  |                                     |                                                              |                           |
| <b>British Virgin Islands</b><br>(country of domicile) |                                  |                                     |                                                              |                           |
| Evora Business Inc.                                    | 50,000                           | 37,741                              | 0.15                                                         | 0.28                      |
| <b>Hong Kong</b><br>(country of domicile)              |                                  |                                     |                                                              |                           |
| Koi Investment Services Limited                        | 1                                | _*                                  | _**                                                          | _**                       |
| <b>Debt security</b>                                   |                                  |                                     |                                                              |                           |
| <b>Hong Kong</b><br>(country of domicile)              |                                  |                                     |                                                              |                           |
| Koi Investment Services Limited                        |                                  | 27,390,512                          | 111.20                                                       | 111.18                    |
| <b>Portfolio of investments</b>                        |                                  | 27,428,253                          | 111.35                                                       | 111.46                    |
| <b>Other net liabilities</b>                           |                                  | (2,796,401)                         | (11.35)                                                      | (11.46)                   |
| <b>Net assets attributable to unitholder</b>           |                                  | 24,631,852                          | 100.00                                                       | 100.00                    |

\*amount is below S\$1

\*\*below 0.01%

The Fund invests wholly into investment holding companies, hence no secondary classification has been presented.

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

## WHITE ORCHID FUND

### NOTES TO THE FINANCIAL STATEMENTS

*For the half-year ended 30 June 2020*

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

#### 1. General information

White Orchid Fund (the "Fund") is an open-ended Singapore unit trust constituted by a Deed of Trust dated 20 December 2013 (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 Manager of the Fund is Abacus Capital (S) Pte Ltd (the "Manager") and the Trustee is Asiatic Trust Singapore Pte. Ltd. (the "Trustee").

The Fund has 100% interest in Koi Investment Services Limited ("Koi") and Evora Business Inc. ("Evora") (collectively referred to as "Subsidiaries"), which are incorporated in Hong Kong on 14 June 2013 and in British Virgin Islands on 20 June 2018, respectively. The principal activity of the Subsidiaries is investment holding.

The Fund and its Subsidiaries were established to pursue investment opportunities in private investments which benefit from overall economic growth of Southern Africa and achieve long-term return on capital. The portfolio of the private investments will be broadly diversified across a range of industries, with primary focus on the infrastructure and energy related sectors.

The Fund was listed on the official list of Singapore Stock Exchange ("SGX") on 22 July 2015. The Fund will not be traded on SGX as the securities are not Central Depository eligible and, as a result, unable to be settled through Central Depository. The Fund's subscription of units is restricted to family members of the Principal Investor (as defined in the Information Memorandum) who are accredited investors only.

#### 2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

##### 2.1 Basis for preparation

The condensed semi-annual financial report for the half-year ended 30 June 2020 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.

## WHITE ORCHID FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2020

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#### 2. Significant accounting policies (continued)

##### 2.1 Basis for preparation (continued)

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

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

Distribution is accrued as 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 period, the carrying amount of cash and bank balances approximates its fair value.

##### 2.5 Financial assets at fair value through profit or loss ("FVTPL")

###### (a) Classification

The Fund's investments and the underlying investments held by its subsidiaries have been designated at FVTPL at inception as they are managed as 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.

## WHITE ORCHID FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2020

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## 2. Significant accounting policies (continued)

### 2.5 Financial assets at FVTPL (continued)

#### (b) Recognition, measurement and derecognition (continued)

##### (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 period in which they arise.

##### (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. Gains and losses arising from changes in the fair value of the 'financial assets at FVTPL' category are presented in the Statement of Total Return within 'Net gain/(loss) on value of investment' in the period in which they arise.

##### (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 values of the Subsidiaries are based on its net asset value. The net asset value of investment in Koi is determined with reference to a valuation performed by an independent third party while the net asset value of Evora approximates its cost.

### 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.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the half-year ended 30 June 2020*

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**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 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 period, the carrying amount of the receivables approximates 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*

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in Singapore Dollar (“S\$”), which is the Fund’s functional and presentation currency.

The functional currency of the Subsidiaries is the same as the functional currency of the Fund.

The Fund determines S\$ to be its functional currency, even though the units issued by the Fund as well as the investment in the Subsidiaries were made in United States Dollar (“US\$”). This is due to the following:

## WHITE ORCHID FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2020

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#### 2. Significant accounting policies (continued)

##### 2.8 Foreign currencies (continued)

###### (i) *Functional and presentation currency (continued)*

- All future subscriptions into the Fund will be accepted in S\$.
- The Fund's performance is tracked and reported to unitholder in S\$.

###### (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 FVTPL are presented in the Statement of Total Return within 'Net gain/(loss) on value of investment'.

##### 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 indirectly through its Subsidiaries (Note 5). The Fund is deemed to meet the definition of an investment entity per Singapore Financial Reporting Standards ("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.
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**NOTES TO THE FINANCIAL STATEMENTS**

*For the half-year ended 30 June 2020*

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**2. Significant accounting policies (continued)**

**2.9 Investment entity and consolidation (continued)**

*(a) Investment entity (continued)*

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 at fair value.

*(b) Subsidiaries*

The Fund does not have any subsidiary other than those determined to be controlled subsidiary investments. Controlled subsidiary investments are measured at FVTPL 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 FVTPL, 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 FVTPL. The Fund is directly invested in such portfolio company.

At 30 June 2020 and 31 December 2019, the Fund controlled various investments through its ownership in the Subsidiaries.

## WHITE ORCHID FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2020

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#### 3. 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.

## WHITE ORCHID FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2020

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#### 2. Significant accounting policies (continued)

##### 2.10 Structured entities (continued)

The Fund has determined that its investment in the Subsidiaries (Note 5) is an investment in an unconsolidated structured entity. 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 Fund to a proportionate stake in the Subsidiaries' net assets and shareholder loans. The maximum exposure to loss is the fair value of the investments listed on the statement of financial position of S\$27,428,253 (31 December 2019: S\$26,853,462).

##### 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. Cash at bank

Cash at bank is denominated in the following currencies:

|                      | 30 June<br>2020<br>S\$ | 31 December<br>2019<br>S\$ |
|----------------------|------------------------|----------------------------|
| United States Dollar | 77,573                 | 68,631                     |
| Singapore Dollar     | 75                     | 325                        |
|                      | <u>77,648</u>          | <u>68,956</u>              |

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# WHITE ORCHID FUND

## NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2020

### 5. Financial assets at FVTPL

| <u>Name of subsidiary</u> | <u>Type</u> | <u>Cost</u>               |                               | <u>Fair value</u>         |                               |
|---------------------------|-------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
|                           |             | 30<br>June<br>2020<br>S\$ | 31<br>December<br>2019<br>S\$ | 30<br>June<br>2020<br>S\$ | 31<br>December<br>2019<br>S\$ |
| Koi                       | Debt        | 24,889,229                | 24,889,229                    | 27,390,512                | 26,786,177                    |
| Evora                     | Equity      | 68,770                    | 68,770                        | 37,741                    | 67,285                        |
| Koi                       | Equity      | -*                        | -*                            | -*                        | -*                            |
|                           |             | <u>24,957,999</u>         | <u>24,957,999</u>             | <u>27,428,253</u>         | <u>26,853,462</u>             |

\*Amount is less than S\$1

### Equities

| <u>Name of subsidiary</u>                      | <u>Principal activity</u> | <u>Country of incorporation/<br/>place of business</u> | <u>Equity holdings</u> |                 | <u>Net assets</u> |                 |
|------------------------------------------------|---------------------------|--------------------------------------------------------|------------------------|-----------------|-------------------|-----------------|
|                                                |                           |                                                        | <u>30</u>              | <u>31</u>       | <u>30</u>         | <u>31</u>       |
|                                                |                           |                                                        | <u>June</u>            | <u>December</u> | <u>June</u>       | <u>December</u> |
|                                                |                           |                                                        | <u>2020</u>            | <u>2019</u>     | <u>2020</u>       | <u>2019</u>     |
|                                                |                           |                                                        | <u>%</u>               | <u>%</u>        | <u>S\$</u>        | <u>S\$</u>      |
| <u>Subsidiaries held by the Company</u>        |                           |                                                        |                        |                 |                   |                 |
| Evora                                          | Investment holding        | British Virgin Islands                                 | 100                    | 100             | 37,741            | 67,285          |
| Koi <sup>(1)</sup>                             | Investment holding        | Hong Kong                                              | 100                    | 100             | _*                | _*              |
| <u><sup>(1)</sup> Subsidiaries held by Koi</u> |                           |                                                        |                        |                 |                   |                 |
| Bartlow Limited                                | Investment holding        | Bahamas                                                | 100                    | 100             | -                 | -               |
| Elloway Marketing S.A.                         | Investment holding        | British Virgin Islands                                 | 100                    | 100             | -                 | -               |
| Jefton Limited                                 | Investment holding        | Bahamas                                                | 100                    | 100             | -                 | -               |
| Lost World Limited                             | Investment holding        | Bahamas                                                | 100                    | 100             | -                 | -               |
| Marigold Ventures Limited                      | Investment holding        | Bahamas                                                | 100                    | 100             | -                 | -               |
| <b>Total</b>                                   |                           |                                                        |                        |                 | <b>37,741</b>     | <b>67,285</b>   |

\*indicates amount less than S\$1

## WHITE ORCHID FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2020

#### 5. Financial assets at FVTPL (continued)

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

|                      | 30 June<br>2020<br>US\$ | 31 December<br>2019<br>US\$ |
|----------------------|-------------------------|-----------------------------|
| United States Dollar | 27,428,253              | 26,853,462                  |
| Hong Kong Dollar     | -*                      | -*                          |
|                      | <u>27,428,253</u>       | <u>26,853,462</u>           |

\*indicates amount less than S\$1

The Fund and its Subsidiaries operate as an integrated structure whereby the Fund invests into the Subsidiaries by subscribing to their share(s) and providing shareholder loan.

The debt security in Koi pertains to a loan denominated in US\$ which is interest-free. The settlement of this amount is neither planned nor likely to occur in the foreseeable future. The carrying amount of the loan approximates its fair value as at the end of the reporting date due to its short-term nature.

The Fund recognised unrealised foreign exchange gain/(loss) relating to the financial asset carried at FVTPL amounting to S\$ 942,776 (2019: S\$ (203,541)).

#### 6. Payables

|                                                            | 30 June<br>2020<br>S\$ | 31 December<br>2019<br>S\$ |
|------------------------------------------------------------|------------------------|----------------------------|
| Amount due to unitholder (Note 8)                          | 2,091,080              | 2,017,863                  |
| Management fees payable (Note 8)                           | 563,529                | 546,711                    |
| Amount due to Jefton Limited                               | 220,686                | 212,948                    |
| Audit fee payable                                          | 108,520                | 132,595                    |
| Amount due to Evora (Note 8)                               | 69,730                 | 67,285                     |
| Trustee, administrator and custodian fees payable (Note 8) | 23,280                 | 50,464                     |
| Others                                                     | 56,726                 | 20,418                     |
|                                                            | <u>3,133,551</u>       | <u>3,048,284</u>           |

## WHITE ORCHID FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2020

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#### 6. Payables (continued)

Payables are denominated in the following currencies:

|                      | 30 June<br>2020<br>S\$ | 31 December<br>2019<br>S\$ |
|----------------------|------------------------|----------------------------|
| United States Dollar | 3,022,031              | 2,912,689                  |
| Singapore Dollar     | 111,520                | 135,595                    |
|                      | <u>3,133,551</u>       | <u>3,048,284</u>           |

The payables are unsecured, interest-free and either payable on demand or within 30 days from the invoice date.

#### 7. Units in issue

During the period/year, the number of shares issued and outstanding are as follows:

|                                             | Number of Units |                     |
|---------------------------------------------|-----------------|---------------------|
|                                             | 30 June<br>2020 | 31 December<br>2019 |
| Balance at beginning and end of period/year | <u>19,905</u>   | <u>19,905</u>       |

  

|                                             | 30 June<br>2020<br>S\$ | 31 December<br>2019<br>S\$ |
|---------------------------------------------|------------------------|----------------------------|
| Balance at beginning and end of period/year | <u>24,889,229</u>      | <u>24,889,229</u>          |
| Net assets attributable to unitholder       | <u>24,631,852</u>      | <u>24,091,376</u>          |
| Net asset value per unit                    | <u>1,237.47</u>        | <u>1,210.32</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 individuals or other entities.

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

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## WHITE ORCHID FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2020

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#### 8. Related party transactions (continued)

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

The Manager is entitled to receive a management fee equivalent to 1.50% of the net asset value of the Fund (subject to a maximum amount of US\$2,500,000 per annum), calculated monthly in arrears. During the half-year ended 30 June 2020, management fees charged to the Fund amounted to S\$187,217 (2019: S\$184,966).

A single trustee and custodian fee equivalent to 0.10% per annum of the net asset value of the Fund (subject to a minimum and maximum amount of US\$25,000 and US\$150,000 per annum, respectively) is calculated monthly in arrears and payable to the parties acting as Administrator, Trustee and Custodian of the Fund. During the half-year ended 30 June 2020, such fees charged to the Fund amounted to S\$25,875 (2019: S\$27,384).

The unitholder makes payments on behalf of the Fund. These payments are recorded as "Amount due to unitholder" (Note 6).

Other transactions with related parties are the loans granted to Koi and the loan from Evora as disclosed in Notes 5 and 6, respectively.

#### 9. Financial ratios

|                             | 1/1/2020<br>to<br>30/6/2020 | 1/1/2019<br>to<br>30/6/2019 |
|-----------------------------|-----------------------------|-----------------------------|
| Expense ratio <sup>1</sup>  | 1.24%                       | 0.89%                       |
| Turnover ratio <sup>2</sup> | -                           | -                           |

<sup>1</sup> 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 S\$309,093 (2019: S\$219,029) divided by the average net asset value for the financial period ended 30 June 2020 of S\$24,924,553 (2019: S\$24,628,972). 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.

<sup>2</sup> 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 S\$24,924,553 (2019: S\$24,628,972). There was no purchase/sale during the financial period ended 30 June 2020 and 2019. Therefore, the portfolio turnover ratio is nil.

