

WHITE ORCHID FUND

(Constituted under a Trust Deed in the Republic of Singapore on 20 December 2013)

FINANCIAL STATEMENTS

For the half-year ended 30 June 2016

WHITE ORCHID FUND

FINANCIAL STATEMENTS

For the half-year ended 30 June 2016

General Information

Manager

Abacus Capital (S) Pte Ltd
11 Beach Road
#06-01
Singapore 189675

Trustee, Administrator and Custodian

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

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WHITE ORCHID FUND

MANAGER'S REPORT

For the half-year ended 30 June 2016

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 2016.

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 financial statements.

WHITE ORCHID FUND

MANAGER'S REPORT

For the half-year ended 30 June 2016

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:

	1/1/2016 to 30/6/2016 S\$	1/1/2015 to 30/6/2015 S\$
Change in net assets attributable to unitholders	<u>(1,509,345)</u>	<u>292,124</u>

Distribution

No distribution was made during the half-year ended 30 June 2016.

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.



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

Date: 10 AUGUST 2016

WHITE ORCHID FUND

STATEMENT BY THE MANAGER

For the half-year ended 30 June 2016

In the opinion of the Directors of Abacus Capital (S) Pte Ltd as Manager of White Orchid Fund (the "Fund"), the accompanying financial statements set out on pages 4 to 13, 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 2016 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.



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

Date: 60 AUGUST 2016

WHITE ORCHID FUND**STATEMENT OF TOTAL RETURN***For the half-year ended 30 June 2016*

	Notes	1/1/2016 to 30/6/2016 S\$	1/1/2015 to 30/6/2015 S\$
Income			
Net foreign exchange gains		<u>38,445</u>	<u>-</u>
Expenses			
Management fees	7	198,248	198,891
Trustee, administrator and custodian fees	7	17,256	16,871
Listing fees		2,675	16,050
Audit fee		1,225	-
Other professional fees		423	-
Bank charges		300	250
Travel and accommodation expenses		-	9,405
Net foreign exchange losses		-	7,804
Others		3,980	21
		<u>224,107</u>	<u>249,292</u>
Net expenses		(185,662)	(249,292)
Net (loss)/gain on value of investment	4	<u>(1,323,683)</u>	<u>541,416</u>
Total (loss)/return for the period		<u>(1,509,345)</u>	<u>292,124</u>

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

WHITE ORCHID FUND**STATEMENT OF FINANCIAL POSITION***As at 30 June 2016*

	Notes	30 June 2016 S\$	31 December 2015 S\$
ASSETS			
Bank balances	3	3,428	3,794
Financial assets at fair value through profit or loss	4	26,831,959	28,155,642
Prepayments		<u>2,675</u>	<u>423</u>
Total assets		<u>26,838,062</u>	<u>28,159,859</u>
LIABILITY			
Payables	5	<u>1,051,734</u>	<u>864,186</u>
EQUITY			
Net assets attributable to unitholder	6	<u>25,786,328</u>	<u>27,295,673</u>

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 2016*

	1/1/2016 to 30/6/2016 S\$	1/1/2015 to 30/06/2015 S\$
Net assets attributable to unitholder at beginning of the period	<u>27,295,673</u>	<u>26,090,166</u>
Operations		
Change in net assets attributable to unitholder resulting from operations	<u>(1,509,345)</u>	<u>292,124</u>
Total (decrease)/increase in net assets attributable to unitholder	<u>(1,509,345)</u>	<u>292,124</u>
Net assets attributable to unitholder at end of the period	<u>25,786,328</u>	<u>26,382,290</u>

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

WHITE ORCHID FUND**STATEMENT OF PORTFOLIO***As at 30 June 2016*

	Holdings at 30 June 2016	Fair value at 30 June 2016	Percentage of net assets attributable to unitholder at 30 June 2016
By geography		S\$	%
Unquoted			
Equity			
Hong Kong (country of domicile)			
Koi Investment Services Limited	1	-*	-
Debt security			
Hong Kong (country of domicile)			
Koi Investment Services Limited		26,831,959	100
Portfolio of investments		26,831,959	100
Other net assets		-	-
Net assets attributable to unitholder		26,831,959	100

**indicates amount less than S\$1*

The Fund invests wholly into Koi Investment Services Limited which is registered in Hong Kong, hence no secondary classification has been presented.

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

WHITE ORCHID FUND**STATEMENT OF PORTFOLIO***As at 31 December 2015*

	Holdings at 31 December 2015	Fair value at 31 December 2015	Percentage of net assets attributable to unitholder at 31 December 2015
By geography		S\$	%
Unquoted			
Equity			
Hong Kong (country of domicile)			
Koi Investment Services Limited	1	-*	-
Debt security			
Hong Kong (country of domicile)			
Koi Investment Services Limited		28,155,642	100
Portfolio of investments		28,155,642	100
Other net assets		-	-
Net assets attributable to unitholder		28,155,642	100

**indicates amount less than S\$1*

The Fund invests wholly into Koi Investment Services Limited which is registered in Hong Kong, 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 2016

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 Asiaciti Trust Singapore Pte. Ltd. (the "Trustee").

The Fund has 100% interest in Koi Investment Services Limited ("Koi" or the "Subsidiary"), a company incorporated in Hong Kong on 14 June 2013. The principal activity of Koi is investment holding (refer to Note 4).

The Fund and its Subsidiary 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.

Platinum Bull Investment S.A. ("PB") holds 100% of the Fund's units.

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 2016 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 2016

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

Investments are classified as financial assets held at FVTPL. Purchases of investments are recognised on trade date. Investments are recorded initially at fair value excluding any transaction costs that are directly attributable to the acquisition. Transaction costs on financial assets held at FVTPL are expensed immediately. Subsequent to initial recognition, investments are carried at fair value. The fair value of the investment in equity is based on the net asset value of the underlying company as at the reporting date. Net changes in fair value of investments are included in the statement of total return in the period in which they arise.

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are taken up in the statement of total return.

2.4 Payables

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

2.5 Foreign currencies

Functional currency

Items included in the accounts of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("functional currency").

The Fund's functional and reporting currency is Singapore Dollar ("S\$").

Transactions and balances

Transactions in foreign currencies are measured in the Fund's functional currency and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2016

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in the statement of total return.

2.6 Related parties

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.

3. Bank balances

Cash at bank is denominated in the following currencies:

	30 June 2016 S\$	31 December 2015 S\$
Singapore Dollar	2,080	2,380
United States Dollar	1,348	1,414
	<u>3,428</u>	<u>3,794</u>

4. Financial assets at FVTPL

Name of subsidiary	Type	Cost		Fair value	
		30 June 2016 S\$	31 December 2015 S\$	30 June 2016 S\$	31 December 2015 S\$
Koi	Equity share	-*	-*	-	-
Koi	Shareholder loan	<u>24,889,229</u>	<u>24,889,229</u>	<u>26,831,959</u>	<u>28,155,642</u>
Investment		<u>24,889,229</u>	<u>24,889,229</u>	<u>26,831,959</u>	<u>28,155,642</u>

*indicates amount less than S\$1

The fair value of the investment (equity share and shareholder loan) is based on the fair value of the underlying loans held by the Subsidiary. As at 30 June 2016 and 31 December 2015, the Subsidiary only had the underlying loans as asset and shareholder loan from the Fund and accruals as liabilities, and no other assets or liabilities on its statement of financial position.

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For the half-year ended 30 June 2016

In 2014, the Fund had entered into a loan facility arrangement with the Subsidiary whereby the Subsidiary borrowed the amount of US\$19,905,014 from the Fund. The amount was originated from the subscription of the sole unitholder to the Fund on 23 May 2014. The loan is denominated in US\$ and interest-free. The settlement of these amounts is neither planned nor likely to occur in the foreseeable future. In substance, the shareholder loan represents additional interest in the Subsidiary, therefore the amounts are accounted for as investment. The loan is carried at fair value amounting to approximately US\$19,905,014 (equivalent to S\$26,831,959 and S\$28,155,642 as at 30 June 2016 and 31 December 2015, respectively) and is computed based on a recovery rate of 12.30%.

During the half-year ended 30 June 2016 and 2015, the Subsidiary recognised net unrealised foreign exchange losses/gains on the loan receivables amounting to S\$1,323,683 and S\$541,416, respectively.

5. Payables

	30 June 2016 S\$	31 December 2015 S\$
Amount due to unitholder	535,120	556,041
Management fees payable	425,211	237,964
Audit fees payable	53,725	52,500
Trustee, administrator and custodian fees payable	33,700	17,681
Others	3,978	-
	<u>1,051,734</u>	<u>864,186</u>

Payables are denominated in the following currencies:

	30 June 2016 S\$	31 December 2015 S\$
United States Dollar	994,162	808,686
Singapore Dollar	57,572	55,500
	<u>1,051,734</u>	<u>864,186</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2016

6. Units in issue

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

	30 June 2016 Number of Units	31 December 2015 Number of Units
Balance at beginning and end of period/year	19,905	19,905
	30 June 2016 S\$	31 December 2015 S\$
Balance at beginning and end of period/year	24,889,229	24,889,229
Net assets attributable to unitholder	S\$25,786,328	S\$27,295,673
Net asset value per unit	S\$1,295.47	S\$1,371.30

There is no difference between the pricing NAV and accounting NAV of the Fund.

7. Related party transactions

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

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 of US\$2,500,000 per annum), calculated monthly in arrears.

A single administration, trustee and custodian fee equivalent to 0.10% per annum of the net asset value of the Fund (subject to a minimum of US\$25,000 per annum and a maximum of US\$150,000 per annum) is calculated monthly in arrears and payable to the parties acting as Administrator, Trustee and Custodian of the Fund.

Other transactions with related parties during the period/year are disclosed in Notes 4 and 5.