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Application Proof of

ZACD GROUP LTD.

杰地集團有限公司*

(the "**Company**")

(A company incorporated in Singapore with limited liability)

WARNING

The publication of this Application Proof is required by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Securities and Futures Commission (the "**SFC**") solely for the purpose of providing information to the public in Hong Kong.

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* *For identification purpose only*

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ZACD GROUP LTD.

杰地集團有限公司*

(A company incorporated in Singapore with limited liability)

[REDACTED] ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

BY WAY OF [REDACTED]

Number of [REDACTED]	**:**	**[REDACTED] Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] Shares (subject to reallocation)**
Number of International [REDACTED]	**:**	**[REDACTED] Shares (subject to reallocation and the [REDACTED])**
[REDACTED]	**:**	**Not more than HK$[REDACTED] per [REDACTED] and expected to be not less than HK$[REDACTED] per [REDACTED], plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)**
Stock code	**:**	**[REDACTED]**

Joint Sponsors

China Everbright Capital Limited

光大證券 EBS INTERNATIONAL

Innovax Capital Limited

Innovax Capital

Financial Adviser

Zhongtai International Capital Limited

中泰國際 ZHONGTAI INTERNATIONAL

[REDACTED], [REDACTED] and [REDACTED]

China Everbright Securities (HK) Limited

光大證券 EBS INTERNATIONAL

Innovax Securities Limited

Innovax Securities

Zhongtai International Securities Limited

中泰國際 ZHONGTAI INTERNATIONAL

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A copy of this document, having attached thereto the documents specified in the paragraph headed "Documents Delivered to the Registrar of Companies and Available for Inspection" attached to Appendix V to this document, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this document or any other documents referred to above.

The [REDACTED] is expected to be determined by the [REDACTED] between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and our Company on the [REDACTED], which is expected to be on or about [REDACTED], or such later date as may be agreed by the [REDACTED] (for themselves and on behalf of the [REDACTED]) and our Company. The [REDACTED] will not be more than HK$[REDACTED] per [REDACTED] and is expected to be not less than HK$[REDACTED] per [REDACTED], unless otherwise announced. If, for any reason, the [REDACTED] (for themselves and on behalf of the [REDACTED]) and our Company are unable to reach an agreement on the [REDACTED] by that date or such later date as agreed by our Company and the [REDACTED] (for themselves and on behalf of the [REDACTED]), the [REDACTED] will not become unconditional and will lapse.

The [REDACTED] (for themselves and on behalf of the [REDACTED]) may, with the consent of our Company, reduce the above indicative [REDACTED] range at any time prior to the [REDACTED]. In such a case, notice of the reduction in the indicative [REDACTED] range will be available on our website at **www.zacdgroup.com** and the website of the Stock Exchange at **www.hkexnews.hk**.

Prior to making an investment decision, prospective investors should carefully consider all the information set out in this document, including the risk factors set out in the section headed "Risk Factors" of this document.

Prospective investors of the [REDACTED] should note that the [REDACTED] (for themselves and on behalf of the [REDACTED]) are entitled to terminate their obligations under the [REDACTED] by notice in writing to us (for ourselves and on behalf of the executive Directors and our Controlling Shareholders), upon the occurrence of any of the events set forth in the paragraph headed "[REDACTED]" in this document at any time prior to 8:00 a.m. (Hong Kong time) on the [REDACTED]. Such events include, but without limitation to, any act of God, war, riot, public disorder, civil commotion, economic sanctions, fire, flood, explosion, epidemic, outbreak of an infectious disease, calamity, crisis, terrorism, strike or lock-out. Should the [REDACTED] (for themselves and on behalf of the [REDACTED]) terminate the [REDACTED] in accordance with the terms of the [REDACTED], the [REDACTED] will not proceed and will lapse.

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CHARACTERISTICS OF GEM

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in a gazetted newspaper. Accordingly, prospective investors should note that they need to have access to the website of the Stock Exchange at www.hkexnews.hk in order to obtain up-to-date information on GEM-listed issuers.

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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IMPORTANT NOTICE TO INVESTORS

You should rely only on the information contained in this document to make your investment decision.

This document is issued by our Company solely in connection with the [REDACTED] and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the [REDACTED] offered by this document. This document may not be used for the purpose of, and does not constitute, an offer to sell or a solicitation of an offer in any other jurisdiction or in any other circumstances.

Our Company, the [REDACTED], the Joint Sponsors, the Financial Adviser, the [REDACTED], the [REDACTED] and the [REDACTED] have not authorised anyone to provide you with information that is different from what is contained in this document.

Any information or representation not made in this document must not be relied on by you as having been authorised by our Company, the [REDACTED], the Joint Sponsors, the Financial Adviser, the [REDACTED], the [REDACTED], the [REDACTED], any of their respective directors, officers, employees, agents or representatives or any other party involved in the [REDACTED].

*The contents on the website at **www.zacdgroup.com**, which is the official website of our Company, do not form part of this document.*

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SUMMARY

This summary aims to give you an overview of the information contained in this document and should be read in conjunction with the full text of this document. Since this is a summary, it does not contain all the information that may be important to you. You should read the whole document, including our financial statements and the accompanying notes, before you decide to invest in the [REDACTED].

There are risks associated with any investment. Some of the particular risks of investing in the [REDACTED] are set forth in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to invest in the [REDACTED]. Various expressions used in this summary are defined in the sections headed "Definitions" and "Glossary of technical terms" in this document, respectively.

OVERVIEW

Our Group is an integrated asset manager headquartered in Singapore offering integrated solutions across the real estate value chain in Singapore and elsewhere in the Asia-Pacific region. Known for our pioneering spirit and acute business strategies, we have a reputation for identifying and seizing market opportunities before others to capture the first mover advantages ahead of the economic cycles. According to the Savills Report, in 2016, Singapore's investment market returned to growth in 2016 with a real estate investment amount of approximately S$18.6 billion and in the first half of 2017 with a real estate investment amount of approximately S$11.7 billion. The real estate AUM for real estate investment management services in Singapore grew at a CAGR of approximately 24.5% between 2012 and 2016, while real estate AUM under Singapore-based managers is expected to continue to grow at a rate of approximately 19.7% per annum from 2017 to 2021. We believe there are ample opportunities for us to capitalise on the expected increases in demand for real estate investment and development. As at the Latest Practicable Date, our Group had a total AUM of over S$280 million.[(1)] Our Group is principally engaged in the following businesses:

(i) **Investment management services:** We identify investment opportunities in real estate based projects (mainly residential, commercial and industrial properties), market them to our pool of investors, and establish investment vehicles (i.e. Investment SPVs) to consolidate their investment in these real estate projects. We provide investment management services to our investors by managing the investment vehicles and helping our clients to realise investment returns throughout the term of each Investment Project.

We have established a stable investor base. As at the Latest Practicable Date, our Group had an investor base of over 200 accredited investors and institutional investors. Approximately 36.3% of the investors in the real estate projects we managed are repeat investors who have invested in more than one of our Investment Projects.

Our Group also holds a CMS Licence issued by the MAS for conducting fund management activities in Singapore. During the Track Record Period, we managed two real estate private equity funds, namely the ARO II Fund and the BBW6 Fund. We also have established two new real estate private equity funds, namely the S1 Fund and the S2 Fund, since May 2017. Both are funds investing into a residential real estate project in Singapore;

(ii) **Project consultancy and management services:** With our expertise, we provide project consultancy and management services to clients comprising real estate developers and construction companies in Singapore, including advising on land tender strategies and pricing, advising on unit mix, design and layout of real estate projects, and advising on market positioning of property developments and sales launches. We also provide handover and property defects management services during the defects liability period;

(iii) **Property management and asset management services:** In addition to our investment management services and project consultancy and management services, we also provide property management services to real estate developers and MCSTs including property

Note:

(1) This includes the AUM of S$47.2 million of the six Investment SPVs for which we will novate our obligations as investment manager to Zhongtai Singapore. The completion of the novations are expected to take place in or around August 2017. After completion, we will no longer provide investment management services in respect of the six Investment SPVs. Please refer to the section entitled "Summary — Recent Developments — Business Transfer Agreements" for further details.

maintenance management services and accounting and financial services. In addition, we provide asset management services to help property owners oversee their property assets including property maintenance management, rental management, lease advisory services, administrative management and tenants care management; and

(iv) **Financial advisory services:** In February 2017, we commenced our provision of corporate finance advisory services in Hong Kong after we obtained licences to conduct Type 1 *(dealing in securities (CIS))*, Type 4 *(advising on securities)* and Type 6 *(advising on corporate finance)* regulated activities under the SFO in December 2016.

For the two financial years ended 31 December 2016 and the three months ended 31 March 2017, the revenue of our Group amounted to approximately S$8.7 million, S$11.5 million and S$2.7 million, respectively, representing a growth of approximately 31.9% from 2015 to 2016. The provision of investment management services was our major source of revenue during the Track Record Period. A breakdown of our Group's revenue by business segment is set out below:

	For the year ended 31 December				For the three months ended 31 March	
	2015		2016		2017	
	S$'000 (approximately)	%	S$'000 (approximately)	%	S$'000 (approximately)	%
Investment management services	7,147	82.0	8,439	73.4	1,221	44.6
Project consultancy and management services	1,268	14.6	858	7.5	489	17.9
Property management and asset management services	296	3.4	2,196	19.1	980	35.8
Financial advisory services	—	—	—	—	47	1.7
Total	**8,711**	**100.0**	**11,493**	**100.0**	**2,737**	**100.0**

OUR BUSINESS MODEL

Investment Management Services

During the Track Record Period, the Investment SPVs were incorporated by ZACD Investments, one of our Controlling Shareholders, as the sole initial subscriber. Thereafter, investments were made by these Investment SPVs into such Investment Projects. We provide investment management services to the investors by managing the Investment SPVs. During the Track Record Period, 22 out of a total of 24 Investment Projects that we managed adopted PE structures, comprising the convertible loan structures and trust structures.

Convertible loans structures

Under the convertible loan structures, the investors provide Convertible Loans to the Investment SPV in which they invest and the Convertible Loans would be converted into shares of that Investment SPV after the TOP date of the underlying real estate project in which the Investment SPV invests. The entire life cycle of investments under our convertible loan structures, from identifying investment opportunities to the realisation of the underlying real estate projects, would normally take over five years. After realisation of the underlying real estate projects, we would continue to provide investment management services to the investors until completion of sales of all the property units in the real estate project. At the end of the life cycle of the investment, the Investment SPVs and the Development SPVs will be voluntarily liquidated. We derive our revenue from collecting (i) Management Fees; (ii) Establishment Fees (paid in the form of Establishment Shares); and (iii) Performance Fees. In addition, we also derive dividends from Establishment Shares. We determine the Management Fees and Establishment Fees based on industry norms, complexity of the investment and commercial negotiations on a project-by-project basis. The amount of dividends derived from the Establishment Shares will depend on the financial performance of the specific Investment Project. Please refer to the section headed "Business — Investment Management Services" for further details.

Trust structures

During the Track Record Period, our Group adopted trust structures for only two of the 24 Investment Projects. Under the trust structures, ZACD Investments entered into trust deeds with each of the investors pursuant to which ZACD Investments holds an equity stake (the "**Trust Equity Stake**") in the Investment SPV on trust for each investor in proportion to the investment amount of each investor. ZACD Investments then invested into the Investment SPV as the sole shareholder of the Investment SPV, which in turn makes an equity or debt investment (in the form of shareholders' loans) in the Development SPV. Each investor, as a beneficiary of the Trust Equity Stake, is entitled to all the dividends and distributions arising from their respective proportion of the total investment amount. We manage the entire investment management process including the administration, coordination, monitoring and management of the underlying real estate project, and collect Management Fees of approximately 2% per annum on the total investment amount directly from ZACD Investments. We also collect performance fees in the range of 10% to 25% of profits made by the investors (including ZACD Investments). In January 2017, we stopped charging Management Fees under these trust structures as the underlying real estate projects were substantially completed or established. Please refer to the section headed "Business — Investment Management Services — (I) SPV Investment management (PE structures) — B. Trust structures" for further details.

Fund management

We started to adopt fund structures as one of the investment vehicles of our Investment Projects since 2016. We, acting as the fund manager, managed two real estate private equity funds, namely the ARO II Fund and the BBW6 Fund during the Track Record Period, and we established two new real estate private equity funds, namely the S1 Fund and the S2 Fund in May 2017. Investors investing in these funds commit capital upon subscription into the funds, which will be subsequently drawn down for investment opportunities. The fund life of our funds is usually for a period of three to five years. As at the Latest Practicable Date, the funds that we managed are corporate entities owned by ZACD Investments or us. As a fund manager, the scope of our services includes management of the funds' investment portfolio to maximize its value. We charge a fund management fee of up to 2% per annum of the committed capital and a performance fee of up to 15% of the net proceeds from the realisation of investments after full repayment of the invested capital to investors. We determine our fund management fees and performance fees of the funds that we manage by taking into account factors such as type of assets held under the fund, complexity of the investment, fund tenure and fund size. Please refer to the section headed "Business — Investment Management Services — II. Fund Management" for further details.

Project consultancy and managements services

We offer project consultancy and management services to real estate developers and construction companies in Singapore to address the issues arising during various major stages of a property development project, from the land tender stage to marketing and sales of property units. During the Track Record Period, out of a total of 5, 5 and 8 projects to which we provided project consultancy and management services, 5, 3 and 4 projects were the underlying real estate projects of the Investment SPVs for which we provided investment management services. We provide our project consultancy and management services for both residential and industrial real estate projects. We enter into service agreements with our real estate developers or construction companies clients and derive our revenue from charging our customers a fixed, pre-negotiated fee. Such fee is generally determined with reference to market rates and subject to arms-length commercial negotiations. The tenure of the contract spans across the duration of the underlying real estate project, which is typically for three to five years.

Property management and asset management services

Property management

We provide property management services for residential properties and non-residential properties (including condominiums and industrial buildings) mainly in Singapore with service scope covering maintenance management services, accounting and financial services, administrative services, professional consultancy services and optional services. We are typically appointed by real

estate developers and MCSTs to provide property management services for residential properties and we are appointed by real estate developers or the property owners for non-residential properties.

We would enter into preliminary property management agreements with the real estate developers for real estate projects which have not established their MCSTs, whereas we enter into property management agreements with the MCST if the real estate project has established its own MCST. We derive our revenue under this business segment by charging a fixed amount of property management fees on a monthly basis. In addition, on a case by case basis the real estate developer or MCST is required to reimburse us for certain operating costs and charges such as electricity and water, including bills and maintenance and repair costs.

Asset management

We provide advisory services and tenancy management for our customers who are looking to sell or lease their properties. Our services include liaising with parties such as MCSTs and property agents on behalf of the customers on matters such as rental collection and lease renewal and assisting with property tax filings. We usually outsource the defects rectification work to suppliers offering property maintenance, renovation and remodelling services. Our asset management agreements typically have a fixed term of one or two years and we derive our revenue from charging our customers a fixed monthly management fee per property unit. Under our asset management agreements, we are usually entitled to a commission that is equal to: (i) one month of rent for every new lease of a property unit; or (ii) half a month of rent for every renewal of an existing lease.

Financial advisory services

We have recently expanded our foothold in Hong Kong to (i) develop our distribution and fundraising efforts in Hong Kong; and (ii) develop a corporate financial advisory business to further enhance our integrated suite of services and capitalise upon our existing network of investors and clients. ZACD Financial was incorporated in October 2015 and commenced business in February 2017. Our financial advisory services provided or to be provided primarily relate to capital raising, mergers and acquisitions, joint-ventures and general strategic advice and we derive our revenue in this segment by collecting financial advisory fees. We intend to apply [REDACTED] from the [REDACTED] to expand among others, our financial advisory business. Please refer to the section headed "Business — Our Strategies" in this document for further details on our expansion strategy.

COMPETITIVE LANDSCAPE

According to the Savills Report, Singapore has a diverse competitive landscape for investment management services. Small- to mid-sized private equity real estate firms (below USD500 million in terms of funds raised in last 10 years) collectively have about 10% market share. The competitive landscape in this bandwidth is more fragmented, and there are few barriers to entry for this bandwidth, as Singapore's financial regulatory environment for investment management is relatively open and conducive for small-sized investment management start-ups. In particular, there are very few private equity real estate-focused firms with CMS licenses that concentrate on real estate development sites or projects in Singapore. In addition, they mainly focus on only pre-stage or early stage development activities and do not provide the end-to-end real estate project consultancy and property management services that our Group offers. Excluding real estate developers that have fund management platforms, there are relatively limited integrated real estate investment managers in Singapore and elsewhere in the Asia-Pacific region. Our Group, despite being a small- to mid-sized investment management firm has a market share of less than 1.0% in Singapore in terms of AUM and is also one of the market players in this category.

The property management industry for private properties (particularly for strata management) is such more fragmented. Industry participants comprise many small to mid-sized players, with the top five companies accounting for an estimated 30% to 35% of market share in terms of number of strata-titled units. Leading players are mainly global real estate consultancy firms, as well as independent property management firms which have diversified into other services. The other segment for the industry is mainly represented by real estate operating companies, REITs, private real estate funds and other institutional owners. While some of these entities set up subsidiaries to manage these properties, they also use facility and asset management services from third-party companies.

OUR CUSTOMERS

Our customers during the Track Record Period mainly include investors, Investment SPVs, real estate developers and MCSTs. For the two financial years ended 31 December 2016 and the three months ended 31 March 2017, our five largest customers accounted for approximately 67.3%, 59.8% and 49.3% of our total revenue, respectively, and our largest customer accounted for approximately 19.5%, 29.8% and 17.5% of our total revenue, respectively. We have maintained business relationships with our five largest customers for as long as 8 years.

OUR RELATIONSHIP WITH KEY REAL ESTATE DEVELOPER PARTNERS

With our experience in the real estate industry, we have developed stable business relationships with real estate developers partners in Singapore. Qingjian and Wee Hur are our key real estate developer partners and we have more than seven years of business relationship with each of Wee Hur and Qingjian starting from 2010. During the Track Record Period, we cooperated with Qingjian and Wee Hur in a total of 13 real estate projects representing approximately 54.2% of the total number of real estate projects. We consider that our strong business ties with Qingjian and Wee Hur would not affect the business prospects of our Group as (i) we have a diversified business; (ii) the bridging reserve fund to be set up by us will help us proactively seek investment opportunities; (iii) the entire life cycle of investments in our real estate projects is relatively long and our pipeline of Investment Projects will be sufficient to support our business operations; and (iv) there are positive market prospects in the real estate investment market and we believe that there are ample opportunities for us to capitalise on the expected increases in demand for real estate investment and development. Please refer to the section "Risk Factors — Our success depends on the continuation of our business relationships with certain key real estate developer partners" for further detail on the risks to which we may be exposed due to our close relationship with Qingjian and Wee Hur.

OUR SUPPLIERS

Due to the nature of our business, we engage suppliers only in our property management and asset management business segment. Our suppliers during the Track Record Period comprise a contractor company and two accounting firms.

For the two financial years ended 31 December 2016 and the three months ended 31 March 2017, we had 2, 2 and 3 suppliers respectively. During the same periods, the percentage of our total costs attributable to our largest supplier were 72.7%, 79.1% and 81.5%, respectively.

OUR COMPETITIVE STRENGTHS

We believe that our competitive strengths as set out below have driven our growth in revenue and gross profits and distinguished us from our competitors:

- We are an integrated asset manager specialising in the real estate sector, with the ability to provide a comprehensive suite of services across the real estate value chain
- Ability to combine and leverage our experience, market knowledge and resources from the comprehensive suite of services we offer
- Established and stable investor base
- Proven investment management track record
- Well-established relationships with our key real estate developer partners
- Experienced management team with expertise and a proven track record

Please refer to the section entitled "Business — Our Competitive Strengths" for further details.

OUR STRATEGIES

Our principal business strategies are:

- Setting up a bridging reserve fund to enhance investments sourcing capabilities
- Further expanding our investment management services business

- Expanding our property management services business
- Expanding our financial advisory services business
- Expanding our project consultancy and management business

Please refer to the section entitled "Business — Our Strategies" for further details.

HIGHLIGHTS OF RISK FACTORS

Our Directors consider that there are risks and uncertainties relating to our business and the industry in which we operate, and some pertinent risks are highlighted below:

- Our success depends on the continuation of our business relationships with certain key real estate developer partners
- The investment performance of our real estate projects may be unsatisfactory and may fail to achieve their investment target return
- The majority of our project consultancy and management services business is project based. Our revenue and profit margins depend on the terms of the service contracts and may not be regular
- The majority of our business in property management and asset management services is contract-based. Profit margins depend on the volume of the service contracts we secure and the terms of the service contracts, and our customers may not necessarily renew their service contracts with us
- We are dependent on our Directors and senior management and we may not be able to attract and retain talented personnel
- Macro-economic factors have had and may continue to have a material adverse effect upon our business, financial condition and results of operations

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the [REDACTED] (without taking into account any Shares which may be allotted and issued upon the exercise of the [REDACTED] and upon the exercise of any option granted under the Share Option Scheme), ZACD Investments is expected to hold [REDACTED] of the enlarged issued share capital of our Company. As at the Latest Practicable Date, ZACD Investments was owned by Mr. Yeo and his spouse, Ms. Sim, as to 51% and 49%, respectively. Accordingly, for the purpose of the GEM Listing Rules, ZACD Investments, Mr. Yeo and Ms. Sim are our Controlling Shareholders.

Upon [REDACTED], there will be a number of continuing connected transactions between our Group and our Controlling Shareholders and their associates in relation to (i) sub-leases of two offices in Singapore; (ii) receiving of human resources services; (iii) receiving of repair and maintenance services; and (iv) provision of investment management services. For further details on these continuing connected transactions, please refer to the section headed "Connected Transactions" in this document.

SUMMARY FINANCIAL INFORMATION AND OPERATING DATA

The following is a summary of our consolidated financial information for the Track Record Period. For further details and analysis of our financial information, please refer to the section entitled "Financial Information" of this document.

Highlight of consolidated statements of profit or loss

	For the year ended 31 December		Three months ended 31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Revenue	8,711	11,493	2,737
Profit/(loss) before tax	6,040	3,413	(114)
Profit/(loss) for the year	5,986	3,587	(37)

Highlight of consolidated statements of financial position

	As of 31 December		As at 31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Total non-current assets	15,218	17,480	17,337
Total current assets	8,820	9,415	8,081
Total current liabilities	2,338	4,398	3,168
Net current assets	6,482	5,017	4,913
Total assets less current liabilities	21,700	22,497	22,250
Total non-current liabilities	489	172	132
Net assets	21,211	22,325	22,118
Total equity	21,211	22,325	22,118

Highlight of consolidated statements of cash flows

	For the year ended 31 December		Three months ended 31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Operating cash flow before changes in working capital	6,056	3,587	(54)
Net cash flows from/(used in) operating activities	(561)	1,674	(1,811)
Net cash flows from/(used in) investing activities	(114)	(1,824)	1,240
Net cash flows from/(used in) financing activities	613	3,476	(764)
Cash and cash equivalents at beginning of year/period	1,025	964	4,371
Cash and cash equivalents at end of year/ period	964	4,371	3,040

KEY FINANCIAL RATIOS

The following table sets forth key financial ratios as of and for the periods ended the dates indicated:

	For the year ended 31 December		Three months ended 31 March
	2015	2016	2017
Net profit/(loss) margin	68.7%	31.2%	(1.4)%
Return on equity	28.2%	16.1%	NA*(Note)*
Return on total assets	24.9%	13.3%	NA*(Note)*

	As of 31 December 2015	As of 31 December 2016	As at 31 March 2017
Current ratio	3.8	2.1	2.6

Note: For the three months ended 31 March 2017, the calculation of return on equity and return on total assets are not applicable since the calculation is on a full-year basis.

Please refer to the section entitled "Financial information — Key financial ratios" of this document for a description of the calculations of the ratios above.

RECENT DEVELOPMENTS

Business Transfer Agreements

During our periodic internal strategic review of our investment portfolio, we have identified certain Investment Projects with relatively slower growth rates or with expected TOP dates which occur more than a year from the date of the internal strategic review. As such, we are of the view that we would incur relatively higher opportunity costs of continuing to manage these identified Investment Projects, when our resources and management time could achieve potentially higher investment returns if diverted to other existing or new Investment Projects. One of the strategic options that we considered was to divest the identified Investment Projects and we have then negotiated with two potential buyers to divest such Investment Projects. After considering the commercial terms and interest of the potential buyers in each of the identified Investment Project, we had on 28 June 2017 entered into certain business transfer agreements (collectively, the "**Business Transfer Agreements**") with Zhongtai Singapore, an Independent Third Party and a subsidiary of Zhongtai Financial International Limited, the parent company of Zhongtai International Capital Limited, our Financial Adviser, pursuant to which we agreed to novate ZACD International's obligations as investment manager in six Investment SPVs. Pursuant to the Business Transfer Agreements, subject to the satisfaction or waiver of certain conditions set out there in, ZACD International agreed to sell, and Zhongtai Singapore agreed to purchase, the business of provision of investment management services for the aforementioned Investment SPVs (the "**Transferred Business**"). Completion of the business transfers is expected to take place in or around August 2017. Following the completion, Zhongtai Singapore would assume the responsibility, and would perform all obligations and liabilities, of ZACD International in relation to the Transferred Business.

Under the respective Convertible Loan Agreements, we will receive, among other payments, Establishment Fees from the provision of investment management services in respect of each of the six real estate projects. Such Establishment Fees comprise a specified number of Establishment Shares paid by the investors to us upon conversion of the Convertible Loan after the TOP date of the underlying real estate project. We will also be entitled to the dividends in respect of such Establishment Shares as may be distributed from the Development SPV from the sales proceeds of the property units. Pursuant to the Business Transfer Agreements, the consideration will be settled by (i) Zhongtai Singapore paying to ZACD International a fixed amount equivalent to an aggregate of S$100,000 at completion and (ii) contingent future payments equivalent to 90% of all dividends or other distributions of any kind to be paid by the relevant Investment SPVs in respect of the Establishment Shares relating to the real estate projects after the completion date. The consideration of the novation was determined with reference to the expected future dividends from the six Investment Projects and the structure of the payment offer.

S1 & S2 Funds

The S1 Fund and the S2 Fund were established in May 2017. We are in the process of on-boarding investors to these funds. The targeted fund size of the S1 Fund and the S2 Fund is S$15.5 million and S$60.0 million, respectively. The S1 Fund was closed on 30 June 2017 while the S2 Fund is expected to close by end of July 2017. As at the Latest Practicable Date, we are in the process of drawing down funds from investors for both funds. Both funds are close-ended real estate private equity funds investing into a residential real estate project being developed by Qingjian located in Singapore.

Each of their fund lives is for a tentative period of 5 years commencing from the first closing date till the dissolution of the fund.

We are the fund manager and charge management fees, performance fees and establishment fees for the S1 Fund and the S2 Fund. For the S1 Fund, we are entitled to a fund management fee equivalent to 0.25% per annum of the committed capital, a performance fee at a rate of 15% of the net proceeds from the realisation of investments and a one time establishment fee equivalent to 3% of the committed capital. For the S2 Fund, we are entitled to a one time fund management fee equivalent to 0.25% of the committed capital, a performance fee at a rate of 5% of the net proceeds from the realisation of investments and a one time establishment fee equivalent to 0.75% of the committed capital. We charged the investors in the S2 Fund at lower performance fees and establishment fees compared to the investors in the S1 Fund as they were pre-identified and required a reduced amount of marketing and administration work. Further, there will also be relatively lower financing risks as the investors in the S2 Fund have agreed to provide back-to-back guarantees for any external financing.

ARO II Fund

In July 2017, in line with our strategy to explore real estate investment opportunities outside of Singapore within the Asia-Pacific region, the ARO II Fund acquired certain residential and commercial real estate properties in Australia. The acquisition was headed by Ms. Sim, our executive Director and chairman of our Board, who has over 10 years of experience in the real estate industry and has experience in both Singapore and international real estate property investments. For details of Ms. Sim's experience, please refer to the section headed "Directors and Senior Management" in this document.

Our business model, revenue structure and cost structure basically remained unchanged, subsequent to the Track Record Period and up to the Latest Practicable Date. As at the Latest Practicable Date, we managed a total of 27 investment structures under the PE structures and fund structures, including the S1 Fund and the S2 Fund which were established after the Track Record Period. During the Track Record Period and up to the Latest Practicable Date, we provided project consultancy and management services to a total of 8 real estate projects in Singapore. As at the Latest Practicable Date, we provided ongoing property management services to 23 real estate projects in Singapore and Malaysia and asset management services to 12 property owners in Singapore. Subsequent to the Track Record Period and the Latest Practicable Date, save for the [REDACTED] expenses as disclosed in the paragraph headed "[REDACTED] Expenses" in this section below, we did not have any significant non-recurrent items in our consolidated statement of profit or loss and other comprehensive income.

Save for the aforesaid, our Directors have confirmed that as of the date of this document, there had been no material adverse change in our financial, operational and trading positions or prospects or in the general regulatory economic and market conditions in Singapore and Hong Kong or in the industry in which we operate that materially and adversely affected our business, results of operations or financial condition.

REASONS FOR THE [REDACTED]

Prior to the [REDACTED], funding of our business activities was primarily from internally generated cash. As we do not have sufficient fixed assets available for security or pledge that is generally required to obtain banking facilities necessary to finance meaningful business expansion, it is difficult for us to obtain debt financing from banks on commercially viable terms. Our Directors believe that the ability to be the first-mover is a key element for us to maintain market competitiveness. We have, therefore, drawn up business plans of setting up a bridging reserve fund, which will require considerable additional financial resources. Please refer to the section entitled "Business — Our strategies — Setting up of a bridging reserve fund for new real estate investments" of this document for further details. In addition, we also plan to expand our property management business by setting up a client service centre and investing in mobile application systems to provide greater efficiency in our services, both of which will also require considerable additional funds. As such, our Directors believe that the [REDACTED] will enable us to raise additional funds immediately and have access to the equity capital markets for raising funds in the future to fulfil our capital needs. Our Directors also believe that it would be easier and more cost-effective for us to obtain sufficient debt financing from banks to fund our future operations and development with a [REDACTED] status.

Furthermore, we aim to expand our business reach to Hong Kong as we foresee a market potential in this region. As part of our effort to achieve this objective, we plan to expand our financial advisory business in Hong Kong with part of the [REDACTED] from the [REDACTED]. We believe that becoming a company [REDACTED] on the Stock Exchange can further support our expansion plan to the Hong Kong market.

We also believe that our profile as a company [REDACTED] on the Stock Exchange will serve as a stepping stone in achieving our business objective of further strengthening our position as an integrated asset manager offering integrated solutions across the real estate value chain. In addition to furthering our business objective, we believe that the [REDACTED] of our Company can (i) sharpen our competitive strengths; and (ii) raising confidence of potential and existing real estate developer partner, customers, suppliers and staff in our Group. We intend to leverage such visibility and confidence to (i) attract new customers; (ii) attract new talents; and (iii) strengthen our business relationships with existing customers, suppliers and real estate developer partner. A public [REDACTED] status on GEM may offer our Company a broader shareholder base which

could potentially lead to a more liquid market in the trading of our Shares. We further believe that our internal control and corporate governance practices could be further enhanced following the [REDACTED].

[REDACTED]

The estimated [REDACTED] of the [REDACTED], after deducting [REDACTED] fees and total expenses paid and payable by us in connection thereto, are estimated to be approximately HK$[REDACTED] million before exercise of the [REDACTED], assuming an [REDACTED] of HK$[REDACTED] per Share, being the midpoint of the proposed [REDACTED] range of HK$[REDACTED] to HK$[REDACTED] per Share. We intend to use such [REDACTED] as follows:

- approximately [REDACTED] of the [REDACTED] for setting up a bridging reserve fund to enhance investments sourcing capabilities to be utilised as follows:

  (i) to participate in tenders or sales for land parcels and/or real estate assets, including but not limited to payment of the deposits for such transactions. Such funds in the bridging reserve fund to be used for participating in such tenders or sales is expected to be replenished by the funds raised by the investors; and/or

  (ii) to be used in the future to commit to the take-up of the investment stake of potential real estate projects first before setting up of the investment vehicles and/or securing investment funds from the investors when the real estate developer partners approach us for co-investing in new potential real estate projects.

- approximately [REDACTED] of the [REDACTED] for further expansion of our investment management services business, including hiring more experienced relationship managers with existing networks of investors to expand our fund distribution channels, hiring more professionals, analysts and consultants to expand our research and consultancy capabilities, and hiring more supporting staff to support overall investment management operations in Singapore;

- approximately [REDACTED] of the [REDACTED] for expanding our property management services business, including setting up of a dedicated client service centre, potential acquisition of project management companies and upgrading our existing infrastructure;

- approximately [REDACTED] of the [REDACTED] for expanding our financial advisory services business, including hiring more staff in Hong Kong;

- approximately [REDACTED] of the [REDACTED] for expanding our project consultancy and management business, including hiring more real estate developer relationship managers and additional building and construction professionals; and

- the balance of approximately [REDACTED] of the [REDACTED] will be used to provide funding for our working capital and other general corporate purposes.

Please refer to the section entitled "Future Plans and [REDACTED]" of this document for further details.

TAXATION

Our Company was incorporated in Singapore and potential investors are advised to consult their own tax advisers concerning the overall tax consequences of acquiring, owning, or selling our Shares. In particular, dealings in our Shares are subject to Hong Kong stamp duty and may also be subject to Singapore stamp duty, provided that an instrument of transfer is executed in Singapore or is subsequently received in Singapore. CCASS Beneficial Owners are not subject to Singapore stamp duty because no instrument of transfer will be executed or received in Singapore. Upon [REDACTED], Shareholders are not liable for Singapore stamp duty if the relevant instrument of transfer is not executed in or received in Singapore and is lodged with our Hong Kong Share Registrar. Please refer to the section headed "Regulatory Overview — Singapore taxation — Stamp Duty for Sale of Shares" in this document.

[REDACTED] STATISTICS

All statistics in this table are based on the assumption that the [REDACTED] is not exercised.

	Based on the minimum indicative [REDACTED] of HK$[REDACTED]	Based on the maximum indicative [REDACTED] of HK$[REDACTED]
Market capitalisation of our Shares[(1)]	HK$[REDACTED]	HK$[REDACTED]
Unaudited pro forma adjusted net tangible asset value per Share[(2)]	S$[REDACTED]	S$[REDACTED]

Notes:

(1) The calculation of market capitalisation is based on the [REDACTED] Shares expected to be in issue immediately upon completion of the Capitalisation Issue and [REDACTED].

(2) The unaudited pro forma adjusted net tangible asset value per Share has been arrived at after adjustments referred to in "Appendix II — Unaudited Pro Forma Financial Information — Unaudited Pro Forma Adjusted Consolidated Net Tangible Assets" and on the basis of [REDACTED] Shares in issue at the [REDACTED] immediately upon the completion of the [REDACTED].

[REDACTED] EXPENSES

Assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range) and that the [REDACTED] is not exercised, our total [REDACTED] expenses are estimated to be approximately S$[REDACTED], of which S$[REDACTED] is directly attributable to the issue of new Shares and to be accounted for as a deduction from the equity, and the remaining amount of S$[REDACTED] million has been or will be reflected in our consolidated statements of profit or loss. [REDACTED] expenses of approximately [REDACTED], S$[REDACTED] and S$[REDACTED] in relation to services already performed by relevant parties, were reflected in our consolidated statements of comprehensive income in 2015, 2016 and the three months ended 31 March 2017, respectively, and an additional amount of S$[REDACTED] is expected to be recognised in our consolidated statements of comprehensive income subsequent to the Track Record Period and upon [REDACTED].

DIVIDEND POLICY

In 2015, a subsidiary of our Company declared dividends of approximately S$5.0 million to the ultimate holding company. The dividends were offset against the trade receivables due from the ultimate holding company. In 2016, a subsidiary of our Company declared dividends of approximately S$6.8 million to the ultimate holding company, of which, approximately S$2.6 million were settled by cash while approximately S$4.2 million were offset against the trade receivables due from the ultimate holding company. In the three months ended 31 March 2017, no dividend has been declared by our Group.

No dividend has been paid or declared by our Company since its incorporation up to and including the Latest Practicable Date. The dividends declared by a subsidiary of our Company to our ultimate holding company were approximately S$5.0 million, S$6.8 million and nil during 2015, 2016 and the three months ended 31 March 2017, respectively.

The recommendation of the payment of dividends is subject to the absolute discretion of our Board, and, after [REDACTED], any declaration of final dividends for the year will be subject to the approval of our Shareholders. Our Directors may recommend a payment of dividends in the future after taking into account our operations, earnings, financial condition, cash requirements and availability, capital expenditure and future development requirements and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of the dividends will be subject to our constitutional documents and the Companies Act, including the approval of our Shareholders.

Subject to the factors described above, our Board intends to recommend dividends of no less than 30% of our distributable profits to the Shareholders in each financial year beginning from the year ending 31 December 2018.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this document. Certain other terms are explained in the section headed "Glossary of Technical Terms".

"A$"	Australian dollars, the lawful currency of Australia
"ACRA"	Accounting and Corporate Regulatory Authority, the national regulator of business entities, public accountants and corporate service providers in Singapore
"accredited investor" or "institutional investor"	has the meaning ascribed to it in Section 4A of the SFA
"APAC"	Asia-Pacific, consists of Australia, Bangladesh, Brunei, Cambodia, China, Hong Kong, India, Indonesia, Japan, Korea, Laos, Macau, Malaysia, Mongolia, Myanmar, New Zealand, Pakistan, the Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam
	[REDACTED]
"ARO II Fund"	A general purpose real estate fund in April 2016, of which the fund holding entity, ZACD Investments (ARO II) Ltd., is a public company limited by shares incorporated in Singapore on 30 September 2015
"associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Audit Committee"	the audit committee of the Board
"BBW6 Fund"	A single purpose real estate fund established in October 2016, of which the fund holding entity, ZACD (BBW6) Ltd., is a public company limited by shares incorporated in Singapore on 6 September 2016
"Board of Directors" or "Board"	the board of Directors
"Business Day"	a day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for normal banking business

"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Beneficial Owner(s)"	beneficial owners of our Shares who hold preliminary interests and voting rights in our Company attached to the Shares deposited into CCASS and held in the name of the HKSCC Nominees
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant, who may be an individual or joint individuals or a corporation
"CCASS Operational Procedures"	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force
"CCASS Participant"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"China Everbright Capital"	China Everbright Capital Limited, a company incorporated in Hong Kong and licenced to conduct type 1 (dealing in securities (CIS)), type 4 (advising on securities), and type 6 (advising on corporate finance) regulated activities under the SFO
"China Everbright Securities"	China Everbright Securities (HK) Limited, a company incorporated in Hong Kong and licenced to conduct type 1 (dealing in securities (CIS)), type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the SFO
"CIO Office"	the office headed by the Chief Investment Officer of the Group
"close associates(s)"	has the meaning ascribed to it under the GEM Listing Rules
"CMS Licence"	capital markets services licence issued by the MAS
"Companies Act"	The Companies Act (Chapter 50 of Singapore), as amended, supplemented or otherwise modified from time to time

"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (WUMP) Ordinance"	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	ZACD Group Ltd. (杰地集團有限公司*), the holding company of our Group and a public company limited by shares incorporated under the laws of Singapore on 8 November 2016. References to "we", "us" and "our" refer to our Group or, where the context requires, our Company
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Constitution"	the constitution of our Company (as amended from time to time), conditionally adopted on [●] and which will become effective upon the [REDACTED], a summary of which is set out in Appendix III to this document
"Controlling Shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules and, in the context of this document, refers to ZACD Investments, Mr. Yeo and Ms. Sim
"Convertible Loan(s)"	convertible loan(s) extended by the investors (including ZACD Investments) to an Investment SPV
"Convertible Loan Agreement(s)"	convertible loan agreement and its supplemental thereof entered into between the investors (including ZACD Investments) and ZACD International governing the Convertible Loan and the scope of investment management services
"core connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Deed of Indemnity"	the deed of indemnity dated [●] 2017 entered into by our Controlling Shareholders in favour of our Company (for ourselves and as trustee for and on behalf of our subsidiaries), particulars of which are set out in the paragraph headed "9. Other information — D. Tax and other indemnities" in Appendix IV to this document

"Deed of Non-competition"	the deed of non-competition dated [●] 2017 entered into by our Controlling Shareholders in favour of our Company (for ourselves and as trustee for and on behalf of our subsidiaries), particulars of which are set out in the paragraph headed "Relationship with our Controlling Shareholders — Deed of Non-competition" in this document
"Development SPV(s)"	the investment vehicle(s) owned by the Investment SPV, the key real estate developer partner of the underlying real estate project and other joint venture partners (if any) under the PE structures
"Director(s)"	the director(s) of our Company
"Establishment Fees"	refers to the establishment fees payable to ZACD International under the PE structures
"Establishment Shares"	the ordinary shares in the relevant Investment SPV (to be) assigned by the investors to ZACD International for payment of the Establishment Fees, as agreed pursuant to the Convertible Loan Agreement
"Financial Adviser"	Zhongtai International Capital Limited
"Founder(s)"	Mr. Yeo and Ms. Sim, the founders of our Group
"GEM"	the Growth Enterprise Market operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited as amended, supplemented or otherwise modified from time to time
"GEM Website"	the Internet website at **www.hkgem.com** operated by the Stock Exchange for the purposes of GEM
"General Rules of CCASS"	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures

[REDACTED]

"Group", "our Group", "we", "our" or "us"	our Company and its subsidiaries at the relevant time or, where the context so requires in respect of the period before our Company became the holding company of our present subsidiaries, the present subsidiaries of our Company and the businesses carried on by such subsidiaries or (as the case may be) their predecessors
"HKSCC"	the Hong Kong Securities Clearing Company Limited
"HKSCC Nominees"	the HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKEx"	Hong Kong Exchanges and Clearing Limited
"HK$" or "Hong Kong dollars"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
	[REDACTED]
"IFRS"	International Financial Reporting Standards
"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is/are not connected person(s) (within the meaning of the GEM Listing Rules)
"INED(s)"	independent non-executive director(s) or, in the context of our Company, our independent non-executive Director(s)
"Innovax Capital"	Innovax Capital Limited, a company incorporated in Hong Kong and licenced to conduct type 1 (dealing in securities (CIS)) and type 6 (advising on corporate finance) regulated activities under the SFO
"Innovax Securities"	Innovax Securities Limited, a company incorporated in Hong Kong and licenced to conduct type 1 (dealing in securities (CIS)) and type 4 (advising on securities) regulated activities under the SFO
	[REDACTED]

[REDACTED]

"Investment Committee"	the committee that is responsible for all investment and divestment decisions within the investment management services business segment, whose members consist of Mr. Yeo, Ms. Sim, Mr. Siew, and Mr. Mak
"Investment Project(s)"	real estate project(s) in which the investors invest through the Investment SPV(s) under the PE structure(s), Trust structure(s) or fund structure(s)
"Investment SPV(s)"	the investment vehicle(s) managed by us under the PE structures and the Trust structures
"Investment Strategy Committee"	the committee which is led by the CIO Office to conduct investment analysis and due diligence on potential investment opportunities

[REDACTED]

"Joint Policy Statement"	the Joint Policy Statement Regarding the Listing of Overseas Companies jointly issued by the Stock Exchange and the SFC on 27 September 2013
"Joint Sponsors"	China Everbright Capital and Innovax Capital

"Latest Practicable Date"	16 July 2017, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information contained in this document
	[REDACTED]
	[REDACTED]
"Listing Department"	the listing department of the Stock Exchange
"Main Board"	the Main Board operated by the Stock Exchange
"Management Fees"	refers to the management fees payable to ZACD International under the PE structures
"MAS"	Monetary Authority of Singapore, the central bank of Singapore
"Mr. Mak"	Mr. Mak Chuen Weng, our Chief Investment Officer and Head of the CIO Office
"Mr. Siew"	Mr. Siew Chen Yei, an executive Director
"Mr. Yeo"	Mr. Yeo Choon Guan (Yao Junyuan), the spouse of Ms. Sim, an executive Director, our chief executive officer and our Controlling Shareholder
"Ms. Sim"	Ms. Sim Kain Kain, the spouse of Mr. Yeo, an executive Director, the chairman of our Board and our Controlling Shareholder
"MVG"	Magnificent Vine Group Holdings Pte Ltd, a company incorporated under the laws of Singapore with limited liability on 3 September 2010, the issued share capital of which is owned by Mr. Yeo and Ms. Sim as to 50% each, a close associate of Mr. Yeo and Ms. Sim and a connected person of our Company
"Nomination Committee"	the nomination committee of the Board

[REDACTED]

"PDPA"	The Personal Data Protection Act 2012 (No. 26 of 2012) of Singapore
"PE structure(s)"	private equity structure(s) comprising convertible loan structures and trust structures adopted by ZACD International for investment management services
"PERE"	private equity real estate, an asset class comprising of debt and equity investments in the property markets
"PRC" or "China"	the People's Republic of China, which for the purpose of this document and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

[REDACTED]

[REDACTED]

"professional investors"	has the meaning ascribed to it in Part I of Schedule 1 to the SFO

[REDACTED]

"Qingjian"	Qingjian Realty (South Pacific) Group Pte Ltd., a subsidiary of CNQC International Holding Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1240)
"RCA"	Real Capital Analytics, a data and analytics firm founded in 2000 that focuses exclusively on the investment market for commercial real estate and which covers all markets globally
"REIT"	real estate investment trust, an investment vehicle which typically operates income producing real estate
"Remuneration Committee"	the remuneration committee of the Board

"Reorganisation"	the reorganisation arrangements undertaken by our Group in preparation for the [REDACTED], which are described in more detail in the paragraph headed "History, Development and Reorganisation — Reorganisation" in this document
"RMB"	Renminbi, the lawful currency of the PRC
"S1 Fund"	A single purpose real estate fund established in May 2017, of which the fund holding entity is a public company limited by shares incorporated in Singapore on 19 December 2016
"S2 Fund"	A single purpose real estate fund established in May 2017, of which the fund holding entity is a public company limited by shares incorporated in Singapore on 23 March 2017
"Savills"	Savills Valuation and Professional Services (S) Pte Ltd, a market research and consulting company and an Independent Third Party
"Savills Report"	a market research report in respect of the investment management services, project consultancy and management services and property management and asset management services industries, commissioned by us and prepared by Savills
"SFA"	Securities and Futures Act (Chapter 289 of Singapore), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Share(s)"	ordinary share(s) in the share capital of our Company
"Shareholder(s)"	holder(s) of Shares
"Share Option Scheme"	the share option scheme conditionally adopted by our Company on [●] 2017, the principal terms of which are summarised under the paragraph headed "8. Share Option Scheme" in Appendix IV to this document

"Singapore"	the Republic of Singapore
"Singapore Companies Act"	the Companies Act, Chapter 50 of Singapore, as amended or supplemented from time to time
"Singapore Legal Advisers"	Rajah & Tann Singapore LLP, our Group's legal adviser as to Singapore law
"SLPI"	SLP International Property Consultants Pte. Ltd., a company incorporated under the laws of Singapore with limited liability on 25 April 2003, and a direct wholly-owned subsidiary of MVG and a connected person of our Company
"sq.m."	square metres
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the GEM Listing Rules, unless the context otherwise requires
"substantial shareholder(s)"	has the meaning ascribed to it in the GEM Listing Rules and details of the substantial Shareholders of our Group are set out in the section "Substantial Shareholders" in this document
"S$" or "SGD"	Singapore dollars, the lawful currency of Singapore
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the two financial years ended 31 December 2016 and the three months ended 31 March 2017
"Trust structure(s)"	trust structure(s) adopted by ZACD International for investment management services
	[REDACTED]
"USD" or "US$"	United States dollars, the lawful currency of the United States
"Wee Hur"	Wee Hur Development Pte Ltd, a wholly owned subsidiary of Wee Hur Holdings Ltd, a Singapore-based company listed on the Main Board of the SGX-ST

[REDACTED]

"ZACD Australia"	ZACD (Australia) Pty Ltd., a company incorporated under the laws of Australia with limited liability on 23 November 2016, and a direct wholly-owned subsidiary of our Company and a member of our Group
"ZACD Capital"	ZACD Capital Pte. Ltd., a company incorporated under the laws of Singapore with limited liability on 25 October 2011, and a direct wholly-owned subsidiary of our Company and a member of our Group
"ZACD China"	獅展商務諮詢(上海)有限公司 (ZACD (China) Co., Ltd.*), a wholly-foreign owned enterprise established under the laws of the PRC with limited liability on 13 July 2016, and a direct wholly-owned subsidiary of ZACD International and a member of our Group
"ZACD Financial"	ZACD Financial Group Limited, a company incorporated under the laws of Hong Kong with limited liability on 7 October 2015, and a direct wholly-owned subsidiary of our Company and a member of our Group which holds the SFC licenses to conduct Type 1 (*dealing in securities (CIS)*), Type 4 (*advising on securities*) and Type 6 (*advising on corporate finance*) regulated activities under the SFO
"ZACD Fund"	ZACD Fund Holdings Pte. Ltd., a company incorporated under the laws of Singapore with limited liability on 15 March 2017, and a direct wholly-owned subsidiary of our Company and a member of our Group
"ZACD Group Holdings"	ZACD Group Holdings Limited, a company incorporated under the laws of Hong Kong with limited liability on 7 October 2015, and a direct wholly-owned subsidiary of our Company and a member of our Group

"ZACD International"	ZACD International Pte. Ltd. (formerly known as ZACD (Bio5) Pte. Ltd.), a company incorporated under the laws of Singapore with limited liability on 28 January 2011, and a direct wholly-owned subsidiary of our Company and a member of our Group
"ZACD Investments"	ZACD Investments Pte. Ltd., a company incorporated under the laws of Singapore with limited liability on 15 June 2005, the issued share capital of which is owned by Mr. Yeo and Ms. Sim as to 51% and 49%, respectively and one of our Controlling Shareholders
"ZACD POSH"	ZACD POSH Pte. Ltd., a company incorporated under the laws of Singapore with limited liability on 17 November 2016, and a direct wholly-owned subsidiary of our Company and a member of our Group
"Zhongtai Singapore"	Zhongtai International Holdings (Singapore) Pte. Ltd.
"%"	per cent.

Unless otherwise specified, for the purpose of this document and for illustration purposes only, amounts denominated in Hong Kong dollars have been converted to Singapore dollars at the rate of S$D1.00:HK$5.6786, and vice versa. For details, please refer to the section headed "Information about this Document and [REDACTED] — Exchange Rate Conversion" in the document. Our Company does not make any representation that any amounts in Singapore dollars or Hong Kong dollars had been or may be converted at the date of this document or any other date at such rate or any other rate.

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

Unless otherwise specified, all times refer to Hong Kong time and references to years in this document are to calendar years.

* *For identification purpose only*

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain terms used in this document as they relate to our Company and are used in this document in connection with our business or us. These terms and their given meanings may not correspond to standard industry definitions.

"AUM"	assets under management, which refers to moneys and assets contracted to, drawn down by, are under either the discretionary or non-discretionary authority granted by the customer to the company and in respect of which the company is carrying out fund management, as well as those that have been subcontracted to another party
"BCA"	the Building and Construction Authority of Singapore, an agency under the Ministry of National Development of Singapore
"CAGR"	compound annual growth rate
"CBD"	the central business district of Singapore
"CIS"	collective investment schemes
"HDB"	the Housing and Development Board of Singapore, which is Singapore's public housing authority and a statutory board under the Ministry of National Development of Singapore
"HNWI"	high net worth individual, which refers to someone with a net worth of over USD1.0 (S$1.4) million, excluding their primary residence
"IRR"	the rate of return that discounts future cash flows from an investment to the exact amount of the investment; the discount rate that makes the present value of an investment's costs (outflows) equal to the present value of the investment's benefits (inflows). The higher the IRR is on a project and the greater it exceeds the investor's minimum required rate of return (typically the cost of capital), the more desirable it is to undertake the investment
"JTC"	JTC Corporation, a state-owned real estate company and a statutory board under the Ministry of Trade and Industry of Singapore

GLOSSARY OF TECHNICAL TERMS

"MCST"	Management Corporation Strata Title, which refers to the property owners' association constituted in respect of strata title property in Singapore pursuant to the Building Maintenance and Strata Management Act
"NLA"	net lettable area
"RFMC"	registered fund management company, as defined by the MAS and registered under paragraph 5(1)(i) of the Second Schedule of the Securities and Future (Licensing and Conduct of Business) Regulations (Rg. 10). A corporation that carries on business in fund management in Singapore would need to either hold a CMS licence in fund management or be registered with the MAS as an RFMC. RFMCs are permitted to carry on business on business in fund management with no more than 30 qualified investors (of which no more than 15 may be funds or limited partnership fund structures) and the total value of the assets managed does not exceed S$250 million
"ROI"	return on investment, which also refers to return on equity in this document. Return on equity is commonly referred to as the amount of net income returned as a percentage of shareholders' equity
"SPV(s)"	special purpose vehicle(s), an investment vehicle typically used for specific investment objectives
"TOP"	temporary occupation permit issued by the Commissioner of Building Control from the Building and Construction Authority of Singapore
"UHNWI"	ultra high net worth individual, which refers to someone with a net worth of over USD30 (S$42) million, excluding their primary residence
"URA"	the Urban Redevelopment Authority, a national urban planning authority of Singapore and a statutory board under the Ministry of National Development of Singapore
"YOY"	year over year

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. The forward-looking statements are contained principally in the sections headed "Summary", "Risk Factors", "Industry Overview", "Business", "Financial Information" and "Future Plans and [REDACTED]" in this document. These statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed under the section headed "Risk Factors" in this document, which may cause our actual results, performance or achievements to be materially different from performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements include, without limitation, statements relating to:

- our business strategies and operating plans;
- our capital expenditure and expansion plans;
- our ability to identify and successfully take advantage of new business development opportunities;
- our dividend policy; and
- our profit estimate and other prospective financial information.

The words "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "seek", "will", "would" and the negative of these terms and other similar expressions, as they relate to us, are intended to identify a number of these forward-looking statements. These forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual results may differ materially from information contained in the forward-looking statements as a result of a number of uncertainties and factors, including but not limited to:

- any changes in the laws, rules and regulations of any government relating to any aspect of our business or operations;
- general global economic, market and business conditions;
- inflationary pressures or changes or volatility in interest rates, foreign exchange rates or other rates or prices;
- various business opportunities that we may pursue; and
- the risk factors discussed in this document as well as other factors beyond our control.

Subject to the requirements of applicable laws, rules and regulations, we do not have any obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect, or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set forth in this section as well as the risks and uncertainties discussed in the section headed "Risk Factors" in this document.

Prospective investors should consider carefully all of the information in this document including the risks and uncertainties described below, before making any investment decision in relation to our Company. Potential investors should pay particular attention to the fact that we conduct the majority of our business operations in Singapore, the legal and regulatory environment of which may be subject to the prevailing laws and regulations of Singapore. The business, results of operations, financial conditions and prospects of our Group may be materially and adversely affected by any of these risks and uncertainties. The trading price of the Shares could decline significantly due to any of these risks and uncertainties, and you may lose all or part of your investment. In addition, we are also subject to other risks and uncertainties that are not currently known to us or which currently are deemed to be immaterial. Such risks and uncertainties may also have a material adverse effect on our business, results of operations, financial positions, profitability and future prospects.

We believe that there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorised these risks and uncertainties into: (i) risks relating to our business; (ii) risks relating to the real estate industry; and (iii) risks relating to the [REDACTED] and our Shares.

RISKS RELATING TO OUR BUSINESS

(i) Risks relating to our investment management services

Our success depends on the continuation of our business relationships with certain key real estate developer partners

With our experience in the real estate industry, we have developed well-established relationships with real estate developer partners in Singapore. During the Track Record Period and up to the Latest Practicable Date, we cooperated with a total of nine real estate developer partners in our provision of services across the real estate value chain. Wee Hur and Qingjian are our key real estate developer partners. During the Track Record Period, we cooperated with Wee Hur and Qingjian on a total of 13 real estate projects representing approximately 54.2% of the total number of real estate projects. Out of these 13 real estate projects, we cooperated with Wee Hur on 3 and 2 real estate projects within the investment management and project consultancy and management business segments respectively, while we cooperated with Qingjian on 10 and 3 real estate projects within the investment management and project consultancy and management business segments respectively. During the Track Record Period, the real estate projects on which we cooperated with Wee Hur in our provision of investment management services contributed approximately S$2.3 million, S$4.3 million and S$0.3 million, representing approximately 26.9%, 37.1% and 12.0% of our total revenue, respectively, while real estate projects on which we cooperated with Wee Hur in our provision of project consultancy and management services contributed approximately S$0.4 million, S$0.3 million and S$0.08 million, representing approximately 4.8%, 2.8% and 2.9% of our total revenue, respectively. For the same period, the real estate projects on which we

cooperated with Qingjian in our provision of investment management services contributed approximately S$2.5 million, S$3.3 million and S$0.05 million, representing approximately 28.5%, 29.3% and 3.0% of our total revenue, respectively, while real estate projects on which we cooperated with Qingjian in our provision of project consultancy and management services contributed approximately S$0.5 million, S$0.5 million and S$0.1 million, representing approximately 5.1%, 4.5% and 3.8% of our total revenue, respectively. We cannot assure you that we will continue to collaborate with these partners on new real estate projects, as the continuation of our business relationship depends on various factors such as cost efficiencies, common investment direction and business goals. If we do not collaborate with them on new real estate projects in the future, we will need to obtain new real estate projects from other alternative real estate developer partners. If we are unable to find new real estate projects quickly, we will manage fewer real estate projects within our investment management business segment, and our financial position and results of operations may be materially and adversely affected. Please refer to the section entitled "Business – Our relationship with key real estate developer partners" of this document for further details of our business relationships with Qingjian and Wee Hur.

The investment performance of our real estate projects may be unsatisfactory and may fail to achieve their investment target return

Although we have a proven investment management track record of achieving satisfactory investment returns for our investment management services investors, if the investment performance of our Investment Projects or real estate funds is unsatisfactory or if our investments fail to achieve their investment target return in the future, existing clients may decide to reduce their future investments with us. Going forward, we may not be able to gain new clients for our investment management business. In addition, we may also earn reduced amounts of revenue derived from Establishment Shares or Performance Fees should there be underperformance of our investment management returns. We cannot assure you that we will be able to continue to achieve satisfactory investment returns for our investors. If the investment performance of our Investment Projects or real estate funds is unsatisfactory, our financial position and results of operations may be adversely affected.

Our success depends on our ability to identify or source real estate projects which are suitable for our Investment Projects

Our business model depends to a large extent on our ability to identify and source suitable and desirable real estate projects that can achieve our investment target return. The identification and sourcing of real estate projects will depend on a number of factors which may be out of our control, such as (i) the continuation of our relationships with certain key developers or (ii) there may be a limited number of real estate projects in the market that are suitable for our investment target returns. As such, we cannot assure you that we will be able to source new real estate projects that are suitable and desirable for our future Investment Projects. Any failure to do so may have a material adverse impact on our business, financial condition, results of operations and growth prospects.

We may not be able to replace our bridging reserve fund in the event we are unable to secure sufficient investors' funds for replacement

We intend to utilise approximately [REDACTED] of our total estimated [REDACTED] from the [REDACTED] for setting up our bridging reserve fund for new real estate investments so as (i) to participate in tenders or sales for land parcels and/or real estate assets, including but not limited to payment of the deposits for such transactions; and (ii) to be used in the future to commit to the take-up of the investment stake of potential real estate projects first before setting up of the investment vehicles and/or securing investment funds from the investors when the real estate developer partners approach us for co-investing in new potential real estate projects.

We are unable to guarantee that we will be able to secure sufficient investors' funds to replace our bridging reserve fund. In the event that we are unable to raise sufficient investors' funds, we will be unable to fully withdraw our bridging reserve fund from such real estate project and our financial position and results of operations will be adversely affected.

We may not be able to commit fully to the allocated investment stake that we took up from any given real estate developer partner

At the onset of an Investment Project, we typically will gauge the interest level from potential investors via marketing before confirming the investment amount by the Investment SPV in the Development SPV. We will enter into a Convertible Loan Agreement with the investors to secure the commitment of the investment amount via the Convertible Loan, before entering into a binding shareholders' agreement and shareholders' loan agreements with the real estate developer partner and other joint venture partners via the Investment SPV for investment into the Investment Project. Please refer to the section entitled "Business — Investment management services — SPV investment management via PE structures — Convertible loan structures" of this document for further details of the business process of our investment management business segment. We are unable to guarantee that an investor will remain fully committed to the investment, and there may be instances where an investor may breach the Convertible Loan Agreement and fail to provide part of or the full amount of the Convertible Loan. There may also be instances where the Investment SPV fails to drawdown the Convertible Loans in part or in full. In the event that we are unable to obtain the full commitment of our investors or we fail to make the loan drawdowns, we may have to reduce an Investment SPV's investment stake in the relevant Development SPV. In such an event, our results of operations would be adversely affected.

The Development SPVs may from time to time require external bank financing, which in future may not be available or may be on unfavourable terms

In order to fund the investment in real estate projects, the Development SPVs may require external bank financing or other borrowings. While we believe that the financial market conditions are currently favorable for the real estate industry and related companies and real estate projects, we cannot guarantee that such bank financing or other borrowings will

continue to be available in the future, or if it is available, whether it would be on terms and conditions similar to what they currently have or had in the past. Should such external bank financing or other borrowings cease to be available or become available only on less attractive terms, it would have an adverse impact on the results of operations, financial condition and cash flows of the Development SPVs which in turn will affect our profitability.

We have no control over the Development SPVs, and any actions taken by our real estate developer partners or other third party joint venture investors may adversely affect our joint ventures and in turn affect the operations of our Group

One of our Group's business segments is investment management of Investment Projects, and we will usually invest capital for a minority equity stake in the Development SPVs. Such Development SPVs are typically controlled by our real estate developer partners or together with other third party joint venture investors. Since the Investment SPVs are minority stakeholders and we do not control the board of directors of the Development SPVs, we have limited control over the Investment Projects or the sales and marketing of the completed units. In the event that the units in the Investment Projects in which we invested cannot be successfully completed or sold or the development of the underlying real estate does not go according to plans, our Investment SPVs may not be able to proactively rectify the situation. As a result, we may not be able to realise our investments or reach our investment target return, and the performance of our Investment Projects or real estate funds would be affected. This would have an adverse effect on our cash flow, financial position and results of operations.

Moreover, there can be no assurance that our Group will be able to pursue our stated strategies with respect to joint ventures and the market(s) in which they operate. The real estate developer partners may (a) have economic or business interests or goals that are different or inconsistent with those of our Group; (b) adopt actions or strategies contrary to our Group's policies or objectives; (c) undergo a change of control; (d) experience financial and other difficulties; or (e) be unable or unwilling to fulfill their obligations under the joint venture agreements; any of these may affect our Group's financial conditions or results of operations. We cannot guarantee the capability or performance of our real estate developer partners in developing any particular Investment Projects or real estate funds. Our financial condition and results of operations may be adversely affected by any actions of our real estate developer partners that are beyond our control.

The due diligence process that we undertake in connection with the Investment Projects or real estate funds that we manage may not fully highlight all inherent facts or risks relating to a particular investment

Before making investments in the Investment Projects and the funds that we manage, we conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence and assessing the merits of an investment, we rely on the resources available to us, including information provided by the target of the investment and, in some circumstances, third-party

investigations, and we may involve third party consultants and legal advisors in the due diligence process in varying degrees depending on the type of investment. However, such due diligence investigation may not reveal or highlight all relevant and inherent facts or risks relating to a particular investment. Moreover, such an investigation will not guarantee that the investment would be successful. If the investments we manage do not perform as expected, our cash flow, financial position and results of operations would be adversely affected.

We may be required to provide a guarantee in favour of certain Investment Projects

In certain Investment Projects, the Development SPV would need to secure bank financing from lending bank(s). If required by the lending bank(s), the shareholders of the Development SPV (including the relevant Investment SPV or the ultimate shareholders of the Investment SPV) would provide a corporate and/or personal guarantee. During the Track Record Period, ZACD Investments, Mr. Yeo and Ms. Sim had provided such guarantees. It is expected that they would be released from these guarantees in the ordinary course pursuant to those Investment Projects' normal completion timelines prior to or upon the [REDACTED]. Thereafter, our Group may be required to provide a corporate guarantee in proportion to the investment stake of the Investment SPV in the Development SPV subject to commercial negotiations. In the event that our Group is required to provide a guarantee for one or more Investment Projects, and should there be any event of default on the part of the relevant Development SPV, our Group may incur liabilities upon a call on the guarantee arising from such event of default, and our financial position and results of operations may be adversely affected.

We operate in a highly competitive industry with numerous competitors and if we do not compete successfully against the existing and potential competitors, our business, market share, profitability and results of operations may be materially and adversely affected

According to the Savills Report, Singapore has a diverse competitive landscape for investment management services. Competition has been exerting downward pressure on the service fees generated by our operations. Competition may further increase if our competitors expand their product or service offerings or if there is an influx of new players to our existing markets.

We believe that we enjoy a number of advantages over our competitors, including (i) the integrated service segments of our Group; (ii) our extensive experience in the real estate industry; and (iii) the primary scale, brand recognition, financial resources and service quality of our Group. However, other market participants may have longer operating histories, more financial resources, greater brand recognition, and more extensive knowledge of our customer groups or larger customer bases. There can be no assurance that we will be able to continue to compete effectively or maintain or improve our market position against our current or potential competitors, failure of which could have a material adverse effect on our business, market share, profitability and results of operations.

We may not be able to detect money laundering and other illegal or improper activities on a timely basis, or at all, which could expose us to reputational damages and additional legal or regulatory liability risks

We are required to comply with applicable Singapore and Hong Kong anti-money laundering and anti-terrorism laws and regulations. These laws and regulations require us to adopt and enforce "know-your-customer" policies and procedures. In light of the complexity of money-laundering activities and other illegal or improper activities, such policies and procedures may not eliminate the possibility of our operations from being exploited from money laundering and other illegal or improper purposes. To the extent that we fail to fully comply with such laws and regulations, the relevant government authorities may impose fines and other penalties on us and could have a material adverse impact on our reputation, business, financial condition, prospects and results of operations.

(ii) Risks relating to project consultancy and management services

All of our project consultancy and management services business is project-based. Our revenue and profit margins depend on the terms of the service contracts and may not be regular

All of our revenue generated from our project consultancy and management services is derived from project-based contracts. We believe factors such as the size of project, the operating costs, scope of services to be provided and the amount of fees from these projects, the profit margins may vary from project to project. The terms and conditions of each project, including its payment schedule, may vary in each case after negotiation with our customers and by reference to market conditions. As a result, the revenue or profit margins of our project consultancy and project management business segment may be irregular and are subject to various factors beyond the control of our Group. Moreover, we cannot assure you that we will continue to be able to renew our service contracts with our existing customers or similar or better terms or to secure new service contracts with new customers.

Our success in our project management and consultancy services depends on our ability to deliver quality services

Through ZACD International, we are principally engaged in the provision of project consultancy and management solutions, including advising on land tender strategies and primary advising on unit mix, design and layout of real estate projects, and advising on market positioning of property developments and sale launches. We believe that our success is, to a significant extent, attributable to our ability to provide advices and strategies based on in-depth assessments including financial analyses, market analysis and design reviews and providing marketing supports. As a result, if we are unable to provide effective and quality advices and strategies to our customers or to deliver our services according to the terms of the service contracts, our customers may terminate our service agreements or may not necessarily renew the service contracts with us. Should any of these happen, there will be an adverse effect on our reputation, financial condition and results of operations.

We may not be able to successfully collect project consultancy and management fees from real estate developers and as a result, may incur impairment losses on receivables

We may encounter difficulties in collecting project consultancy and management fees from real estate developers or construction companies. For instance, if there are disputes over the standard of our services or if there have been delays in the completion of the real estate projects, the real estate developers may refuse or may fail to settle our fees in a timely manner or at all. Even though we seek to collect overdue project consultancy and management fees in a timely manner, we cannot assure you that we can successfully collect all overdue fees effectively. While we have not encountered any past instances of real estate developers failing to settle our project consultancy and management fees, should this happen, there will be an adverse effect on our cash flow, financial position and results of operations.

(iii) Risks relating to property management and asset management services

All of our business in property management and asset management services is contract-based. Profit margins depend on the volume of the service contracts we secure and the terms of the service contracts, and our customers may not necessarily renew their service contracts with us

The revenue generated from our property management and asset management services varies by service contracts. We believe profit margins significantly depend on various factors, such as the volume of the service contracts we secure, the terms of the service contracts and the length of the contractual periods, the efficiency and quality of our services and the operating costs involved in the provision of our services. For instance, our customers may not necessarily renew their service contract at the end of the contract term. As such, there can be no assurance that the profitability of a project can be maintained or estimated at any particular level.

Competition from other property management or asset management suppliers and service providers may reduce our future revenue or profit margins

We face competition from other property management or asset management suppliers and service providers. Such competition may exert downward fee pressures on our property management and asset management business segments or take projects from us. In order for us to maintain our fee structures in a competitive environment, we must be able to ensure that our customers are satisfied with the quality of our property management services and the investment returns of our asset management services, such as our customers are willing to pay our property management and asset management fees at the existing levels or better and to renew their service contracts with us. Any fee reductions on existing or future property management or asset management fees without corresponding decreases in our cost structure or any failure to renew our service contracts would have an adverse impact on our future profitability.

We rely on our good relationship with our current and prospective suppliers and service providers, which ensures a stable provision of quality services at a reasonable cost

During the Track Record Period, we have engaged suppliers and service providers for provision of services which support the operation of our business. We have selected our suppliers and service providers based on a number of factors such as prior experience and expertise and service quality. We maintain our relationships with our suppliers and service providers so as to ensure a stable supply of suppliers and service providers at a reasonable cost to facilitate our provision of property services. Our property management services and our ability to provide quality services at reasonable costs therefore depend on whether we are able to maintain such good relationships with our suppliers and service providers. We cannot assure you that such relationships could be continued and if we are unable to do so, the supply, quality and costs of our property management services may be adversely affected.

We may not be able to successfully collect property management and asset management fees from our customers and as a result, this may harm our cash flow, financial position and results of operations

We may encounter difficulties in collecting property management or asset management fees from our customers. They may refuse to pay our property management or asset management fees if there are disputes over the standard of the services we provide. While we seek to collect overdue property and asset management fees through various collection measures, we cannot assure you that such measures will be effective. If we fail to collect property management or asset management fees in a timely manner or at all, there will be an adverse effect on our cash flow, financial position and results of operations.

(iv) Risks relating to financial advisory services

Our expansion strategies into financial advisory services in Hong Kong are subject to uncertainties and risks and we may not be able to replicate our success in Hong Kong

Our growth depends on the implementation of our future plans in connection with our business. As explained in the section headed "Future Plans and [REDACTED]" in this document, a part of our [REDACTED] will be used for our expansion in Hong Kong. We have recently begun to extend our foothold to Hong Kong through ZACD Financial. As we are entering into a relatively new market and lack a proven track record in the financial advisory industry in Hong Kong, such expansion strategies are subject to uncertainties and risks. The expansion plans of our business may strain our managerial, operational and financial resources and we may not be able to successfully manage the growth of our business. Whether our expansion plans can be implemented successfully depends on a number of factors which are beyond our control and there is no assurance such expansion plans will succeed or attain the desired growth rate our Group expects to achieve.

As the business operations of our Group are principally based in Singapore, we are subject to differences in the business, regulatory and political environment between Hong Kong and Singapore. There is no assurance that our expertise, experience and success will extend to the Hong Kong market and we may not be able to adapt to the relevant laws and regulations. We may also experience unforeseeable delays and difficulties during the recruitment process for prospective responsible officers and relationship managers, which will affect the future expansion plan in Hong Kong. Further, our expansion into Hong Kong may incur material expenses and may not generate profit within the timeframe expected by our Directors and this may have an adverse effect on our financial condition and results of operations.

(v) Risks relating to our general operations

We are dependent on our Directors and senior management and we may not be able to attract and retain talented personnel

Our sustainability and continued success depends upon, among other factors, the experience, expertise, network and our ability to retain our management, which includes our Directors and senior management team. Mr. Yeo, our executive Director and chief executive officer, and Ms. Sim, our executive Director and chairman of our Board, each have over 10 years of experience in the real estate industry, respectively, and have extensive experience in both local and international property investments. Mr. Siew, our executive Director and chief financial officer, has over 10 years of experience in corporate finance, mergers and acquisitions, accounting and audit. In addition, our senior management have in-depth industry experience and market knowledge. For further information on the qualifications and experiences of our executive Directors and senior management, please see the section headed "Directors and Senior Management" in this document.

The experience, expertise, network and commitment of our management are crucial to not only our current but future achievements. If we lose any of our key management members, and are unable to recruit, and retain, replacement personnel with equivalent qualifications or talents in a timely manner, our business and growth could be adversely affected.

Our continued success also relies on our ability to attract, hire and retain qualified and skilled managerial, sales and marketing, responsible officers and other personnel for our different business segments. We cannot assure you that we will continue to be able to attract, hire and retain sufficient talented employees for our business needs and growth. Any inability to attract and retain a sufficient number of such qualified and skilled employees could limit our ability to maintain our existing business scale, and therefore our profitability, financial condition and results of operations. In addition, competition for these qualified and skilled individuals could result in higher staff costs in retaining and attracting them and consequently affecting our financial results.

We had negative cash flows from operating activities for the year ended 31 December 2015 and the three months ended 31 March 2017. If we continue to have negative operating cash flows in the future, our liquidity and financial position may be materially and adversely affected

We had negative cash flows from operating activities of S$561,000 and S$1.8 million for the year ended 31 December 2015 and the three months ended 31 March 2017, respectively. See "Financial Information — Liquidity and Capital Resources — Cash Flow". We cannot assure you that we will be able to generate positive cash flows from operating activities in the future. Our liquidity and financial position may be materially and adversely affected by the negative net cash flows, and we cannot assure you that we will have sufficient cash from other sources to fund our operations. If we resort to other financing activities to generate additional cash, we will incur financing costs and we cannot guarantee that we will be able to obtain the financing on terms acceptable to us, or at all.

Any negative publicity involving our services, our Group, our real estate developers and/or real estate developer partners could materially and adversely impact our reputation, business and/or results of operations

As we operate in an industry where credibility and integrity as well as the trust and confidence of customers are of utmost importance, any negative publicity or news reports or allegations in printed and online media associated with our services, our Group, or real estate projects in which we are involved, whether accurate or not, could reduce our customers' confidence in us and result in a loss of customers, thereby causing harm to our reputation, our business, brands and results of operations.

Our business strategies and our future plans may not be easily implemented

Our business strategies are based on our existing plans, taking into account the prevailing market conditions and industry developments, and are subject to inherent market risks and uncertainties at different development and expansion stages. We have identified several growth plans as set out in the sections headed "Business — Our Strategies" in this document. While our strategies are formulated based on our assumptions which are in turn based on our financial projections and future economic outlook, we are unable to foresee or predict all future material changes in the political, legal, fiscal or economic conditions in major markets where we operate. Our assumptions may be inaccurate, which could affect the commercial viability of our strategies. In such event, we may need to adjust our strategies to respond to changing market conditions.

Furthermore, as part of our business strategies and future plans, we intend to expand our investment management business segment by exploring real estate investment opportunities within the Asia-Pacific region and expand our regional business reach in Hong Kong. We may establish ourselves in markets which are different from those in which we are currently operating. We cannot assure you that we will be able to implement our business strategies and plans in such new markets with relative ease and there may be delays or failures in exploring

new markets. As we seek real estate investment opportunities outside of Singapore and elsewhere within the Asia-Pacific region, we may invest in real estate projects in some emerging markets, such as Indonesia and Malaysia. Many of these emerging markets are developing economically and politically and do not have firmly established economic markets for investors. Investments in real estate projects in emerging markets may involve a relatively high degree of risk, for example: (i) political or economic developments may result in the nationalisation of key industries such as the construction industry and the real estate industry; (ii) certain national policies which may restrict a foreign-owned company's investment participation; (iii) the potential for significantly higher rates of inflation; and (iv) currency risk or the imposition, extension or continuation of foreign exchange controls.

We may also encounter delays due to the application process of approvals from the government authorities of these new markets, the timing of which is beyond our control. As we expand our business operations into new geographic regions, we expect to become subject to an increasing number of local rules and regulations in different countries and jurisdictions. As a result, the time and expense in ensuring compliance with the various local regulations may increase, and the risk of losses resulting from non-compliance may also arise at times. If we fail to comply with the related local laws and regulations, we may be subject to penalties by the competent authorities.

Our operations in new markets may also generate lower revenue or incur higher operating costs than operations in our existing markets due to market conditions. Our targeted revenue and profit levels of operations in new markets may take longer time than expected to reach, or may never be reached, thereby affecting our overall profitability. The initial capital expenses and expenditure associated with the development of operations in new markets and business segments may cause our operating results to fluctuate, and we cannot assure you that we will be able to maintain our profitability as we continue to expand into new markets. Such failures to implement our business strategies and expansion plans could materially and adversely affect our financial position and results of operation.

The failure to obtain or renew, or the unexpected revocation of any of, the required governmental approvals, licences and permits could materially and adversely affect our existing business operations or expansion plans

We are required to hold relevant licences, approvals and permits in relation to the provision of some of our services. For instance, we are required to hold a valid CMS Licence in Singapore in order for us to conduct fund management activities, as well as our licenses to conduct Type 1 *(dealing in securities (CIS))*, Type 4 *(advising on securities)* and Type 6 *(advising on corporate finance)* to conduct financial advisory activities in Hong Kong. For more details on the required licences, approvals and permits, please see "Business — Licences, Permits and Certificates" in this document. We may not successfully maintain such approvals, licences or permits relating to our business operations now or in the future and even if maintained, it may not be with similar qualifying terms and conditions. The relevant authorities may impose new conditions or require additional licences or approvals for us to

operate our business. In addition, we may not be able to satisfy the requirements for such approvals, licences or permits in the future, and this may result in the unexpected revocation of such approvals, licences and permits. Failure to obtain and maintain, or the revocation of such licences may result in fines, sanctions and in the worst case being compelled to cease our operations in such business segments. This may materially and adversely affect our existing business operations, financial position and results of operations.

We are subject to the evolving regulatory environment and measures

We operate in some industries that are highly regulated. For example, the provision of our fund management services in Singapore is regulated by the MAS and our financial advisory activities are regulated by the SFC. Our operations are therefore subject to the relevant laws and regulations in the jurisdictions in which we operate our businesses. For further details, please see the section headed "Regulatory Overview" in this document. We cannot assure you that the current regulatory environment and measures will remain unchanged in the future. Any changes in the regulatory environment may increase our operating costs such as administrative costs and compliance costs, and such changes may have a material adverse effect on our business, financial condition and results of operations.

We may be involved in legal and other disputes, claims and proceedings arising out of our operations from time to time, which could result in significant liabilities and reputation harm

We may be exposed to legal and other disputes, claims and proceedings that may arise in the ordinary course of our business from time to time, such as commercial disputes, tax proceedings, government investigations and other legal proceedings. Disputes and legal actions may arise if our customers are dissatisfied with our services or allege that our services are inconsistent with the terms stipulated in our contracts. For example, we are exposed to risk of litigation by the investors if the management of any of our real estate funds is alleged to be fraudulent, negligent, or in breach of applicable laws or regulations, the trust deed or constitutive documents. Investors could seek to recover investment losses alleging misconduct. Further, we may be subject to litigation or claims arising from investor dissatisfaction with the performance of the funds we manage. Furthermore, we may be involved in disputes with, and subject to claims by, other parties involved in our business operations, including our suppliers, service providers, employees, or other third parties.

Any of these disputes and claims may lead to legal or other proceedings which could negatively impact our financial position and our reputation, and could divert human resources and management's attention from our core business activities. If the outcome of any proceedings is unfavorable to us we may be obliged to pay substantial damages and bear significant legal, settlement and other costs. In such event, our results of operations, financial performance and liquidity could be materially and adversely affected.

We may not be able to detect, deter or prevent all instances of fraud, misconduct or other improper behaviours causing misappropriation of funds committed by our employees in time

Although we are so far not aware of any instances of any fraud, serious misconduct or improper behaviour causing misappropriation of funds by our employees during the Track Record Period and up to the Latest Practicable Date, we are nevertheless exposed to the risk of fraud, misconduct or improper behavior by our employees since we deal with and handle large amounts of funds and confidential information in our daily operations. Whilst we have implemented strict control measures to the best of our abilities, we cannot assure you that there will not be any such instances in the future. Any serious misconduct or improper behaviour committed by our employees could subject us to financial losses, harm our reputation and may have a material adverse effect on our business, results of operations and financial position.

Information technology system failures, breaches of our network security and unauthorised leakage of our customer data or confidential information could interrupt our operations and adversely affect our business

We rely on our information and technology system across our different business segments in managing our daily operations, and to collect financial or operating data. In particular, we are implementing an integrated investment management software system that covers the full spectrum of processes involved in our fund management activities. Any damage or failure of our computer systems or network infrastructure that causes an interruption or inaccuracies in our operations could have a material adverse effect on our business and results of operations.

We also receive certain personal data or confidential information about our customers when providing our services. If our network security is compromised and such information is stolen or obtained by unauthorised persons or used inappropriately, we may be in breach of the PDPA or other regulations relating to the protection of personal data and information or find ourselves subject to litigation or other proceedings brought by customers or other information providers. This could cause us to incur significant unplanned losses and expenses.

We may not be able to adequately protect our intellectual property rights, which may have a negative impact on our business and competitive position

We consider our intellectual property to be crucial business assets, and essential to our branding, market positioning, and future growth. The success of our business and our ability to enter into new markets depends substantially upon our continued ability to use our brand, trade names and trademarks to increase our brand recognition and to further develop our brand. For further details of our intellectual property rights, please see "Business — Intellectual Property" in this document and the paragraph headed "6. Further Information About Our Business — B. Intellectual property" in Appendix IV to this document. Any unauthorised reproduction of our trade names, trademarks or domain names could diminish the

value of our brand, our market reputation and competitive advantages. Policing unauthorised use of proprietary information can be difficult and expensive. If we are unable to adequately protect our intellectual property rights, this could have a negative impact on our credibility and reputation, and consequently our business and competitive position.

Our insurance coverage may not completely cover the risks related to our business and operations

We believe that our insurance coverage is in line with industry practice. We maintain insurance policies against major risk and liabilities arising from the operations in our various business segments. For further information, please see "Business — Insurance" in this document. However, we cannot assure you that our insurance coverage covers completely the risks related to our business and operations. Should an uninsured loss or a loss in excess of insured limits occur we could suffer damage to our reputation and financial losses to our future operating income. Any material uninsured loss could have a material adverse effect on our business, financial position and results of operations.

RISKS RELATING TO THE REAL ESTATE INDUSTRY

Macro-economic factors have had and may continue to have a material adverse effect upon our business, financial condition and results of operations

The industry in which we operate is affected by macro-economic factors, including changes in international, national, regional and local economic conditions and employment levels. In particular, most of our operations will continue or will be conducted in Singapore, Hong Kong and other Asia-Pacific countries and accordingly, our results of operations are closely affected by the macro-economic conditions in Singapore, Hong Kong and such other countries in which we operate or will operate our businesses. Any deterioration of the economy in Singapore, Hong Kong and other Asia-Pacific countries may lead to a reduction of demand in the real estate industry and investment appetite and hence our services, which could materially and adversely affect our financial condition and results of operations.

Moreover, the occurrence of a sovereign debt crisis, banking crisis or other disruptions in the global financial markets that could impact the availability of credit generally may have a material and adverse impact on financing available to us, as well as the demand for our services. Turmoil affecting the financial markets, banking systems or currency exchange rates may significantly restrict our ability to obtain financing from the capital markets or from financial institutions on commercially reasonable terms, or at all, and investors may be less willing to invest in real estate funds and projects. These events could materially and adversely affect our business, financial condition and results of operations.

Dependence on the performance of the property market in Singapore and other Asia-Pacific countries

The performance of our business segments is affected by the cyclical patterns of the property market in Singapore and other Asia-Pacific countries such as Malaysia, Indonesia and Australia. The property market in these countries may be volatile and may experience over-supply and property price fluctuations. It is possible that the governments in these countries from time to time may introduce or adjust monetary and other economic policies to curtail speculation in the property market in the future, and regulatory measures may be further implemented to contain the development of the property market. These will materially affect the willingness of investors and real estate developer partners to invest in real estate projects and real estate funds, and the demand for our services could consequently be adversely affected.

RISKS RELATING TO THE [REDACTED] AND OUR SHARES

There has been no prior public market for our Shares

Prior to the [REDACTED], there has been no public market for our Shares. The initial issue price range for our Shares was the result of discussions among us and the [REDACTED] on behalf of the [REDACTED] and the [REDACTED] may differ significantly from the market price for our Shares following the [REDACTED]. We have applied for [REDACTED] of, and permission to deal in, our Shares on the Stock Exchange. A [REDACTED] on the Stock Exchange, however, does not guarantee that an active, liquid public trading market for our Shares will develop, or if it does develop, will be sustained following the [REDACTED] or that the market price of our Shares will not decline following the [REDACTED]. Factors such as variations in our revenue, earnings and cash flows or any other developments of our Company may materially and adversely affect the volume and price at which our Shares will be traded.

The market price and trading volume of our Shares may be volatile, which could result in substantial losses for investors subscribing to our Shares in the [REDACTED]

Factors such as fluctuations in our revenue, earnings, cash flows, new investments, regulatory developments, additions or departures of key personnel, or actions taken by competitors could cause the market price of our Shares or trading volume of our Shares to change substantially and unexpectedly. In addition, stock prices have been subject to significant volatility in recent years. Such volatility has not always been directly related to the performance of the specific companies whose shares are traded. Such volatility, as well as general economic conditions, may materially and adversely affect the prices of shares, and as a result investors in our Shares may incur substantial losses.

Purchasers of Shares will experience immediate dilution and may experience further dilution if we issue additional Shares in the future.

Our Directors will constantly seek opportunities to pursue further growth and development of our business. As such growth and costs in relation thereto cannot be predicted at this juncture, the [REDACTED] raised from the [REDACTED] may not be sufficient to cover them. As a result, secondary issue(s) of securities after the [REDACTED] may be necessary in the future as a means to obtain the required capital for capturing such growth opportunities.

New Shares issued to existing and/or new Shareholders after the [REDACTED] may be priced at a discount to the then prevailing market price of the Shares traded on the Stock Exchange. Under such circumstances, existing Shareholders' equity interests may be diluted. In the event of any failure to utilise the new equity to generate a commensurate increase in the earnings, the earnings per Share of our Company will be diluted, which may result in a decline in the Share price.

Apart from equity funding conceived above, our Group may also need to raise additional capital through debt financing, which may, however, increase interest expense and our gearing ratio, and contain restrictive covenants regarding dividends, future fund-raising exercises and other financial and operational matters.

Singapore tax laws may differ from tax laws of other jurisdictions, including Hong Kong

The Company is incorporated in Singapore. Prospective investors should consult their tax advisers concerning the overall tax consequences of acquiring, owning, or selling the Shares. Singapore tax law may differ from the tax laws of other jurisdictions, including Hong Kong. Please refer to the section entitled "Regulatory Overview — Singapore taxation" of this document for further details.

Future sale or major divestment of Shares by any of our substantial Shareholders could adversely affect the prevailing market price of our Shares

The Shares held by certain substantial Shareholders are subject to certain lock-up periods, the details of which are set out in the section headed "[REDACTED]" in this document. However, we cannot give any assurance that after the restrictions of the lock-up periods expire, these Shareholders will not dispose of any Shares. Sale of substantial amounts of our Shares in the public market, or the perception that these sales may occur, may materially and adversely affect the prevailing market price of our Shares.

The market price of the Shares when trading begins could be lower than the [REDACTED]

The [REDACTED] will be determined on the [REDACTED]. However, the Shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be the fifth Business Day after the expected [REDACTED]. Investors may not be able to sell or otherwise deal in the Shares during that period. As a result, holders of the Shares are subject to the risk that the price of the Shares when trading begins could be lower than the [REDACTED] as a result of adverse market conditions or other adverse developments that may occur during that period.

Shareholders' interests in our Company may be diluted in the future

Our Company may issue additional Shares pursuant to the Share Option Scheme. In addition, we may need to raise additional funds in the future to finance our business expansion, for existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company, other than on a pro rata basis to existing Shareholders, then (i) the percentage ownership of the existing Shareholders may be reduced, and they may experience subsequent dilution and reduction in their earnings per share, and/or (ii) such newly issued securities may have rights, preferences or privileges superior to those of the Shares of the existing Shareholders.

Investors should not place undue reliance on facts, forecasts, estimates and other statistics in this document relating to the economy and our industry obtained from official resources

Facts, forecasts, estimates and other statistics in this document relating to the economy and the industry in which we operate our business have been collected from materials from official government sources. While we have exercised reasonable care in compiling and reproducing such information and statistics derived from government publications, we cannot assure you nor make any representation as to the accuracy or completeness of such information.

Neither we or any of our respective affiliates or advisers, nor the [REDACTED] or any of their affiliates or advisers, have independently verified the accuracy or completeness of such information directly or indirectly derived from official government sources. In particular, due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such information and statistics may be inaccurate or may not be comparable to information and statistics produced with respect to other countries. Statistics, industry data and other information relating to the economy and the industry derived from the official government sources used in this document may not be consistent with other information available from other sources and therefore, investors should not unduly rely upon such facts, forecasts, estimates and statistics while making investment decisions.

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding the [REDACTED]

There may have been, prior to the publication of this document, and there may be, subsequent to the date of this document but prior to the completion of the [REDACTED], press and media coverage regarding us and the [REDACTED], such as the profit estimate information. You should rely solely upon the information contained in this document, the [REDACTED] and any formal announcements made by us in Hong Kong in making your investment decision regarding the [REDACTED]. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any estimates, views or opinions expressed by the press or other media regarding the [REDACTED] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

Accordingly, prospective investors should not rely on any such information, reports or publications in making their decisions whether to invest in the [REDACTED]. Prospective investors in the [REDACTED] are reminded that, in making their decisions as to whether to purchase our Shares, they should rely only on the financial, operational and other information included in this document and the [REDACTED]. By applying to purchase our Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and the [REDACTED].

You may not have the same protection of your shareholder rights under the laws of Singapore compared to what you would have under the laws of Hong Kong

Our corporate affairs are governed by our Constitution, the Singapore Companies Act and the common law of Singapore. The rights of shareholders to take actions against our Directors, the rights of minority shareholders to institute actions and the fiduciary responsibilities of our Directors to us under Singaporean law are to a large extent governed by the common law of Singapore. The common law of Singapore is derived in part from comparatively limited judicial precedent in Singapore and well as from English common law, which has persuasive, but not binding, authority on a court in Singapore. The rights of our Shareholders and the fiduciary responsibilities of our Directors under Singaporean law may not be the same as they would be under statutes or judicial precedent in Hong Kong. In particular, Singapore may have different shareholder protection rights as compared to Hong Kong and may not provide the same protection to investors. Furthermore, shareholders of Singaporean companies may not have standing to initiate a shareholder derivative action in a Hong Kong court.

Forward-looking statements contained in this document are subject to risks and uncertainties

This document contains certain statements that are "forward-looking" and uses forward looking terminology such as "anticipate," "estimate," "believe," "expect," "may," "plan," "consider," "ought to," "should," "would," and "will." Those statements include, among other things, the discussion of our growth strategy and the expectations of our future operations, liquidity and capital resources.

Subscribers of our Shares are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that, any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include those identified in the risk factors discussed above. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our Company's plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. We do not intend to update these forward-looking statements in addition to our on-going disclosure obligations pursuant to the Listing Rules or other requirements of the Stock Exchange. Investors should not place undue reliance on such forward-looking information.

INFORMATION ABOUT THIS DOCUMENT AND [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND [REDACTED]

[REDACTED]

WAIVERS FROM STRICT COMPLIANCE WITH THE GEM LISTING RULES

In preparation for the [REDACTED], our Company has sought a number of waivers, as described below, from the Stock Exchange in relation to certain requirements under the GEM Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, certain transactions which will constitute non-exempt continuing connected transactions of our Company under the GEM Listing Rules upon the [REDACTED]. Accordingly, we [have] applied to the Stock Exchange for, and the Stock Exchange [has] granted, a waiver in relation to certain continuing connected transactions between us and certain connected persons under Chapter 20 of the GEM Listing Rules. For further details, please refer to section headed "Connected Transactions" in this document.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 11.07 of the GEM Listing Rules, our Company must appoint a company secretary who satisfies Rule 5.14 of the GEM Listing Rules. According to Rule 5.14 of the GEM Listing Rules, our Company must appoint as its company secretary an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of a company secretary.

In order to satisfy the requirements under the GEM Listing Rules, we have appointed Mr. Siew and Mr. Ip Pui Sum as our joint company secretaries in Hong Kong. While our Directors consider Mr. Siew is capable of discharging his duty as a company secretary of our Company by virtue of his academic background and professional qualifications, however, he may not possess all the specified qualifications required by Rule 5.14 of the GEM Listing Rules. Therefore, our Company has appointed Mr. Ip, who possesses such specified qualifications, to be a joint company secretary of our Company in Hong Kong. Mr. Siew together with Mr. Ip will be primarily responsible for company secretarial affairs and coordination of investor relations of our Group in Hong Kong.

Please see paragraphs headed "Directors and Senior Management — Directors — Executive Directors" and "Directors and Senior Management — Joint company secretaries" in this document for the biographies of Mr. Siew and Mr. Ip, respectively.

Given the important role of company secretary in the corporate governance of a listed issuer, particularly in assisting the listed issuer as well as its directors in complying with the GEM Listing Rules and other relevant laws and regulations, our Company will make or has made the following arrangements:

(a) Mr. Ip, one of our joint company secretaries in Hong Kong who satisfies the requirements under Rule 5.14 of the GEM Listing Rules, will, throughout his engagement as a joint company secretary of our Company in Hong Kong, assist Mr. Siew so as to enable him to acquire the requisite knowledge and experience (as required under Rule 5.14 of the GEM Listing Rules) in order to discharge his duties and responsibilities as a company secretary of our Company in Hong Kong. Given Mr. Ip's

relevant experience, he will be able to advise both Mr. Siew and our Company on the relevant requirements of the GEM Listing Rules as well as other applicable laws and regulations of Hong Kong;

(b) Mr. Siew, one of our joint company secretaries in Hong Kong, will be assisted by Mr. Ip for a period of three years commencing on the [REDACTED], which should be sufficient for him to acquire the requisite knowledge and experience under Rule 5.14 of the GEM Listing Rules; upon expiry of the three-year period, a further evaluation of the qualifications and experience of Mr. Siew and the need for on-going assistance would be made;

(c) Our Company will ensure that Mr. Siew has access to the relevant trainings and support to enable him to familiarise himself with the GEM Listing Rules and the duties required of a company secretary of a Hong Kong [REDACTED] company, and Mr. Siew has undertaken to attend such trainings;

(d) Mr. Ip, who will familiarise himself with the affairs of our Company, will communicate with Mr. Siew on a regular basis regarding matters in relation to corporate governance, the GEM Listing Rules as well as other applicable laws and regulations of Hong Kong which are relevant to the operations and affairs of our Company. Mr. Ip will work closely with, and provide assistance to Mr. Siew with a view to discharging his duties and responsibilities as a company secretary, including but not limited to organising the Board meetings and Shareholders' meetings of our Company.

(e) Mr. Siew will also be assisted by the compliance adviser and the Hong Kong legal advisers of our Company, particularly in relation to Hong Kong corporate governance practices and regulatory compliance, on matters concerning our on-going compliance obligations under the GEM Listing Rules and the applicable laws and regulations of Hong Kong.

(f) Pursuant to Rule 5.14 of the GEM Listing Rules, Mr. Siew and Mr. Ip will also attend in each financial year no less than 15 hours of relevant professional training courses to familiarise themselves with the requirements of the GEM Listing Rules and other regulatory requirements of Hong Kong. Both Mr. Siew and Mr. Ip will be advised by our legal advisers as to Hong Kong law and our compliance adviser as and when required.

Accordingly, we [have] applied to the Stock Exchange for, and the Stock Exchange [has granted] to us, a waiver from strict compliance with the requirements of Rules 5.14 and 11.07 of the GEM Listing Rules. The waiver is valid for an initial period of three years commencing on the [REDACTED]. Upon expiry of the initial three-year period, our Company will re-evaluate the qualifications and experience of Mr. Siew. Upon the determination by our Company that no on-going assistance is necessary, we will demonstrate to the Stock Exchange that, with the assistance of Mr. Ip over such three-year period, Mr. Siew has acquired the requisite knowledge and experience as prescribed in Rule 5.14 of the GEM Listing Rules. The Stock Exchange will then re-evaluate whether any further waiver would be necessary.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Residential Address	Nationality
Executive Directors		
Mr. YEO Choon Guan (YAO Junyuan) (姚俊沅)	21 Fort Road #07–05 Fort Gardens Singapore 439089	Singaporean
Ms. SIM Kain Kain (沈娟娟)	33 Wareham Road Singapore 436798	Singaporean
Mr. SIEW Chen Yei (蕭勁毅)	Flat B, 36/F Mount Davis 33 33 Ka Wai Man Road Kennedy Town, Hong Kong	Malaysian
Independent non-executive Directors		
Mr. KONG Chi Mo (江智武)	Flat 5, 3/F Fuk Wo Mansion 43 Tung Chau Street Kowloon Hong Kong	Chinese
Dr. SIM Mong Keang (沈茂強)	29 Angullia Park #22-01 Orchard View Singapore 239977	Singaporean
Mr. CHEUNG Ying Kwan (張應坤)	Flat G, 2/F, Block 3 Palm Mansions Whampoa Garden Hung Hom Kowloon Hong Kong	Chinese

Further information of our Directors is disclosed in the section headed "Directors and Senior Management" in this document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors	**China Everbright Capital Limited** 24/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
	Innovax Capital Limited Room 2002, 20th Floor Chinachem Century Tower 178 Gloucester Road Wanchai Hong Kong
[REDACTED]	[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]	[REDACTED]
Financial Adviser	**Zhongtai International Capital Limited** 7th Floor, Li Po Chun Chambers 189 Des Voeux Road Central Central Hong Kong
Legal advisers to our Company	*As to Hong Kong law* **Howse Williams Bowers** 27/F Alexandra House 18 Chater Road, Central Hong Kong
	As to Singapore law **Rajah & Tann Singapore LLP** 9 Battery Road #25–01 Singapore 049910

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal advisers to the Joint Sponsors and the [REDACTED]	*As to Hong Kong law* **Deacons** 5/F Alexandra House 18 Chater Road, Central Hong Kong *As to Singapore law* **Angeline Suparto Law Corporation** 16 Raffles Quay #20-04 Hong Leong Building Singapore 048581
Auditors and reporting accountants	**Ernst & Young** *Certified Public Accountants* 22/F Citic Tower 1 Tim Mei Avenue Central, Hong Kong
Industry consultant	**Savills Valuation and Professional Services (S) Pte Ltd** 30 Cecil Street #20-03, Prudential Tower Singapore 049712
Compliance adviser	**Innovax Capital Limited** Room 2002, 20th Floor Chinachem Century Tower 178 Gloucester Road Wanchai Hong Kong
[REDACTED]	[REDACTED]

CORPORATE INFORMATION

Registered office	2 Bukit Merah Central #22–00 Singapore 159835
Head office and principal place of business in Singapore	2 Bukit Merah Central #22–00 Singapore 159835
Principal place of business in Hong Kong	Unit 501, 5/F, Hing Wai Building 36 Queen's Road Central Hong Kong
Company's website	**www.zacdgroup.com** *(the information contained on this website does not form part of this document)*
Joint company secretaries	*As to Hong Kong law* Mr. Siew Chen Yei (蕭勁毅) Flat B, 36/F Mount Davis 33 33 Ka Wai Man Road Kennedy Town, Hong Kong Mr. Ip Pui Sum (葉沛森) 7/F, Winbase Centre 208 Queen's Road Central Sheung Wan, Hong Kong *As to Singapore law* Mr. Tan Kim Swee Bernard (Chen Jinrin Bernard) Block 7 Pine Close #09-119 Singapore 391007
Authorised representatives (for the purpose of the GEM Listing Rules)	Mr. Siew Chen Yei (蕭勁毅) Flat B, 36/F Mount Davis 33 33 Ka Wai Man Road Kennedy Town, Hong Kong Mr. Ip Pui Sum (葉沛森) 7/F, Winbase Centre 208 Queen's Road Central Sheung Wan, Hong Kong

CORPORATE INFORMATION

Compliance officer	Mr. Siew Chen Yei (蕭勁毅) Flat B, 36/F Mount Davis 33 33 Ka Wai Man Road Kennedy Town, Hong Kong
Audit Committee	Mr. Kong Chi Mo (江智武) *(Chairman)* Dr. Sim Mong Keang (沈茂強) Mr. Cheung Ying Kwan (張應坤)
Remuneration Committee	Dr. Sim Mong Keang (沈茂強) *(Chairman)* Ms. Sim Kain Kain (沈娟娟) Mr. Kong Chi Mo (江智武) Mr. Cheung Ying Kwan (張應坤)
Nomination Committee	Mr. Cheung Ying Kwan (張應坤) *(Chairman)* Mr. Yeo Choon Guan (Yao Junyuan) (姚俊沅) Mr. Kong Chi Mo (江智武) Dr. Sim Mong Keang (沈茂強)
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
Principal bankers	**United Overseas Bank** UOB Plaza 80 Raffles Place Singapore 048624

OVERVIEW

During the Track Record Period, the business activities of our Group were principally based in Singapore. As at the Latest Practicable Date, ZACD Capital, a subsidiary of our Group, held a CMS Licence under the SFA issued by the MAS for conducting fund management activities in Singapore. Moreover, as at the Latest Practicable Date, ZACD Financial, a subsidiary of our Group, was licenced by the SFC to conduct Type 1 (*dealing in securities (CIS)*), Type 4 (*advising on securities*) and Type 6 (*advising on corporate finance*) regulated activities under the SFO in Hong Kong. Therefore, we are subject to the relevant laws and regulations in both Singapore and Hong Kong.

This section sets out summaries of certain aspects of Singapore and Hong Kong laws and regulations, which are relevant to our Group's business operations.

REGULATORY REQUIREMENTS IN SINGAPORE

Securities and Futures Act (Chapter 289 of Singapore) ("SFA")

The SFA is the principal legislation regulating the securities and futures industry in Singapore, including the regulation of securities, futures and leveraged foreign exchange markets, the offering of investments in Singapore, intermediaries and their conduct of regulated activities. In particular, Part IV of the SFA deals with licensing matters.

The SFA is administered by the Monetary Authority of Singapore ("**MAS**"), which is the statutory regulatory body that governs the securities and futures markets and leveraged foreign exchange market in Singapore.

Types of Regulated Activities

The SFA provides a single licensing regime under which a person needs only one licence, known as a capital markets services licence, to carry on different types of regulated activities as specified in Second Schedule of the SFA. There are various types of regulated activities including dealing in securities, trading in futures contracts, advising on corporate finance and fund management. As at the Latest Practicable Date, ZACD Capital, a subsidiary of our Group, was licensed under the SFA to carry out the regulated activity of fund management.

ZACD Capital is licensed to conduct fund management activity on behalf of clients which are accredited investors or institutional investors only (as those terms are defined in the SFA). Currently a majority of licensed managers are subject to this restriction (known generally as accredited investor fund management companies or "**AIFMCs**").

Overview of Licensing Requirements

Under the SFA, any person who:

(i) carries on a business in a regulated activity; or

(ii) holds itself out as carrying on a business in a regulated activity,

must be licensed under the relevant provisions of the SFA for carrying on such regulated activity, unless one of the exceptions under the SFA and its related regulations applies. It is a serious offence for a person to conduct any regulated activity without holding the appropriate licence.

In addition to the licensing requirements on corporations, any individual who:

(i) performs any regulated function in relation to a regulated activity carried on as a business; or

(ii) holds himself out as performing such regulated activity, must be licensed separately under the SFA as a licensed representative.

For fund management activity conducted by a licensed person, it must appoint no less than two relevant persons (at least one of them must be an executive director and chief executive officer) to be responsible for the business of such regulated activity. All directors and/or a chief executive officer of a fund management company must be approved by the MAS to hold that appointment.

Further, pursuant to section 97A of the SFA, the prior approval of the MAS is required before any person can acquire effective control of the CMS licence holder. In this regard, "effective control" is obtained if the person has an arrangement whereby the person, alone or acting together with any connected person would, if the arrangement is carried out:

(i) acquire or hold, directly or indirectly, 20% or more of the issued share capital of the CMS licence holder; or

(ii) control, directly or indirectly, 20% or more of the voting power in the CMS licence holder.

Based on Condition (1) of the CMS Licence (Licence No. CMS100556-1) issued to ZACD Capital, it is stated that ZACD Capital shall obtain the prior approval of the MAS for any change of its members or shareholdings of its members which will result in any person, alone or acting together with any connected person, being in a position to control not less than 20% of the voting power in ZACD Capital, or to hold interest in not less than 20% of the issued shares of ZACD Capital. It is stipulated that ZACD Capital shall immediately notify the MAS of any other changes of its members or shareholding of its members.

Fit and Proper Requirement

Persons applying for licences under the SFA as well as its directors, representatives and shareholders must satisfy, and continue to satisfy after the grant of such licences by the MAS, that they are fit and proper persons. Generally, a fit and proper person means one who is financially sound, competent, honest and has not been in breach of relevant laws and regulations.

On-Going Obligations of Licensed Entities Which Are AIFMCs

Licensed entities and their representatives must remain fit and proper as defined under relevant MAS guidelines at all times. They are required to comply with all applicable provisions of the SFA and its subsidiary rules and regulations as well as relevant notices, directives and guidelines issued from time to time by the MAS.

Outlined below are some of the key on-going obligations of a licensed corporation:

- maintenance of minimum paid-up share capital and liquid capital, and submission of financial returns to the MAS, in accordance with the requirements under the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations (as discussed in more detail below);

- maintenance of trust account(s), and custody and handling of client securities in accordance with the requirements under the Securities and Futures (Licensing and Conduct of Business) Regulations;

- record keeping requirements;

- submission of audited accounts and other required documents;

- notification to the MAS of certain changes and events;

- implementation of appropriate policies and procedures relating to client due diligence, identification and reporting of suspicious transactions and training, in accordance with the requirements under the Guidelines on Anti-Money Laundering and Counter-Terrorist Financing (the "**Anti-Money Laundering Guideline**") issued by MAS (as discussed in more detail below); and

- business conduct requirements under the Securities and Futures (Licensing and Conduct of Business) Regulations and other applicable notices, directives and guidelines issued by the MAS.

Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations (Rg 13) ("SF(FMR)R")

A corporation granted a capital markets services licence in respect of certain regulated activities shall at all times meet the base capital requirement ("**BCR**") thresholds set out in the SF(FMR)R upon obtaining its licence or being registered with the MAS. In view of this obligation, it would be prudent for the licensed corporation to maintain an additional capital buffer over and above the requisite base amount. The BCR thresholds are set out at the First Schedule of the SF(FMR)R, as well as Table 2, Section 3 of the Guidelines on Licensing, Registration & Conduct of Business for Fund Management Companies ("**SFA 04-G05**"). The BCR threshold in respect of a licensed corporation that is an AIFMC is S$250,000.

Pursuant to regulation 4(1) of the SF(FMR)R, a licensed corporation shall not cause or permit its base capital to fall below the BCR applicable to it. Where the base capital falls below the BCR or where the licensed corporation becomes aware that the base capital will fall below the BCR, the MAS must be notified immediately.

Further, a licensed corporation shall at all times meet the risk-based capital requirement in the SF(FMR)R upon obtaining its licence. These obligations extend to an AIFMC. Pursuant to regulations 6 and 7 of the SF(FMR)R, a licensed corporation shall:

(i) not cause or permit its financial resources to fall below the total risk requirement; and

(ii) immediately notify the MAS if its financial resources fall below 120% of its total risk-based capital requirements.

Offers relating to investments

Under the SFA, an offer to acquire an interest in a collective investment scheme has to be authorised by the MAS, unless specific exemptions apply. Advertisements relating to such interests are also prohibited.

The specific exemptions include, among others, that where the offer of any interest in a collective investment scheme is only to "accredited investors" (as defined in section 4A of the SFA), authorisation by the MAS is not required.

Specifically, pursuant to section 305 of the SFA, where the offer of any interest in a collective investment scheme is only to "relevant persons", authorisation by the MAS is not required. The categories of persons defined as "relevant persons" include, without limitation:

(i) an accredited investor;

(ii) a corporation the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(iii) a trustee of a trust the sole purpose of which is to hold investments and each beneficiary of which is an individual who is an accredited investor.

Further, pursuant to section 304 of the SFA, an offer of any interest in a collective investment scheme to "institutional investors" (as defined in section 4A of the SFA) would not require authorisation from the MAS. The categories of persons defined as "institutional investors" would include, without limitation, a bank that is licensed under the Banking Act (Cap. 19) of Singapore, a merchant bank that is approved as a financial institution under section 28 of the Monetary Authority of Singapore Act (Cap. 186) of Singapore, or a finance company that is licensed under the Finance Companies Act (Cap. 108) of Singapore.

If a person commits an offence contrary to the SFA by issuing an offer relating to investments without the authorisation of the MAS and no specific exemptions under the SFA applies, he is liable on conviction to a fine not exceeding S$150,000 or to imprisonment for a term not exceeding 2 years, or both, and, in the case of a continuing offence, to a further fine not exceeding S$15,000 for every day during which the offence continues.

Anti-Money Laundering and Counter-Terrorist Financing ("AML/CFT")

Licensed entities are required to comply with the applicable anti-money laundering and counter-terrorist financing laws and regulations in Singapore as well as various notices and guidelines, such as the Notice on Prevention of Money Laundering and Countering the Financing of Terrorism — Capital Markets Intermediaries ("**SFA 04-N02**") issued by the MAS, read together with the Guidelines to MAS Notice SFA04-N02 (collectively, the "**AML/CFT Notices and Guidelines**").

The AML/CFT Notices and Guidelines provide practical guidance to assist licensed corporations and their senior management in designing and implementing their own AML/CFT policies, procedures and controls in order to meet the relevant legal and regulatory requirements in Singapore. Under the AML/CFT Notices and Guidelines, a licensed corporation (including its respective subsidiaries, affiliates, directors, officers, shareholders, employees, agents, permitted delegates and sub-delegates) should, among other things:

- Take appropriate steps to identify, assess and update its money laundering and terrorism financing risks in relation to the launch or use of new products, new business practices, new delivery mechanisms, or new or developing technologies, and to ensure that appropriate measures and controls are implemented to mitigate and manage such risks;

- Conduct anti-money laundering and customer due diligence ("**CDD**") checks on all new customers (extending to the beneficial owners, connected parties of the customer and persons appointed to act on the customer's behalf), and update its CDD checks on existing customers from time to time;

- Perform such CDD checks where the licensed corporation first establishes business relations with any customer, where the licensed corporation undertakes any transaction of a value exceeding S$20,000 for any customer who has not otherwise established business relations with it, or where the licensed corporation has doubts about the veracity or adequacy of any information previously obtained;

- Reserve the right to request for such information as deemed necessary to verify the identity, tax status and/or source of payment of a customer in order to comply with any applicable law or regulation of any jurisdiction;

- Implement internal risk management systems, policies, procedures and controls to determine if particular business relations with or transactions for any customer presents a higher risk for money laundering or terrorism financing;

- Conduct on-going monitoring of activities of its customers to ensure that they are consistent with the nature of business, the risk profile and source of funds, as well as identify transactions that are complex, large or unusual, or patterns of transactions that have no apparent economic or lawful purpose;

- Conduct comprehensive on-going screening against the UN watch lists, other relevant money laundering and terrorism financing sources and lists and information provided by the MAS or other relevant authorities in Singapore; and

- Report transactions suspected to contain the proceeds of criminal conduct or that is connected in any way with money laundering, tax evasion or terrorist financing to the Suspicious Transactions Reporting Office and the MAS, and document the basis for its assessment and the decision to report the transaction.

We set out below a brief summary of the principal legislations in Singapore that are concerned with money laundering and terrorist financing.

(1) ***Terrorism (Suppression of Financing) Act (Chapter 325 of Singapore)***

Among other things, the Terrorism (Suppression of Financing) Act imposes prohibitions against the use and provision of property and services for terrorist purposes or dealing with the property of terrorists. The Terrorism (Suppression of Financing) Act also imposes a duty to disclose information about any transaction or proposed transaction in respect of any property belonging to any terrorist entity, and to disclose information about acts relating to terrorism financing. In addition, the courts are empowered make any orders relating to the seizure, freezing and confiscation of terrorist property. The Terrorism (Suppression of Financing) Act also prescribes that the International Convention for the Suppression of the Financing of Terrorism would form the basis for assistance under the Mutual Assistance in Criminal Acts (Cap. 190A) of Singapore.

(2) ***Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Chapter 65A of Singapore)***

Among other things, the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act imposes requirements relating to client due diligence and record keeping for the purpose of detecting, investigating and prosecuting drug dealing offences and serious offences. It also contains provisions for the investigation of assets suspected to be derived from drug trafficking activities, the powers of authorized officers to arrest persons without a warrant, and the confiscation of proceeds from drug trafficking activities. It is an offence under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act if a person deals with any property knowing or having reasonable grounds to believe that it represents the proceeds of drug dealing or criminal conduct. Section 39 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act requires a person to report to a Suspicious Transaction Reporting Officer if he/she knows or has reasonable grounds to suspect that any property (directly or indirectly) represents the proceeds of drug dealing or criminal conduct or is intended to be used or was used in connection with drug dealing and criminal conduct, and failure to make such disclosure constitutes an offence under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act.

(3) ***Organised Crimes Act 2015 (No. 26 of 2015 of Singapore)***

Among other things, the Organised Crimes Act empowers law enforcement officers of the Singapore Police Force, Central Narcotics Bureau, the Immigration & Checkpoints Authority and the Commercial Affairs Department to punish persons who are involved in the activities of organized criminal groups, as well as prevent, restrict and disrupt the activities of organized criminal groups and protect members of the public from the harm caused by such groups. It also empowers a court to make various orders to prevent, restrict or disrupt the involvement of persons associated with such groups. The Organised Crimes Act also enables a law enforcement officer to investigate any offence committed under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act.

(4) ***United Nations (Anti-Terrorism Measures) Regulations***

Among other things, the United Nations (Anti-Terrorism Measures) Regulations provide that it would be a criminal offence to: (i) provide or collect funds (by any means, directly or indirectly) with the intention or knowledge that the funds will be used to commit, in whole or in part, one or more terrorist acts; or (ii) make any funds or financial (or related) services available, directly or indirectly, to or for the benefit of a terrorist, terrorist entity or any other person or entity acting on behalf of or at the direction of a terrorist or terrorist entity. The United Nations (Anti-Terrorism Measures) Regulations also requires a person who has possession, custody or control of any property belonging to a terrorist or terrorist entity, or who has information about any transaction or proposed transaction in respect of any property belonging to a terrorist or terrorist entity, to immediately inform the Commissioner of Police or such other person as the Minister may designate, and failure to make such disclosure constitutes an offence under the United Nations (Anti-Terrorism Measures) Regulations.

Exemption from Requirement to hold a CMS licence for Fund Management

Pursuant to paragraph 5(1)(h) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations ("**SF(LCB)R**"), a company will be exempt from the requirement to be registered with or licenced by MAS if it invests solely in immovable assets. This exemption is self-invoking and no filings are required with the MAS, provided that the company invests solely in immovable assets or in securities issued by investment holding companies whose sole purpose is to invest into real estate development projects and/or real estate properties, and where the fund is offered only to accredited and/or institutional investors.

Registered Fund Management Company Regime

Prior to obtaining the CMS licence, ZACD Capital operated under an available exemption from holding a CMS licence by making a filing for registration as a "registered fund management company" ("**RFMC**") pursuant to paragraph 5(1)(i) of the Second Schedule to the SF(LCB)R. To satisfy the requirements of an RFMC, the clients of a fund management company would need to be "accredited investors" or "institutional investors" as defined under the SFA, and the total value of the assets managed cannot exceed S$250 million.

An "accredited investor" is defined in section 4A of the SFA. In the case of individuals, section 4A defines an "accredited investor" as individuals whose net personal assets exceeds in value S$2 million, or whose income in the preceding 12 months is not less than S$300,000 (or their equivalents in a foreign currency). The Authority may prescribe another amount in place of these amounts. In the case of corporations, section 4A defines an "accredited investor" as one whose net assets exceeds S$10 million in value (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe, as determined by the corporation's most recent audited balance-sheet. Where the corporation is not required to prepare audited accounts regularly, whether the corporation's net assets exceeds the prescribed amount in value can be determined with reference to a balance-sheet of the corporation certified by the corporation as giving a true and fair view of the state of affairs of the corporation as of the date of the balance-sheet, which date shall be within the preceding 12 months. An "accredited investor" can also include the trustee(s) (when acting in that capacity) of such trust(s), or such other person, as the Authority may prescribe.

Although the RFMC has slightly fewer compliance requirements as compared to a CMS licence holder, it must still satisfy significant compliance and regulatory requirements. Similar to some of the AIFMC requirements as described above, an RFMC must satisfy the following requirements, which include:

(a) satisfying to the MAS that the RMFC, as well as its directors, representatives and shareholders, are fit and proper persons;

(b) complying with various ongoing business conduct obligations, such as maintaining a minimum paid-up share capital and record keeping;

(c) meeting the minimum BCR threshold of S$250,000;

(d) complying with the relevant AML/CFT Notices and Guidelines; and

(e) submitting audited accounts to the MAS.

Building Maintenance and Strata Management Act (Chapter 30C of Singapore) ("BMSMA")

Management by Owner Real Estate Developers ("Real Estate Developer") Before Constitution of MCST

The BMSMA governs the management of a strata subdivided building by a real estate Developer before the MCST is constituted.

Under the BMSMA, after the completion of the development of any building with more than four lots (out of which two or more lots are sold to more than one purchaser) and planning permission is granted for the strata subdivision of the building, the real estate Developer has:

(a) to establish a maintenance fund on or after the date on which the first temporary occupation permit is issued in respect of any lot before collecting the maintenance charges from any purchaser of any lot in the development;

(b) to collect maintenance charges and pay the maintenance charges into the maintenance fund; and

(c) to maintain proper books of accounts in relation to the maintenance fund and to appoint an auditor to audit the maintenance fund annually.

In the event that the Commissioner of Buildings (as appointed under Section 3(1) of the BMSMA) is satisfied that the management and maintenance of a development is not carried out satisfactorily by the real estate Developer, the Commissioner of Buildings may appoint a managing agent to assume all the powers and duties of the real estate Developer with regards to managing and maintaining the development.

Constitution of MCST

The MCST constituted by virtue of the Land Titles (Strata) Act (Chapter 158 of Singapore) in respect of a strata title plan comprises the subsidiary proprietors from time to time of all lots comprised in that strata title plan. Upon the constitution of the MCST for any development, the real estate Developer continues to exercise the powers of the council of the MCST, until a council of the MCST is elected at the first annual general meeting of the MCST.

The BMSMA provides that the real estate Developer shall hold the first annual general meeting of the MCST no later than the earlier of (a) a date that is one month after the end of the initial period for the MCST or (b) a date that is 6 weeks after the real estate Developer receives a written request from the subsidiary proprietors of at least 10% of the total number of lots comprised in the strata title plan requesting for the first annual general meeting to be held. The initial period for the MCST means a period starting from the day on which the MCST is constituted, and ending

on the earlier of (i) 12 months later, or (ii) on the day when the first annual general meeting of the MCST is held. The agenda for the first annual general meeting of the MCST includes electing a council where there are more than 3 subsidiary proprietors, and determining the amount to be raised for the management fund and the sinking fund.

Within one week after the first annual general meeting of the MCST, the real estate Developer shall transfer control of the MCST's money to the newly elected council of the MCST, and deliver to the latter all keys and means of access that the real estate Developer possesses for the purposes of exercising the powers and performing the duties of the council.

Appointment of Managing Agent by the MCST

Under the BMSMA, a MCST may appoint a managing agent and delegate part or all of its powers, duties and functions under the BMSMA to the managing agent. These duties may include, *inter alia*, the following:

(a) to control, manage and administer the common property for the benefit of all the subsidiary proprietors;

(b) to effect insurance for every subdivided building shown in the strata title plan and keep the building insured under a damage policy;

(c) to properly maintain and keep in a state of good and serviceable repair the common property and any moveable property vested in the MCST;

(d) to comply with any notice or order made by any relevant authority or public authority requiring the abatement of any nuisance on the common property or ordering repairs or other work to be done in respect of the subdivided building or common property;

(e) to hold an annual general meeting of a MCST in each calendar year and not more than 15 months after the holding of the last preceding annual general meeting; and

(f) to perform the functions of the chairperson, secretary, treasurer or the council of the MCST.

The managing agent shall not have the power to delegate the powers, duties and functions that the MCST has delegated to the managing agent and the managing agent shall not make a decision on a restricted matter that can be determined only by a unanimous resolution, a special resolution, a 90% resolution, a resolution by consensus or at a general meeting of the MCST. The managing agent shall not canvass for proxy votes relating to any election of members of the council of the MCST.

In exercising the delegated duties of the MCST, the managing agent can be held liable for any contravention of the BMSMA as if it had been committed by the MCST.

Housing Real Estate Developers (Control and Licensing) Act (Chapter 130 of Singapore) ("Housing Real Estate Developers Act")

Under the Housing Real Estate Developers Act, a housing real estate developer is required to obtain a housing real estate developer's licence ("**HDL**") if it undertakes a housing development project comprising more than four units of housing accommodation. A developer is not required to obtain a HDL if it undertakes a development project relating to industrial properties. The Controller of Housing (as appointed under Section 3(1) of the Housing Real Estate Developers Act) may grant a HDL with such conditions as may be imposed. A housing real estate developer who fails to obtain a valid HDL shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $100,000 and shall also be liable to imprisonment for a term not exceeding 5 years. A housing real estate developer who fails to comply with any condition of its HDL shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $100,000 or to imprisonment for a term not exceeding 3 years or to both.

The HDL will be issued subject to, *inter alia*, the following conditions:

(a) strict compliance by the housing real estate developer with the applicable laws governing housing development;

(b) no options shall be granted and no sale and purchase agreements shall be entered into by the housing real estate developer until the building plans have been approved by the Commissioner of Building Control (as appointed under the Building Control Act, Chapter 29 of Singapore),

(c) planning permission and building plan approval not being invalidated by the relevant authorities; and

(d) the housing real estate developer shall not after the redemption of the mortgage of the land, further encumber the land by way of mortgage or register further charges over it.

The HDL allows a housing real estate developer to start selling the units in the development once the building plan approval has been obtained. The HDL remains in force until the date of the issuance of the certificate of statutory completion for the project and the issue of separate certificates of title or subsidiary strata certificates of title for all the units of the development.

Further, housing real estate developers are required to abide by the rules and regulations under the Housing Real Estate Developers Act. For example, under the Housing real estate Developers Rules, real estate developers are required to provide more information (such as a drawn-to-scale location and site plan of the project, a unit floor plan and a breakdown of the unit's various spaces, such as bedrooms, balconies and bay windows) to buyers before the issuance of an option to purchase. To showcase the real estate developer's track record, real estate developers are also required to disclose at least one completed project before issuing the option to purchase. Housing

real estate developers are also required to comply with the Housing Real Estate Developers (Project Account) Rules with respect to the administration of the accounts of their real estate development projects.

The businesses of the Group as set out in the section entitled "Business" of this document do not require the Group to obtain a HDL for the operation of its businesses. However, the Group's managed investment SPVs and fund structures are shareholders of certain Development SPVs which are involved in residential developments and these Development SPVs may be required to obtain a HDL for the operation of their businesses.

Residential Property Act (Chapter 274 of Singapore) ("Residential Property Act")

The Residential Property Act restricts the purchase or transfer of residential property to approved purchasers, including Singapore companies. A "Singapore company" is defined by the Residential Property Act as a company which is incorporated in Singapore and its members and directors are all Singapore citizens or where the member is another company, all directors of such other company are Singapore citizens and all members of such other company are Singapore citizens or Singapore companies.

Any acquisition of Singapore residential property by any foreign person for the purposes of redevelopment and sale would be subject to the approval of the Controller of Residential Property.

However, if such residential property is**:**

(i) a flat comprised in any building in a development permitted to be used under the (Planning Act (Chapter 232 of Singapore) ("**Planning Act**")), for residential purposes, and is not a landed dwelling-house;

(ii) any unit comprised in a development which is shown in an approved plan bearing the title "condominium" and issued by the relevant competent authority under the Planning Act; or

(iii) any unit in a development comprising housing accommodation sold under the executive condominium scheme established under the Executive Condominium Housing Scheme Act, Chapter 99A of Singapore,

then the approval of the Controller of Residential Property would not be required. A foreign person is also not prohibited from acquiring an estate or interest in any development under any agreement, lease or assignment for a term not exceeding seven (7) years, including any further term which may be granted by way of an option for renewal.

In addition, a housing real estate developer shall before any acquisition of Singapore residential property apply to the Controller of Residential Property for approval to purchase or acquire the residential property. Upon receipt of such application, the Controller of Residential Property may grant approval subject to such terms and conditions as the Controller of Residential Property may think fit, including the imposition of time limits for the completion of the

development and sale of the project. Further, where a housing real estate developer is a company, the Controller of Residential Property may require that any changes in the shareholding and shareholders of the housing real estate developer be subject to the written approval of the Controller of Residential Property. Further, the permission of the Controller of Residential Property will have to be obtained if the company wishes to hold any part of such properties for investment purposes.

Urban Redevelopment Authority ("URA")

The URA monitors and controls the use of land in Singapore. All development projects require a written permission ("**WP**") from the URA and the WP will outline the specific requirements/limits for each individual development.

Upon obtaining the WP from the URA, the real estate developers can proceed to apply for Building Plan Approval ("**BPA**") from the Building and Construction Authority of Singapore ("**BCA**"). The project shall then be built according to the approval in WP and BPA and a re-approval may have to be sought if there are any deviations from the WP and BPA.

The URA also regulates the use of premises in Singapore. Hence, if permission was initially obtained for the use of premises for a certain purpose, a change in the use of premises will normally require written permission from the URA as well.

Building Control Act (Chapter 29 of Singapore) ("Building Control Act")

Under the Building Control Act, the plans of any building works must be submitted by the real estate developer of those building works to the Commissioner of Building Control (the "**CBC**") for approval and in the case of structural works, a permit must be granted by the CBC prior to carrying out such structural works. An application to the CBC for the approval of the plans of the building works must be accompanied by a notification that a registered architect or professional engineer ("**Qualified Person**") has been appointed and who had prepared such plans. A Qualified Person is also tasked with the supervision of the building works. The carrying out of concreting, piling, pre-stressing, tightening of high-friction grip bolts or other critical structural works of a prescribed class of small-scale building works would also require the supervision of a Qualified Person or a site supervisor appointed by him. If any Qualified Person becomes unwilling or unable to carry out his respective duties under the Building Control Act, the real estate developer shall without delay appoint another Qualified Person and within seven days notify the CBC of that substitute appointment. Failure to notify CBC without reasonable excuse may cause the real estate developer to be guilty of an offence.

In addition, any real estate developer of any building works who in carrying out the building works deviates, or permits or authorises the building works to deviate, in any material way from any plans of the building works approved by the CBC shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $100,000 or to imprisonment for a term not exceeding 2 years or to both. The real estate developer of any building works also has a duty to notify the CBC of any contravention of the Building Control Act or building regulations relating to those

building works of which the real estate developer knows or ought reasonably to know. Any real estate developer who contravenes this provision shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $20,000 or to imprisonment for a term not exceeding 12 months or to both.

Building Control Regulations 2003 ("Building Control Regulations")

Under the Building Control Regulations, the real estate developer of building works shall on completion of any buildings works apply to the CBC for a certificate of statutory completion ("**CSC**") or a TOP. The CBC may issue a CSC in respect of a building or any part thereof in respect of which any building works have been carried out where certain requirements as stipulated under the Building Control Regulations has been met. Such requirements include (i) the completion of the building works in accordance with the provisions of the Building Control Act and the Building Control Regulations, (ii) all requirements either shown or endorsed on the approved plans have been complied with, and (iii) all clearances, permits or approvals under the Fire Safety Act (Chapter 109A of Singapore), Sewerage and Drainage Act (Chapter 294 of Singapore), Environmental Protection and Management Act (Chapter 94A of Singapore), Street Works Act (Chapter 320A of Singapore), Parking Places Act (Chapter 214 of Singapore) and Parks and Trees Act (Chapter 216 of Singapore) (collectively, the "**Relevant Permits**") have been submitted to the CBC.

The CBC will not issue a CSC if (i) there are requirements still to be complied with under the Act or these Regulations; (ii) any of the written directions or requirements shown or endorsed on the plans have not been fully complied with; (iii) there are departures or deviations from any approved plans of building works; or (iv) the building works have not been fully completed. However, if the CBC is satisfied that the non-compliance, deviation or non-completion of the building works is neither of a serious nature nor in any way detrimental to the well-being or safety of the persons who may occupy the building or part thereof, the CBC may grant a TOP for the occupation or use of the building if certain requirements as stipulated under the Building Control Regulations are satisfied. These requirements include (i) all progress reports or certificates by the appropriate Qualified Person have been submitted to the CBC, and (ii) the Relevant Permits have been submitted to the CBC.

Fire Safety Act

Under the Fire Safety Act (Chapter 109A of Singapore), the owner or occupier of any building may be required to apply and obtain a fire certificate from the Commissioner of Civil Defence. Any person who fails to comply with the requirement to apply and obtain a fire certificate shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $10,000 or to imprisonment for a term not exceeding 6 months or to both and, in the case of a continuing offence, to a further fine not exceeding $1,000 for every day or part thereof during which the offence continues after conviction.

Employees

The Employment Act (Chapter 91 of Singapore) ("**EA**") is regulated by the Ministry of Manpower ("**MOM**") and sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under the EA.

In particular, Part IV of the EA sets out requirements for rest days, hours of work and other conditions of service for workmen who receive salaries not exceeding S$4,500 a month and employees (other than workmen) who receive salaries not exceeding S$2,500 a month.

Section 38(8) of the EA provides that an employee is not allowed to work for more than 12 hours in any one day except in specified circumstances, such as where the work is essential to the life of the community, defence or security. In addition, Section 38(5) of the EA limits the extent of overtime work that an employee can perform to 72 hours a month. An employer who breaches the above provisions shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$5,000, and for a second or subsequent offence to a fine not exceeding S$10,000 or to imprisonment for a term not exceeding 12 months or to both.

Employment of Foreign Manpower Act

The employment of foreign workers in Singapore is governed by the Employment of Foreign Manpower Act (Chapter 91A of Singapore) ("**EFMA**") and is regulated by the MOM.

In Singapore, under Section 5(1) of the EFMA, no person shall employ a foreign employee unless he has obtained a valid work pass which allows the foreign worker to work for him. Any person who fails to comply with or contravenes Section 5(1) of the EFMA shall be guilty of an offence and shall (a) be liable on conviction to a fine not less than S$5,000 and not more than S$30,000 or to imprisonment for a term not exceeding 12 months or to both; and (b) on a second or subsequent conviction, (i) in the case of an individual, be punished with a fine of not less than S$10,000 and not more than S$30,000 and with imprisonment for a term of not less than one month and not more than 12 months; or (ii) in any other case, be punished with a fine not less than S$20,000 and not more than S$60,000.

An employer of foreign workers is also subject to, amongst others, the provisions set out in the EA, the EFMA, the Immigration Act (Chapter 133 of Singapore) and the regulations issued pursuant to the Immigration Act.

Workplace Safety and Health Act

Under the Workplace Safety and Health Act (Chapter 354A of Singapore) ("**WSHA**"), every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining for the employees a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by

the employees, ensuring that the employees are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer, developing and implementing procedures for dealing with emergencies that may arise while those persons are at work and ensuring that the person at work has adequate instruction, information, training and supervision as is necessary for that person to perform his work.

In addition to the above, under the WSHA, inspectors appointed by the Commissioner for Workplace Safety and Health ("**CWSH**") may, among others, enter, inspect and examine any workplace, to inspect and examine any machinery, equipment, plant, installation or article at any workplace, to make such examination and inquiry as may be necessary to ascertain whether the provisions of the WSHA are complied with.

Under the WSHA, the CWSH may issue a stop-work order in respect of a workplace if he is satisfied that (i) the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any process or work carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work; (ii) any person has contravened any duty imposed by the WSHA; or (iii) any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work. The stop-work order shall, amongst others, direct the person served with the order to immediately cease to carry on any work indefinitely or until such measures as are required by the CWSH have been taken, to the satisfaction of the CWSH, to remedy any danger so as to enable the work in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

The Workplace Safety and Health Council has approved codes of practice for the purpose of providing practical guidance with respect to the requirements of the WSHA relating to safety, health and welfare at the workplace.

Pursuant to the Workplace Safety and Health (Risk Management) Regulations 2006, the employer in a workplace is supposed to, amongst others, conduct a risk assessment in relation to the safety and health risks posed to any person who may be affected by his undertaking in the workplace, take all reasonably practicable steps to eliminate any foreseeable risk, and where it is not reasonably practicable to eliminate the risk, implement reasonably practicable measures and safe work procedures to minimise or control the risk, specify the roles and responsibilities of persons involved in the implementation of any measure or safe work procedure and inform workers of the same, maintain records of such risk assessments and measures or safe work procedure implemented for a period of not less than 3 years, and submit such records to the CWSH when required by the CWSH from time to time.

Workmen's Compensation

The Work Injury Compensation Act (Chapter 354 of Singapore) ("**WICA**"), which is regulated by the MOM, applies to employees who are engaged under a contract of service or apprenticeship, regardless of their level of earnings. The WICA does not cover self-employed

persons or independent contractors. However, the WICA provides that, where any person (referred to as the principal) in the course of or for the purpose of his trade or business contracts with any other person (referred to as the subcontractor employer), the principal shall be liable to compensate those employees of the subcontractor employer who were injured while employed in the execution of work for the principal.

The WICA provides that if an employee dies or sustains injuries in a work-related accident or contracted occupational diseases in the course of the employment, the employer shall be liable to pay compensation in accordance with the provisions of the WICA. An injured employee is entitled to claim wages, costs of medical treatment and lump sum compensation for permanent incapacity or death, subject to certain limits stipulated in the WICA.

An employee who has suffered an injury arising out of and in the course of his employment can choose to either submit a claim for compensation through the MOM without needing to prove negligence or breach of statutory duty by employer. There is a fixed formula in the WICA on amount of compensation to be awarded.

Under the WICA, every employer is required to insure and maintain insurance under approved policies with an insurer against all liabilities which he may incur under the provisions of the WICA in respect of all employees employed him, unless specifically exempted. Failure to do so is an offence carrying a fine of up to S$10,000 and/or imprisonment of up to 12 months.

Central Provident Fund Act

The Central Provident Fund ("**CPF**") system is a mandatory social security savings scheme funded by contributions from employers and employees. Pursuant to the Central Provident Fund Act (Chapter 36 of Singapore) ("**CPFA**"), an employer is obliged to make CPF contributions for all employees who are citizens or permanent residents of Singapore who are employed in Singapore under a contract of service and employed under a permanent, part-time or casual basis (with the exception of a contract of service or other agreement entered into in Singapore as a master, a seaman or an apprentice in any vessel where the owners have been exempted from the provisions of the CPFA).

CPF contributions are required for both ordinary wages and additional wages (subject to the respective CPF contribution ceilings) of employees at the applicable prescribed rates which are dependent on, *inter alia*, the amount of monthly wages and the age of the employee. Ordinary wages are wages due wholly and exclusively for an employee's employment in a month and are payable before the due date of CPF contributions for that month, whereas additional wages are wages which are not granted wholly and exclusively for the employment in a month, such as annual bonus and leave pay.

Under the CPFA, an employer shall pay both the employer's and employee's shares of the monthly CPF contribution. However, an employer is entitled to recover its employee's share of the CPF contribution by deducting such a share from the wages of the employee if such contribution

has been paid for that month. An employer who fails to pay the CPF contributions in accordance with the CPFA shall be guilty of an offence and may be liable on conviction to a fine not exceeding $10,000 or to imprisonment for a term not exceeding 7 years or to both.

Personal Data Protection Act

The Personal Data Protection Act 2012 (No. 26 of 2012) of Singapore ("**PDPA**") governs the collection, use and disclosure of individuals' personal data by organisations. The PDPA also established the Personal Data Protection Commission ("**PDPC**") to administer and enforce the PDPA.

An organisation is required to comply with the following obligations prescribed by the PDPA:

(a) obtain the consent of the individual before collecting, using, or disclosing his personal data, for purposes that a reasonable person would consider appropriate in the circumstances;

(b) notify the individual of the purpose of collecting his personal data;

(c) only use personal data for purposes consented by the individual;

(d) put in place mechanisms for individuals to withdraw their consent;

(e) take reasonable efforts to ensure that personal data collected is accurate and complete if the personal data is likely to be used to make a decision that affects the individual, or is likely to be disclosed to another organisation;

(f) when requested, correct any error or omission in an individual's personal data;

(g) upon an individual's request, provide an individual with his personal data in the organisation's possession and control, as well as information about the ways in which the personal data has been used or disclosed in the past year;

(h) protect personal data by making reasonable security arrangements to prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks;

(i) cease to retain personal data as long as it is reasonable to assume that:

    (i) the purpose for which it was collected is no longer being served by retaining it; and

    (ii) the retention is no longer necessary for business or legal purpose;

(j) not to transfer any personal data out of Singapore except in accordance with the requirements set out in the PDPA; and

(k) implement the necessary policies and practices in order to meet its obligations under the PDPA and make information about its policies and practices available on request.

If the PDPC finds that an organisation is not complying with any provision in the PDPA, it may give the organisation all or any of the following directions:

(a) to stop collecting, using or disclosing personal data in contravention of the PDPA;

(b) to destroy personal data collected in contravention of the PDPA;

(c) to comply with any direction of the PDPC to provide access to or correct the personal data; or

(d) to pay a financial penalty of such amount not exceeding S$1 million.

In addition to the obligation above, the PDPA also established a Do-Not-Call Registry ("**DNC Registry**") which allows individuals to register their Singapore telephone numbers to opt out of receiving marketing phone calls, mobile text messages, and faxes from organisations.

No person shall send a "specified message" addressed to a Singapore telephone number unless it has been confirmed that the number is not listed on the relevant DNC Registry. A "specified message" is one that, among others, purports to offer to supply or advertise or promote goods and services. Any person who contravenes this provision shall be guilty of an offence and shall be liable to a fine not exceeding S$10,000.

Companies Act

The Companies Act (Chapter 50 of Singapore) ("**Companies Act**") generally governs, amongst others, matters relating to the status, power and capacity of a company, shares and share capital of a company (including issuances of new shares (including preference shares), treasury shares, share buybacks, redemption, share capital reduction, declaration of dividends, financial assistance, directors and officers and shareholders of a company (including meetings and proceedings of directors and shareholders, dealings between such persons and the company), protection of minority shareholders' rights, accounts, arrangements, reconstructions and amalgamations, winding up and dissolution.

In addition, members of a company are subject to, and bound by, the provisions of the constitution of the company. The constitution of a company contains, *inter alia*, provisions relating to some of the matters in the foregoing paragraph, transfers of shares as well as sets out the rights and privileges attached to the different classes of shares of the company (if applicable).

Please refer to Appendix III entitled "Summary of the Constitution of the Company and Singapore Company Law" for further details.

Singapore taxation

The discussion below relates to the current tax laws in Singapore in connection with income tax, capital gains tax, stamp duty, estate duty and GST that may arise from the purchase, ownership and disposal of our Shares. The discussion is not intended to be a comprehensive or exhaustive description of all the relevant tax considerations that may be applicable to a decision to purchase our Shares. The discussion is only intended to be a general description of the relevant tax implications and is not intended to be and should not be taken to constitute legal or tax advice.

Note that the laws, regulations and interpretations are subject to change at any time, and further, such changes could be made retroactively. Such laws and regulations may also be interpreted differently. It should not be taken for granted the relevant tax authorities or the Singapore courts will accept or agree with the explanations or conclusions that has been set out below. It should also not be assumed that there will be no changes in such laws and regulations.

Prospective subscribers should seek the counsel of their tax advisers and/or legal advisers on the potential tax consequences arising from the ownership and disposal of our Shares. Our Company, our Directors and any other persons involved in this IPO assumes no responsibility for any tax consequences or liabilities that may arise from the subscription, purchase, holding or disposal of our Shares.

Corporate income tax

A company is regarded as tax resident in Singapore if the control and management of the company's business is exercised in Singapore.

A Singapore tax resident corporate taxpayer is subject to Singapore income tax on:

(a) income accruing in or derived from Singapore; and

(b) foreign-sourced income received or deemed received in Singapore, unless otherwise exempted.

Tax exemption will be granted to a Singapore tax resident corporate taxpayer on its foreign-sourced dividends, foreign branch profits and foreign-sourced service income ("**specified foreign income**") received or deemed to be received in Singapore on or after 1 June 2003 provided that the following qualifying conditions are met:

(a) the income is subject to tax of a similar character to income tax (by whatever name called) under the law of the territory from which the income is received;

(b) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15.0%; and

(c) the Comptroller of Income Tax (the "**Comptroller**") is satisfied that the tax exemption would be beneficial to the corporate taxpayer.

A non-Singapore tax resident corporate taxpayer, subject to certain exceptions, is subject to Singapore income tax on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed received in Singapore.

The first S$300,000 of a company's normal chargeable income is partially exempt from tax as follows:

(a) 75% of up to the first S$10,000 of chargeable income; and

(b) 50% of up to the next S$290,000 of chargeable income.

The remaining chargeable income (after the applicable tax exemption of the first S$300,000 of chargeable income) will be taxed at the prevailing corporate tax rate, currently 17.0%.

New companies will also, subject to certain conditions and exceptions, enjoy tax exemption on their normal chargeable income for the first three consecutive Years of Assessment as follows:

(a) 100% of up to the first S$100,000 of chargeable income; and

(b) 50% of up to the next S$200,000 of chargeable income.

In the 2016 Budget, the Minister for Finance had announced that both resident and non-resident companies will enjoy a corporate income tax rebate from Year of Assessment 2016 to Year of Assessment 2017. This tax rebate will be based on 50% of the tax payable up to a maximum tax rebate of S$20,000 per year of assessment. This tax rebate will not apply to income derived by a non-resident company that is subject to final withholding tax.

In the 2017 Budget, the Minister for Finance announced that the corporate income tax rebate cap for Year of Assessment 2017 will be raised from S$20,000 to S$25,000. The rebate percentage will remain unchanged at 50% of the corporate tax payable. In addition, the rebate will be extended to Year of Assessment 2018 at a reduced rate of 20% of the corporate tax payable, subject to a cap of S$10,000.

Individual income tax

An individual is regarded as a tax resident in Singapore in a year of assessment if, in the preceding calendar year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if except for temporary absences, he ordinarily resides in Singapore.

An individual taxpayer (both resident and non-resident) is subject to Singapore income tax on income accruing in or derived from Singapore, subject to certain exceptions. Foreign-sourced income received or deemed received in Singapore by an individual taxpayer, regardless of whether he/she is resident or non-resident of Singapore, is generally exempt from income tax in Singapore except for such income received through a partnership in Singapore by resident individuals.

Currently, a Singapore tax resident individual is subject to tax at the progressive rates, ranging from 0% to 22.0%, with effect from Year of Assessment 2017.

Income (other than employment income) derived by a non-Singapore tax resident individual is, subject to certain exceptions and conditions, normally taxed at the rate of 22.0% with effect from Year of Assessment 2017. Singapore employment income derived by a non-Singapore tax resident individual is taxed at a flat rate of 15.0% or at the progressive resident rates, whichever yields a higher tax.

Dividend distributions

(i) *One tier corporate taxation system*

Singapore adopts the one-tier corporate taxation system ("**One-Tier System**"). Under the One-Tier System, the tax collected from corporate profits is a final tax and the after-tax profits of the company resident in Singapore can be distributed to the shareholders as tax-exempt (One-Tier) dividends. Such dividends are tax-exempt in the hands of the shareholders, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

(ii) *Withholding taxes*

Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders.

Gains on Disposals of Ordinary Shares

Singapore currently does not impose tax on capital gains. There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature. However, gains may be construed to be of an income nature and subject to Singapore income tax if they arise from activities which are regarded as the carrying on of a trade or business in Singapore.

Any gains or profits derived from the disposal of our Shares, if regarded as capital gains, are not taxable in Singapore. However, if the seller is regarded as having derived such gains as trading gains in Singapore, such gains or profits will ordinarily be taxed as income.

Subject to some exceptions, gains derived from the disposal of ordinary shares in an investee company during the period from 1 June 2012 to 31 May 2022 (both dates inclusive) are not taxable if, immediately prior to the date of the share disposal, the divesting company had held at least 20% of the ordinary shares in the investee company for a continuous period of at least 24 months.

The abovementioned "safe harbor rule" will not apply if the investee company is in the business of trading or holding Singapore immovable properties (excluding property development), where the shares are not listed on a stock exchange in Singapore or elsewhere.

In addition, Shareholders who adopt the tax treatment to be aligned with the Singapore Financial Reporting Standard 39 Financial Instruments — Recognition and Measurement ("**FRS 39**") may be taxed on gains (not being gains in the nature of capital) even though no sale or disposal of our Shares is made. Shareholders who may be subject to such tax treatment should consult their own accounting and tax advisors regarding the Singapore income tax consequences of their acquisition, holding and disposal of our Shares.

Stamp Duty for Sale of Shares

There is no stamp duty payable on the subscription of our Shares.

Where existing Shares are transferred in Singapore, stamp duty is payable on the contract or agreement entered into for the transfer of our Shares at the rate of 0.20% of the purchase consideration or market value of our Shares, whichever is higher. The purchaser is liable for the stamp duty, unless otherwise agreed by the parties to the transaction.

No stamp duty is payable if no contract or agreement is executed (such as in the case of a transfer of scripless shares, for which no contract or agreement is executed) or if the contract or agreement is executed outside of Singapore. However, stamp duty is payable if the contract or agreement which is executed outside Singapore is subsequently received in Singapore. Stamp duty is not applicable to electronic transfers of our Shares, if such transfers are not pursuant to a contract or agreement being entered into.

Stamp Duty for Sale of Immovable Property

A contract agreement or instrument relating to the conveyance, assignment or transfer of any immoveable property is subject to the following stamp duties, which are calculated based on the sale consideration or the market value of the property, whichever is higher (the "**Relevant Value**").

(i) Buyers of immovable properties are required to pay buyers' stamp duty on the purchase or acquisition of both industrial properties and residential properties at the following rates:

- 1% on the first S$180,000;
- 2% on the next S$180,000; and
- 3% on the remaining Relevant Value.

(ii) Buyers who are acquiring residential properties on or after 8 December 2011 may also be required to pay additional buyers' stamp duty ("**ABSD**") if these buyers fall within the following categories:

- Singapore Citizens who are buying their second or third and subsequent residential property are subject to pay ABSD at a rate of 7% or 10%, respectively, of the Relevant Value;
- Singapore Permanent Residents who are buying their first or second and subsequent residential property are subject to pay ABSD at a rate of 5% and 10%, respectively, of the Relevant Value; and
- Foreigners or corporate entities buying any residential property are subject to pay ABSD at a rate of 15% of the Relevant Value.

(iii) Sellers are liable to pay sellers' stamp duty ("**SSD**") for the sale of both residential properties and industrial properties, only if these properties (i) were purchased on or after 20 February 2010 and 12 January 2013 respectively, and (ii) were sold within a certain duration.

For residential properties, the amount of SSD payable is dependent on the date of purchase of the property. Generally, for properties purchased on and after 11 March 2017, SSD is payable at the following rates, calculated based on the Relevant Value:

- 12% for the sale of a residential property with a holding period of up to 1 year;
- 8% for the sale of a residential property with a holding period of more than 1 year and up to 2 years;
- 4% for the sale of a residential property with a holding period of more than 2 years and up to 3 years; and
- No SSD is payable for the sale of a residential property with a holding period of more than 3 years.

For industrial properties, SSD is payable only if these properties (i) were purchased on or after 12 January 2013, and (ii) were sold within a certain duration. The SSD is payable at the following rates, calculated based on the Relevant Value:

- 15% for the sale of an industrial property with a holding period of up to 1 year;
- 10% for the sale of an industrial property with a holding period of more than 1 year and up to 2 years;
- 5% for the sale of an industrial property with a holding period of more than 2 years and up to 3 years; and

- No SSD is payable for the sale of an industrial property with a holding period of more than 3 years.

In general, stamp duty is payable on instruments executed in Singapore or if executed outside Singapore, and relates to any property situated in Singapore, which are received in Singapore. Whilst stamp duty relief and remission are available in limited circumstances, such relief and remission are not automatic and must be applied for under the relevant provisions of the Stamp Duties Act (Chapter 312 of Singapore).

Additional Conveyance Duty ("ACD")

ACD is payable on every qualifying acquisition and disposal of an equity interest in a residential property-holding entity whose primary tangible assets, owned directly or indirectly, are Singapore residential properties ("**Residential PHE**"). A Residential PHE can be either or both of the following:

(i) a target entity (known as the "**Type 1 PHE**") whose market value of residential properties makes up at least 50% of the value of its tangible assets; or

(ii) a target entity (known as the "**Type 2 PHE**") which has 50% or more beneficial interest (whether direct or indirect) in one or more Type 1 PHEs (the "**Related Entities**") and the sum of the market value of the residential properties beneficially owned by the target entity and its Related Entities is at least 50% of the open market value of the total tangible assets of the target entity and its Related Entities.

ACD is payable in addition to the existing stamp duty that is payable on the transfer of shares, and is required to be paid within 14 days of the date of execution of the instrument effecting the qualifying acquisition or disposal (if executed in Singapore) or 30 days of the receipt of the instrument in Singapore (if executed overseas).

*ACD for Buyers ("**ACDB**")*

A qualifying acquisition of an equity interest in a Residential PHE is one where the buyer (together with any associates) is already a Significant Owner of the Residential PHE before the acquisition; or becomes a Significant Owner of the Residential PHE after the acquisition. ACDB is computed at a tiered rate of 1% to 3% in addition to a flat rate of 15% of the aggregate of the open market value of all the residential properties held in the PHE. Where the Residential PHE may be considered a Type 2 PHE, or both a Type 2 and a Type 1 PHE, the value of any direct and indirect interests in the residential properties (as the case may be) will be taken into account in the computation of ACDB.

A Significant Owner of the Residential PHE refers to a person or an entity who beneficially owns at least a 50% equity interest or at least 50% voting power in a Residential PHE, either on its own or with its associates. Where the buyer or seller is an entity, an "associate" includes (a) subsidiaries which the entity beneficially owns 75% or more voting capital and more than 50%

voting power in; (b) holding entities which beneficially own 75% or more voting capital and more than 50% voting power in the entity; (c) other entities in the group that is a subsidiary to the holding entity as mentioned in (b) above; or (d) partners in a partnership, limited partnership or limited liability partnership. Where the buyer or seller is an individual, an "associate" includes (a) family members such as grandparents, parents, children, grandchildren, siblings and spouses; or (b) partners in a partnership, limited partnership or limited liability partnership.

*ACD for Sellers ("**ACDS**")*

A qualifying disposal of an equity interest in a Residential PHE is one where the seller (together with any associates) is a Significant Owner of the Residential PHE and the equity interest to be disposed of is acquired on or after 11 March 2017 and disposed of within 3 years of acquisition on a first-in-first-out basis. ACDS is computed at a flat rate of 12% of the aggregate of the open market value of all the residential properties held in the PHE. Similar to ACDB, where the Residential PHE may be considered a Type 2 PHE, or both a Type 2 and a Type 1 PHE, the value of any direct and indirect interests in the residential properties (as the case may be) will also be taken into account in the computation of ACDS.

Estate Duty

Singapore estate duty was abolished with effect from 15 February 2008.

Goods and Services Tax ("GST")

The sale of our Shares by a GST-registered investor belonging in Singapore through an SGX-ST member to another person belonging in Singapore is an exempt supply and so would not be subject to GST. In this regard, generally, GST directly incurred by the GST-registered investor in making such supplies may not be recovered from the Comptroller of GST.

Where our Shares are sold by a GST-registered investor to a person belonging outside Singapore and that person is outside Singapore at the time the sale is executed, the sale is generally a taxable supply subject to GST at 0%. Any GST incurred by a GST-registered investor in the making of this taxable supply in the course of or furtherance of a business carried on by him, subject to the provisions of the GST Act, may be recovered from the Comptroller of GST.

Investors should seek the counsel of their own tax advisers and/or legal advisers on the recoverability of GST incurred on expenses in connection with the purchase and sale of our Shares.

Services consisting of arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of our Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the standard rate, currently at 7%. Similar services rendered to an investor belonging outside Singapore are subject to GST at 0%, provided that the investor is outside Singapore when the services are performed and the services provided do not directly benefit any Singapore persons.

REGULATORY REQUIREMENTS IN HONG KONG

Introduction

The SFO is the principal legislation regulating the securities and futures industry in Hong Kong, including the regulation of securities, futures and leveraged foreign exchange markets, the offering of investments to the public in Hong Kong, intermediaries and their conduct of regulated activities. In particular, Part V of the SFO deals with licensing and registration matters.

The SFO is administered by the SFC which is the statutory regulatory body that governs the securities and futures markets and non-bank retail leveraged foreign exchange market in Hong Kong.

Types of Regulated Activities

The SFO provides a single licensing regime under which a person needs only one licence to carry on different types of regulated activities as specified in Schedule 5 of the SFO. There are ten types of regulated activities, namely:

Type 1: dealing in securities;
Type 2: dealing in futures contracts;
Type 3: leveraged foreign exchange trading;
Type 4: advising on securities;
Type 5: advising on futures contracts;
Type 6: advising on corporate finance;
Type 7: providing automated trading services;
Type 8: securities margin financing;
Type 9: asset management; and
Type 10: providing credit rating services.

As at the Latest Practicable Date, the following member of our Group was licensed under the SFO to carry out the regulated activities as stated below:

Company	Types of Regulated Activities
ZACD Financial[(Note)]	Type 1, Type 4 and Type 6

Note:

The licensing conditions of ZACD Financial are set out as follows:

Effective date	Licensing conditions
2 December 2016	ZACD Financial shall not hold client assets. The terms "hold" and "client assets" are as defined under the Securities and Futures Ordinance.

Effective date	Licensing conditions
2 December 2016	ZACD Financial shall only provide services to professional investors. The term "professional investor" is as defined in the Securities and Futures Ordinance and its subsidiary legislation.
2 December 2016	For Type 6 regulated activity, ZACD Financial shall not act as sponsor in respect of an application for the listing on a recognised stock market of any securities.
2 December 2016	For Type 6 regulated activity, ZACD Financial shall not advise on matters/transactions falling within the ambit of the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC.
2 December 2016	For Type 1 regulated activity, ZACD Financial shall only carry on the business of dealing in collective investment schemes. The terms "collective investment scheme" and "dealing" are as defined under the Securities and Futures Ordinance.

Overview of Licensing Requirements

Under the SFO, any person who:

(i) carries on a business in a regulated activity; or

(ii) holds itself out as carrying on a business in a regulated activity,

must be licensed under the relevant provisions of the SFO for carrying on such regulated activity, unless one of the exceptions under the SFO applies. It is a serious offence for a person to conduct any regulated activity without holding the appropriate licence.

Further, if a person (whether by itself or another person on its behalf, and whether in Hong Kong or from a place outside Hong Kong) actively markets to the public in Hong Kong any services that it provides and such services, if provided in Hong Kong, would constitute a regulated activity, then that person is also subject to the licensing requirements under the SFO.

In addition to the licensing requirements of corporations, any individual who:

(i) performs any regulated function in relation to a regulated activity carried on as a business; or

(ii) holds himself out as performing such regulated activity,

must be licensed separately under the SFO as a licensed representative accredited to his principal.

For each regulated activity conducted by a licensed corporation, it must appoint no less than two responsible officers (at least one of whom must be an executive director) to supervise the business of such regulated activity. A responsible officer is an individual approved by the SFC to supervise the regulated activity or activities of the licensed corporation to which he is accredited. In

addition, every director of the licensed corporation who actively participates in or is responsible for directly supervising the licensed corporation's regulated activity or activities must apply to the SFC to become a responsible officer.

Fit and Proper Requirement

Persons applying for licences under the SFO must satisfy, and continue to satisfy after the grant of such licences by the SFC, that they are fit and proper persons to be so licensed. In simple terms, a fit and proper person means one who is financially sound, competent, honest, reputable and reliable.

On-Going Obligations of Licensed Corporations

Licensed corporations, licensed representatives and responsible officers must remain fit and proper as defined under the SFO at all times. They are required to comply with all applicable provisions of the SFO and its subsidiary rules and regulations as well as the codes and guidelines issued by the SFC.

Outlined below are some of the key on-going obligations of a licensed corporation:

- maintenance of minimum paid-up share capital and liquid capital, and submission of financial returns to the SFC, in accordance with the requirements under the Securities and Futures (Financial Resources) Rules (as discussed in more detail below);

- maintenance of segregated account(s), and custody and handling of client securities in accordance with the requirements under the Securities and Futures (Client Securities) Rules (as discussed in more detail below);

- maintenance of segregated account(s), and holding and payment of client money in accordance with the requirements under the Securities and Futures (Client Money) Rules;

- issuance of contract notes, statements of account and receipts, in accordance with the requirements under the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules;

- record keeping requirements prescribed under the Securities and Futures (Keeping of Records) Rules;

- submission of audited accounts and other required documents in accordance with the requirements under the Securities and Futures (Accounts and Audit) Rules;

- maintenance of insurance against specific risks for specified amounts in accordance with the requirements under the Securities and Futures (Insurance) Rules;

- notification to the SFC of certain changes and events, in accordance with the requirements under Securities and Futures (Licensing and Registration) (Information) Rules;

- implementation of appropriate policies and procedures relating to client acceptance, client due diligence, record keeping, identification and reporting of suspicious transactions and staff screening, education and training, in accordance with the requirements under the Guideline on Anti-Money Laundering and Counter-Terrorist Financing (the "**Anti-Money Laundering Guideline**") issued by the SFC (as discussed in more detail below); and

- business conduct requirements under the Code of Conduct for Persons Licensed by or Registered with the SFC, the Management, Supervision and Internal Control Guidelines for Persons Licensed by or Registered with the SFC, and other applicable codes and guidelines issued by the SFC.

Securities and Futures (Financial Resources) Rules

Pursuant to the Securities and Futures (Financial Resources) Rules, ZACD Financial is required to maintain minimum paid-up share capital of HK$5,000,000 for the reason that it is (i) a corporation licensed for Type 1 regulated activity that does not provide securities margin financing; (ii) a corporation licensed for Type 4 regulated activity; and (iii) a corporation licensed for Type 6 regulated activity that is subject to the no sponsor work licensing condition.

Pursuant to the Securities and Futures (Financial Resources) Rules, ZACD Financial shall also maintain minimum liquid capital of the higher of the amount of (i) and (ii) below:

(i) the amount of:

- HK$100,000 — in case of a corporation licensed for Type 4, Type 5, Type 6, Type 9 or Type 10 regulated activity which is subject to the licensing condition that it shall not hold client assets;

- HK$500,000 — in case of (a) a corporation licensed for Type 1 regulated activity that is an approved introducing agent or trader; or (b) a corporation licensed for Type 2 regulated activity that is an approved introducing agent, a futures non-clearing dealer or trader; or

- HK$3,000,000 — in case of (a) a corporation licensed for Type 1 regulated activity that is not an approved introducing agent or trader; or (b) a corporation licensed for Type 2 regulated activity that is not an approved introducing agent, a futures non-clearing dealer or trader; (c) a corporation licensed for Type 3 regulated activity that is an approved introducing agent; (d) a corporation licensed for Type 4, Type

5, Type 6, Type 9 or Type 10 regulated activity which is not subject to the licensing condition that it shall not hold client assets; or (e) a corporation licensed for Type 7 or Type 8 regulated activity; and

(ii) its variable required liquid capital, as defined in the Securities and Futures (Financial Resources) Rules.

If the licensed corporation is licensed for more than one type of regulated activity, the minimum paid-up share capital and liquid capital that the corporation should maintain shall be the highest amount required among those regulated activities.

Offence to issue advertisements, invitations or documents relating to investments

Under section 103(1) of the SFO, the issue of advertisement, invitation or document which contains an invitation to the public:

(i) to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities; or a regulated investment agreement or an agreement to acquire, dispose of, subscribe for or underwrite any other structured product; or

(ii) to acquire an interest in or participate in, or offer to acquire an interest in or participate in, a collective investment scheme,

has to be authorised by the SFC under section 105(1) of the SFO, unless specific exemptions apply.

The specific exemptions include, among others, that under section 103(3)(k) of the SFO, if the issue of the advertisement, invitation or document made in respect of securities or structured products, or interests in any collective investment scheme, that are or are intended to be disposed of only to "professional investors" (as defined in Part 1 of Schedule 1 to the SFO), authorisation of the issue by the SFC is not required.

If a person commits an offence contrary to section 103(1) of the SFO by issuing advertisement, invitation or document relating to investments without the authorisation of the SFC and no specific exemptions under the SFO applies, he is liable:

(i) on conviction on indictment to a fine of HK$500,000 and to imprisonment for three years and, in the case of a continuing offence, to a further fine of HK$20,000 for every day during which the offence continues; or

(ii) on summary conviction to a fine of HK$100,000 and to imprisonment for six months and, in the case of a continuing offence, to a further fine of HK$10,000 for every day during which the offence continues.

Anti-Money Laundering and Counter-Terrorist Financing

Licensed corporations are required to comply with the applicable anti-money laundering and counter-terrorist financing laws and regulations in Hong Kong as well as the Anti-Money Laundering Guideline.

The Anti-Money Laundering Guideline provides practical guidance to assist licensed corporations and their senior management in designing and implementing their own anti-money laundering and counter-terrorist financing policies, procedures and controls in order to meet the relevant legal and regulatory requirements in Hong Kong. Under the Anti-Money Laundering Guideline, licensed corporations should, among other things:

- assess the risks of any new products and services before they are introduced and ensure that appropriate additional measures and controls are implemented to mitigate and manage the associated money laundering and terrorist financing risks;

- identify the client and verify the client's identity using reliable, independent source documents, data or information, and take steps from time to time to ensure that the client's information is up-to-date and relevant;

- conduct on-going monitoring of activities of the clients to ensure that they are consistent with the nature of business, the risk profile and source of funds, as well as identify transactions that are complex, large or unusual, or patterns of transactions that have no apparent economic or lawful purpose;

- maintain a database of names and particulars of terrorist suspects and designated parties which consolidates the various lists that have been made known to it, as well as comprehensive on-going screening of the client's database or, alternatively, make arrangements to access to such a database maintained by third party service providers; and

- conduct on-going monitoring for identification of suspicious transactions and ensure compliance with their legal obligations of reporting funds or property known or suspected to be proceeds of crime or terrorist property to the Joint Financial Intelligence Unit, a unit jointly run by the Hong Kong Police Force and the Hong Kong Customs and Excise Department to monitor and investigate suspected money laundering.

We set out below a brief summary of the principal legislations in Hong Kong that are concerned with money laundering and terrorist financing.

(1) ***Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Chapter 615 of the Laws of Hong Kong)***

Among other things, the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance imposes requirements relating to client due diligence and record-keeping and provides regulatory authorities with the powers to supervise compliance

with the requirements under the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance. In addition, the regulatory authorities are empowered to (i) ensure that proper safeguards exist to prevent contravention of specified provisions in the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance; and (ii) mitigate money laundering and terrorist financing risks.

(2) ***Drug Trafficking (Recovery of Proceeds) Ordinance (Chapter 405 of the Laws of Hong Kong)***

Among other things, the Drug Trafficking (Recovery of Proceeds) Ordinance contains provisions for the investigation of assets suspected to be derived from drug trafficking activities, the freezing of assets on arrest and the confiscation of the proceeds from drug trafficking activities. It is an offence under the Drug Trafficking (Recovery of Proceeds) Ordinance if a person deals with any property knowing or having reasonable grounds to believe it to represent the proceeds of drug trafficking. The Drug Trafficking (Recovery of Proceeds) Ordinance requires a person to report to an authorised officer if he/she knows or suspects that any property (directly or indirectly) represents the proceeds of drug trafficking or is intended to be used or was used in connection with drug trafficking, and failure to make such disclosure constitutes an offence under the Drug Trafficking (Recovery of Proceeds) Ordinance.

(3) ***Organized and Serious Crimes Ordinance (Chapter 455 of the Laws of Hong Kong)***

Among other things, the Organised and Serious Crimes Ordinance empowers officers of the Hong Kong Police Force and the Hong Kong Customs and Excise Department to investigate organised crime and triad activities, and it gives the courts jurisdiction to confiscate the proceeds of organised and serious crimes, to issue restraint orders and charging orders in relation to the property of defendants of specified offences. The Organised and Serious Crimes Ordinance extends the money laundering offence to cover the proceeds of all indictable offences in addition to drug trafficking.

(4) ***United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575 of the Laws of Hong Kong)***

Among other things, the United Nations (Anti-Terrorism Measures) Ordinance provides that it would be a criminal offence to: (i) provide or collect funds (by any means, directly or indirectly) with the intention or knowledge that the funds will be used to commit, in whole or in part, one or more terrorist acts; or (ii) make any funds or financial (or related) services available, directly or indirectly, to or for the benefit of a person knowing that, or being reckless as to whether, such person is a terrorist or terrorist associate. The United Nations (Anti-Terrorism Measures) Ordinance also requires a person to report his knowledge or suspicion of terrorist property to an authorised officer, and failure to make such disclosure constitutes an offence under the United Nations (Anti-Terrorism Measures) Ordinance.

INDUSTRY OVERVIEW

The information and statistics presented in this section and elsewhere in this document have been derived from an industry report, commissioned by us and independently prepared by Savills Valuation and Professional Services (S) Pte Ltd in connection with the [REDACTED]. In addition, certain information is based on, or derived or extracted from, among other sources, publications of government authorities and internal organisations, market data providers, communications with other independent third-party sources unless otherwise indicated. We believe that the sources of such information and statistics are appropriate and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information and statistics are false or misleading in any material respect or that any fact has been omitted that would render such information and statistics false or misleading. Our Directors confirm that, after taking reasonable care, they are not aware of any adverse change in market information since the date of this document which may qualify, contradict or adversely impact the quality of the information in this section. None of our Company, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], or any of our or their respective directors, advisers and affiliates have independently verified such information and statistics and no representation has been given as to its accuracy or completeness. Accordingly, such information should not be unduly relied upon.

INTRODUCTION

We commissioned Savills to provide an independent real estate market and industry report (referred to as the Savills Report) with respect to investment management services, project consultancy and management services and property management and asset management services. We paid Savills a fee of S$117,000, which we believe reflects market rates for reports of this type. Unless the context requires otherwise, market estimates or forecasts in this section represent Savills's view on the future development of the selected industries in Singapore and worldwide.

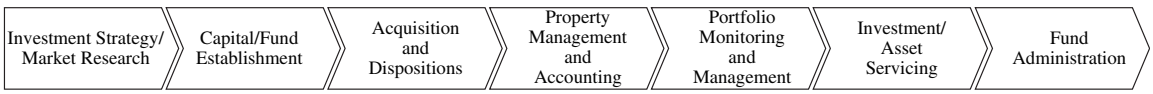
Savills Valuation and Professional Services (S) Pte Ltd, a wholly-owned entity of Savills Singapore Pte Ltd, comprises the valuation and advisory as well as research and consultancy divisions that focus on Singapore and South East Asia. It is part of Savills plc, a real estate services provider listed on the London Stock Exchange with a global network of over 700 offices in more than 60 countries. In preparing the report, Savills relied on the statistics and information obtained through primary and secondary research. Primary research includes interviewing industry insiders and recognised third-party industry associations, while secondary research includes reviewing corporate annual reports, databases of relevant official authorities, independent research reports and publications, as well as the exclusive database established by Savills over the past decades. Forward-looking statements/forecasts were made by Savills based on the following assumptions (i) social, economic and political conditions in the world and Singapore currently discussed will remain stable during the forecast period; (ii) government policies on investment management services industry in Singapore will remain unchanged during the forecast period; and (iii) growth in the investment management services industry in Singapore will be driven by the growing real estate market and financial needs of real estate developers (amid the significant rise in real estate prices), more real estate companies adopting asset light strategies, as well as the increasing need of investors to diversify their portfolio, in terms of geography and sector.

Our Directors took reasonable care in reviewing and discussing the above assumptions and factors with Savills, and nothing has come to the attention of our Directors to indicate that the disclosure of industry data and projections relating to future periods in this section is misleading. Unless otherwise indicated, market estimates and forecasts in this section represent Savills's view on the future development of the relevant industries in Singapore and worldwide.

REAL ESTATE INVESTMENT MANAGEMENT SERVICES IN SINGAPORE

Real estate investment management involves activities such as strategy formation investment/project sourcing, deal evaluation, investment vehicle/fund establishment and its management (Figure 1).

Figure 1: Real Estate Investment Management Value Chain



Source: Savills Report

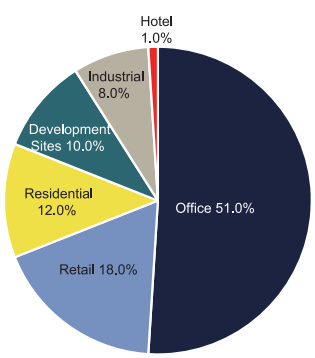
Total assets managed by Singapore-based asset managers was estimated at S$3.2 trillion in 2016. Alternative AUM i.e., private equity/venture capital, hedge funds, REITs and real estate (also known as Private Equity Real Estate), constituted about 15.8% (S$496.2 billion) of total AUM in Singapore (Table 1). Real estate products targeted by real estate investment/asset managers in Singapore are mainly commercial, notably office and retail. This is followed by residential and development sites (Figure 2).

Table 1: Breakdown of AUM in Singapore (2016)[1]

Type of AUM	Estimated AUM (S$)	% of Total AUM
Traditional (e.g., stocks and bond funds)	2.7 trillion	84.2%
Alternative	496.2 billion	15.8%
Private Equity/Venture Capital	*165.0 billion*	*5.2%*
Hedge Fund	*144.4 billion*	*4.6%*
REITs	*103.1 billion*	*3.3%*
Real Estate	***83.7 billion***	***2.7%***
Total AUM by Singapore-based Asset Managers	3.2 trillion	100.0%

Source: MAS, Savills Report

Figure 2: Acquisitions by Equity Funds/Investment Managers (Singapore; since 2000)



Source: RCA, Savills Report

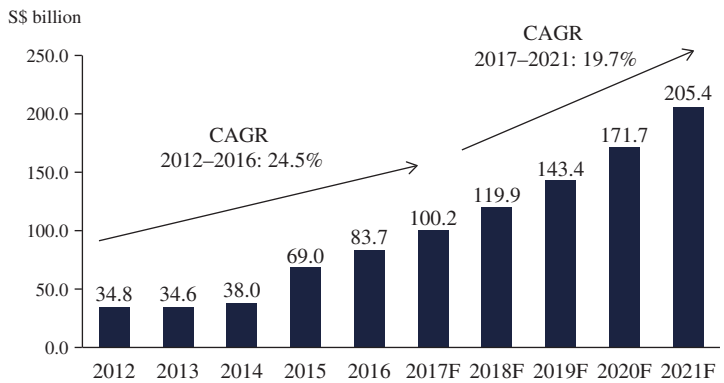
[1] Latest MAS figures are dated at 2015 and released in October 2016. MAS's figures for 2016 are not available till August to October 2017. As such, figures/market statistics for 2016 were based on Savills' estimation, which took into account the historical growth rates of real estate AUM for Singapore-based managers and Asia-focused funds.

Historically, there are few investment managers in Singapore that predominantly focus in real estate development sites, as most invest in completed projects. For development projects, it is not uncommon that equity funding is sourced using investment management services provided by PERE firms. Generally, real estate developers retain 80.0% to 95.0% stake in the project, while the fund is apportioned a 5.0% to 20.0% share. Other common practices include (i) the use of SPVs for fund establishment; (ii) the use of close-end limited partnership structures; (iii) the use of convertible loans as a capital/financing structure and; (iv) the use of a reserve fund as working capital of the SPV and temporary bridging for seeking opportunities.

Demand of Real Estate Investment Management Services

Demand for real estate investment management services in Singapore expanded significantly over the past decade, driven by the city-state's position as a global-Asia financial hub and well-developed real estate investment market. Demand was partly supported by the increase in Asia-focused real estate AUM growing by an estimated 30.3% CAGR between 2012 and 2016. Total AUM in Singapore grew by 14.0% CAGR between 2012 and 2016, while the alternative sector expanded at a faster 17.0% CAGR over the same period. Contribution from real estate was significant, as the sector's AUM grew by an estimated CAGR of 24.5% from S$34.8 billion in 2012 to S$83.7 billion in 2016 (Figure 3). This reflected investors' growing appetite for investment strategies that result in enhanced portfolio diversification, the recent shift to undertake more credit and liquidity risk amid low global yields, as well as Singapore's continued attractiveness as a preferred investment fund domicile.

Figure 3: Cumulative Real Estate AUM under Singapore-based Asset Managers



Source: MAS, Savills Report

In terms of returns, real estate is one of the leading alternative asset classes globally, as it generated a median net IRR of 14.9% in three years to June 2016 (Table 2). Meanwhile, Asia-focused private real estate funds which started capital drawdowns in 2013 achieved a median net IRR of 17.4%. Real estate AUM under Singapore-based managers is expected to continue to grow at a CAGR of 19.7% per annum from 2017 to 2021 (Table 3), driven by Singapore's growing real estate investment market, continued geographical diversification in other APAC real estate markets and the trend of more traditional real estate players adopting asset light strategies (which requires more investment management services).

Table 2: Returns for Close-End Private Real Estate and Other Capital Strategies

Three-year returns to	Real Estate	Private Equity	Buyout	Venture Capital	Mezzanine PE	Distressed PE
Mar 2016	16.5%	13.7%	15.7%	15.0%	13.7%	6.3%
Jun 2016	14.9%	14.4%	17.5%	16.7%	12.7%	6.6%

Source: Savills Report

Drivers of Investment Management Services in Singapore

1. **Growing Real Estate Investment Market in Singapore** — Singapore's real estate investment market grew well since the global financial crisis in 2009, with investment amount averaging at S$21.7 billion per annum between 2010 and 2016. From S$5.4 billion in 2009, investment

amount returned to health in 2010 (S$26.3 billion), supported by low interest rates and strong capital flows from major economies, notably China. The ensuing uncertainty in the US and Eurozone and implementation of property cooling measures and policies in Singapore (e.g., imposition of seller's stamp duty for residential and industrial properties, imposition of additional buyer's stamp duty for residential properties and implementation of a more stringent debt servicing framework for property loans between 2011 and 2013), affected the return and exit horizon for real estate investments. Nonetheless, annual investment amount during the period continued to stay healthy at an average level of S$25.9 billion.

Although investment amount for en-bloc/collective residential and residential development sites was affected by government measures which mostly targeted residential, strong IPO/ transactional activity by commercial and industrial REITs helped hold up investment amount in 2012 and 2013 (Table 3). Investment amount was at a moderate level in 2014 (S$15.5 billion) and 2015 (S$14.0 billion), notably in the residential and industrial sectors. This was due to economic uncertainties, continuance of property cooling measures, expectations of the US interest rate hike, as well as compressed yields and oversupply concerns (which impacted the rental market) in some sectors e.g., office, retail and strata-titled industrial. Local investors also ventured overseas to explore investment opportunities in these two years. Singapore's investment market returned to growth in 2016 (S$18.6 billion) and the first half of 2017 (S$11.7 billion), recording the highest level of sales since 2013. Activity was led by major deals, mainly residential, office and development sites. Apart from a return of institutional investors seeking for assets to optimise their portfolios, the increase of foreign real estate developers, notably from China and Malaysia, who have started to venture out of their domestic markets due to challenging conditions (e.g., intensifying industry competition and political uncertainty), helped drive Singapore's investment market.

Table 3: Real Estate Investment Amount (Singapore)

Sector (S$ billion)	2012	2013	2014	2015	2016	2017F to 2021F
Office	4.6	5.4	5.5	4.5	6.0	
Industrial	2.1	3.0	1.6	1.5	0.9	Estimated
Retail	2.7	2.3	0.8	1.5	2.0	S$17.0 to S$25.0
Hotel	0.9	3.0	0.3	0.6	0.0	billion per annum
Residential	1.5	0.9	0.3	0.5	2.9	*(Note)*
Development Sites	11.7	10.2	7.0	5.4	5.8	
Total	23.6	24.7	15.5	14.0	18.6	

Note: As investment amount is very deal-oriented, it is impractical to forecast the investment amount in a specific forecasted year.

Source: RCA, Savills Report

Going forward, real estate investment amount in Singapore is expected to remain healthy, registering at around S$17.0 to S$20.0 billion per annum in 2017 and 2018. Backed by stronger economic fundamentals in the coming mid-term, there is a potential for investment amount in Singapore to reach around S$21.0 to S$25.0 billion per annum from 2019 to 2021. This is expected to further drive the demand for investment management services in Singapore over the next five years.

2. **Focus on Geographical and Sectoral Diversification** — There is a rising number of global investors geographically diversifying their portfolios via Singapore, which is a gateway for investment management service providers worldwide. While China and Australia have traditionally been APAC's top two largest real estate investment markets, many investors renewed their interest in smaller markets such as Singapore and Indonesia, which saw a YOY increase in investment amount of 32.8% and 117.0% respectively in 2016, higher than that for China (27.6%) and Australia (–12.7%) (Table 4). During the first half of 2017, real estate investment amount in Singapore and Indonesia reached a healthy level, further reflecting the

strong investment growth potential of these markets. Growing interest among investors in APAC real estate markets has driven the need for investment management services by Singapore-based managers.

Table 4: Real Estate Investment Amount in Selected APAC Markets

	2014		2015		2016		First Half of 2017
Market	Sales (S$ billion)	YOY % Change	Sales (S$ billion)	YOY % Change	Sales (S$ billion)	YOY % Change	Sales (S$ billion)
China	493.6	–20.5%	501.8	1.7%	640.4	27.6%	252.1
Australia	60.4	28.6%	65.2	8.0%	56.9	–12.7%	11.6
Hong Kong	28.9	–5.4%	33.0	14.2%	40.4	22.3%	36.1
Singapore	15.5	–37.1%	14.0	–9.6%	18.6	32.6%	11.7
Malaysia	4.9	–36.5%	5.6	12.6%	2.9	–48.7%	1.5
Indonesia	0.8	17.8%	0.3	–65.7%	0.6	117.0%	0.6

Source: RCA, Savills Report

The introduction of the Additional Conveyance Duty by the Singapore government for the sales/purchase of residential properties in property-holding entities from 11 March 2017 is expected to channel investors' focus to alternative (non-residential) sectors. Popular alternative sectors include (i) advanced logistics facilities such as last-mile delivery centres and cold stores; (ii) hospitality assets, particularly in developing markets such as Malaysia and Indonesia; (iii) student housing, especially in Australia; and (iv) data centres in major hubs with comprehensive digital infrastructure such as Singapore. Meanwhile, real estate developers, private equity and REITs are expected to continue the strategy of overseas diversification in the near future for growth. Investor access into alternative and overseas real estate sectors is often performed through investment management services (which are often based in Singapore), and with the impetus to diversify, it is expected to drive the need for such services.

3. **An Increasing Focus to "De-risk"** — The use of asset light strategies by real estate industry players, which includes carrying out public REIT listings and/or creating investment management platforms, in Singapore is increasing. Their purpose is to recycle capital and redirect it to higher yielding assets, which will improve returns, and to some extent, "de-risk" their projects e.g., reduce financial risk (by reducing equity outlay) and potential liabilities from personal/corporate guarantees.

   Industry players usually use external investment management services or establish in-house fund management units, and this subsequently helped drive the investment management industry. The typical model involves development projects being funded by external investors (which usually involves an equity stake), while developers focus on project delivery and management. Rental income/capital gains are subsequently shared between the developer (which also receives management fees) and investors.

   More developers in Singapore entered into joint ventures/formed consortiums, either with other developers (usually involving a foreign developer) or private equity real estate and related firms in recent years, as they either lacked sufficient liquidity or faced a growing need to de-risk their development projects. Partnerships not only reduce the equity outlay required, they can also potentially pool different critical skillsets and investor contacts across the value chain and industry networks. In addition, some developers and funds may have internal limits set, on a country and/or asset size basis and would therefore invite others to co-invest.

   There were also more construction companies venturing into real estate development in Singapore, amid a moderation in construction activity. Perceived as new players, they usually partnered with PERE firms for development projects. Foreign real estate developers, notably from China and Malaysia, were also increasingly active in Singapore and were also concerned with de-risking their projects (Table 5). It is common that foreign real estate developers

require local professionals e.g., for project consultancy and management, to deliver projects more proficiently. More small- to -mid-sized and new-to-market real estate developers are likely to require private equity funding, notably from firms offering integrated asset management services.

Table 5: Cross-border Capital Flows into Development Sites in Singapore

	2012	2013	2014	2015	2016	First Half of 2017
S$ billion	2.8	1.7	2.1	3.5	3.8	3.7
YOY % Change	–36.7%	–38.6%	20.4%	69.6%	8.0%	—

Source: RCA, Savills Report

Pricing Analysis of Real Estate Investment Management Services in Singapore

Common economic incentives for private equity real estate investment/fund management include (i) management fees, typically based as a percentage fee of commitments made by a LP during the fund's lifetime. From 2012 to 2016, average/median management fee (based on committed capital) hovered around 1.5% per annum during the average three-year investment period and; (ii) carried interest, usually set as a percentage of profits after achieving a pre-agreed hurdle rate of return on capital or project milestone. Median carried interest charged is traditionally at 20.0%. Management fees and carried interest in Singapore are largely in line with global standards, though with intensifying competition among managers, some management fees charged were from 0.8% to 1.0% per annum.

Key Development Trends/Opportunities for Real Estate Investment Management Services in Singapore and APAC Markets

1. **Uplift from Positive Global and Regional Outlook** — Prospects for the real estate investment management services industry in Singapore (i.e., Singapore-based managers) are expected to receive an uplift from the overall positive sentiments on real estate as an asset class and capital target. While investment managers are cautious in the short-term due to factors such as high asset pricing and volatility/uncertainty in the global markets, they have significant unused capital available.

   Investment management services in Singapore will also be driven by Asia's real estate investment market growth. Real estate investment amount in APAC markets, a reflection of this growth, started to pick up after declining in 2014 and 2015 (Table 6). It accounted for close to half of global investment amount in 2016, further reflecting the region's strong growth potential. Savills estimates that while real estate AUM for APAC markets will grow at a moderated pace compared with the last five years (2012 to 2016: 30.3% CAGR), it will still be significant and is likely to range from 20.0% to 25.0% CAGR over the next five years.

Table 6: Annual Real Estate Investment Amount (APAC Markets and Singapore)

S$ billion	2012	2013	2014	2015	2016	First Half of 2017
APAC Markets	584.0	836.4	734.7	737.7	860.4	343.4
Singapore (% of APAC Markets)	23.6 (4.0%)	24.7 (3.0%)	15.5 (2.1%)	14.0 (1.9%)	18.6 (2.2%)	11.7 (3.4%)

Source: RCA, Savills Report

2. **Continued Growth in the Real Estate Investment Market** — Despite rental yield compression in most real estate sectors in APAC markets, investment into real estate in Singapore is likely to continue at a healthy level as private equity funds and HNWIs have

either raised new money, or need to diversify into stable yielding assets to reduce concentration risk. In particular, HNWIs and UHNWIs in Singapore are likely to continue to support real estate demand and this group of investors typically require investment management services. About 41.0% of HNWIs/UHNWIs are intending to increase their indirect real estate holdings in the next five years, and this is likely to drive the demand for real estate investment management services. This is in line with other industry sources, which show that the growth of HNWIs in Singapore is expected to remain healthy over the next decade (Table 7).

Table 7: Growth in the Number of HNWIs and UHNWIs (Singapore)

Type	2006	2016	2026 F	CAGR (2006 to 2016)	Estimated CAGR (2016 to 2026 F)
HNWI	137,500	217,300	304,200	4.7%	3.4%
UHWNI	1,580	2,500	3,500		

Source: Knight Frank Wealth Report 2017, Savills Report

3. **Private Equity Real Estate Firms Focus on Development Sites** — For Singapore, prospects for private equity real estate firms to participate in development projects remain relatively sound, as they are more likely to enjoy a higher total return[2] than completed core investments. Alongside the declining land supply, tenders of government land sales sites have been hotly contested since the second quarter of 2016, with increasing participation by foreign real estate developers and construction companies (Table 8). Coupled with real estate developers looking to replenish their declining land banks, competition in upcoming land tenders is expected to intensify. With the rising land prices in Singapore, some real estate developers are seeking to sharpen their bidding edge by co-investing in development sites with private equity real estate sources/investment management companies as limited partners.

Table 8: Land Supply and Prices from the Government Land Sales Programme

	2012	2013	2014	2015	2016
Land Area (sq m)	863,000	742,200	705,900	320,100	269,000
Permissible Gross Floor Area (sq.m.)	1,985,851	1,618,700	1,422,300	867,100	706,300
Average Land Price (S$ per sq.m.)	12,414	13,126	9,579	16,755	21,716

Source: URA, HDB, JTC, Savills Report

4. **Sectoral Opportunities** — While real estate prices in Singapore have been on a decline in recent quarters, there are signs of recovery in various sectors, especially residential. Although offices emerged as investors' top pick in recent quarters, there are also opportunities in:

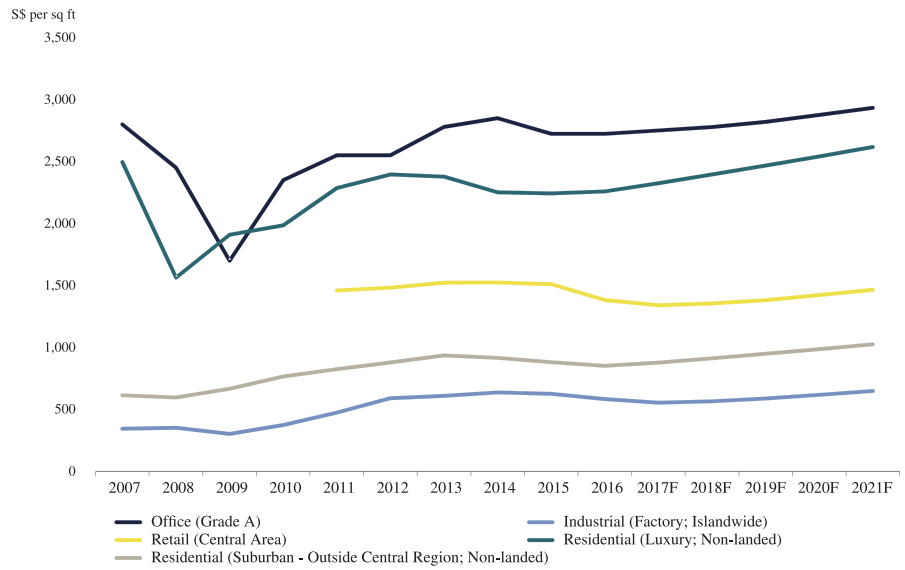
   (i) ***Industrial*** — While there are pockets of growth e.g., logistics and data centres, they are not sufficient to hold up overall performance. Industrial rents are likely to soften in the short term and is expected to impact pricing in 2017. This may open up new investment opportunities in the sector, given that prices may recover gradually from 2018 onwards. Future growth in industrial prices is underpinned by an expected recovery in the traditional industries e.g., oil & gas and marine & offshore, as well as new industries e.g., advanced manufacturing and data-driven technology firms. Price growth for industrial properties with longer tenures (e.g., 60 years and above) is likely to be stronger as they are increasingly limited, as the government reduced the land lease tenure of new industrial land in its land sale programme since 2012; and

   (ii) ***Residential*** — Housing prices have fallen 11.6% from its peak in third quarter of 2013, but demand is strengthening, especially in the luxury segment where total sales of new and existing houses improved 48.7% from 2015. With the relaxation in regulations in

[2] Using stock prices of real estate developers and REITs in Singapore as a proxy to the performance of private equity real estate funds, the average total returns (dividend return and capital gain) from 2012 to May 2017, on an annualised basis, for real estate developers was 15.8%, higher compared with S-REITs (10.8%). Of the S-REITs, industrial REITs was the best performing class, clocking in a 12.4% annualised return over the period.

March 2017, coupled with the fact that Singapore's residential prices are relatively attractive compared with other developed markets in APAC, it is likely that prices will begin increasing in later 2017, barring any external shocks.

Figure 4: Property Prices of Selected Real Estate Sectors (Singapore)



Source: URA, JTC, Savills Report

Figure 4 (above) highlights the property prices of various real estate markets in Singapore, which generally reflects signs of bottoming and even an impending turnaround for some sectors e.g., residential. Going forward, property prices in the office, luxury and suburban residential sectors are expected to reach new peaks in the next five years, while that for industrial and retail are expected to recover to their previous peaks in 2015.

Key Development Trends/Opportunities for Real Estate Project Consultancy and Management Services in Singapore

Real estate development/project consultancy and management services generally contribute to better return realisation or value enhancement. This industry in Singapore has grown in line with the construction and real estate sectors (Tables 9 and 10). With strong growth in construction activity in the past five years, there was significant growth in demand for real estate project consultancy and management services.

Table 9: Construction Contracts Awarded since 1981 (Singapore)

Construction Contracts Awarded	Annual Average between 1981 and 2016 (S$ million)	Annual Average between 2012 and 2016 (S$ million)
Building Work (Residential)	5,923.5	10,637.5
Building Work (Commercial)	2,064.0	3,125.1
Building Work (Industrial)	2,807.6	5,581.1
Building Work (Institutional/Others)	2,318.4	5,121.0
Civil Engineering Work	3,525.8	7,220.7

Source: Department of Statistics Singapore, Savills Report

Table 10: Existing and Future Private Real Estate Stock (Singapore)

Sector	2012	2017	Future State (estimated 2021)	CAGR (2012 to 2017)	CAGR (2017 to 2021)
Residential (units)	288,050	376,692	431,098	5.5%	2.7%
Office (NLA sq.m. in millions)	6.0	6.5	7.3	1.5%	2.3%
Retail (NLA sq.m. in millions)	4.1	4.5	4.9	2.0%	1.8%
Hotels (rooms)	44,037	52,552	59,330	3.6%	2.5%
Factory (NLA sq.m. in millions)	27.0	31.8	33.7	3.3%	1.1%
Warehouse (NLA sq.m. in millions)	8.1	9.6	10.5	3.3%	1.9%

Source: URA, Savills Report

There will be more real estate and infrastructure development opportunities in Singapore's non-CBD areas e.g., Jurong Lake District and Paya Lebar. As such areas are deemed riskier given that they are uncharted markets, this is expected to drive the need for professional project consultancy. Going forward, the industry for real estate project consultancy and management services in Singapore is likely to become more competitive, as real estate developers as well as engineering and real estate consultancy firms expand their in-house teams and adopt technology. Integrated real estate investment/asset managers with proven track record are likely to remain relevant, particularly those with effective end-to-end servicing platforms.

Key Development Trends/Opportunities for Property and Asset Management Services in Singapore

The property and asset management industry includes activities that address the needs of asset owners and end-users such as day-to-day operations, property maintenance, rental management and lease advisory services. Factors such as population growth (6.9 million by 2030), the increase in real estate stock (Table 10; above) and the more intensive use of real estate in Singapore are expected to help support the continued growth in the property and asset management industry. Other trends observed in Singapore include more property management companies adopting technology to manage cost pressures and firms diversifying to more specialised sectors and premium services.

COMPETITIVE LANDSCAPE

Investment management services

Singapore has a diverse competitive landscape for investment management services. As at the end of June 2017, out of over 1,200 Singapore-based financial institutions, MAS estimates that close to 700 are investment management firms, of which 416 are fund management companies that hold CMS licences, while 279 are RFMCs. Meanwhile, it is estimated that there are 41 private equity real estate firms (out of the 700 investment management firms), though Savills believe a considerable proportion have obtained CMS licenses or are RFMCs (Table 11).

Table 11: Estimated Market Share of Singapore-based Fund Managers

Portfolio Bands (in terms of funds raised in last 10 years)	Number of Companies	Total Funds Raised in last 10 years
Above USD500 million	10	USD41.3 billion (93.4%)
Between USD250 and USD500 million	5	USD1.8 billion (4.0%)
Between USD100 and USD250 million (Bandwidth of our Group)	5	USD0.9 billion (2.1%)
Below USD100 million	6	USD0.2 billion (0.5%)
Data not available (likely to be below USD500 million)	15	—
Total (Estimated)	41	USD44.2 billion

Source: Savills Report

The private equity real estate investment management industry has an estimated[3] market size of S$83.7 (USD60) billion in 2016. In terms of fund raising capacity, the industry is mainly dominated by ten regional/world's largest private equity real estate fund managers (above USD500 million), as they account for about 90.0% of the funds raised in the last 10 years. Most of these firms, of which some are government-linked companies (also known as state-owned enterprises), compete on an international level with top equity investment/fund managers (usually headquartered in the US) in the world. Apart from the government-linked companies, other investment managers in this tier usually focus less in direct real estate development, compared to smaller players e.g., our Group (Table 12).

Table 12: Top Five Singapore-based Private Equity Real Estate Fund Managers[4]

Fund Manager	Fundraising (USD million)	AUM (USD billion)	Sector	Geography
Fund Manager A	6,705	41.0	Industrial	China, Japan, US, Brazil
Fund Manager B	2,414	28.2	Diversified	Japan, China
Fund Manager C	2,050	33.5 (Jun 2016)	Diversified	APAC
Fund Manager D	1,928	18.6	Diversified	APAC
Fund Manager E	1,907	25.7	Diversified	APAC
The Group	~135	~0.2	Residential and Industrial	Singapore, Malaysia and Indonesia

Source: Savills Report

Small- to mid-sized private equity real estate firms (below USD500 million in terms of funds raised in last 10 years) collectively have about 10% market share. The competitive landscape in this bandwidth is more fragmented, as it is shared by over 30 firms. There are few barriers to entry for this bandwidth, as Singapore's financial regulatory environment for investment management is relatively open and conducive for small-sized investment management start-ups. Small- to mid-sized private equity real estate firms usually pursue more specialised/niche strategies, as seen in boutique private equity real estate funds, targeting more opportunistic strategies such as real estate development funds. In particular, there are very few private equity real estate-focused firms with CMS licenses that concentrate on real estate development sites/projects in Singapore. In addition, they mainly focus on only pre-/early stage development activities and do not provide end-to-end real estate project consultancy and property management services that our Group offers. Excluding real estate developers that have fund management platforms, there are relatively limited integrated real estate investment managers in Singapore and even in APAC. One of the largest players is Fund Manager E and our Group, despite being a small- to mid-sized investment management firm has a market share of less than 1.0% in Singapore in terms of AUM and is also one of the market players in this category.

It is not uncommon in Singapore for real estate investment management companies to directly participate in the real estate development process e.g., land tender bidding. While limited in number, there is an ongoing gradual trend of such investment managers becoming more directly involved (apart from just providing equity) in development projects. Going forward, it is expected that more real estate investment managers, especially those with integrated end-to-end services, will be actively and more independently seeking real estate development opportunities in Singapore.

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[3] Other industry estimates place the total AUM of leading Singapore-based private equity real estate fund managers at around USD160 billion in 2016, though this figure may have included AUM from their other operating business segments e.g., REITs.

[4] The rankings are based on total fundraising between January 2011 and March 2016.

Property management and asset management services

The property management industry for properties held by the public and private sectors is well-differentiated. For instance, public housing in Singapore is now managed by 16 town councils which generally appoint less than 10 managing agents from the private sector for property management. This is similar for other public-owned real estate and facilities such as industrial properties, schools and hospitals.

On the other hand, the property management industry for private properties (particularly for strata management) is more fragmented. Industry players comprise many small- to mid-sized players, with a handful of large property management companies that manage about 10,000 units and above each, with the top five companies accounting for an estimated 30% to 35% of market share in terms of the number of strata-titled units[5] (Table 13). Leading players are mainly global real estate consultancy firms, as well as independent property management firms which have diversified into other services. The other segment for the industry is mainly represented by real estate operating companies, REITs, private real estate funds and other institutional owners. While some of these entities set up subsidiaries to manage these properties, they also use facility and asset management services from third-party companies.

Table 13: Estimated Market Share of Property Management Industry by Strata-titled Units[6]

Portfolio Bands	Composition (Number of Companies)	Composition (Number of Strata Lots)
Large — 10,000 units and above	2%	34%
Mid-sized — 4,000 to 9,999 units (Size of our Group's portfolio)	6%	34%
Small — 1,000 to 3,999 units	13%	21%
Very Small — Below 1,000 units	78%	10%

Source: BCA, Savills Report

It is more challenging for small-sized firms (managing below 1,000 strata units) to scale their businesses. On the other hand, it is likely to be less challenging for mid-sized industry players as they have accumulated some track record and economies of scale, which is important for business expansion. Going forward, mid-sized companies are likely to be in a position to expand more rapidly, as they are sufficiently nimble to capitalise on new business models and technology.

BARRIERS TO ENTRY

The primary entry barriers for new real estate investment management companies entering the industry in Singapore is the lack of track record, as well as real estate market knowledge and expertise. In addition, new firms tend to lack sufficient industry network e.g., with investment and property consultants as well as investors, notably HNWIs.

A survey of 50 alternative investment consultants on the key consideration factors when selecting real estate investment/fund managers in November 2016 illustrates the barriers to entry for private equity real estate managers. Consultants indicated that successful performance track record at team level as the most important factor (100% — very important), as this was critical when conducting due diligence. This was followed by the investment/fund manager's experience with the fund strategy (92%), whether the fund's economic terms were attractive (77%), as well as whether the team has a presence in the markets they are targeting (73%).

[5] Based on the BCA's data on MCST Strata Title, as at November 2016. The market share of strata lots are estimates, as there are various developments where data on the managing agent is not available.

[6] Excludes developments where managing agent's information is not available.

OUR FOUNDERS

In 2003, our Founders, Mr. Yeo and Ms. Sim, founded SLPI which is a company incorporated in Singapore primarily engaged in real estate agency and a connected person of our Company. Leveraging on their network that they established with real estate developers from the real estate agency business, in June 2005, our Founders co-founded ZACD Investments which is our direct Controlling Shareholder.

Initially founded by our Founders as an educational fund for their children Zachary and Darius, ZACD is the acronym of their names. Over the years, ZACD Investments has developed and expanded into the business of investment management and project consultancy and management services. For the background of our Founders, please refer to the paragraph headed "Directors and Senior Management — Directors — Executive Directors" in this document.

OUR HISTORY

In January 2011, ZACD Investments founded ZACD International in Singapore to provide project consultancy and management services. Since then, our business activities have been developed to encompass investment management services, property management and asset management services in Singapore.

In October 2011, ZACD Capital was established in Singapore by our Founders with a view to expand our investment management services. In November 2012, ZACD Capital was registered as a Registered Fund Management Company with the MAS to conduct certain restricted fund management services. In September 2016, ZACD Capital obtained a CMS Licence from the MAS to conduct fund management regulated activity under the Securities and Futures Act (Chapter 289 of the Laws of Singapore).

In order to better delineate the functions with our Group entities and optimise our Group structure, the investment management business was novated from ZACD Investments to ZACD International in 2012, and the property management and asset management businesses were novated from SLPI to our Group under ZACD International in July 2016. On 17 November 2016, ZACD POSH was established by our Company in Singapore to assume the property management and asset management businesses originally conducted by ZACD International. For further details about the novations of our businesses, please refer to the paragraph headed "Novation of Our Businesses" below in this section.

With an aim to provide services to clients outside Singapore, ZACD Financial was established in Hong Kong in October 2015 and has been licensed to conduct Type 1 (*dealing in securities (CIS)*), Type 4 (*advising on securities*), and Type 6 (*advising on corporate finance*) regulated activities under the SFO since December 2016.

Set out below is a chronological review of the key milestones of our Group:

Month/Year	Major development and achievement
January 2011	Incorporated ZACD International and awarded consultancy project for residential and industrial projects
October 2011	Incorporated ZACD Capital to manage single purpose real estate development fund
June 2012	Our assets under management reached S$100 million
November 2012	ZACD Capital was registered as a Registered Fund Management Company with the MAS
October 2014	Managed first investment in Malaysia
February 2015	Managed first investment in Indonesia
October 2015	Incorporated ZACD Financial with an aim to provide services to clients outside Singapore
April 2016	Our assets under management reached S$200 million
	Established the first private equity real estate fund, namely the ARO II Fund
September 2016	ZACD Capital obtained a CMS Licence
October 2016	Established new private equity real estate fund, namely BBW6 Fund
November 2016	Incorporated our Company as a [REDACTED] vehicle and ZACD POSH (meaning property one-stop solution haven) for the provision of specialised property and asset management services
December 2016	ZACD Financial became a licensed corporation under the SFO to conduct Type 1, Type 4 and Type 6 regulated activities in Hong Kong
May 2017	Established two new private equity real estate funds, namely S1 Fund and S2 Fund

CORPORATE DEVELOPMENT

The following summarises the corporate development of the companies comprising our Group immediately prior to the commencement of the Reorganisation.

ZACD International

ZACD International was incorporated in Singapore with limited liability on 28 January 2011 and has commenced business since January 2012. At the time of incorporation, its principal activity was investment holding. This was amended to real estate development and consultancy on 27 October 2011, and later amended to business and management consultancy. As at the Latest Practicable Date, ZACD International was principally engaged in investment management services, and project consultancy and management services.

At incorporation, ZACD International had an issued share capital of S$2 with two shares issued and allotted to ZACD Investments, credited as fully paid, at a consideration of S$2 settled in cash. Upon completion of such allotment, the entire issued share capital of ZACD International was wholly-owned by ZACD Investments.

Since its incorporation, ZACD International had the following changes to its shareholding:

(a) On 21 October 2011, ZACD Investments transferred one share of ZACD International to Ms. Sim and one share of ZACD International to Mr. Yeo, each at a consideration of S$1 settled in cash. Upon completion of such transfer, the entire issued share capital of ZACD International was owned as to 50% by Mr. Yeo and 50% by Ms. Sim.

(b) On 19 March 2012, Mr. Yeo and Ms. Sim transferred their entire respective interest in the issued share capital of ZACD International to ZACD Investments, each at a consideration of S$1 settled in cash. Upon completion of such transfer, ZACD International became a direct wholly-owned subsidiary of ZACD Investments.

ZACD Capital

ZACD Capital was incorporated in Singapore with limited liability on 25 October 2011 and has commenced business since November 2012. ZACD Capital is principally engaged in the provision of investment management services.

At the time of incorporation, ZACD Capital had an issued share capital of S$2 with one share issued and allotted to Mr. Yeo and one share issued and allotted to Ms. Sim, credited as fully paid, each at a consideration of S$1, settled in cash. Upon completion of such allotment, the issued share capital of ZACD Capital was owned as to 50% by Mr. Yeo and 50% by Ms. Sim. On 19 March 2012, Mr. Yeo and Ms. Sim transferred their entire respective interest in the issued share capital of ZACD Capital to ZACD Investments, each at a consideration of S$50,000 settled in cash. Upon completion of such transfer, ZACD Capital became a wholly-owned subsidiary of ZACD Investments.

Since its incorporation, the issued share capital of ZACD Capital has been increased ten times from S$2 to S$3,280,000. During the two years preceding the date of this document, ZACD Capital had the following changes to its share capital:

(a) On 27 November 2015, ZACD Capital increased its issued share capital from S$2,200,000 to S$2,280,000, by way of allotment of 80,000 shares to ZACD Investments, credited as fully paid, at a consideration of S$80,000, settled by way of capitalising S$80,000 as part of an outstanding loan of S$87,152 payable by ZACD Capital to ZACD Investments at the time of the allotment.

(b) On 19 April 2016, ZACD Capital increased its issued share capital from S$2,280,000 to S$2,780,000, by way of allotment of 500,000 shares to ZACD Investments, credited as fully paid, at a consideration of S$500,000 settled in cash.

(c) On 30 November 2016, ZACD Capital increased its issued share capital from S$2,780,000 to S$3,280,000, by way of allotment of 500,000 shares to ZACD Investments, credited as fully paid, at a consideration of S$500,000, settled by capitalising $500,000 as part of an outstanding loan of $507,152 payable by ZACD Capital to ZACD Investments at the time of the allotment.

ZACD Group Holdings

ZACD Group Holdings was incorporated in Hong Kong with limited liability on 7 October 2015 to engage in the provision of investment management services but had not commenced business as at the Latest Practicable Date. At incorporation, ZACD Group Holdings allotted and issued 10,000 shares to ZACD Investments, credited as fully paid, at a consideration of HK$10,000. Upon completion of such allotment, ZACD Group Holdings became a direct wholly-owned subsidiary of ZACD Investments.

ZACD Financial

ZACD Financial was incorporated in Hong Kong with limited liability on 7 October 2015 and has commenced business since February 2017. ZACD Financial is principally engaged in financial advisory services and is a licensed corporation licensed to engage in Type 1 *(dealing in securities (CIS))*, Type 4 *(advising on securities)*, and Type 6 *(advising on corporate finance)* regulated activities under the SFO.

At incorporation, ZACD Financial allotted and issued 10,000 shares to ZACD Investments, credited as fully paid, at a consideration of HK$10,000. Upon completion of such allotment, ZACD Financial became a direct wholly-owned subsidiary of ZACD Investments.

On 31 October 2016, ZACD Financial increased its share capital from HK$10,000 to HK$8,000,000 by way of allotment of 7,990,000 shares to ZACD Investments at a consideration of HK$7,990,000, settled by way of capitalising HK$7,990,000 as part of an outstanding loan of S$1,500,000 payable by ZACD Financial to ZACD Investments at the time of the allotment.

ZACD China

ZACD China was established in the PRC as a wholly foreign-owned enterprise with limited liability on 13 July 2016 to principally engage in business consultancy services but had not commenced business as at the Latest Practicable Date. The business scope of ZACD China includes business information consulting (other than financial information), enterprise management consulting and market operational sales, planning and consulting. At the time of its establishment, ZACD China had an investment amount of RMB1,428,000 and a registered capital of RMB1,000,000, all of which was owned by ZACD International and RMB290,900 of which was paid up by ZACD International as at the Latest Practicable Date. Its term of business operation is from 13 July 2016 to 12 July 2046 and its legal representative is Mr. Siew.

NOVATION OF OUR BUSINESSES

Novation of our investment management services business

During the Track Record Period before our internal reorganisation, ZACD Investments and ZACD Capital provided investment management services for 16 and six of our Investment Projects, respectively, through the convertible loan and trust structures. At the time of undertaking such Investment Projects by ZACD Investments and ZACD Capital, our Founders had just commenced the investment management business which was operating on a smaller scale. As the investment management business expanded, in order to better delineate the functions within our Group entities and optimise our Group structure, the investment management obligations in respect of 16 Investment Projects were novated from ZACD Investments to ZACD International since January 2012. In September 2016, ZACD Capital obtained a CMS License from MAS to conduct fund management regulated activity under the SFA. As the investment management of the six Investment Projects under ZACD Capital was not a regulated activity under the SFA, the investment management obligations in respect of the six Investment Projects were also novated from ZACD Capital to ZACD International since September 2016. ZACD Capital was then able to focus on fund management regulated activity under the fund structures. Subsequently due to these novations, the investment management functions of ZACD Investments and ZACD Capital under these Investment Projects were undertaken by ZACD International, and all the relevant Management Fees, Establishment Fees and dividends in respect of Establishment Shares from these Investment Projects were also assigned to ZACD International.

Novation of our property management and asset management services business

When our Founders commenced the property management and asset management business, it was undertaken by SLPI. According to the novation agreement entered into between SLPI and ZACD International dated 1 July 2016, the obligations for provision of the property management and asset management services were novated from SLPI to ZACD International with effect from 1 July 2016. In line with the expansion of our property management and asset management business, and in order to better delineate the functions within our Group companies and optimise our Group structure, ZACD POSH was established on 17 November 2016 to assume the property management and asset management businesses originally conducted by ZACD International. Pursuant to the novation agreements entered into among the relevant MCSTs, ZACD International and ZACD POSH dated 1 January 2017, the obligations of provision of the property management and asset

management services were novated from ZACD International to ZACD POSH with effect from 1 January 2017. Currently, our Group provides both property management and asset management services through our wholly-owned subsidiary, ZACD POSH.

REORGANISATION

In preparation for the [REDACTED], the companies comprising our Group underwent the Reorganisation, which involved the following steps:

Incorporation of our Company

Our Company was incorporated in Singapore as a public company with limited liability on 8 November 2016. At incorporation, one share was issued to ZACD Investments at S$1, credited as fully paid. Upon completion of the said issue, the entire issued share capital of our Company was directly held by ZACD Investments.

Incorporation of ZACD POSH

ZACD POSH was incorporated in Singapore as a private limited liability company on 17 November 2016 for the provision of specialised property and asset management services and has commenced business since then. At incorporation, 10,000 shares were allotted and issued to our Company at S$10,000, credited as fully paid. Upon completion of the said issue, ZACD POSH became a wholly-owned subsidiary of our Company.

Incorporation of ZACD Australia

ZACD Australia was incorporated in Australia as a private limited liability company on 23 November 2016 to principally engage in business consulting services but had not commenced business as at the Latest Practicable Date. At incorporation, two shares were allotted and issued to our Company, credited as fully paid. Upon completion of the said issue, ZACD Australia became a wholly-owned subsidiary of our Company.

Incorporation of ZACD Fund

ZACD Fund was incorporated in Singapore as a private limited liability company on 15 March 2017 to set up and hold the entire nominal ordinary share capital of the relevant fund holding entities in respect of the real estate private equity funds. At incorporation, two shares were allotted and issued to our Company at S$2, credited as fully paid. Upon completion of the said issue, ZACD Fund became a wholly-owned subsidiary of our Company. At the Latest Practicable Date, we sponsored three real estate private equity funds, namely the BBW6 Fund, the S1 Fund and the S2 Fund, of which ZACD Fund holds their respective fund holding entity's entire ordinary share capital. Notwithstanding ZACD Fund holding the entire nominal ordinary share capital of these fund holding entities, the financial information of these real estate private equity funds is not consolidated into our Group's financial information. For further details of these three real estate private equity funds, please refer to the paragraphs headed "Summary — Recent development" and "Business — Investment management services — (II) Fund management" in this document.

Transfer of ZACD Group Holdings and ZACD International to our Company

On 28 February 2017, ZACD Investments as vendor transferred to our Company as purchaser the following:

(a) 10,000 shares, representing all of the issued shares of ZACD Group Holdings at a consideration of HK$10,000, based on the amount of the total paid-up capital of ZACD Group Holdings as at the date of the transfer, which was satisfied by our Company issuing and allotting 1,841 Shares to ZACD Investments, credited as fully paid, on the same day; and

(b) two shares, representing all of the issued shares of ZACD International at a consideration of S$8,950,000, based on the unaudited net asset value of ZACD International as at 31 December 2016, which was satisfied by our Company issuing and allotting 8,950,000 Shares to ZACD Investments, credited as fully paid, on the same day.

Transfer of ZACD Capital to our Company

On 30 December 2016, our Company obtained approval from the MAS to become a substantial shareholder of ZACD Capital under the Reorganisation.

On 28 February 2017, ZACD Investments as vendor transferred to our Company as purchaser 3,280,000 shares, representing all of the issued shares of ZACD Capital at a consideration of S$3,280,000, based on the amount of the total paid-up capital of ZACD Capital as at the date of the transfer, which was satisfied by our Company issuing and allotting 3,280,000 Shares to ZACD Investments, credited as fully paid, on the same day.

Transfer of ZACD Financial to our Company

On 7 March 2017, our Company obtained approval from the SFC to become a substantial shareholder of ZACD Financial.

On 31 March 2017, ZACD Investments as vendor transferred to our Company as purchaser 8,000,000 shares, representing all of the issued shares of ZACD Financial at a consideration of HK$8,000,000, based on the amount of the total paid-up capital of ZACD Financial as at the date of the transfer, which was agreed to be satisfied by our Company issuing and allotting 1,472,800 Shares to ZACD Investments, credited as fully paid, on 28 February 2017.

Changes to our share structure by way of share split

On 18 April 2017, our then sole Shareholder, ZACD Investments, resolved that the 13,704,642 Shares in the capital of our Company be split into 1,000,000,000 Shares in the capital of our Company. Upon completion of such share split, our Company had a total of 1,000,000,000 issued Shares, all of which were directly held by ZACD Investments, and the amount of issued share capital and paid-up share capital was S$13,704,642.

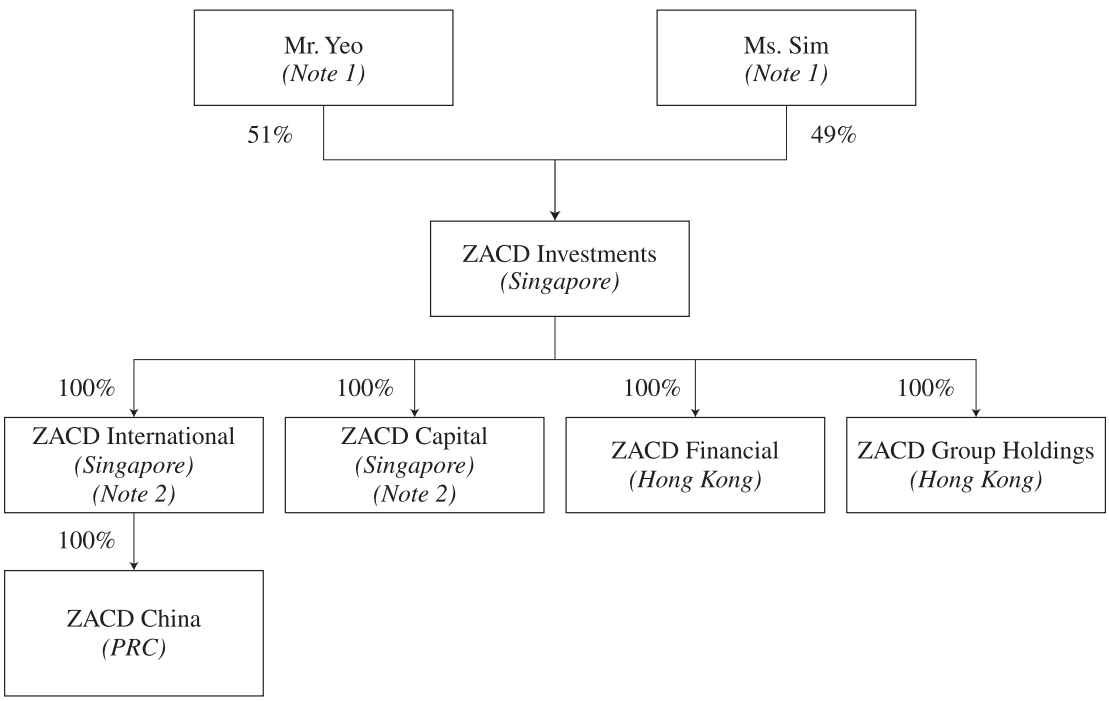
On [●], our then sole Shareholder, ZACD Investments, resolved that the 1,000,000,000 Shares in the capital of our Company be further split into [REDACTED] Shares in the capital of our Company. Upon completion of such share split, our Company had a total of [REDACTED] issued Shares, all of which were directly held by ZACD Investments, and the amount of issued share capital and paid-up share capital was S$13,704,642.

Our Directors consider that the Reorganisation has been properly and legally completed and settled, and confirm that the Reorganisation complies with all applicable laws and regulations and that all applicable regulatory approvals have been obtained.

GROUP STRUCTURE

Group Structure prior to the Reorganisation

The following diagram sets out the shareholding and corporate structure of our Group immediately prior to the Reorganisation:



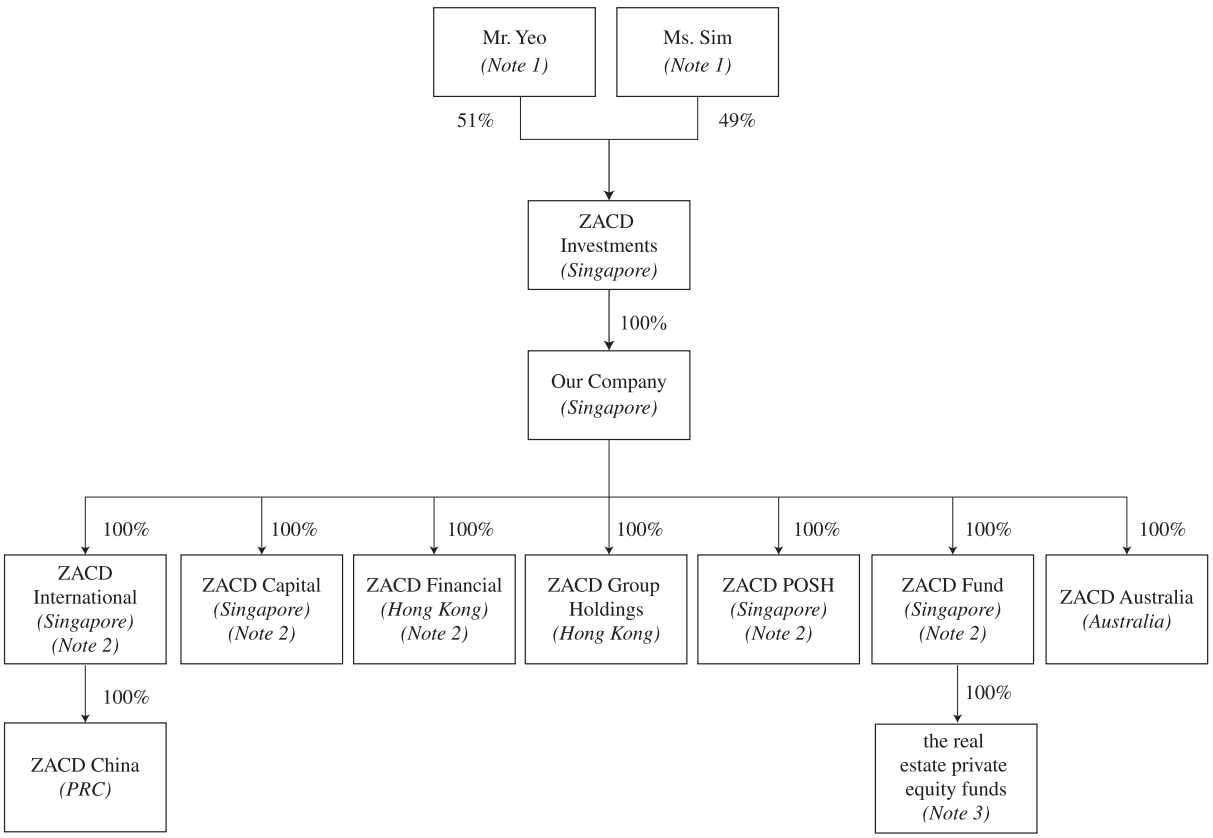
Notes:

1. Mr. Yeo and Ms. Sim are spouses.

2. ZACD International and ZACD Capital were the principal operating companies comprising our Group prior to the Reorganisation.

Group Structure after the Reorganisation

The following diagram sets out the shareholding and corporate structure of our Group immediately after completion of the Reorganisation but prior to completion of the [REDACTED] (but without taking into account any Shares which may be allotted and issued upon the exercise of the [REDACTED] and options to be granted under the Share Option Scheme):



Notes:

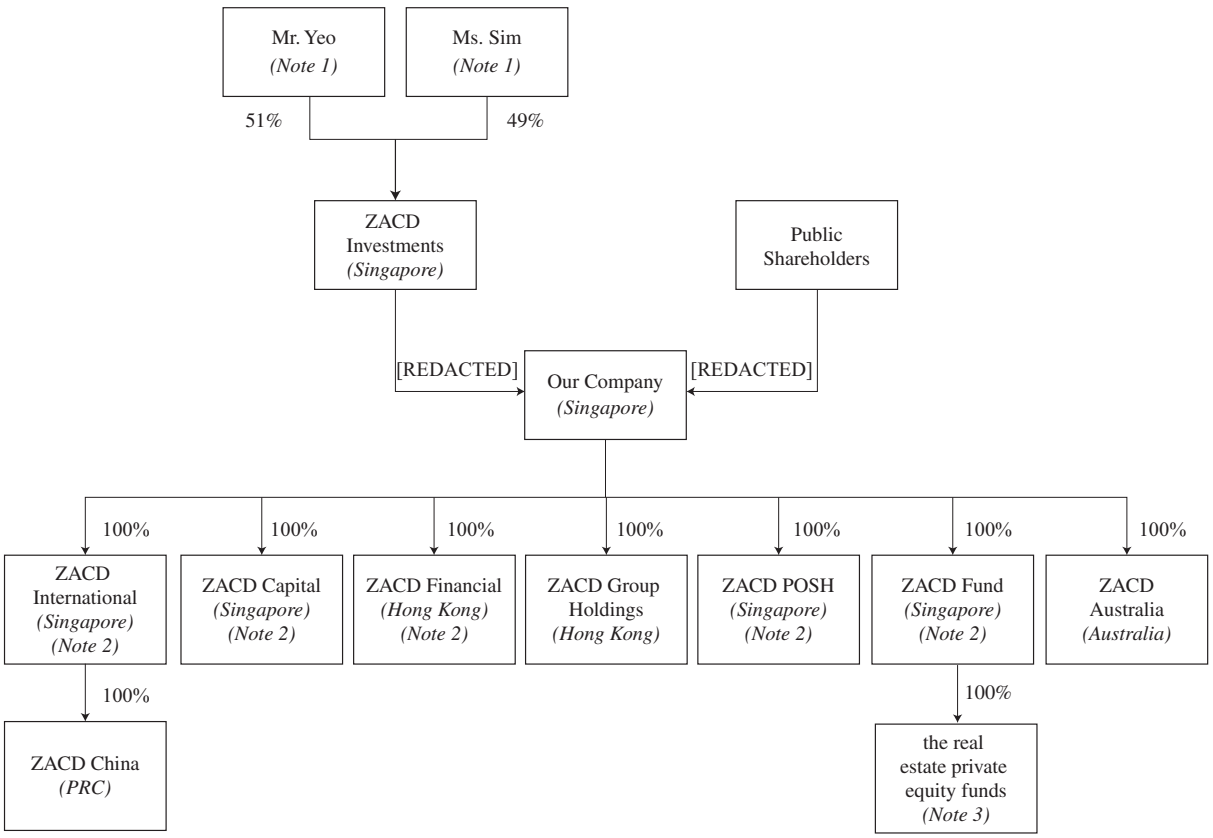
1. Mr. Yeo and Ms. Sim are spouses.

2. ZACD International, ZACD Capital, ZACD Financial, ZACD POSH and ZACD Fund are the principal operating subsidiaries of our Company.

3. At the Latest Practicable Date, we sponsored three real estate private equity funds, namely the BBW6 Fund, the S1 Fund and the S2 Fund, of which ZACD Fund holds their respective fund holding entity's entire ordinary share capital. Notwithstanding the above, the financial information of these real estate private equity funds is not consolidated into our Group's financial information. For further details of these three real estate private equity funds, please refer to the paragraphs headed "Summary — Recent development" and "Business — Investment management services — (II) Fund management" in this document.

Group Structure following the [REDACTED]

The following diagram sets out the shareholding and corporate structure of our Group immediately after completion of the [REDACTED] (without taking into account of any Shares which may be allotted and issued upon the exercise of the [REDACTED] and upon the exercise of any option which may be granted under the Share Option Scheme):



Notes:

1. Mr. Yeo and Ms. Sim are spouses.

2. ZACD International, ZACD Capital, ZACD Financial, ZACD POSH and ZACD Fund are the principal operating subsidiaries of our Company.

3. At the Latest Practicable Date, we sponsored three real estate private equity funds, namely the BBW6 Fund, the S1 Fund and the S2 Fund, of which ZACD Fund holds their respective fund holding entity's entire ordinary share capital. Notwithstanding the above, the financial information of these real estate private equity funds is not consolidated into our Group's financial information. For further details of these three real estate private equity funds, please refer to the paragraphs headed "Summary — Recent development" and "Business — Investment management services — (II) Fund management" in this document.

OVERVIEW

Our Group is an integrated asset manager headquartered in Singapore offering integrated solutions across the real estate value chain in Singapore and the Asia-Pacific region. Known for our pioneering spirit and acute business strategies, we have a reputation for identifying and seizing market opportunities before others to capture the first mover advantages ahead of the economic cycles. According to the Savills Report, in 2016, Singapore's investment market returned to growth in 2016 with a real estate investment amount of approximately S$18.6 billion and in the first half of 2017 with a real estate investment amount of approximately S$11.7 billion. The real estate AUM for real estate investment management services in Singapore grew at a CAGR of approximately 24.5% between 2012 and 2016, while real estate AUM under Singapore-based managers is expected to continue to grow at a rate of approximately 19.7% per annum from 2017 to 2021. We believe there are ample opportunities for us to capitalise on the expected increases in demand for real estate investment and development. As at the Latest Practicable Date, our Group had a total AUM of over S$280 million[(1)]. Currently, our Group is principally engaged in the following businesses:

(i) **Investment management services:** We identify investment opportunities in real estate based projects, market them to our investors, and establish investment vehicles to consolidate their investment in these real estate projects. We provide investment management services to our investors by managing the investment vehicles and helping our clients to realise investment returns throughout the term of the Investment Project.

We have established a stable investor base. As at the Latest Practicable Date, our Group had an investor base of over 200 accredited investors and institutional investors. Approximately 36.3% of the investors in the real estate projects we manage were repeat investors who have invested in more than one of our Investment Projects. We also have developed well-established partnerships with certain real estate developer partners which enhance our deal sourcing capabilities.

Our Group holds a CMS Licence issued by MAS for conducting fund management activities in Singapore. During the Track Record Period, we managed two real estate private equity funds, namely the ARO II Fund and the BBW6 Fund, which were established in April 2016 and October 2016 respectively. Please refer to the paragraph headed "Investment Management Services — Fund Structures" of this section for further details. We also managed two new real estate private equity funds, namely the S1 Fund and the S2 Fund, since May 2017. Please refer to the section entitled "Summary — Recent Developments — S1 & S2 Funds" for further details.

Note:

(1) This includes the AUM of S$47.2 million of the six Investment SPVs for which we will novate our obligations as investment manager to Zhongtai Singapore. The completion of the novations are expected to take place in or around August 2017. After completion, we will no longer provide investment management services in respect of these six Investment SPVs. Please refer to the section entitled "Summary — Recent Developments — Business Transfer Agreements" for further details.

(ii) **Project consultancy and management services:** With our expertise, we provide project consultancy and management services to clients comprising real estate developers and construction companies in Singapore. Such services include advising on land tender strategies and pricing, advising on unit mix, design and layout of real estate projects, and advising on market positioning of property developments and sales launches. We also provide handover and property defects management services during the defects liability period. As we have well-established relationships with our real estate developers, we also have increased deal sourcing capabilities within our project consultancy and management business segment.

(iii) **Property management and asset management services:** As an integrated asset manager, we are capable of providing a comprehensive suite of services, including property management and asset management services. In addition to our investment management services and project consultancy and management services, we also provide property management services to real estate developers and MCSTs including property maintenance management services and accounting and financial services.

In addition, we provide asset management services to help property owners overseeing their property assets including property maintenance management, rental management, lease advisory services, administrative management and tenants care management.

(iv) **Financial advisory services:** In order to expand our business reach and marketing in the Asia-Pacific regions outside of Singapore, we obtained licences to conduct Type 1 (*dealing in securities (CIS)*), Type 4 (*advising on securities*) and Type 6 (*advising on corporate finance*) regulated activities under the SFO to develop our marketing and distribution network and fundraising efforts and develop our corporate financial advisory business in Hong Kong. We are in the process of hiring additional sales staff in Hong Kong, including personnel who currently hold Type 1 licenses and those who may apply for such licenses. Our financial advisory business is supported by several qualified professionals who have been approved by the SFC as responsible officers. We recently commenced our financial advisory business in Hong Kong and had advised on a commercial transaction. Please refer to the paragraph in the section entitled "Business — Financial Advisory Services" in this document for further details.

For the two financial years ended 31 December 2016 and the three months ended 31 March 2017, the revenue of our Group amounted to approximately S$8.7 million, S$11.5 million and S$2.7 million, respectively, representing a growth of approximately 31.9% from 2015 to 2016. The provision of investment management services was our major source of revenue during the Track Record Period. A breakdown of our Group's revenue by business segment is set out below:

	For the year ended 31 December				For the three months ended 31 March	
	2015		2016		2017	
	S$'000 (approximately)	%	S$'000 (approximately)	%	S$'000 (approximately)	%
Investment management services	7,147	82.0	8,439	73.4	1,221	44.6
Project consultancy and management services	1,268	14.6	858	7.5	489	17.9
Property management and asset management services	296	3.4	2,196	19.1	980	35.8
Financial advisory services	—	—	—	—	47	1.7
Total	**8,711**	**100.0**	**11,493**	**100.0**	**2,737**	**100.0**

As at the Latest Practicable Date, we managed a total of 27 investment structures under the PE structures and fund structures, including the S1 Fund and the S2 Fund which were established after the Track Record Period. As at the Latest Practicable Date, we provided ongoing project consultancy and management services to a total of 8 real estate projects in Singapore. As at the Latest Practicable Date, we provided ongoing property management services to 23 real estate projects in Singapore and Malaysia and asset management services to 12 property owners in Singapore.

In pursuit of capturing global opportunities for our clients, we are embarking on our expansion to the Asia-Pacific region. Key strategies include further expanding our investment management business by widening our investor network and to enhance our deal sourcing capabilities. We believe that human resources is an essential component for the growth of our business segments, and plan to increase our staff strength across the investment management, project consultancy and management, property management and asset management, and financial advisory business segments. Please refer to the section entitled "Business — Our Strategies" in this document for further details.

OUR COMPETITIVE STRENGTHS

For the two financial years ended 31 December 2016 and the three months ended 31 March 2017, the revenue of our Group amounted to approximately S$8.7 million, S$11.5 million and S$2.7 million, respectively, representing a growth of approximately 31.9% from 2015 to 2016. We believe that our competitive strengths as set out below have driven our growth in revenue and distinguish us from our competitors:

We are an integrated asset manager specialising in the real estate sector, with the ability to provide a comprehensive suite of services across the real estate value chain

We provide a comprehensive suite of services, including services across the real estate value chain during different stages of real estate project development. We source investment opportunities often at the pre-development stage to investors who are looking to invest into real estate projects, and offer our investment management services to them. We also offer project consultancy and management services to the real estate developers and construction companies during the development stage to assist in land tender consultancy and research (such as advising on tender strategy and prices for government land sales), design development consultancy (such as advising on unit mix, design and layout of different real estate projects) and marketing project management (such as market positioning of property developments and advising on sales launches). In addition, at the post-completion stage, we offer property management services to real estate developers and MCSTs, as well as asset management services to property and home owners. We obtained a CMS License issued by MAS in September 2016. In addition, we commenced our provision of corporate finance advisory services in February 2017 in Hong Kong after we obtained licenses to conduct Type 1 (*dealing in securities (CIS)*), Type 4 (*advising on securities*) and Type 6 (*advising on corporate finance*) regulated activities under the SFO. We have the competence to offer fund management and fund distribution services to clients in Singapore, and fund distribution and corporate finance advisory services to clients in Hong Kong.

By providing such comprehensive suite of services, we have the capability to provide integrated asset management services to investors, real estate developers, property and home owners. As we are involved in the different business segments across the real estate value chain, we are able to leverage on our expertise and market knowledge by relying on our relationship managers to obtain the latest market news and client demands and preferences and add strategic value to our clients. Our involvement in the integrated business segments across the real estate value chain also gives us access to a wider network of business contacts and enables us to enhance our deal sourcing capabilities for our clients and partners, as well as offer additional ancillary services to them as may be required, such as financial advisory services. This gives us an unique competitive edge over other real estate industry players who do not offer such an integrated and comprehensive range of services.

Ability to combine and leverage our experience, market knowledge and resources from the comprehensive suite of services we offer

We are able to create strong synergies among our business segments because we utilise similar management and research resources for each business segment, and we have the ability to cross-sell our suite of services within different development stages of the same project. Investors who have successfully participated in our Investment Projects may also express interest in investing in other real estate private equity funds through our investment management arm. There are also opportunities for us to provide project consultancy and management services during the development and completion stage, and property management and asset management services during the post-completion stage for the same development. By providing project consultancy and management services to real estate developers, we can gain early access to the real estate projects under development, as well as strengthen and expand our business relationships with real estate developer partners that contribute to the next successful partnerships in the future. During the Track Record Period, our investment vehicles invested in 22 Investment Projects of which 17 or approximately 77.3% of them are with repeat real estate developer partners. In over 10 real estate projects, we offer more than one type of service among our investment management, project management and consultancy and property management and asset management businesses.

We also create synergies by sharing market information and knowledge among our business segments. For example, our investment management business enables us to keep abreast of the prevailing investing sentiment of our investors. By providing project consultancy and management services to real estate developers, we can gain early access to the real estate projects under development and the outlook on the macro markets. Our involvement in the property management and asset management business in turn facilitates the gathering of market intelligence and information from the perspectives of the end users. This enables us to better evaluate the overall real estate market dynamics, strengthen our deal sourcing capabilities and position our service offerings to better meet our customers' needs. We believe that we benefit from the synergies of our business model as an integrated asset manager.

Established and stable investor base

We have over time established business relationships with a stable pool of investors since we started our investment management services. As at the Latest Practicable Date, we had an investor base of over 200 accredited investors and institutional investors who invest through us into one or more of the real estate projects we manage. During the Track Record Period and up to Latest Practicable Date, approximately 36.3% of our investors are repeat investors that have invested in more than one Investment Project.

Our established and stable investor base enables us to efficiently market any investment opportunities as and when they arise, and promptly receive investment feedbacks from our investors. Our relationship managers maintain close contact with our clients and provide frequent status updates on their investments as well as promptly inform them of any new investment opportunities. We believe that maintaining our stable investor base provides us with a competitive advantage as we are able to efficiently and effectively meet the investment preferences of our investors such as term of the investment, investment amount and types of investment projects.

Proven investment management track record

We have a proven investment management track record of achieving satisfactory investment returns for our investors to date. The investment proceeds from the underlying real estate projects for nine of our Investment SPVs were realised during the Track Record Period, and our Group achieved an average trailing ROI of about 105.2% after taxes and fees. According to the Savills Report, the average trailing ROI is significantly higher compared with the stock returns (dividend returns combined with capital gain) of Singapore listed real estate developers of 85.8% from 2012 to May 2017.

We believe that one of our strengths is our proven investment management track record, which enables us to attract more investors to invest in the Investment Projects to maintain our stable investor base and achieve the synergies of cross selling our comprehensive suite of services to investors and clients across the real estate value chain.

Well-established relationships with our key real estate developer partners

Through our investment management services, we bring in investment capital from our investors to invest into the real estate projects of the real estate developer partners at the pre-development stage, and effectively enable the real estate developer partners to diversify their project investment risk. Due to our integrated platform across the real estate value chain, we maintain our engagement with the real estate developer partners by offering our project consultancy and management services during the development stage, as well as defects management after the TOP date of the real estate project during the defects liability period.

By providing a comprehensive suite of services to the real estate developer partners, we are able to strengthen and expand our business relationships with them that contribute to the next successful partnership in the future, and in turn enhance our deal sourcing capabilities to our investors. We have well-established relationships with our key real estate developer partners, including Wee Hur and Qingjian. During the Track Record Period, we have cooperated with Wee Hur and Qingjian on a total of 13 real estate projects, representing approximately 54.2% of our total real estate projects. Out of these 13 real estate projects, we cooperated with Wee Hur on 3 and 2 real estate projects within the investment management and project consultancy and management business segments respectively, while we cooperated with Qingjian on 10 and 3 real estate projects within the investment management and project consultancy and management business segments respectively. Please refer to the paragraph

entitled "Our Relationship with Key Real Estate Developer Partners" in this section for further details. We believe that we can leverage on the close business relationships with our partners to identify and further develop new business opportunities.

Experienced management team with expertise and a proven track record

We have an experienced management team with a proven track record, execution capability and in-depth knowledge of the real estate industry. In particular, our Executive Directors have been instrumental to our growth throughout the years.

Our co-founders, Mr. Yeo, our executive Director and chief executive officer, and Ms. Sim, our executive Director and chairman of our Board, each have over 10 years of experience in the real estate industry and have experience in both Singapore and international real estate property investments. Mr. Siew, our executive Director and the Group CFO, has over 10 years of experience in corporate finance, mergers and acquisitions, accounting and audit. In addition, our senior management in the investment management, project consultancy and management, and property management and asset management teams have in-depth industry experience and market knowledge. Our responsible officers and fund managers also possess the requisite licenses and certifications and have the relevant expertise and technical knowledge.

Our management team's dedication and execution capability drive our business operations and future growth plans. We believe that our collective expertise and industry knowledge and experience of our management, and employees have been and will continue to be a valuable asset.

OUR STRATEGIES

We aim to become a leading integrated asset manager in the real estate sector within the Asia-Pacific region. We plan to set up a bridging reserve fund, and further expand our investment management, property management, financial advisory and project consultancy and management services business segments.

Setting up a bridging reserve fund to enhance investments sourcing capabilities

According to the Savills Report, the cross-border capital that flows into real estate development projects in Singapore amounted to S$3.7 billion during the first half of 2017, compared to S$3.8 billion in 2016. Moreover, with the rising land prices in Singapore, some real estate developers are seeking to sharpen their bidding edge by co-investing in real investment projects with investment management companies. Further, while it is still limited in number, there is an ongoing trend of real estate investment management companies becoming more directly involved in development projects apart from providing capital. As such, our Directors believe that there will be increasing demand for investing into development projects in Singapore and that we shall capture market opportunities in this niche market.

During the Track Record Period, typically the real estate developer partners would approach us for any possible co-investment in the real estate projects and we could only confirm the take-up of the investment stake after we secured sufficient investment commitment from the investors. As we are required to confirm the take-up of the investment stake within a certain timeframe and our Group lacks sufficient immediate funding to confirm the take-up of the investment stake, our bargaining power in our negotiation with the property developer partners is affected and sometimes caused us to lose attractive investment opportunities for our investors. In some cases, we may also identify potential investment opportunities based on our market intelligence and proactively approach our preferred real estate developer partners to explore the possibility of co-investment in the real estate projects with them. However, we might not have sufficient funds to co-invest with our preferred real estate developer partners. Therefore, our Directors consider that it is necessary for our Group to set up a bridging reserve fund to increase our deal sourcing capabilities.

To further develop our investment management business, we plan to set up a bridging reserve fund which will be used to participate in tenders or sales for land parcels and/or real estate assets, including but not limited to payment of the deposits for such transactions. After the potential new land parcel, real estate project or real estate asset is secured by us, we will set up an investment vehicle ourselves and/or may proactively reach out to our preferred real estate developer partners and invite them to co-invest in the new potential real estate projects. We would then raise funds from our investors to invest in an investment vehicle which we manage. Any amounts from the bridging reserve fund that we used for participating in such tenders or sales is expected to be replenished by the funds raised from the investors. By doing so, we would be able to more proactively secure attractive investment opportunities for the investors instead of only investing in real estate projects in which our real estate developer partners have already won the land tender bid or sale process. When identifying our targets for land parcels and real estate assets, we would take into consideration, among others, the location, estimated tender prices, and the indicative values and net yields of the land parcels or real estate assets.

To leverage on our extensive experience, we aim to continue focusing on the real estate investment market in Singapore. Our investment objective in Singapore would be to acquire development sites to be developed into real estate developments mainly for sale, and a small part of the developed real estate would be retained to generate rental income for the investors if suitable, including residential, commercial and industrial vacant land or existing properties that could be redeveloped. The following table sets forth details of our potential real estate projects in Singapore

that we have targeted as at the Latest Practicable Date for which our Group may apply our bridging reserve fund upon [REDACTED]:

Brief description of the development in Singapore	Tentative investment plan and funds required	Status as at the Latest Practicable Date	Investment completion date and indicative net yield
A vacant land parcel at the northeast region of Singapore to be put up for public tender by HDB, Singapore's public housing authority, in the fourth quarter of 2017. The site has a total area of over 25,000 sq.m. zoned for residential use.	We intend to partner with a few suitable potential partners who have expressed interest to jointly tender for the land with us. Our proposed stake would be a minority stake of approximately 30.0%. Based on current market information, we currently expect the estimated land price to be approximately S$200.0 million to S$300.0 million. Usually, HDB requires a deposit of 5.0% to the initial tender bid amount. The deposit required is estimated to be approximately S$3.0 million to S$4.5 million in accordance with our proposed stake.	We have conducted site visit, financial analysis and feasibility studies for the potential investment. We are in the course of negotiating with potential real estate developer partners and obtaining approval from our Investment Committee on this potential investment. It is expected that our Investment Committee will approve this potential investment in the third quarter 2017. As at the Latest Practicable Date, we had not entered into any binding or non-binding agreement in relation to the potential investment as HDB will only launch the public tender for this land parcel in the fourth quarter of 2017.	According to the HDB website, it is expected that the potential investment would be launched for tender in the fourth quarter of 2017. We will proceed with this potential investment if we are able to secure sufficient funding from the [REDACTED] of the [REDACTED] and suitable and reliable partners with strong track record. The indicative returns would be over 60.0% according to our initial financial analysis.

In addition to the above potential investment project in Singapore, we have identified and may consider submitting tenders for three potential GLS sites in Singapore comprising land parcels zoned for residential use with allowable GFA ranging from approximately 14,000 sq.m. to 60,000 sq.m. if they are suitable and available. The deposit for these investments would be ranging from approximately S$2.0 million to S$7.0 million and have a similar indicative return according to our internal financial analysis and information publicly available made by HDB. The estimated tender launch date of these potential investments would be approximately in the fourth quarter of 2017.

Moreover, as part of our expansion strategy in the Asia-Pacific region, we are in the process of exploring multiple potential real estate targets in Australia following the completion of the acquisition of two real estate assets (including assets situated in Australia) by the ARO II Fund. Our investment objective in Australia would be to invest in real estate assets with a focus on income-producing properties that deliver regular and stable distributions to investors together with long-term capital growth, including commercial, industrial and hospitality developments. The following table sets forth details of a potential real estate project in Australia that we have targeted as at the Latest Practicable Date towards which our Group may apply our bridging reserve fund upon [REDACTED]:

Brief description of the development in Australia	Tentative investment plan and fund required	Status as at the Latest Practicable Date	Investment completion date and indicative yield
A developed shopping centre in Sydney, Australia. This shopping centre has a gross lettable area of over 5,000 sq.m.. As at the Latest Practicable Date, the shopping centre is leased to multiple tenants and is 100% occupied.	The shopping centre is for sale by public expressions of interest. We intend to gauge interest from potential investors and set up an investment vehicle to invest in this real estate asset after we have secured the stake in this investment. Based on the information provided by the vendor, we currently plan to purchase the asset at approximately A$30.0 million to A$40.0 million. Should we be successful in the tender, the vendor requires a deposit of 10.0% prior to enter into a legally binding contract. The amount of tender deposit required for investing in this real estate asset would be approximately S$3.0 million to S$4.0 million.	We have conducted site visit and feasibility studies for the potential investment and went through necessary processes including obtaining approval from our Investment Committee. As at the Latest Practicable Date, we had submitted a non-legally binding expression of interest to the vendor and are waiting for reply from the vendor.	Currently, it is expected that the potential investment would be completed in the fourth quarter of 2017 if we proceed with this potential investment. The indicative net yield of this potential investment would be approximately 6.0% to 8.0% according to the information provided by the vendor and our internal financial analysis.

In addition to the above potential investment project in Australia, we have identified and may consider submitting tenders for four potential real estate assets in major cities comprising commercial and/or industrial properties with net lettable area ranging from approximately 3,100 sq.m. to 13,200 sq.m. if they are suitable and available. The deposit for these investments would be ranging from approximately S$1.6 million to S$8.0 million and the indicative net yield would be

ranging from approximately 6.0% to 8.0% according to the information provided by the potential offeror. The estimated closing date to submit non-legally binding expressions of interest for these potential investments would be approximately in the fourth quarter of 2017.

Furthermore, the bridging reserve fund could be used in the future to commit to the take-up of an investment stake in a potential real estate project first before setting up the investment vehicles and/or securing investment funds from our investors when the real estate developer partners approach us for co-investing in new potential real estate projects. Once the investment vehicle has been set up and sufficient funds have been raised from our investors, the investment vehicle that we set up will invest into the real estate projects directly using the investment amount from the investors, and any amounts from the bridging reserve fund that we used for committing the take-up of the investment stake is expected to be replenished by the funds raised from our investors. By doing so, our Directors believe that we would be able to (i) negotiate and secure a larger investment stake in potential real estate projects as we would be able to commit a certain initial investment stake at an earlier stage and (ii) prolong our fundraising timeframe by using the bridging reserve fund to reserve an allocated investment stake in the real estate project.

We intend to utilise approximately [REDACTED] or [REDACTED] (or approximately [REDACTED] of our total estimated [REDACTED] from the [REDACTED]) for setting up our bridging reserve fund. Our Directors believe that, depending on the size of the real estate projects, such amount of bridging reserve fund would allow us to participate in the abovementioned tenders or sales for land parcels and real estate assets. As at the Latest Practicable Date, save as disclosed in this section, we had not made any tender submissions or issued or accepted any letters of offer or intent or entered into any contract in relation to acquisition or investment of land parcels or real estate assets.

Further expanding our investment management business

We plan to further expand our investment management business by widening our investor network and to enhance our deal sourcing capabilities. We will continue to source for real estate investment opportunities in Singapore, and will also explore real estate investment opportunities outside of Singapore within the Asia-Pacific region.

We intend to hire more experienced relationship managers with existing networks of investors and expand our fund distribution channels through increasing our distribution and marketing activities. We will also hire more professionals, analysts and consultants to expand our research and consultancy capabilities, and more supporting staff to support overall investment management operations in Singapore. In addition, we plan to lease additional office space in Singapore to accommodate our growing team.

According to the Savills Report, growth in the real estate investment amounts in the Asia-Pacific region accounted for close to half of the global investment amount in 2016, reflecting the region's strong growth potential. Accordingly, we are also exploring real estate investment opportunities outside of Singapore within the Asia-Pacific region, and in particular, Malaysia, Indonesia and Australia where we already have investment assets. The Savills Report also stated

that there is a focus on alternative (non-residential) sectors for Asia-Pacific markets, and investor access into alternative and overseas real estate sectors is often performed through investment managers (which are often based in Singapore), and with the impetus to diversify, it is expected to drive the need for such services. Besides looking into the residential and industrial sectors, we will also consider different asset classes within the commercial and hospitality sectors, especially offices and service apartments.

We intend to utilise approximately [REDACTED] or [REDACTED] (or approximately [REDACTED] of our total estimated [REDACTED] from the [REDACTED]) for expanding our investment management business. Please refer to the section headed "Future Plans and [REDACTED]" in this document for further details on the implementation of the above strategy.

Expanding our property management business

According to the Savills Report, the property management and asset management industry in Singapore is expected to experience continued growth, as supported by factors such as population growth, increase in real estate stock and the more intensive use of real estate in Singapore. Coupled with our Group's rapid growth in this business segment which recorded revenue of approximately S$0.3 million to S$2.2 million for the two years ended 31 December 2016 respectively, we believe that we are able to capitalize on the expected growth trend of the property management industry in Singapore by increasing the number of property units under our management. Our Directors also believe that our further development in property management business which is generally less susceptible to any changes in the real estate market could help our Group to maintain a balanced development across our different business segments. The property management agreements that we enter into typically have a term of one year or over, and our appointment is usually renewed yearly at the annual general meeting of the property owners if we provide services to the MCSTs. Our Directors believe that expanding this business segment could enable us to increase the revenue visibility of our Group and provide a stable and regular revenue source to our Group.

We intend to expand our property management business by setting up a dedicated client service centre to handle client requests relating to maintenance issues of the property under our management and hiring more service staff to support such services. When hiring staff, we will consider their experience and track record within the property management market, as well as their professionalism and ability and efficiency in addressing our customers' needs and requests.

We will also consider potential merger and acquisition opportunities with other property management companies as and when they arise, and will take into account factors such as the target's track record, market reputation and its management experience. In particular we will consider targets with a track record of over three years and with turnover of over S$4 million. As at the Latest Practicable Date, we have not identified any acquisition targets. In addition, we plan to upgrade our existing infrastructure by investing in mobile application systems which will enable us to deliver our services with greater efficiency.

We intend to utilise approximately [REDACTED] or [REDACTED] (or approximately [REDACTED] of our total estimated [REDACTED] from the [REDACTED]) to expand our property management business. Please refer to the section headed "Future Plans and [REDACTED]" in this document for further details on the implementation of the above strategy.

Expanding our financial advisory business

We plan to expand our financial advisory business by increasing our business reach and marketing in the Asia-Pacific regions outside of Singapore. We intend to increase staff strength in Hong Kong and spread our brand as an integrated asset manager to investors.

We have recently obtained licences to conduct Type 1 (*dealing in securities (CIS)*), Type 4 (*advising on securities*) and Type 6 (*advising on corporate finance*) regulated activities under the SFO which allow us to provide financial advisory services in Hong Kong, including the marketing and distribution of investment products and provision of corporate finance advisory services. Please refer to the paragraph entitled "Business — Licenses, Permits and Certificates" in this section for further details of our SFC licenses.

In particular, we intend to expand our team by hiring more experienced relationship managers with existing networks of clients to enhance our product marketing and distribution in Hong Kong. We intend to market existing and future real estate investments originating in Singapore to new clients in Hong Kong by relying on our expanded team of relationship managers to tap into their existing client business networks and make new client connections. We are in the process of expanding our Type 1 regulated activities by dealing in a wider range of securities which include but are not limited to stocks, unit trusts, debt securities and structured products, as well as carry out the placing and underwriting of such securities. In addition, we intend to pursue a broader range of activities such as assuming the roles of underwriter and/or placement agent and advising and assisting corporations to raise capital through the issuance of equity securities, debt securities, convertible bonds or structured financing products.

We also plan to provide corporate financial advisory services to our existing and new investors and clients, and expand our corporate finance team by recruiting more senior professionals with established clientele and networks to source and lead transactions. Further, we plan to expand our current office premises in Hong Kong and lease additional office space to accommodate our staff expansion.

The following table illustrates the increasing number of listed companies on the Stock Exchange during the periods indicated:

	2012	2013	2014	2015	2016	CAGR
Main Board	1,368	1,451	1,548	1,644	1,713	5.8%
GEM	179	192	204	222	260	9.8%

Source: SFC website — Market and Industry statistics — Hong Kong markets- Number of listed companies by stock type

Coupled with the increasing number of listed companies in Hong Kong, the equity funds raised (both directly and indirectly) for both companies listed on Main Board and GEM through Hong Kong rapidly increased at a CAGR of 12.6% from HK$305.4 billion in 2012 to HK$490.1 billion in 2016. Our Directors believe that such significant increase in the number of listed companies and active equity fund raising activity will provide us with ample opportunities to expand our financial advisory business in Hong Kong.

We intend to utilise approximately [REDACTED] or [REDACTED] (or approximately [REDACTED] of our total estimated [REDACTED] from the [REDACTED]) for expanding our marketing efforts and investors' access. Please refer to the section headed "Future Plans and [REDACTED]" in this document for further details on the implementation of the above strategy.

Expanding our project consultancy and management business

We intend to expand our project consultancy and management business by expanding our team such as hiring more real estate developer relationship managers to source and lead the execution of our projects, and additional building and construction professionals with architectural and structural background to advise on projects relating to design, tender advisory, and marketing research of unit mix and layout. We believe that human resources is an essential component for the growth of our business segments, including the project consultancy and management business segment, and plan to increase our hiring of staff at the managerial level to source and undertake more projects.

We intend to utilise approximately [REDACTED] or [REDACTED] (or approximately [REDACTED] of our total estimated [REDACTED] from the [REDACTED]) to expand our project consultancy and management business. Please refer to the section headed "Future Plans and [REDACTED]" in this document for further details on the implementation of the above strategy.

INVESTMENT MANAGEMENT SERVICES

During the Track Record Period, we provided investment management services for real estate projects mainly in Singapore. We also provided investment management services for two real estate projects in Malaysia and one real estate project in Indonesia.

We manage investments through the convertible loan structures, trust structures and fund structures. After an investment opportunity in a residential, commercial or industrial real estate project is identified, we market the investment opportunity to investors, and arrange for the establishment and incorporation of the investment vehicles, namely the Investment SPVs and fund structures, for investors to invest in such Investment Projects. As at the Latest Practicable Date, we have established and managed 23 Investment SPVs and four fund structures for 25 Investment Projects.

Our investment management services are carried out as follows:

(i) SPV investment management (PE structures)

- convertible loan structures
- trust structures

(ii) Fund Management

The following table sets out a breakdown of our Group's revenue derived from the provision of investment management services by types of investment structures during the Track Record Period:

	For the year ended 31 December				For the three months ended 31 March	
	2015		2016		2017	
	S$'000	%	S$'000	%	S$'000	%
SPV investment management (PE structures)						
Convertible loan	7,081	99.1	8,197	97.1	1,110	90.9
Trust	66	0.9	66	0.8	—	—
Sub-total	7,147	100.0	8,263	97.9	1,110	90.9
Fund Management	—	—	176	2.1	111	9.1
Total	7,147	100.0	8,439	100.0	1,221	100.0

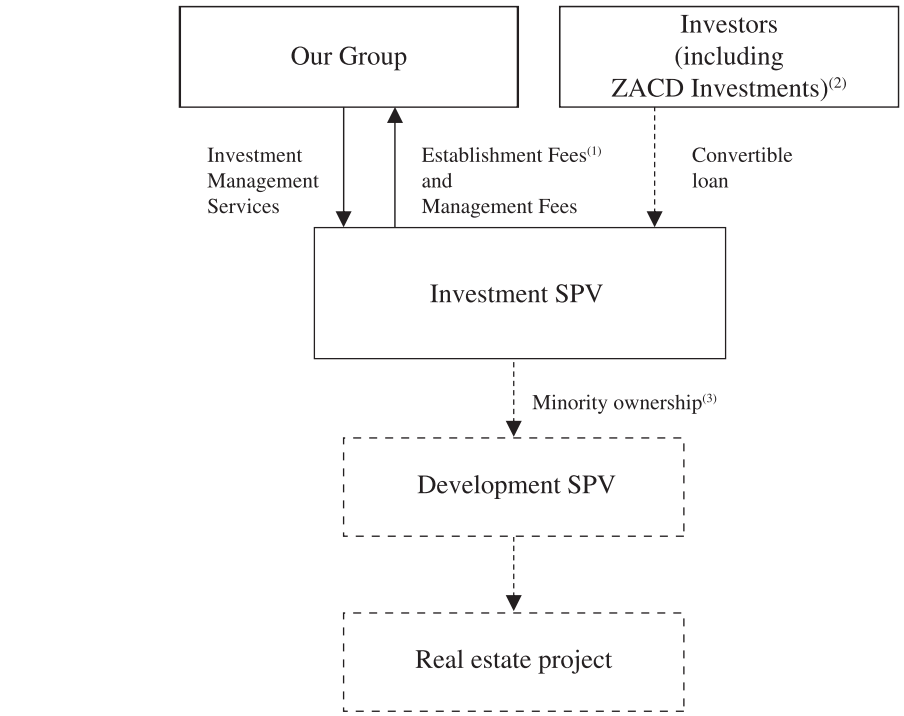
(I) SPV investment management (PE structures)

During the Track Record Period, the Investment SPVs were incorporated by ZACD Investments, one of our Controlling Shareholders, as the sole initial subscriber. Thereafter, investments were made by these Investment SPVs into such Investment Projects. We provide investment management services to the investors by managing the Investment SPVs. We derived our revenue from collecting Management Fees, Establishment Fees, and dividends derived from the Establishment Shares, as well as performance fees on certain Investment Projects. During the same period, 22 of a total of 24 Investment Projects that we managed adopted PE structures, comprising the convertible loan structures and trust structures. We adopted trust structures due to cost and administrative efficiencies, as well as to take into account the size of the investment. For investment management under the PE structures, we relied on the immoveable assets exemption under the SFA. Please refer to the section entitled "Regulatory overview — Exemption from requirement to hold a CMS licence for fund management" for further details.

A. *Convertible loan structures*

Under the convertible loan structures, the investors provided Convertible Loans to the Investment SPV in which they invested, and the Convertible Loans would be converted into shares of that Investment SPV after the TOP date of the underlying real estate project in which the Investment SPV invested.

The graph below shows the services that our Group provided for investment management services under the convertible loan structures:



Key:

——— Our services/fees

- - - - - - - - - - - - - - - Investment

Notes:

(1) The investors (including ZACD Investments) would settle the Establishment Fees in the form of Establishment Shares payable by them by way of (i) transferring specified number of shares of the Investment SPV after conversion of the Convertible Loan by procuring the Investment SPV to allot and issue to us certain specified number of shares of the Investment SPV ("**Establishment Shares**"); or (ii) in a few cases where the Establishment Shares were received from the investors by ZACD Investments on behalf of us, transferring the specified number of shares, from ZACD Investments to us. As such, our Group would also hold shares in the Investment SPV and become its minority shareholder thereafter.

(2) ZACD Investments, one of our Controlling Shareholders, would act as the initial subscriber of the Investment SPV by subscribing for nominal shares (in the amount of S$2.00) in the Investment SPV upon its establishment.

(3) The Investment SPV would in turn apply the funds invested by the investors to invest into the designated Development SPV, which is owned by the Investment SPV, the real estate developer partner of the underlying real estate project and other joint venture partners in the Development SPV (if any).

Investment life cycle under our convertible loan structures

The entire life cycle of investments under our convertible loan structures, from identifying investment opportunities to the realisation of the underlying real estate projects would normally take approximately three to six years. After realisation of the underlying real estate projects, we would continue to provide investment management services to the investors until completion of sales of all the property units in the real estate project. Below sets forth the key milestones of the investments under our convertible loan structures:

Step 1: Identifying investment opportunities, conducting feasibility studies and marketing investment opportunities to investors

Typically, our real estate developer partners would approach us for possible co-investment in the real estate projects due to our good relationships with the real estate developer partners. In some cases, we also identify potential investment opportunities using our in-house research capability and market intelligence to obtain tender information at the pre-development stage of the real estate projects and approach the real estate developer partners to explore the possibility of co-investment in the real estate projects. The CIO Office will conduct feasibility studies comprising financial and market analyses to evaluate the feasibility and marketability of the investment. We conduct financial analyses on the return on investment of the real estate projects, and carry out cash flow projections and sensitivity analyses. We also conduct research on industry news and obtain up-to-date information on industry trends and client take ups by carrying out site visits on potential investment projects and gathering intelligence from real estate agents within our network of business contacts. Their findings will be reviewed and followed up by the Investment Committee for final approval. Please refer to the paragraph entitled "Our investment management process" of this section for further details of our internal approval structure.

After conducting assessment on the investment opportunities, we will commence marketing of the investment to gauge interest from our pool of investors. Our business operations department will conduct all necessary investor on-boarding procedures on investors who have expressed interest in investing with us, including verification of the accredited investor status of these investors. Depending on the size of the Investment Project, the number of investors invested in each Investment Project under the convertible loan structures during the Track Record Period ranged from 6 to 27.

After establishing the interest level from investors, we will confirm the take-up of the investment stake and discuss the other investment terms as to the co-investment in the real estate project with the real estate developer partner. It would normally take two months for this whole process.

Step 2: Establishment of the Investment SPV

Our Group arranges for the establishment and incorporation of the Investment SPV as a Singapore private limited company which will become the investment vehicle for the investors to invest in and also the investment vehicle for investing in the Development SPV holding the underlying real estate project. Due to reasons of convenience, ZACD Investments, one of our Controlling Shareholders, would act as the initial subscriber of the Investment SPV by subscribing for nominal shares (in the amount of S$2.00) in the Investment SPV upon its establishment. We intend to adjust this practice by using a Group subsidiary to act as the initial subscriber in the Investment SPV for future investment. Our executive Directors and/or senior managers would be appointed as directors of the Investment SPVs to represent our Group as an asset manager to safeguard the interests of our investors. In certain real estate development projects, the Development SPV would also need to secure bank borrowings for the development of the real estate projects. For details, please refer to the paragraph headed "Bank borrowings made by the Development SPVs" in this section in this document.

Step 3: Entering into of the convertible loan agreements with the investors

After the incorporation of the Investment SPV, we would enter into a legally binding Convertible Loan Agreement with all the investors and the relevant Investment SPV, pursuant to which investors will extend a non-interest bearing Convertible Loan to the Investment SPV. The Convertible Loan Agreement would also govern the provision of investment management services by our Group to the Investment SPV and the fees payable to our Group. Upon execution of the Convertible Loan Agreements, the investors shall pay the entire loan amount to the relevant Investment SPV directly. For further details of the terms of the Convertible Loan Agreement, please refer to the paragraph headed "(I) PE structures — Convertible Loan Agreement" of this section of document.

During the Track Record Period, ZACD Investments, one of our Controlling Shareholders, was also one of the investors in all of the Investment SPVs that we managed. ZACD Investments entered into the Convertible Loan Agreements and injected the investment monies into the Investment SPVs around the same time as the other investors. For details, please refer to the paragraph "Business — Sales and Marketing and our Pool of Investors" in this section.

Step 4: Entering into the joint venture agreement with the real estate developer partner

After the investors have committed to invest by way of executing the Convertible Loan Agreement, the Investment SPV would enter into a joint venture agreement with the real estate developer partner and other joint venture partners, if any, regarding the investment in the Development SPV, which is the investment vehicle holding the underlying real estate project. The Investment SPV will apply the investment amount from the investors to invest into the relevant Development SPV through equity and/or debt including shareholders' loans, convertible bonds or redeemable preference shares. The real estate developer partner, the Investment SPV and other joint venture partners will also enter into a shareholders' agreement

to regulate the business of the Development SPV. The Development SPV will apply the investment monies contributed by the Investment SPV for, among other things, the land acquisition and development cost of the underlying real estate project. It would normally take approximately up to three months to establish the Investment SPV and to finalise and execute the convertible loan agreement and the joint venture agreement.

Step 5: Conversion of the Convertible Loan into shares of the Investment SPV by the investors

The real estate developer partner will sell the property units according to its marketing plan. Normally, proceeds from the sales of the units will be used to repay any outstanding bank loan(s) borrowed by the Development SPV and any shareholders' loan(s) borrowed from the shareholders of the Development SPV (including the shareholders' loan from the Investment SPV, if any), and then to distribute dividends to the shareholders (including the Investment SPV).

The Investment SPV will apply the proceeds received from the Development SPV to repay the Convertible Loans granted by the investors. According to the Convertible Loan Agreement, the investors will convert a specific portion of the outstanding Convertible Loan that they granted into shares of the Investment SPV after issuance of the TOP of the underlying real estate project. Depending on the scale and type of the real estate project, TOP for the underlying real estate project could be generally obtained in about three to five years after the investment by the Investment SPV. Our Group, the investors (including ZACD Investments) and the Investment SPV will enter into a shareholders' agreement after the investors have converted the Convertible Loans and become shareholders of the Investment SPV.

Step 6: Paying investment returns to the investors

Pursuant to the conversion of the Convertible Loan, the Investment SPV will distribute the dividends and any distributions received from the Development SPV to the investors, ZACD International and ZACD Investments in proportion to their shareholding in the Investment SPV. The board of directors of the Investment SPV, who were appointed to represent our Group as an asset manager to safeguard the interests of our investors, will table a resolution for the declaration of dividends to the shareholders of the Investment SPV as soon as practicable after the Investment SPV receives any dividends and/or distributions from the Development SPV. Pursuant to the terms of the shareholders' agreement of the Investment SPV, the investors, being shareholders of the Investment SPV, will receive such dividends only after such resolution is passed by shareholders holding shares representing not less than 75% or 90% of the issued share capital of the Investment SPV, as specified in the different agreements. The Investment SPV will continue to receive dividends and any distributions from the Development SPV for any additional sales proceeds from the underlying real estate project, therefore the investors in the Investment SPV would continue to receive their investment return through the distribution of dividends by the Investment SPV.

During the Track Record Period and up to the Latest Practicable Date, neither our Group (as the investment management service provider who did not have any voting right in the Investment SPV) nor ZACD Investments (as one of the minority shareholders in the Investment SPVs) held sufficient votes to compel the Investment SPV to declare a dividend.

Step 7: Voluntary liquidation of the Development SPV and Investment SPV

Pursuant to the shareholders' agreements relating to the Development SPV and the Investment SPV, the Development SPV and the Investment SPV will be voluntarily liquidated upon full realisation of the underlying investment. As none of the investments for any of our Investment Projects were fully realised during the Track Record Period and up to the Latest Practicable Date, none of the Development SPVs nor Investment SPVs in our Investment Projects have been voluntarily liquidated as at the Latest Practicable Date.

Our Fees

We derive our revenue from collecting (i) Management Fees; (ii) Establishment Fees (paid to us in the form of Establishment Shares); and (iii) Performance Fees. In addition, we also derive dividends paid in respect of Establishment Shares. We determine the Management Fees and Establishment Fees based on industry norms, complexity of the investment and commercial negotiations on a project-by-project basis. The amount of dividends paid in respect of the Establishment Shares will depend on the financial performance of the specific Investment Project.

(i) *Management Fees*

We derive our Management Fees from the investors for the investment management services that we provided. We generally charge other investors a one off fixed fee of approximately 3% to 5% of the respective investment amount made by the investor upon entry into a Convertible Loan Agreement while for ZACD Investments, we charge 2% of Management Fees per annum based on the outstanding investment amount. We charged ZACD Investments different Management Fees as we had granted them a priority right to participate in real estate projects and had arrived at such terms pursuant to arm's length commercial negotiations.

(ii) *Establishment Fees*

We also receive one off Establishment Fees from all the investors for our creation and establishment of the investments, arranging the establishment of the Investment SPVs and our structuring of the investments. Each investor settles the Establishment Fee by way of (i) transferring specified number of shares of the Investment SPV after conversion of the Convertible Loan by procuring the Investment SPV to allot and issue to us certain specified number of shares of the Investment SPV ("**Establishment Shares**"); or (ii) in a few cases where the Establishment Shares were received from the investors by ZACD Investments on behalf of transferring the specified number of shares, from ZACD Investments to us. Such Establishment Fees amount to approximately 5% to 25% of the respective Establishment

Shares to which the investors are entitled upon conversion of the Convertible Loan which has been agreed upon in the convertible loan agreements. We charged ZACD Investments a higher percentage of 25% of the Establishment Shares as we had granted them a priority right to participate in real estate projects and had arrived at such terms pursuant to arm's length commercial negotiations. As the conversion of the Convertible Loan only occurs after the TOP date, the Establishment Fees to which we are entitled for our provision of establishment services at the early phases of the Investment Project would only be paid to us in the form of Establishment Shares at a later stage upon conversion of the Convertible Loans.

In addition, since we collect the Establishment Fees in the form of Establishment Shares, we would also be entitled to the dividends paid in respect of such Establishment Shares as may be distributed after the issuance of such shares to us. During the Track Record Period, we received dividend payments in respect of the Establishment Shares held in nine Investment SPVs in the amount of approximately S$4.3 million, S$6.5 million and S$0.8 million, respectively.

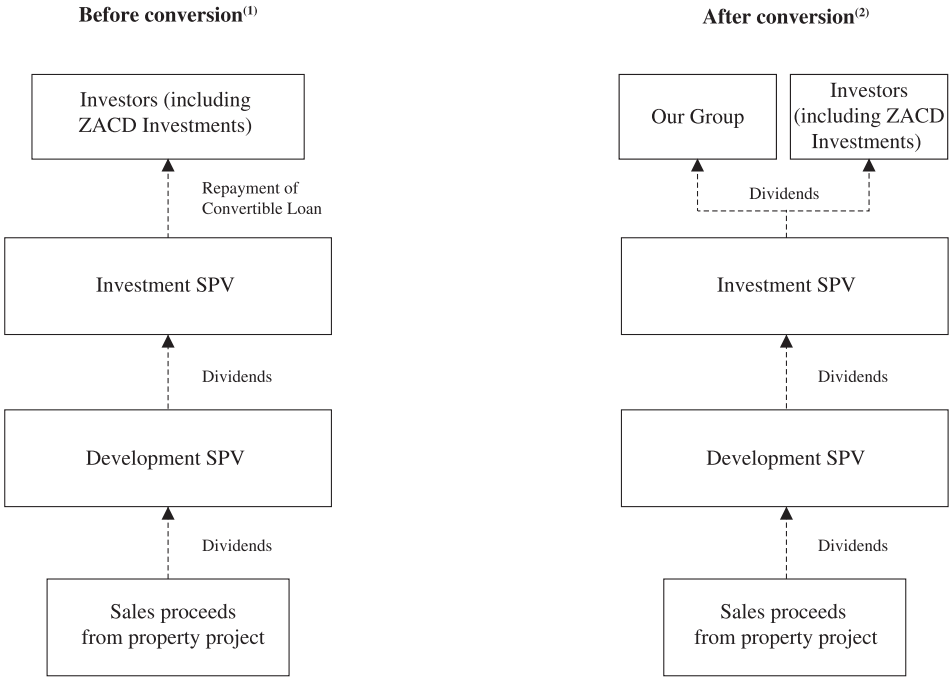
(iii) *Performance fees*

During the Track Record Period, we only charge one of the investors, Customer A, performance fees of 15% of all dividends and/or profit distributions it received from certain Investment SPVs, in consideration of granting them a priority right to participate in the relevant real estate project. We have such arrangement with Customer A since it has shown interest in investing in a number of our Investment Projects since July 2010. Pursuant to commercial negotiations subsequently, Customer A no longer required such priority rights from us and we have not entered into any similar arrangement with Customer A or any other investors as at the Latest Practicable Date. For more information about Customer A, please refer to the paragraph headed "Sales and Marketing and our Pool of Investors" in this section of the document.

The following table sets out a breakdown of our revenue derived from the PE structures:

	For the year ended 31 December		For the three months ended 31 March
	2015	2016	2017
	S$'000 (approximately)	S$'000 (approximately)	S$'000 (approximately)
Management Fees	1,320	790	141
Establishment Fees and dividends from Establishment Shares	4,322	6,487	808
Performance Fees	1,505	986	161
Total	7,147	8,263	1,110

The capital flows from the sales proceeds of the Investment Project ultimately to the investors and our Group before and after conversion is set out in the flowcharts as follows:



Notes:

(1) Conversion of the Convertible Loans occurs after TOP date.

(2) After (i) conversion and (ii) payment of Establishment Fees in the form of Establishment Shares to us.

Convertible Loan Agreement

The Investment SPV investors invest into the Investment Project by way of entering into the Convertible Loan Agreement.

In general, the salient terms of the Convertible Loan Agreement are as follows:

Parties	:	Investment SPV investors, Investment SPV and ZACD International
Grant of Convertible Loan	:	Each Investment SPV investor shall grant the Investment SPV a specified non-interest bearing Convertible Loan, and the Investment SPV shall apply all amounts under the Convertible Loans towards the development of the relevant underlying real estate project and the administrative expenses of the Investment SPV.
Investment Management Services	:	We shall provide the investment management services and the investors shall pay us Management Fees and Establishment Fees. Since we collect the Establishment Fees in the form of Establishment Shares, we are also entitled to dividends attached to such Establishment Shares as may be distributed after issuance of such shares to us. We will only receive payouts derived from the Establishment Shares in the form of dividend payments from profits available for distribution following the approval of the audited accounts in respect of the financial year in which dividends were declared in a general meeting.
Conversion	:	After TOP date of the relevant real estate project, such part of the outstanding Convertible Loan representing not more than a pre-determined nominal amount shall be converted into shares of the Investment SPV based on the terms of the agreement, with the balance of the outstanding Convertible Loan remaining due and payable to the Convertible Loan holders ("**CL Holders**"). The conversion price is determined based on the proportion of the investment amount and Establishment Fees payable. On or before the conversion date, the Investment SPV investors, the Investment SPV and us shall enter into a shareholders' agreement and they would become shareholders of the Investment SPV after conversion of the Convertible Loan.

Repayment	:	At any time prior to the conversion date, and provided that there is no event of default, the Investment SPV shall, at the discretion of its board of directors, repay part of the Convertible Loan to each CL Holder in accordance with the proportion of Convertible Loans contributed by each CL Holder.
Events of default	:	The outstanding Convertible Loan shall immediately be due and payable upon the occurrence of an event of default, which includes: (i) failure of Investment SPV to pay any amount payable under the Convertible Loan Agreement on the due date; (ii) failure of Investment SPV to perform or comply with any of its undertakings, covenants, conditions or obligations under the Convertible Loan Agreement; (iii) any litigation, arbitration, proceeding or dispute is started or threatened by or against Investment SPV which will have a material adverse effect; or (iv) the relevant real estate project in which the Investment SPV invests is destroyed or otherwise damaged and such destruction or damage will have a material adverse effect.
Additional Financing	:	Any additional financing proposal (the "**Financing Proposal**") shall be approved by the CL Holders holding not less than 75% of the outstanding Convertible Loan amount owing by Investment SPV to the CL Holders (the "**Majority CL Holders**"). Upon approval, in addition to their own participation, the Majority CL Holders shall be entitled to require the other CL Holders (the "**Minority CL Holders**") to participate in the Financing Proposal in accordance with their respective proportion of the Convertible Loan, failing which, the Majority CL Holders shall be entitled to participate in place of such non-participating Minority CL Holder.

During the Track Record Period and up to the Latest Practicable Date, there were no requests for additional financing pursuant to any delay in progress of the Investment Projects or any other reasons, nor any events of default or any early repayments of the Convertible Loans.

Shareholders' agreement relating to the Investment SPV

Upon the initial conversion of the Convertible Loan into the shares of the Investment SPV, being a date after the TOP of the relevant real estate project, the Investment SPV investors, the Investment SPV and us enter into a shareholders' agreement to regulate their relationship as shareholders of the Investment SPV. In general, the salient terms of the shareholders' agreement are as follows:

Parties	:	Investment SPV investors, ZACD International and the Investment SPV.
Shareholders' approval	:	Save for reserved matters and any financing proposals with respect to any financial requirements of the Investment SPV presented by the board of directors to the shareholders (see the paragraphs on Reserved Matters and Financing in this table below), all shareholders' resolutions shall be decided by a simple majority of votes.
Transfer of shares by shareholders	:	All transfer of shares are subject to pre-emptive rights and offered to other shareholders in proportion to their shareholding at the prescribed price specified in such offer.
Board of directors	:	The appointment of new directors shall be a reserved matter and require approval from shareholders holding shares representing not less than 75% or 90% of the issued share capital of the Investment SPV, whereas the removal of directors require a simple majority approval. All resolutions of directors shall be passed by a simple majority.
Dividend Policy	:	Subject to approval from shareholders as a reserved matter and any applicable laws, the directors shall at their discretion distribute dividends after taking into account the profits of the Investment SPV, and after the Investment SPV has repaid all shareholders' loans (i.e. the full principal amount of the Convertible Loans granted by the investors) and in the case of final dividends, such dividends shall not include all cost incurred in relation to the Establishment Fees or any cost generally exceeding S$150,000 unless agreed by shareholders in a simple majority of votes.

Reserved Matters	:	Reserved matters require shareholders holding shares representing not less than 75% or 90% of the issued share capital of the Investment SPV to decide on such questions or pass such resolutions, including: ● appointment of any director, company secretary and any person employed in an executive or management capacity by the Investment SPV, including managing director ● any increase, reduction or cancellation in the issued and paid-up share capital of Investment SPV, the creation or variation of any other interest or rights in the capital of the Investment SPV, or any grant of options voluntary winding-up of the Investment SPV ● declaration and payment of any dividends or change in dividend policy ● any joint venture arrangements whether directly or indirectly ● any External Financing or provision of Undertakings otherwise than pursuant to the financing provisions as set out in the shareholders' agreement (please see the paragraphs under "Financing" in this table below) ● the nomination by ZACD Investments or us of such person(s) in relation to the financing of the amount representing the Remaining Shares (as defined in the paragraphs under "Financing" in this table below)
Financing	:	The board shall present Financing Proposals with respect to any financial requirement of the Investment SPV, to be approved by shareholders representing at least 75% of the issued share capital of the Investment SPV.
Termination	:	Upon liquidation of the Investment SPV, whether voluntary or compulsory upon completion of the investment.

B. *Trust structures*

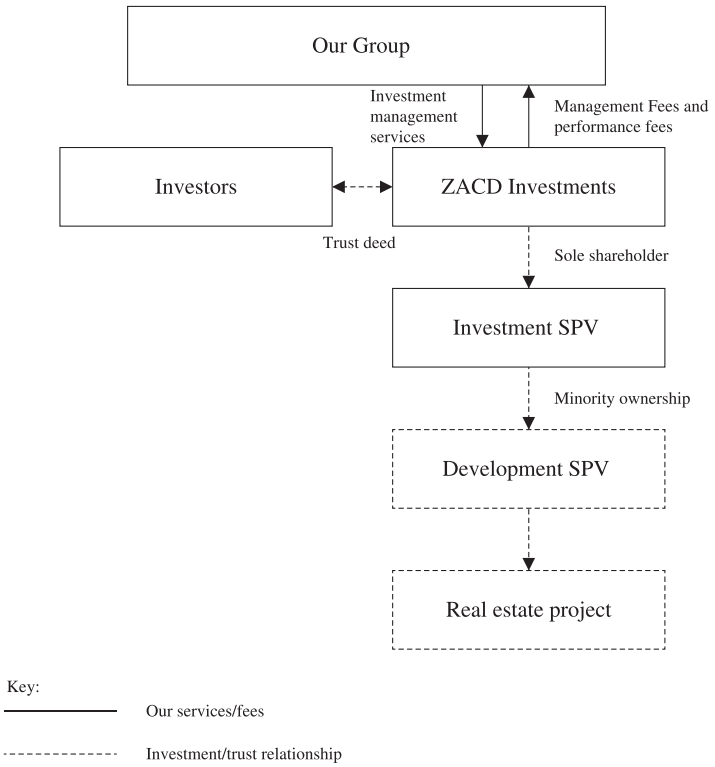
During the Track Record Period, our Group adopted trust structures for only two of the 24 Investment Projects due to cost and administrative efficiencies as well as to take into account the size of the investment. The investment amounts of the two trust structures for Investment Project I and Investment Project J are approximately S$1.5 million and S$2.0 million, respectively.

Under the trust structure, ZACD Investments, one of the Controlling Shareholders of our Group, will enter into trust deeds with each of the investors pursuant to which ZACD Investments will hold an equity stake (the "**Trust Equity Stake**") in the Investment SPV on trust for each investor in proportion to the investment amount of each investor. ZACD Investments will then invest into the Investment SPV as the sole shareholder of the Investment SPV, which in turn provides shareholders' loans to the Development SPV.

Each investor, as a beneficiary of the Trust Equity Stake, is entitled to all the dividends and distributions arising from their respective proportion of the total investment amount. Any distributions from the Development SPV to the Investment SPV will be paid to ZACD Investments, who will in turn distribute to each of the investors the proceeds in accordance with their respective Trust Equity Stake. We manage the entire investment management process including the administration, coordination, monitoring and management of the underlying real estate project, and collect. We also collect performance fees in the range of 10% to 25% of the profits made by the investors (including ZACD Investments) and Management Fees of approximately 2% per annum on the total outstanding investment amount directly from ZACD Investments.

In January 2017, we stopped charging Management Fees under these trust structures as the underlying real estate projects were substantially completed or established.

The graph below shows the services that our Group provided under the trust structures:



(II) Fund Management

We started to adopt fund structures as one of the investment vehicles of our Investment Projects since 2016. We, acting as the fund manager, managed two real estate private equity funds, namely the ARO II Fund and the BBW6 Fund during the Track Record Period, and we established two new real estate private equity funds, namely the S1 Fund and the S2 Fund in May 2017. The AUM of our funds as at the Latest Practicable Date was approximately S$93.9 million. Investors investing in the funds that our Group manages commit capital upon subscription into the funds, which will be subsequently drawn down for investment opportunities. The fund life of our funds is usually for a period of three to five years.

As at the Latest Practicable Date, the funds that we managed are corporate entities owned by ZACD Investments or us. They are managed by one of our wholly-owned subsidiaries, ZACD Capital, which has obtained a CMS License from MAS to conduct fund management regulated activity under the SFA in Singapore. Before adopting the fund structures, the investments we managed under the PE structures were carried out under the immovable assets exemption under the SFA. Our investments were restricted only to physical property assets or in securities issued by investment holding companies of which sole purpose is to invest in immovable assets. Pursuant to

obtaining the CMS License from MAS in September 2016, we are able to undertake full scale fund management activities without any limitation on the types of investment targets or the types of investment structures.

We market our funds based on private placement memoranda, which set out terms including the investment objective and structure, fund manager, sponsor, fund size, closing date and fees. Our relationships with the funds are governed by fund management agreements between us and the funds, pursuant to which we receive fees by reference to the terms set out therein. Pursuant to the fund management agreements, we are appointed as the fund manager of the funds. The scope of our fund management services provided therein include, but are not limited to, the management of the fund investment portfolios to maximise their value. We will also actively source for real estate investments and conduct due diligence checks on such investment opportunities. In essence, we are given the contractual right to manage the investment and realisation of the assets of the fund, subject to the restrictions as set out in the private placement memoranda.

During the Track Record Period, we had more than 50 investors investing in each of the two funds that we managed. We charged a fund management fee of up to 2.0% per annum of the committed capital and a performance fee of up to 15.0% of the net proceeds from the realisation of investments after full repayment of the invested capital to investors. We determine our fund management fees and performance fees of the funds that we manage by taking into account factors such as type of assets held under the fund, fund tenure and fund size. As advised by our Singapore Legal Advisers, there are currently no specific laws or regulations in Singapore which regulate the pricing of our private real estate fund management services.

ARO II Fund

The ARO II Fund was established in April 2016. As at the Latest Practicable Date, it has an AUM of approximately S$15.9 million, and is a close-ended real estate private equity general purpose fund targeting quality assets and developments located across the Asia-Pacific region for risk diversification. The fund objective is to provide investors an attractive and stable income with the potential for capital growth, by maximising total returns on capital for investors through investing in a mixed portfolio of income producing assets including luxury residential properties in Singapore.

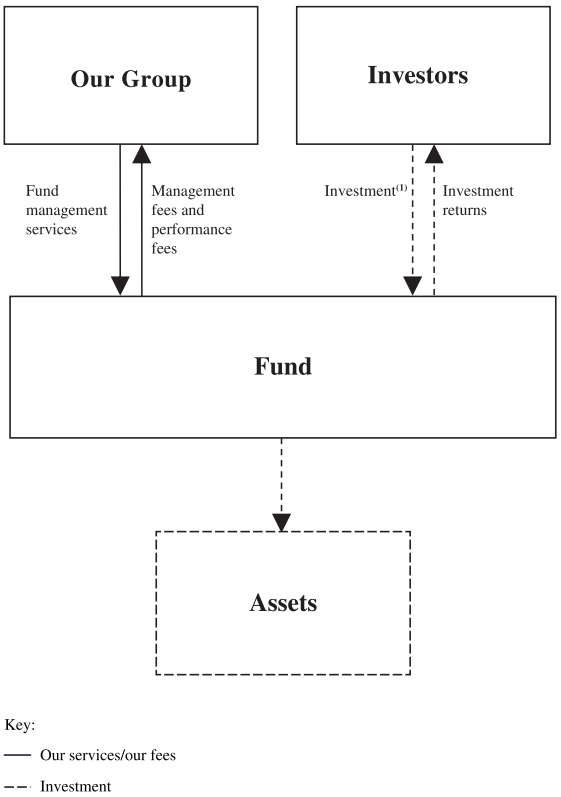
As at the Latest Practicable Date, ZACD Investments, one of our Controlling Shareholders, acts as the sponsor for the ARO II Fund by way of subscribing and holding the nominal share capital of the corporate entity of the fund. The initial term of the fund is three years, and may be extended by two years from the end of the third year upon the recommendation of the fund manager and approval of the Investment Committee. We are entitled to a fund management fee equivalent to 2.0% per annum of the committed capital and a performance fee equivalent to 15.0% of the net proceeds from the realisation of investments after full repayment of the invested capital to investors. The ARO II Fund also appointed an administrator for the general administration of our funds which includes arranging for the realisation of the investments, calculation of asset valuations and fees, and maintaining the books and records. Pursuant to the administration agreement, our senior managers are appointed to instruct the administrators to release the funds or investments. For the fund administration services provided, the ARO II Fund will pay such administrator an one-off initial set-up fee and accordingly to the scheduled recurring fund administration fee structure thereafter. Payments of fees to which we are entitled under the fund management agreement are made by such administrator to us under our instructions. Please refer to the section entitled "Business — PE structures — Our investment management process" for details of the Investment Committee.

BBW6 Fund

The BBW6 Fund was established in October 2016. As at the Latest Practicable Date, it has an AUM of approximately S$15.5 million, and is a close-ended real estate single purpose private equity fund investing into a mixed-use development located at Bukit Batok West Avenue 6. The BBW6 Fund holds approximately a 12.0% stake in the said property.

As at the Latest Practicable Date, we act as the sponsor of the BBW6 Fund by way of holding the nominal share capital of the corporate entity of the fund. The life of the fund is for a tentative period of five years commencing from the first closing date till the dissolution of the fund. We are entitled to a fund management fee equivalent to 1.0% per annum of the committed capital for a period of four years. We are also entitled to a performance fee equivalent to 15% of the net proceeds from the realisation of investments after full repayment of the invested capital to investors, subject to investors always achieving at least a hurdle rate of 30.0% return on equity.

The graph below shows the services that our Group provides under the Fund Structures:

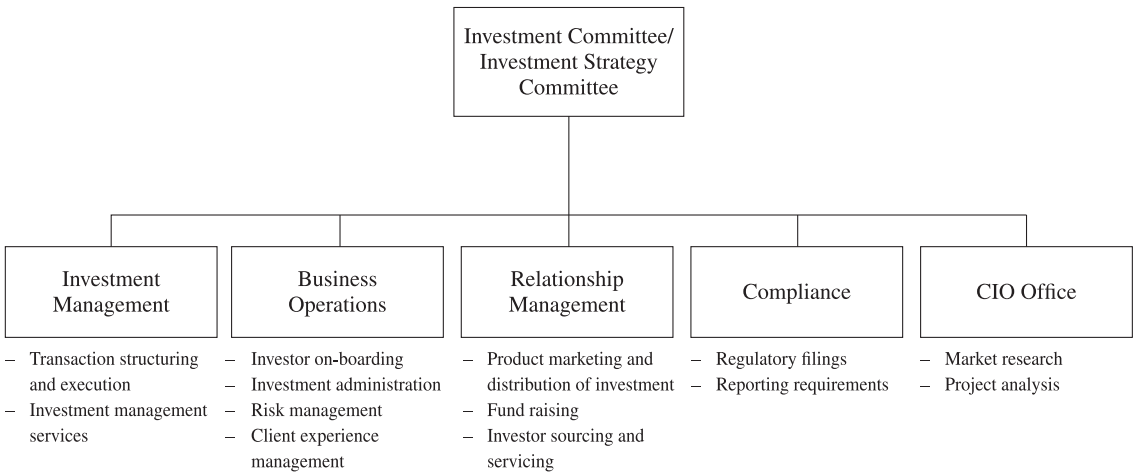


Note:

(1) The investors invest in the funds by subscribing for the preference shares issued by the fund.

OUR INVESTMENT MANAGEMENT PROCESS

We constantly review our investment management process and we believe we have established a rigorous system and a comprehensive due diligence approach across our investment management services business segment, which is further enhanced during the period when we applied for and obtained the CMS License from MAS to conduct regulated fund management activities under the SFA in Singapore. The chart below summarises the management structure of our Group's investment management operations.



1. Investment Committee

Our Group has established an Investment Committee that is responsible for all investment and divestment decisions within the investment management services business segment. The Investment Committee consists of the executive Directors and our Chief Investment Officer.

In addition, the Investment Committee is responsible for the following:

(i) receipt of information of investment or divestment opportunity;

(ii) review and consider the investment or divestment opportunity taking into account factors such as project risks and return, potential demand and fees; and

(iii) assess any potential conflict of interests during the investment or divestment process.

2. Investment Strategy Committee

The Investment Committee forms an Investment Strategy Committee to assist its initial assessment and evaluation work, as well as to make recommendations to the Investment Committee. The Investment Strategy Committee is typically comprised of the middle and senior management of our Group, namely our director of real estate investments, our senior

financial controller, our head of legal and compliance and other internal professionals. The Investment Strategy Committee works closely with the CIO Office to conduct investment analysis and legal and financial due diligence on the potential investment opportunities.

After preliminary approval of the Investment Strategy Committee, the potential investment will be recommended and tabled before the Investment Committee for final approval.

3. Investment management team

The investment management team is responsible to conduct portfolio management and execution. Supported by the Group's business operations team, the investment management team is primarily responsible for the following:

(i) overall management and supervision of the Group's investment management business activities;

(ii) transaction execution, which includes but not limited to arranging capital calls, recommending distributions and drawdown on investments;

(iii) the administration, coordination, monitoring and management of the acquisition and development of properties in relation to the underlying real estate asset including monitoring the progress of the underlying real estate project by attending the scheduled project meetings held by the Development SPVs and requesting for project updates from time to time;

(iv) review of accredited and institutional investor profiles and approval; and

(v) maintain full oversight of the progress, performance and financials of the individual Investment Project and/or the underlying asset of the funds.

4. Business operations team

The Business Operations team administers every major step of our Group's investment management services. The primary responsibilities include the following:

(i) ***Investor on-boarding:***

Approval is obtained from all potential investors prior to performing customer due diligence on them. We have put in place an anti-money laundering policy to assist us in complying with the relevant anti-money laundering laws and regulations. Under the policy, we are required to perform "know you customers" due diligence for each new customer. Our "know your customers" due diligence involves gathering customers' information such as name, date of birth, identification

document number for verification of their identities and proof of source of funding. In the case of an institutional customer, they will have to provide information on the identities of the beneficial owners.

(ii) ***Investment Administration:***

A. Arrange for the incorporation of the Investment SPV and filing the necessary registrations.

B. Prepare the investment documentations and marketing materials to facilitate fund set-up and fund sales for the Investment SPVs and fund entities, and executing and documenting all transactions pertaining to the investors which include lodging the investors' respective stakes in the Investment Projects and or funds as well as to facilitate distributions; and prepare the quarterly quantitative and qualitative reports for the relevant stake holders.

(iii) ***Risk Management:***

Effective risk management is critical to the operation of our investment management business. In addition to using bottom-up analysis (such as independent reviews) and top-down analysis (such as scenario and sensitivity analyses) to assess risks, we also adopt certain procedures in managing the various risks applicable to our investment management business including:

A. *Joint venture risk (credibility of and reliance on the joint venture partner):*

Close monitoring of the Investment Project's development progress by having periodic meetings with the joint venture partner to receive updates;

B. *Term of investment:*

(1) Setting reasonable investment terms and exit horizons based on historical Investment Projects' performance and market research;

(2) Review such investment terms periodically; and

(3) Close monitoring and periodic reviews of the Investment Project's development progress.

C. *Debt financing and interest rate risk at Investment SPV level:*

(1) Close monitoring of the federal funds rates against the Singapore interest rates; and

(2) Periodic assessment of the impact of interest rates fluctuations on debt financing.

D. *Liquidity Risk*

(1) Close monitoring of the Investment Project's development progress and sales rate; and

(2) Set concentration limits for single positions (in terms of proportion of fund size and proportion of stake in the Investment Project) and review periodically.

E. *Market Risk*

Constant updates on the real estate market demand and supply by the Research and Consultancy department for periodic review of the feasibility and profitability of the investment.

In light of the above, the business operations team conducts risk identification and assessment of our projects periodically to identify risk areas, monitor risk factors and develop action plans to mitigate potential risks. Examples of mitigation plans include but are not limited to:

(i) Provide advisory services for market positioning of the Investment Project through our Project Consultancy and Management Services;

(ii) Marketing the Investment Project to more investors in situations when existing Investors would like to exit due to personal reasons; and

(iii) Sale of the Investment SPV.

(iv) ***Client Experience Management:***

Enhancing investors' satisfaction through (1) investor data management and analysis profiling, (2) provision of quarterly investment updates and (3) administering the feedback channel so as to achieve a personalised interaction with the investor.

5. Relationship Management Team

Our relationship management team comprise relationship managers who are primarily responsible for product marketing, fund raising, and client sourcing and servicing. A dedicated relationship manager will be assigned to each investor to ensure personalised service and to keep investors up-to-date with both their existing investments and market conditions. This dedicated service aims to develop better understanding of the investors' needs and allow for more effective investment marketing. The relationship managers also play an important role in ensuring an effective customer due diligence framework.

6. Compliance team

The compliance team primarily carries out supervision and maintenance of internal processes, regulatory filings and requirements to ensure that ZACD Capital is operating in accordance with the regulatory requirements of the MAS. This will include preparing and submission financial returns to the MAS such as monthly filing of base capital compliance, submission of audited accounts and notification to the MAS of changes and events.

7. CIO Office

The CIO Office is headed by our Group's Chief Investment Officer, working together with the Investment Strategy Committee. The CIO Office collects market intelligence and research, conduct feasibility studies and financial analysis on potential investment opportunities.

SALES AND MARKETING AND OUR POOL OF INVESTORS

As at the Latest Practicable Date, our Group had an investor base of over 200 accredited investors and institutional investors. To attract new investors, we periodically hold seminars to market our Group and share our research on the real estate market. We also rely on the personal networks of our sales team and our investors for referrals of new investors. As at the Latest Practical Date, members of our sales team have an average of five years of experiences in the real estate investment industry together with banking, insurance and securities experiences. Our sales team comprise of a dedicated team of relationship managers who are primarily responsible for product marketing, fund raising and client servicing. A dedicated relationship manager will be assigned to each investor to ensure personalised service and to keep investors up-to-date with both their existing investments and market conditions, which in turn enable our Group to develop better understanding of the investors' needs and allow for more effective investment marketing. The relationship managers are supported by our Group's other functional teams, including the CIO Office and the business operations team. Our Directors believe, evidenced by the feedbacks from the key property developers partnered with our Group, our Group's personalised investor approach is one of the key factors to encourage loyalty and referrals (36.3% of our investors are repeat investors that have invested in more than one of the real estate projects we manage).

Our investors are accredited investors that include business owners, professional investors and institutional investors. One of our top five customers during the Track Record Period, Customer A, has been one of our earliest investors and has invested in 22 of our Investment Projects and three real estate funds as at the Latest Practicable Date. Customer A is an investment holding vehicle which has invested in our real estate investment projects since July 2010. Its controlling shareholders are Independent Third Parties.

During the Track Record Period, ZACD Investments, one of our Controlling Shareholders, was also one of the investors in all of the Investment SPVs that we managed, and invested on average approximately 20.7% of the total investments in each of these Investment SPVs. For the percentage of the investment invested by ZACD Investments in each of the Investment SPVs,

please refer to the table entitled "Summary of Investment Projects" in this section of the document. None of the agreements between us and our investors or Investment SPVs is conditional upon or subject to ZACD Investments' investments in the Investment SPVs.

BANK BORROWINGS MADE BY THE DEVELOPMENT SPVS

In certain real estate projects, the Development SPV would also need to secure bank borrowings for the development of the real estate projects. Generally, the property developer would lead the discussions with the lending bank(s) and if required by the lending bank(s), the shareholders of the Development SPV (including the relevant Investment SPV or the ultimate shareholders of the Investment SPV) would provide a corporate and/or personal guarantee in proportion to their investment stakes in the Development SPV to the bank to secure such borrowing by the Development SPV. ZACD Investments, one of our Controlling Shareholders, being the sole shareholder of the Investment SPV at such stage, or Mr. Yeo and Ms. Sim, being the executive Directors and controlling shareholders of ZACD Investments, would sometimes be required to extend corporate and/or personal guarantee(s) under the terms and conditions of the bank financing secured by the Development SPV in favour of the bank to secure the borrowing by the Development SPV. Typically, such guarantee would be proportionate to the stake of the Investment SPV in the Development SPV.

According to the Savills Report, it is not uncommon for participating shareholders in a real estate development joint venture to each provide their proportionate guarantee in favour of the bank financing granted to the joint venture. During the Track Record Period and up to the Latest Practicable Date, our Controlling Shareholders had granted corporate or personal guarantees on nine Investment Projects which remain outstanding for bank financing given to the Development SPVs. For details, please refer to the section headed "Relationship with our Controlling Shareholders" in this document.

SUMMARY OF INVESTMENT PROJECTS

The following table sets out the investment vehicles managed by us under our investment management business during the Track Record Period:

Investment Project/Funds	Date of establishment	Property Type	Key real estate developer partner[1]	No. of investors	Investment amounts[2]					Establishment Shares entitled to or received by the Group as at 31 March 2017
					Investors (excluding ZACD Investments)		ZACD Investments		Total	
					S$('000)	%	S$('000)	%	S$('000)	(%)
Convertible loan structures										
1. Nin Residence	6 July 2010	Residential	Qingjian	7	4,400	73.3	1,600	26.7	6,000	15.3
2. Premier@Kaki Bukit	8 October 2010	Industrial	Wee Hur	6	2,500	83.3	500	16.7	3,000	14.3
3. Riverparc Residence	18 October 2010	Residential	Qingjian	12	7,050	88.1	950	11.9	8,000	14.4
4. Investment Project A	2 May 2011	Industrial	Developer A	10	6,550	68.2	3,050	31.8	9,600	15.0
5. Riversound Residence	5 July 2011	Residential	Qingjian	20	10,950	94.4	650	5.6	11,600	14.8
6. Investment Project B	28 September 2011	Residential	Developer B	24	17,150	84.1	3,250	15.9	20,400	15.0
7. Investment Project C	17 November 2011	Industrial	Developer C	11	4,500	88.2	600	11.8	5,100	14.7
8. Parc Centros	10 January 2012	Residential	Wee Hur	20	11,750	68.3	5,450	31.7	17,200	17.3
9. Investment Project D	9 April 2012	Industrial	Developer D	20	7,950	81.8	1,770	18.2	9,720	15.5
10. Investment Project E	25 June 2012	Residential	Developer B	27	11,430	89.6	1,320	10.4	12,750	14.7
11. Woodlands Industrial Xchange	13 February 2013	Industrial	Qingjian	22	5,550	72.1	2,150	27.9	7,650	16.3
12. Investment Project F[3]	13 February 2013	Industrial	Developer B	27	12,550	74.6	4,280	25.4	16,830	16.3
13. West Star[3]	27 May 2013	Industrial	Qingjian	9	5,500	80.9	1,300	19.1	6,800	15.2
14. Bellewoods	7 June 2013	Residential	Qingjian	16	7,250	89.5	850	10.5	8,100	10.8
15. Bellewaters	24 June 2013	Residential	Qingjian	18	8,450	91.8	750	8.2	9,200	9.5
16. Mega@Woodlands[3]	18 July 2014	Industrial	Wee Hur	18	8,550	85.5	1,450	14.5	10,000	14.8
17. The Visionaire[3]	16 October 2014	Residential	Qingjian	6	3,200	69.6	1,400	30.4	4,600	13.4
18. Investment Project G	31 October 2014	Industrial	Developer E	9	1,900	59.4	1,300	40.6	3,200	18.2
19. Investment Project H (1st Tranche)	6 February 2015	Residential/ commercial	Developer F	18	5,750	74.2	2,000	25.8	7,750	18.8
Investment Project H (2nd Tranche)	6 August 2015	Residential/ commercial	Developer F	7	2,900	90.6	300	9.4	3,200	15.3
20. iNZ Residences[3]	7 September 2015	Residential	Qingjian	15	5,650	80.3	1,390	19.7	7,040	12.3
Trust Structures										
21. Investment Project I	28 May 2014	Residential	Developer G	19	1,400	93.3	101	6.7	1,501	N/A
22. Investment Project J[3]	30 September 2014	Industrial	Developer C	7	1,242	63.7	708	36.3	1,950	N/A
Fund structures										
23. ARO II	16 April 2016	Varied	Not applicable	61	15,850	100.0	—	—	15,850	N/A
24. BBW6	5 October 2016	Mixed use	Qingjian	52	15,500	100.0	—	—	15,500	N/A

					Our Group's segment revenue generated from investment management business					
					For the year ended 31 December				For the three months ended 31 March	
Investment Project/Funds	Amount of stake invested into the Development SPV by the investment structures	Trailing return[4] on investment realised as at 31 March 2017	Conversion status as at 31 March 2017	TOP date	2015		2016		2017	
	(%)				($'000)	%	($'000)	%	($'000)	%
Convertible loan structures										
1. Nin Residence	15	49%	Converted	October 2014	244	3.5	522	6.2	—	—
2. Premier@Kaki Bukit	10	354%	Converted	August 2014	2,167	30.7	408	4.9	—	—
3. Riverparc Residence	16	141%	Converted	June 2014	1,846	26.1	733	8.7	—	—
4. Investment Project A	24	Unrealised	Unconverted	N/A[5]	34	0.5	—	—	—	—
5. Riversound Residence	12	63%	Converted	May 2015	45	0.6	1,427	17.0	—	—
6. Investment Project B	30	4%	Converted	April 2016	57	0.8	—	—	609	49.9
7. Investment Project C	15	168%	Converted	July 2014	746	10.6	159	1.9	—	—
8. Parc Centros	20	98%	Converted	May 2016	63	0.9	3,740	44.5	359	29.4
9. Investment Project D	15	45%	Converted	November 2014	871	12.4	110	1.3	—	—
10. Investment Project E	15	Unrealised	Unconverted	March 2017	83	1.2	34	0.4	—	—
11. Woodlands Industrial Xchange	55	25%	Converted	June 2016	83	1.2	382	4.5	—	—
12. Investment Project F[3]	45	Unrealised	Unconverted	June 2016	161	2.3	13	0.2	—	—
13. West Star[3]	40	Unrealised	Unconverted	March 2017	69	1.0	23	0.3	—	—
14. Bellewoods	10	Unrealised	Unconverted	March 2017	56	0.8	56	0.7	14	1.1
15. Bellewaters	10	Unrealised	Unconverted	May 2017	52	0.7	52	0.6	13	1.1
16. Mega@Woodlands[3]	25	Unrealised	Unconverted	Pending[6]	115	1.6	115	1.4	29	2.4
17. The Visionaire[3]	5	Unrealised	Unconverted	Pending[6]	53	0.8	52	0.6	13	1.1
18. Investment Project G	10	Unrealised	Unconverted	Pending[6]	55	0.8	41	0.5	—	—
19. Investment Project H (1st Tranche)	25	Unrealised	Unconverted	Pending[6]	125	1.8	136	1.6	34	2.8
Investment Project H (2nd Tranche)	11	Unrealised	Unconverted	Pending[6]	23	0.3	54	0.6	14	1.1
20. iNZ Residences[3]	11	Unrealised	Unconverted	Pending[6]	33	0.5	98	1.2	25	2.0
Trust Structures										
21. Investment Project I	60	Unrealised	N/A	February 2016	30	0.4	30	0.4	—	—
22. Investment Project J[3]	10	Unrealised	N/A	Pending[6]	36	0.5	36	0.4	—	—
Fund structures										
23. ARO II	N/A	Unrealised	N/A	N/A	—	—	159	1.9	79	6.5
24. BBW6	N/A	Unrealised	N/A	Pending[6]	—	—	17	0.2	32	2.6
				Total	7,047	100	8,397	100	1,221	100

Notes:

(1) Our key real estate developer partners invest into the relevant real estate project through the relevant Development SPV.

(2) Including investment by way of equity and/or debt including shareholders' loans, convertible bonds or redeemable preference shares.

(3) These are the Investment SPVs for which we will novate our obligations as investment manager to Zhongtai Singapore. The completion of the novations are expected to take place in or around August 2017. After completion, we will no longer provide investment management services in respect of these six Investment SPVs. Please refer to the section entitled "History, Development and Reorganisation — Our History" in this document for further details.

(4) Trailing return on investment as at the Latest Practicable Date is calculated by dividing the total distributions and dividends received after taxes and fees as at the Latest Practicable Date over the total capital invested by investors. Trailing return on investment may increase if there are further returns received from the Developments SPVs after the Latest Practicable Date.

(5) Not applicable as the Investment Project is a mature estate as at the time of investment. The Development SPV leases the industrial units instead of developing them.

(6) Pending as at the Latest Practicable Date.

PROJECT CONSULTANCY AND MANAGEMENT SERVICES

We commenced our project consultancy and management services business in 2010. We offer project management and consulting services to real estate developers and construction companies in Singapore to address the issues arising during various major stages of a property development project, from the land tender stage to marketing and sales of property units. For the two years ended 31 December 2016 and the three months ended 31 March 2017, our revenue generated from our provision of project consultancy and management services amounted to approximately S$1.3 million, S$0.9 million and S$0.5 million, respectively, representing approximately 14.6%, 7.5% and 17.9% of our total revenue for the respective years. Our number of clients in this business segment were 5, 5 and 8, respectively during the Track Record Period. During the Track Record Period, out of a total of 5, 5 and 8 projects for which we provided project consultancy and management services, 5, 3 and 4 projects were the underlying real estate projects into which the Investment SPVs invested.

We provide our project consultancy and management services for both residential property and industrial real estate projects. The table below sets forth a breakdown of our revenue from providing project consultancy and management services, by types of projects, during the Track Record Period:

	For the year ended 31 December						For the three months ended 31 March		
	2015			2016			2017		
	Number of projects	Revenue (S$'000)	%	Number of projects	Revenue (S$'000)	%	Number of projects	Revenue (S$'000)	%
Residential real estate projects	2	720	56.8	3	410	47.8	6	409	83.6
Industrial real estate projects	3	548	43.2	2	448	52.2	2	80	16.4
Total	5	1,268	100.0	5	858	100.0	8	489	100.0

We enter into service agreements with our real estate developers or construction companies clients for our provision of project consultancy and management services to them. In general, the salient terms of the service agreement include the scope of work to be performed and the payment terms.

The service scope of our provision of project consultancy and management services include:

Tender consultancy and research	We provide consultancy services on land tender strategies and pricing.
Design development consultancy	We provide design development consultancy services including advising on unit mix, design and layout of real estate development projects, and overseeing the development process from design conceptualisation to obtaining the relevant government building control plan approvals.
Marketing project management and sales administration	We provide consultancy services and assist on market positioning of property developments and sales launches. We also assist in proposing the marketing, sales and pricing strategies for the entire project. In addition, we assist in providing the necessary administrative support for sales activities and administer the sale documents.
Handover and property defects management services during the defects liability period	We provide pre-handover inspection services and property defects management services during the defects liability period. The defects liability period is usually at least one year or more from the TOP date of the relevant real estate project.

We generally offer our project consultancy and management services for a fixed, pre-negotiated fee specified in the service agreements. Such fee is generally determined with reference to market rates and subject to arms-length commercial negotiations. The real estate developers are typically required to pay the service fees in a lump sum for smaller amounts and in monthly instalments over the service period for larger amounts. We may be involved in most or at least one of the above service scope in the real estate projects. The tenure of the contract spans across the duration of the underlying real estate project, which is typically for three to five years.

Our project consultancy and management services are administered in-house. Our in-house team responsible for a real estate project generally comprises of three to five consultants who are well experienced in property development and sales and familiar with market trends. Our in-house team will obtain the proposed project and building plans of the real estate project from the developer and perform an in-depth assessment including financial analyses, market analyses and design reviews. We will hold discussions with our clients and provide advice on tender strategies and pricing, unit mix, design and layout, market positioning and sales launches based on the results of our analyses. We also monitor the progress of the real estate project by attending project meetings and making site visits from time to time.

PROPERTY MANAGEMENT AND ASSET MANAGEMENT SERVICES

We commenced our property management services in September 2014. As at the Latest Practicable Date, we have a team of 18 property management and asset management managers to supervise the provision of property management services for residential properties and non-residential properties (including condominiums and industrial buildings) mainly in Singapore with service scope covering maintenance management services, accounting and financial services, and administrative services. We are typically appointed by real estate developers and MCSTs to provide property management services for residential properties and we are appointed by real estate developers or the property owners for non-residential properties. For the two years ended 31 December 2016 and the three months ended 31 March 2017, we provided property management services for 9, 21 and 23 projects, respectively. Among these projects, nil, 4 and 6 were the underlying real estate projects in our provision of investment management services into which our Investment SPVs invested.

We also provided asset management services since March 2015 to property owners to help them oversee their property assets including property maintenance work, rental management, lease advisory services, administrative management and tenants care management. For the two years ended 31 December 2016 and the three months ended 31 March 2017, we had 1, 4 and 12 clients in our asset management business, respectively.

We offer competitive services to our clients, including operating a web portal to allow home owners to book facilities, request for property maintenance and receive notification updates regarding their property. We also have a dedicated technical support team which provides round the clock support and responds immediately to home owners on any property maintenance request.

For the two financial years ended 31 December 2016 and the three months ended 31 March 2017, our revenue from property management services amounted to approximately S$0.3 million, S$2.2 million and S$0.9 million, whilst our revenue from asset management services amounted to approximately S$26,000, S$36,000 and S$36,000, respectively.

Property management services

The following table sets out the number of properties under management and type of properties, as at the dates indicated:

	As at 31 December				As at 31 March	
	2015		2016		2017	
	Number of properties	% of total number	Number of properties	% of total number	Number of properties	% of total number
Residential	7	77.8	16	76.2	18	78.3
Industrial and commercial	2	22.2	5	23.8	5	21.7
Total	9	100.0	21	100.0	23	100.0

The following table sets out a breakdown of our revenue from providing property management services, by type of properties, during the Track Record Period:

	For the year ended 31 December				For the three months ended 31 March	
	2015		2016		2017	
	Revenue (S$'000)	% of total	Revenue (S$'000)	% of total	Revenue (S$'000)	% of total
Residential	61	22.6	1,586	73.4	753	79.8
Industrial and commercial	209	77.4	574	26.6	191	20.2
Total	270	100.0	2,160	100.0	944	100.0

Scope of our property management services

The property management services that we provide under both the preliminary property management agreements with real estate developers and property management agreements with MCSTs typically include:

- *Maintenance management services:* Our maintenance management services primarily include (i) conducting regular inspections of the common area and common facilities; (ii) preparing and administering tenders for routine maintenance works; and (iii) ensuring

that all repairs and maintenance works undertaken by our suppliers is carried out properly. In addition to our own employees, we also engage suppliers to undertake some of the specialised maintenance and accounting services.

- *Accounting and financial services:* Our accounting and financial services primarily include (i) managing and collecting maintenance charges and other monies payable by the property owners or other persons; (ii) preparing monthly statement of accounts; and (iii) liaising with the appointed auditors and tax agents to prepare audited accounts and tax returns regarding the property.

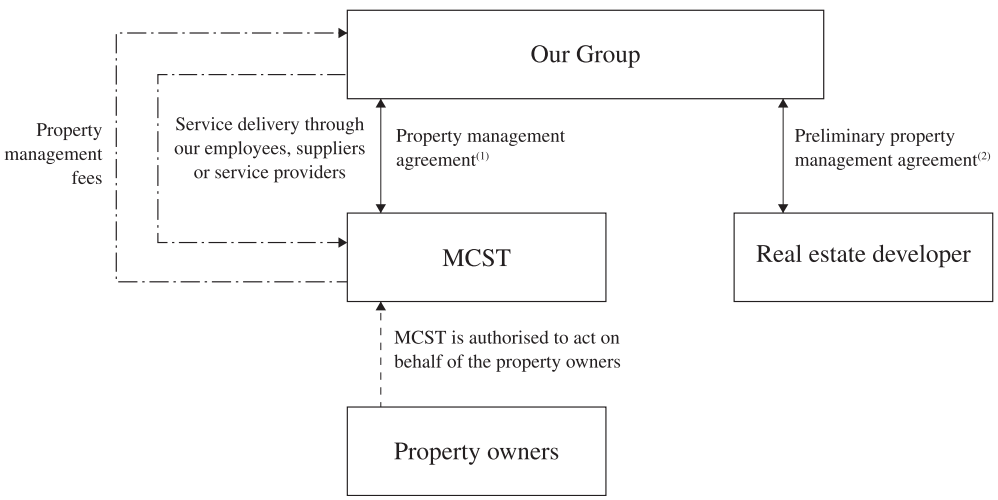
- *Administrative services:* Our administrative services primarily include (i) attending to all correspondences regarding the property on behalf of the real estate developer or MCST; (ii) purchasing insurance policies for the property as directed by the real estate developer or MCST; and (iii) arranging annual and extraordinary general meetings for the property owners.

- *Professional Consultancy services:* Our professional consultancy services include engaging professionals such as solicitors, accountants, architects or engineers (with the approval of the real estate developer or MCST) on behalf of the real estate developer or MCST.

- *Optional services:* Our optional services include administering contracts for addition and alteration works, purchasing any capital equipment or arranging for improvement works to the property.

Agreements for our property management services

The following diagram illustrates our relationships with various parties under our preliminary property management agreements and property management agreements:



Key:

— Solid lines indicate that binding agreements were entered into between the parties.

··· Dotted lines indicate that no agreements were entered into between the parties.

–·–·– Fees/services

Notes:

(1) MCST enters into the property management agreement on behalf of property owners with us. Such agreement is legally binding on all property owners in accordance with the laws of Singapore.

(2) Real estate developer enters into the preliminary property management agreement with us. Such agreement is legally binding on the future property owners in accordance with the laws of Singapore.

We enter into preliminary property management agreements with the real estate developers for real estate projects which have not established their MCSTs, whereas we enter into property management agreements with the MCST if the real estate project has established its own MCST. Under the relevant laws and regulations in Singapore, the real estate developer must transfer control of the council of the MCST to the property owners after the first annual general meeting of the MCST, which meeting must be held no later than the earlier of (i) a date falling one month from the constitution of the MCST and ending (a) 12 months later; or (b) on the day when the first annual general meeting of the MCST is held, or (ii) a date that is six weeks after the real estate developer receives a written request from the owners of at least 10% of the total number of lots comprised in that strata title plan requesting the first annual general meeting to be held. Real estate developers typically engage property management suppliers before the control of the properties is transferred to the property owners.

The following table sets out a breakdown of our revenue from providing property management services by type of customer during the Track Record Period:

	For the year ended 31 December				For the three months ended 31 March	
	2015		2016		2017	
	Revenue (S$'000)	% of total	Revenue (S$'000)	% of total	Revenue (S$'000)	% of total
Real estate developers	37	13.7	714	33.1	380	40.3
MCSTs	233	86.3	1,446	66.9	564	59.7
Total	270	100.0	2,160	100.0	944	100.0

The key terms of our preliminary property management agreements and property management agreements are substantially similar and typically include the following:

- *Scope of services:* In addition to providing our typical property management services comprising maintenance management services, accounting and financial services, and administrative services, we may also offer optional services for a separate fee. Such optional services include (i) administering various contracts for addition and alteration

works, as well as cyclical maintenance works such as upgrading of mechanical and electrical installations; (ii) purchasing any capital equipment; and (iii) arranging to carry out improvement works to the property.

- *Term:* The preliminary property management agreements typically have a term of over one year. The property management agreements typically have an initial term of one year and our appointment is usually renewed yearly at the annual general meeting of the property owners.

- *Termination:* The preliminary property management agreement may be terminated before its expiration by either party giving at least one month's notice. The property management agreement may typically be terminated before the one year period either by prior notice (usually one or two months' notice), or in the event of a material breach of the agreement.

- *Appointment of other suppliers:* We are not allowed to appoint other suppliers to provide services under the property management agreement without the prior written consent of the MCST. We outsource our maintenance and improvement works to an electrical works and general contractors company, and our accounting and financial services to accounting firms. Please refer to the paragraph entitled "Our Suppliers" in this section for further details.

- *Fees and other charges:* The agreement sets out the property management fee amount, which is usually due in arrears on the last day of each calendar month. We charge a fixed amount of property management fees on a monthly basis. In addition, on a case by case basis the real estate developer or MCST is required to reimburse us for certain operating costs and charges such as electricity and water, including bills and maintenance and repair costs.

- *Indemnity:* We and the real estate developer or MCST will indemnify each other against any liability arising out of the respective parties' breach of the respective preliminary property management or property management agreement.

During the Track Record Period, the property management fees we charged for providing management services to residential properties ranged from approximately S$1,200 per month to S$40,000 per month while those for non-residential properties ranged from approximately S$12,700 per month to S$18,500 per month.

Asset management services

We also provide advisory services and tenancy management for our customers who are looking to sell or lease their properties. Our asset management services include liaising with parties such as the MCSTs and property agents on behalf of our customers on matters such as rental collection and lease renewal and assisting with property tax filings. Our asset management agreements typically have a fixed term of one to two years, and sets out a fixed monthly asset

management fee per property unit which is usually due in arrears each calendar month. In addition, we are usually entitled to a commission equivalent to (i) one month of rent for every new lease of a property unit; or (ii) half a month of rent for every renewal of an existing lease. We usually outsource the property maintenance work to suppliers offering property maintenance, renovation and remodelling services.

We determine our property management and asset management fees by taking into account, among other things, (i) budgeted expenses for providing the services; (ii) fee rates charged by competitors in the same region/area; and (iii) target profit margins. There are currently no specific laws or regulations in Singapore which regulate the pricing of our property management services or asset management services.

FINANCIAL ADVISORY SERVICES

We incorporated ZACD Financial in October 2015 and commenced business in February 2017, after obtaining licenses to conduct Type 1 (*dealing in securities (CIS)*), Type 4 (*advising on securities*) and Type 6 (*advising on corporate finance*) regulated activities under the SFO in Hong Kong. We obtained these licenses to (i) develop our distribution network and fundraising efforts in Hong Kong; and (ii) develop a corporate financial advisory business in Hong Kong to further enhance our integrated suite of services and capitalize upon our existing network of investors and clients.

Our recent expansion of marketing and distribution network and fundraising efforts in Hong Kong has focused on introducing our brand and Investment Projects managed by us to professional investors as defined under the SFO in Hong Kong. We are licensed by the SFC to carry out Type 1 regulated activities to carry on the business of dealing in collective investment schemes as defined under the SFO. We are in the process of expanding our Type 1 regulated activities and seek to deal in a wider range of securities, as well as carry out the placing and underwriting of such securities. We intend to pursue a broader range of activities such as acting as an underwriter and/or a placement agent and advising and assisting corporations to raise capital through the issuance of equity securities, debt securities, convertible bonds or structured financing products. As at the Latest Practicable Date, we have three responsible officers and one relationship manager. Our relationship manager is responsible for sourcing new professional investors to invest in the Investment Projects managed by us through marketing. We are in the process of hiring more experienced relationship managers with existing networks of clients to enhance our product marketing and distribution. We intend to market existing and future real estate investment opportunities originating in Singapore to new clients in Hong Kong by relying on our expanded team of relationship managers to tap into their existing client business networks and make new client connections.

Our customer due diligence process was established in accordance with the relevant SFC guidance, and we apply the same process to our customers before commencing business relations with them. We have developed a set of "Know Your Clients" due diligence and evaluation procedures based on different clients' risk classifications. We would review their professional investor profile and refer to data or information provided by reliable and independent sources in identifying our clients.

To leverage on our network of clients and business partners across Asia-Pacific in different business arms of our Group, we also commit to provide corporate financial advisory services to corporate clients to satisfy their various needs for financing, investment and mergers and acquisitions and is supported by two responsible officers. The services provided or to be provided by us include, but are not limited to, capital raising, mergers and acquisitions, joint-ventures and general strategic advice. We also plan to expand our corporate finance team by recruiting more senior professionals with established clientele and networks to source and lead transactions. Please refer to the section entitled "Business — Our Strategies — Expanding our financial advisory business" in this document for further details. We recently commenced our corporate financial advisory services in Hong Kong after we have obtained the aforesaid licenses under the SFO and had advised on a commercial transaction.

For illustration purposes, the operation procedures for our corproate financial advisory services generally involve the following:

- *Identification of potential engagements:* We consider that referrals from customers or business partners in our different business arms could be one of the major source of our potential business opportunities. We would conduct preliminary discussions with the prospective customers to understand the background and feasibility of the contemplated transactions.

- *Deal assessment procedures:* Prior to entering into an engagement, we would assess the deal to ensure that the relevant transaction is feasible and that the engagement with the relevant customer will not give rise to conflict of interest. We would not accept an engagement unless we are satisfied that we have experienced and qualified personnel available to carry out the work to the required standard within the time limit. Furthermore, a conflict check shall be conducted against existing transactions, customers and staff to safeguard against conflicts of interest.

- *Execution of engagements:* Once the engagement letter is executed with scope of work, service fee and schedule of payment agreed, we would assign a designated team with the relevant experience and expertise to advise on the transaction.

- *Due diligence and delivery of relevant transaction document or letter of advice:* After conducting the requisite due diligence and reviewing the documents relating to the transaction, our designated team would prepare and/or review draft transaction-related documents. To ensure that factual and important information is included in those documents, we shall discuss the draft documents or letters of advice with our client and seek review of relevant professional parties.

- *Billing and settlement:* We would issue debit notes rendered to the customers in accordance with the fee schedule set out in the engegement letter. Our corporate financial advisory service fees would be determined on a case-by-case basis with reference to the scope of work in the engagements, the nature of the transactions, the complexity of the transactions and the expected length of time to be involved from the first engagement until completion of the transaction.

We have established an internal control system to safeguard the business processes of the financial advisory services, including but not limited to the following measures:

- *Project approval:* We have established project approval process and require the business team effectively and prudently undertakes those projects;

- *Managing potential conflicts of interest:* Our staff are required to declare their conflicts of interest and we have appointed a compliance officer who is responsible for undertaking checks to ensure effective operation of the Chinese wall procedures which are required to prevent price sensitive or other confidential information passing between departments and proper handling of confidential information;

- *Project implementation:* We have formulated guidance documents to strengthen risk management, which require the project team conducts through due diligence to ensure that relevant documents are true, accurate and complete;

- *Managing sales and marketing:* We have established an institutional system with management measures for sales and marketing standards, investor eligibility and management of customer feedback;

- *Professional training:* We would provide on-going professional training to our staff to ensure that they understand the applicable laws and regulations, and our internal policies and practices, and maintain our staffs' training records;

- *Risk management:* We have appointed a risk manager who has relevant qualification and experience to ensure effective and efficient processes are in place to manage risks, promote our risk management policy and to regularly report to the senior management of our Group;

- *Compliance management:* We have established a clear organisational structure and a compliance system for compliance management and an internal control system for anti-money laundering. We have also appointed a compliance officer who have appropriate qualifications and working experience to monitor the corporate activities and regularly update our compliance manuals; and

- *Ongoing supervision:* We require proper record keeping of client agreements, investment recommendations and compliance-related document, and would require ongoing supervision by team leaders, and would require regular reporting and regular evaluation of our corporate financial advisory operation.

OUR CUSTOMERS

Our customers during the Track Record Period mainly include investors, Investment SPVs, real estate developers and MCSTs. For the two financial years ended 31 December 2016 and the three months ended 31 March 2017, our five largest customers accounted for approximately 67.3%, 59.8% and 49.3% of our total revenue, respectively, and our largest customer accounted approximately for 19.5%, 29.8% and 17.5% of our total revenue, respectively. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material shortage or delay in providing services to our customers. We have maintained business relationships with our five largest customers for as long as 8 years. Our Directors confirmed that there was no termination of major contracts nor material default by our customers during the Track Record Period and up to the Latest Practicable Date.

The following table sets out information related to our five largest customers during the Track Record Period:

For the year ended 31 December 2015

Customer	Business nature of the customer	Principal services provided	Commencement year of business relationship	Transaction amounts		Corresponding service segment
				S$'000	% (compared to our total revenue)	
Customer A	Investment holding	Investment management services[(1)]	2010	1,699	19.5	Investment management business
Customer B	Investment SPV	Investment management services	2010	1,505	17.3	Investment management business
Customer C	Investment SPV	Investment management services	2010	1,357	15.6	Investment management business
Customer D	Investment SPV	Investment management services	2012	711	8.2	Investment management business
Customer E	Investment SPV	Investment management services	2011	581	6.7	Investment management business

For the year ended 31 December 2016

Customer	Business nature of the customer	Principal services provided	Commencement year of business relationship	Transaction amounts		Corresponding service segment
				S$'000	% (compared to our total revenue)	
ZACD (Punggol Central) Pte. Ltd.	Investment SPV	Investment management services	2012	3,428	29.8	Investment management business
Customer F	Investment SPV	Investment management services	2011	1,277	11.1	Investment management business
Customer A	Investment holding	Investment management services[(1)]	2010	1,104	9.6	Investment management business
Customer C	Investment SPV	Investment management services	2010	540	4.7	Investment management business
Customer G	Real estate developer	Project consultancy and management services Property management services	2012	531	4.6	Project consultancy and management services Property management services

For the three months ended 31 March 2017

Customer	Business nature of the customer	Principal services provided	Commencement year of business relationship	Transaction amounts		Corresponding service segment
				S$'000	% (compared to our total revenue)	
Customer H	Investment SPV	Investment management services	2011	479	17.5	Investment management business
ZACD (Punggol Central) Pte. Ltd.	Investment SPV	Investment management services	2012	329	12.0	Investment management business
Customer I	Real estate developer	Project consultancy and management services	2017	189	6.9	Project consultancy and management business
Customer A	Investment holding	Investment management services[(1)]	2010	185	6.8	Investment management business
Customer G	Real estate developer	Project consultancy and management services Property management services	2012	167	6.1	Project consultancy and management business Property management business

Note:

(1) This includes the performance fees from Customer A in consideration of granting them an allocation guarantee for them to secure a larger investment allocation stake in our Investment Projects. Please refer to the section entitled "Business — Investment Management Services — SPV investment management (PE structures) — Convertible loan structures — Our fees — Performance fees" for further details.

ZACD Investments owns approximately 12.5%, 8.9%, 14.0%, 8.8%, 24.1%, 4.3% and 12.0% of Customer B, Customer C, Customer D, Customer E, ZACD (Punggol Central) Pte. Ltd., Customer F and Customer H, respectively. Mr. Yeo and Ms. Sim, our Controlling Shareholders, own 51% and 49% respectively of ZACD Investments. Please refer to the sections entitled "Connected Transactions" and "Relationship with our Controlling Shareholders" in this document for further details of the interests of Mr. Yeo and Ms. Sim. Save as disclosed, none of our Directors, their close associates or any Shareholders who, to the knowledge of our Directors, owned more than 5% of our share capital as at the Latest Practicable Date, had any interest in any of our five largest customers during the Track Record Period.

Please refer to the section entitled "Business — PE structures — Convertible loan structures" for further details of the terms of the convertible loan agreement that we enter into with the Investors and Investment SPVs. Our Directors are of the view that the terms of the Convertible Loan Agreement are on normal commercial terms and are fair and reasonable and in the interests of our Company and its Shareholders as a whole.

OUR RELATIONSHIP WITH KEY REAL ESTATE DEVELOPER PARTNERS

With our experience in the real estate industry, we have developed stable business relationships with real estate developer partners in Singapore. During the Track Record Period and up to the Latest Practicable Date, we cooperated with a total of 9 real estate developer partners in our provision of services across the real estate value chain. Some of the real estate developer partners cooperate with us in our provision of more than one type of services. The real estate developers are our customers in our provision of project consultancy and management services and property management services, whereas we cooperate with the real estate developers in sourcing funds for real estate projects during our provision of investment management services. During the Track Record Period, we had been involved in a dispute with Developer D in relation to an outstanding sum of S$7.7 million (excluding damages, costs and interests) owed to us by Developer D arising from the profit distributions in relation to the property units of the underlying real estate asset of Investment Project D. We initiated legal proceedings and filed a writ of summons in October 2016 against Developer D for their breach of contract and claimed S$7.7 million (excluding damages, costs and interests) in respect of the outstanding amount. We consequently entered into three settlement agreements dated February 2017, March 2017 and May 2017, respectively, under which the parties agreed on payment terms in full and final settlement of our claims against Developer D, and we agreed to withdraw all claims against Developer D following satisfaction of the payment terms. Save as disclosed, we have not had any material disputes with the real estate developer partners with whom we co-operated.

Wee Hur and Qingjian are our key real estate developer partners and we have more than seven years of business relationship with each of Wee Hur and Qingjian starting from 2010. During the Track Record Period, we cooperated with Wee Hur and Qingjian on a total of 13 real estate projects representing approximately 54.2% of the total number of real estate projects. Out of these 13 real estate projects, we cooperated with Wee Hur on 3 and 2 real estate projects within the investment management and project consultancy and management business segments respectively, while we cooperated with Qingjian on 10 and 3 real estate projects within the investment management and project consultancy and management business segments respectively. During the Track Record Period, the real estate projects on which we cooperated with Wee Hur in our provision of investment management services contributed approximately S$2.3 million, S$4.3 million and S$0.3 million, representing approximately 26.9%, 37.1% and 12.0% of our total revenue, respectively, while real estate projects on which we cooperated with Wee Hur in our provision of project consultancy and management services contributed approximately S$0.4 million, S$0.3 million and S$0.08 million, representing approximately 4.8%, 2.8% and 2.9% of our total revenue, respectively. For the same period, the real estate projects on which we cooperated with Qingjian in our provision of investment management services contributed approximately S$2.5 million, S$3.3 million and S$0.05 million, representing approximately 28.5%, 29.3% and 3.0% of our total revenue, respectively, while real estate projects on which we cooperated with Qingjian in our provision of project consultancy and management services contributed approximately S$0.5 million, S$0.5 million and S$0.1 million, representing approximately 5.1%, 4.5% and 3.8% of our total revenue, respectively. Qingjian is listed on the Main Board of the Stock Exchange and is engaged in the property development and construction business in Singapore. Wee Hur is a Singapore-based

company listed on the mainboard of the SGX-ST and is engaged in the property development industry, building construction industry, investment property industry and investment holding industry.

Our Directors are of the view that our strong business ties with Wee Hur and Qingjian would not materially affect the business prospect of our Group due to the reasons set out below:

(i) **Our Group has diversified businesses:** Our Group is an integrated asset manager offering integrated solutions across the real estate value chain. Riding on our success with the investment management business, we rapidly expanded our different business segments by recruiting more relationship managers and staff which our Directors believe is crucial to our business growth. During the Track Record Period, the proportion of our revenue derived from our investment management business decreased from 82.0% in 2015 to 73.4% in 2016, and the proportion of our revenue derived from our project consultancy and management services decreased from 14.6% in 2015 to 7.5% in 2016. We have experienced high growth in our property management and asset management business segment. Revenue generated from our property management and asset management business segment increased from approximately S$296,000 in 2015 to S$2.2 million in 2016, representing an increase of approximately 641.9%. Moreover, since December 2016, we have expanded our service offerings to providing financial advisory services in Hong Kong after we obtained licenses to conduct Type 1 *(dealing in securities (CIS))*, Type 4 *(advising on securities)* and Type 6 *(advising on corporate finance)* regulated activities under the SFO. We intend to apply [REDACTED] from the [REDACTED] to expand among others, our property management business and financial advisory business. We believe that our diversified businesses would help us to lessen any concentration risk and would give us flexibility to shift our business focus when we need to manage such risk or when new opportunities come along.

(ii) **Bridging Reserve Fund to proactively seek investment opportunities:** Our Directors believe that the bridging reserve fund to be created by utilising [REDACTED] from the [REDACTED] could help us to (i) to participate in tenders or sales for land parcels and/or real estate assets, including but not limited to payment of the deposits for such transactions; and/or (ii) to be used in the future to commit to the take-up of the investment stake of potential real estate projects first before setting up of the investment vehicles and/or securing investment funds from the investors when the real estate developer partners approach us for co-investing in new potential real estate projects. In implementing such business strategy, we will be able to diversify our business relationships and cooperate with real estate developer partners other than Wee Hur and Qingjian.

(iii) **Long investment life cycle in real estate projects:** The entire life cycle of investments in the real estate projects often last for over five years and our Group could collect fees throughout almost the entire investment life cycle in these real estate projects. As at the Latest Practicable Date, we had a total AUM of over S$280 million and we managed a

total of 27 investment structures. Most of our Investment Projects are still within the earlier stages of development and there are 13 of our Investment Projects in respect of which the Convertible Loans have not yet been converted. In the event that we are unable to secure new projects from Wee Hur or Qingjian, our Directors believe that our pipeline of Investment Projects will be sufficient to support our business operations, and our result of operations, financial position and profitability will not be materially affected. For the details of our pipeline of Investment Projects, please refer to the section headed "Business — Investment Management Services" in this document. Our Directors believe that in the unfortunate event that either one or all of our key real estate developer partners ceases to cooperate with us in the future, we would still be able to further strengthen and expand our business relationships with our existing real estate developer partners and develop new business relationships with other real estate developer partners.

(vi) **Positive market prospect in the real estate investment market:** According to the Savills Report, in 2016, Singapore's investment market returned to growth in 2016 with a real estate investment amount of approximately S$18.6 billion and in the first half of 2017 with a real estate investment amount of approximately S$11.7 billion. The real estate AUM for real estate investment management services in Singapore grew by approximately 24.5% CAGR between 2012 and 2016, while real estate AUM under Singapore-based managers is expected to continue to grow at a rate of approximately 19.7% per annum from 2017 to 2021. As such, we believe that there are ample opportunities for us to capitalise on the expected increases demand for real estate investment and development. In addition, in line with our business strategy to further out investment management business, we have recently explored and invested in completed properties such as a worker's dormitory in Malaysia, and in completed industrial, commercial and residential properties in Australia. By diversifying our investments into completed properties, we believe that we are able to capitalise on new business opportunities without relying on our key real estate developer partners.

OUR SUPPLIERS

Due to the nature of our business, we engage suppliers only in our property management and asset management services business segment. Our suppliers during the Track Record Period comprise a contractor company and two accounting firms.

The following tables set out information related to our largest suppliers during the Track Record Period:

For the year ended 31 December 2015

Name of supplier	Principal Business	Commencement year of business relationship	Services provided to our Group	Transaction amount	Percentage of our total service fees
				(S$'000)	(%)
Neew Pte Ltd	Electrical works and general contractors (construction work including major upgrading works)	2014	Property repair and maintenance services	42	72.7
Supplier A	Accountancy	2015	Accounting services	16	27.3

For the year ended 31 December 2016

Name of supplier	Principal Business	Commencement year of business relationship	Services provided to our Group	Transaction amount	Percentage of our total service fees
				(S$'000)	(%)
Neew Pte Ltd	Electrical works and general contractors (construction work including major upgrading works)	2014	Property repair and maintenance services	384	79.1
Supplier A	Accountancy	2015	Accounting services	102	20.9

For the three months ended 31 March 2017

Name of supplier	Principal Business	Commencement year of business relationship	Services provided to our Group	Transaction amount	Percentage of our total service fees
				(S$'000)	(%)
Neew Pte Ltd	Electrical works and general contractors (construction work including major upgrading works)	2014	Property repair and maintenance services	190	81.5%
Supplier A	Accountancy	2015	Accounting services	35	15.0%
Supplier B	Accountancy	2017	Accounting services	8	3.5%

For the two financial years ended 31 December 2016 and the three months ended 31 March 2017, we had 2, 2 and 3 suppliers respectively. During the same period, the percentage of our total costs attributable to our largest supplier were 72.7%, 79.1% and 81.5% respectively. Neew Pte Ltd, one of our suppliers, is indirectly owned by Mr. Yeo and Ms. Sim, our Controlling Shareholders. Please refer to the sections entitled "Connected Transactions" and "Relationship with our Controlling Shareholders" in this document for further details of the interests of Mr. Yeo and Ms. Sim.

We generally settle with our suppliers by bank transfer or cheque, depending on the negotiation of the payment terms, and we generally enjoy a credit period ranging of 30 days.

To the best knowledge and belief of our Directors and after making all reasonable enquiries, except for Mr. Yeo and Ms. Sim as disclosed above, none of our Directors or their respective close associates or any shareholder who owned more than 5% of our Company's issued share capital as at the Latest Practicable Date, had any interest in any of the five largest suppliers and service providers of our Group during the Track Record Period. Our Directors confirm that, we have not encountered any material disputes with our service providers during the Track Record Period.

Key terms of our service agreements with suppliers

We enter into service agreements with our suppliers on normal commercial terms. The key terms of our typical service agreements include the following.

- *Term.* The term of our service agreements with our suppliers varies but does not exceed three years and may be renewed upon mutual consent.

- *Obligations of suppliers.* The suppliers are responsible for providing services in accordance with the scope and standards prescribed in the service agreements and in compliance with all applicable laws and regulations. There is no employment relationship between our Company and the staff personnel of our suppliers.

- *Risk allocation.* Neew Pte Ltd, our supplier for the property maintenance and repair services, is responsible for any damage to property or persons caused by the fault of the service provider in the course of providing the contracted services.

- *Service fees.* Service fees with our suppliers are typically determined with reference to market rates and on an arm's length basis.

SALES AND MARKETING

We have formulated different marketing strategies and established various sales channels within the real estate and investment management sectors.

We have built up a strong network of industry contacts and established strong business relationships with them. Within our investment management services business segment, our business network comprises our office in Singapore as well as our relationships with real estate developer partners, investors, real estate agents and bankers. We market real estate investment opportunities in our real estate projects and fund products through such business networks. Our relationship managers also actively market our real estate projects and fund products by analysing our investors' needs in order to refer them suitable investments. We also market our services across our project consultancy and management services business segment and property management and asset management business segment through our contacts with real estate developer partners and real estate agents.

We will continue to build upon our network of industry contacts and raise our profile in the real estate and investment management sectors through our existing sales and marketing channels.

INTELLECTUAL PROPERTY

Domain name

Our Group is the owner of one domain name, the details of which are set out as follows:

Domain name	Registration date	Expiry date
zacdgroup.com	15 October 2015	14 October 2017

The domain name is subject to renewal. The registration prevents others from using the same domain name during the subsisting registration period.

Trademark

As at the Latest Practicable Date, our Group had filed an application to register the ownership of the following trademark in Singapore, details of which are as follows:

Trademark	Application number	Class	Number of Applicant	Place of Application	Status
zacd	T1313388B	36	Our Company	Singapore	Application received

As at the Latest Practicable Date, we had made the following trademark registration application in Hong Kong:

Trademark	Application number	Class	Name of Applicant	Place of Registration	Status
A B	304074066	35, 36	Our Company	Hong Kong	Application published

During the Track Record Period, we were not involved in any material dispute or infringement of intellectual property rights. As at the Latest Practicable Date, we were not aware of any material infringement (i) by us of any intellectual property rights owned by any third parties, or (ii) by any third party of any intellectual property rights owned by us, that would have a material adverse effect on our operations.

INFORMATION TECHNOLOGY

Our information technology department is responsible for the daily IT needs for our internal operations. The objective of the department is to position us at the industry's competitive edge, through innovative implementation of information technology systems. The department is sub-divided into 3 specialised teams responsible for specific IT functions — the IT support team, the network and infrastructure team, and the application development team. The IT support team is responsible for providing efficient first level support for the Group's staff to work efficiently. The network and infrastructure team ensures the security of our network and maintains the safety of our data. The application development team looks for opportunities to implement applications that will streamline our processes. The team also looks for opportunities to transform data into insightful information for the management staff.

EMPLOYEES

As at the Latest Practicable Date, our Group had a total of 105 employees who are located in Singapore and Hong Kong. The following table shows a breakdown of our employees by their functions as at the Latest Practicable Date:

Function	As at the Latest Practicable Date
Investment management and project consultancy and management services	29
Property management and asset management	51
Finance	7
Financial services	3
General management, administration and information technology	13
Research and development	2
Total	105

The following table shows a breakdown of the employees by geographical regions as at the Latest Practicable Date:

Geographical region	As at the Latest Practicable Date
Singapore	99
Hong Kong	6
Total	105

We believe the knowledge, experience, development and loyalty of our employees are vital to our long-term growth. The compensation we offer to our employees primarily includes commission, base salary and discretionary bonus. We have adopted an incentive-based compensation scheme that links employees' remuneration with their performance, qualification and positions. In accordance with the applicable laws and regulations, we make contributions to the relevant employee retirement benefit schemes under the Central Provident Fund in Singapore and the Mandatory Provident Fund Scheme in Hong Kong. We value our employees and provide them with continuing education and on-the-job training. We primarily rely on job advertisements on the internet and referrals in our recruitment process.

We believe that we have maintained good relationships with our employees. As at the Latest Practicable Date, we had not experienced labour strikes or other labour disputes which have had or are likely to have a material and adverse effect on our business operations. Our employees do not belong to any labour unions.

HEALTH, WORK SAFETY AND ENVIRONMENTAL MATTERS

We are subject to the laws of Singapore in relation to health, work safety and environmental protection matters. We have established work safety systems, and provided our employees with trainings on a regular basis to increase their awareness of work safety issues. Given the nature of our operations, we are not subject to material environmental liability risks or environmental compliance costs. During the Track Record Period and up to the Latest Practicable Date, we have (i) complied in all material respects with the laws of Singapore in relation to health, work safety and environmental protection, (ii) not been involved in any material accident or fatality, and (iii) not been subject to any material claim or penalty in relation to health, work safety or environmental protection.

INSURANCE

We believe that our insurance coverage is in line with industry practice in Singapore, and that we have adequate insurance coverage. We maintain insurance policies against major risk and liabilities arising from our operations. Such policies primarily include (i) public liability insurance to cover liabilities for damages suffered by third parties arising out of our operations, (ii) property insurance for damages to both movable and immoveable property, and (iii) employer's liability insurance to cover liabilities associated with workplace injuries to our employees.

PROPERTIES

Tenancy Agreements

As at the Latest Practicable Date, we did not own any property and we leased the following properties for our operations:

Lessor	Lessee	Address	Use of the property	Key terms of the tenancy
ZACD Investments Pte. Ltd.	ZACD POSH Pte. Ltd.	Part of 237 Alexandra Road, #08-01, Singapore 159929 containing an area of approximately 396.14 square metres ("**Alexcier Office**")	Such use approved by the lessor and relevant authorities	Rental of S$16,200 per month, with a term of 3 years commencing on 1 January 2017 and expiring on 31 December 2019
SLP International Property Consultants Pte. Ltd.	ZACD Group Ltd.	Part of 2 Bukit Merah Central ("**Spring Office**"), #22-01, Singapore 159835 containing an area of approximately 367.07 square metres	Office or such other use permitted under the head lease or approved by the head lessor, lessor and relevant authorities	Rental of S$14,000 (exclusive of property tax, inclusive of utilities and other property related miscellaneous expenses) per month, with a term commencing on 5 May 2017 and expiring on 30 April 2018

Lessor	Lessee	Address	Use of the property	Key terms of the tenancy
SLP International Property Consultants Pte. Ltd.	ZACD Capital Pte. Ltd.	Part of the Spring Office at 2 Bukit Merah Central, #22-01, Singapore 159835 containing an area of approximately 156.2 square metres	Office or such other use permitted under the head lease or approved by the head lessor, lessor and relevant authorities	Rental of S$5,800 (exclusive of property tax, inclusive of utilities and other property related miscellaneous expenses) per month, with a term commencing on 5 May 2017 and expiring on 30 April 2018
An Independent Third Party	Our Company, ZACD Financial and ZACD Group Holdings	Unit 501 on the 5th Floor of Hing Wai Building, No. 36 Queen's Road Central, Hong Kong	Office only	Rental of HK$102,350 per month (exclusive of government rates, management and air-conditioning charges and other outgoings), with a term commencing on 1 March 2017 and expiring on 7 December 2018

Licencing Arrangement

We also occupy the following property for our operations:

Licensor	Licensee	Address	Use of the property	Key terms of the license
ZACD POSH Pte. Ltd.	ZACD International Pte. Ltd.	Part of 237 Alexandra Road, #08-01, Singapore 159929 containing an area of approximately one-third of the whole area leased by the licensor under the head lease	Such use permitted under the head lease or approved by the head lessor, licensor and relevant authorities	Monthly license fee of S$5,400 per month, with a term of 3 years commencing on 1 January 2017 and expiring on 31 December 2019

For details of our leases, please refer to the paragraph headed "Connected Transactions — Fully exempt continuing connected transactions" in this document. As at the Latest Practicable Date, we did not own any properties. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance with respect to the requirement of the inclusion of a property valuation report in this document.

LEGAL PROCEEDINGS AND COMPLIANCE

Save for the dispute disclosed in the paragraph headed "Our relationship with key real estate developer partners" in this section, during the Track Record Period and up to the Latest Practicable Date, no member of our Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against our Group, that would have a material adverse effect on our business, results of operations, reputation or financial condition.

The Directors confirm that during the Track Record Period and up to the Latest Practicable Date, no disciplinary action has been taken by the SFC, the Stock Exchange, MAS and/or any law enforcement authority in Hong Kong or Singapore against members of the Group and/or its employees. During the same period, the Directors confirm that during the Track Record Period and up to the Latest Practicable Date, there was no material impact non-compliance or systemic non-compliance in respect of any applicable laws and regulations in Hong Kong or Singapore.

INTERNAL CONTROL AND RISK MANAGEMENT

Our risk management policies

Our Board is responsible for overseeing and ensuring that we maintain sound and effective internal control and risk management systems. In preparing for the [REDACTED], we have engaged an external internal control advisory firm to carry out a review of our existing internal control systems, which covered: (i) entity-level controls and business processes over several areas including financial reporting, treasury, sales, purchases, human resources, and information technology; and (ii) a report that included factual findings and recommendations for improvements of internal controls over the above-mentioned controls and processes. Following the suggestions from the external internal control advisory firm, we have improved our existing internal control policies and procedures designed to provide reasonable assurance for achieving effective and efficient operations, reliable financial reporting, and compliance with applicable laws. To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted or will adopt, among other things, the following corporate governance and internal control measures:

- the establishment of an audit committee responsible for overseeing the financial records, internal control procedures and risk management systems of our Company;

- the appointment of Mr. Siew as our chief financial officer and joint company secretary to ensure the compliance of our operation with the relevant laws and regulations. For his biographical details, please refer to the section headed "Directors and Senior Management" in this document;

- the appointment of Innovax Capital as our compliance adviser upon the [REDACTED] to advise us on compliance with the GEM Listing Rules; and

- the engagement of external legal advisers to advise us on compliance with GEM Listing Rules and to ensure we will not be in breach of any relevant regulatory requirements or applicable laws, where necessary.

We maintain risk management policies to identify, evaluate and manage risks arising from our operations. The major features of our risk management policies include:

Identification of Risk

ZACD Capital has adopted a quarterly risk identification and assessment review conducted on their investors. This quarterly assessment enhances the customer due diligence process by ensuring all the necessary additional documentation required by MAS have been obtained and any exceptional issues are flagged out.

Monitoring of Risks

We monitor our operation risks by:

- adopting stringent quality control and supervision measures and procedures to prevent risks;
- monitoring our employees' compliance with our internal rules and manuals to ensure compliance with the relevant regulatory requirements; and
- our internal procedures for handling complaints from customers.

Evaluating Risks

A client complaint policy is in place to ensure all the inquiries and concerns are brought out to the company's attention in the shortest time permitted. The client complaint officer will discuss with the senior management on the best way to resolve and ensure that both parties are satisfied with the recommendation proposal. Such a channel allows the Company to assess and reduce the shortcomings of the existing procedures.

COMPETITION

According to the Savills Report, Singapore has a diverse competitive landscape for investment management services. Small- to mid-sized private equity real estate firms (below USD500 million in terms of funds raised in last 10 years) collectively have about 10% market share. The competitive landscape in this bandwidth is more fragmented, and there are few barriers to entry for this bandwidth, as Singapore's financial regulatory environment for investment management is relatively open and conducive for small-sized investment management start-ups. In particular, there are very few private equity real estate-focused firms with CMS licenses that concentrate on real estate development sites or projects in Singapore. In addition, they mainly focus on only pre-stage or early stage development activities and do not provide end-to-end real estate project consultancy and property management services that our Group offers. Excluding real estate developers that have

fund management platforms, there are relatively limited integrated real estate investment managers in Singapore and elsewhere in the Asia-Pacific region. Our Group, despite being a small- to mid-sized investment management firm has a market share of less than 1.0% in Singapore in terms of AUM and is also one of the market players in this category.

The property management industry for private properties (particularly for strata management) is more fragmented. Industry participants comprise many small to mid-sized players, with the top five companies accounting for an estimated 30% to 35% of market share in terms of number of strata-titled units. Leading players are mainly global real estate consultancy firms, as well as independent property management firms which have diversified into other services. The other segment for the industry is mainly represented by real estate operating companies, REITs, private real estate funds and other institutional owners. While some of these entities set up subsidiaries to manage these properties, they also use facility and asset management services from third-party companies. Please refer to the section entitled "Industry Overview — Competitive Landscape" for further details.

Therefore, our capabilities to provide a comprehensive suite of services across the real estate value chain as an integrated asset manager specialising in real estate solutions gives us a competitive advantage within the real estate industry. Due to the integrated nature of our services, we are able to combine and leverage our experience, market knowledge and resources from the comprehensive suite of services we offer. We also leverage on our established business relationships with a stable investor base and our well-established relationships with our real estate developer partners. Coupled with our proven investment management track record and our experienced management team, we believe that our competitive strengths have driven our growth in revenue and allow us to compete effectively within the real estate industry. Please refer to the section entitled "Business — Our Competitive Strengths" for further details on our competitive strengths.

LICENCES, PERMITS AND CERTIFICATES

As at the Latest Practicable Date, we had obtained all material licences, permits and approvals from the relevant authorities in Singapore and Hong Kong for our operations, and all of them are valid and in force. Our material licences and permits primarily include the following:

Name of the licence	Licence Holder	Issuing authority	Date of issuance	Date of expiry
Capital markets services ("**CMS**") licence to conduct fund management	ZACD Capital Pte Ltd	MAS	20 September 2016	Not Applicable
Type 1: Dealing in Securities (CIS)	ZACD Financial Group Limited	SFC	2 December 2016	Not Applicable

Name of the licence	Licence Holder	Issuing authority	Date of issuance	Date of expiry
Type 4: Advising on Securities	ZACD Financial Group Limited	SFC	2 December 2016	Not Applicable
Type 6: Advising on Corporate Finance	ZACD Financial Group Limited	SFC	2 December 2016	Not Applicable

We monitor the validity status of our licences and permits, and make timely applications to renew such licences and permits prior to their expiration dates. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material difficulty in obtaining our material licences and permits for our operations.

CORPORATE SOCIAL RESPONSIBILITY

We value our corporate social responsibilities and have been, and intend to remain, committed to giving back to the community at large. We organise and encourage our staff to attend various charitable or social activities. During the Track Record Period, such activities included:

Year	Organisation	Event Name	Description of Event
2016	Touch Community Services	ZACD Zoo Treasure Hunt	Conducted a treasure hunt at the zoo for underprivileged children and their families. These children all attend Touch Young Arrows ("**TYA**")
2016	Touch Community Services	ZACD Home Improvement	Renovated homes for 3 underprivileged families
2016	Touch Community Services	ZACD-TYA Academy Improvement Reward Program	Rewarded the top 50 students from TYA who showed the greatest improvement in their studies for 2016
2015	Focus on the Family	Date with Dad	Bought gifts for event
2015	Singapore Red Cross	Fundraising	Fund raising for a Nepal Earthquake
2015	Hope Center Singapore	Shopping Shopping at Kampung Glam	Created a shopping experience for under privileged children

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the [REDACTED] (without taking into account any Shares which may be allotted and issued upon the exercise of the [REDACTED] and upon the exercise of any option granted under the Share Option Scheme), ZACD Investments is expected to hold [REDACTED] of the enlarged issued share capital of our Company.

ZACD Investments was incorporated in Singapore with limited liability on 15 June 2005 and is owned by Mr. Yeo and Ms. Sim as to 51% and 49%, respectively. As at the Latest Practicable Date, Mr. Yeo and Ms. Sim, together, through ZACD Investments, were interested in the entire issued and paid-up share capital of our Company. Accordingly, for the purpose of the GEM Listing Rules, ZACD Investments, Mr. Yeo and Ms. Sim are our Controlling Shareholders. For the background of Mr. Yeo and Ms. Sim, please refer to the paragraph headed "Directors and Senior Management — Directors — Executive Directors" in this document.

Our Controlling Shareholders and our Directors confirm that, as at the Latest Practicable Date, apart from their respective interests in our Group, none of them and their respective close associates held any interest in or conducted any business, which competed, or was likely to compete, either directly or indirectly, with our business and would require disclosure under Rule 11.04 of the GEM Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Save as disclosed below and in the section headed "Connected Transactions" in this document, our Directors do not expect that there will be any significant transactions between our Group and our Controlling Shareholders upon or shortly after the [REDACTED]. Having considered the matters as described below, our Board is of the view that our Group is capable of carrying on our business independently from our Controlling Shareholders and their respective close associates after the [REDACTED].

Operational independence

Upon the [REDACTED], we will continue to rent office space for our operations from ZACD Investments and SLPI. Our Directors are of the view that such existing office premises can easily be replaced by other comparable premises with comparable rentals, without any material disruptions to our operations.

Save for rendering investment and fund management services to ZACD Investments, certain connected Investment SPVs and the ARO II Fund (details of which are set out in the paragraph headed "Connected Transactions — Non-exempt continuing connected transactions" in this document), our Group does not rely on our Controlling Shareholders for access to customers of our Group.

MVG was one of our service providers, an associate of our Controlling Shareholders, and its wholly-owned subsidiary, Neew Pte Ltd ("**Neew**"), was our largest supplier during the Track Record Period. However, save for the provision of human resources services, and repair and maintenance services by MVG and Neew, respectively, as disclosed in the section headed

"Connected Transactions" in this document, our Group does not share operations teams, facilities and equipment with our Controlling Shareholders and their respective close associates. Our Group has an independent management team to handle the day-to-day operations. We are also in possession of all relevant licences necessary to carry on and operate our business and have sufficient resources to operate independently from our Controlling Shareholders and their close associates. We are also not reliant on trademarks or franchised/licensed brands owned by our Controlling Shareholders or their respective close associates. For further details of our intellectual property rights, please refer to the paragraph headed "Business — Intellectual property" in this document and the paragraph headed "6. Further information about our business — B. Intellectual property" in Appendix IV to this document. Our Directors are of the view that there is no operational dependence by us on our Controlling Shareholders.

Please also refer to the paragraph headed "Financial Information — Related party transactions" and note 26 of Appendix I to this document.

Management independence

Our Company's management and operational decisions are made by our Board and senior management. Our Board comprises three executive Directors and three independent non-executive Directors. The only overlapping Directors between members of our Group and our Controlling Shareholders are Mr. Yeo and Ms. Sim who are also the directors of ZACD Investments. However, Mr. Yeo and Ms. Sim have confirmed that their time involvement in the matters of ZACD Investments will be minimal and they would largely be involved in the day-to-day management and operation of our Group.

Our Directors consider that our Board and senior management will function independently from our Controlling Shareholders because:

(i) each Director is aware of his or her fiduciary duties as a Director which require, among other things, that he or she acts for the benefit and in the best interest of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interests;

(ii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions, and shall not be counted in the quorum unless otherwise provided by the Constitution; and

(iii) the senior management members are independent from our Controlling Shareholders. We have established our own organisational structure comprising individual functions including investment management, project consultancy and management services, property management and asset management, finance, financial services, general management, administration and information technology as well as research and development, each with specific areas of responsibilities, which are responsible for our daily operation.

Financial independence

Our Group has an independent financial system and makes financial decisions according to our own business needs free from the interference from our Controlling Shareholders and their respective close associates after the [REDACTED].

During the Track Record Period, we had managed the investment of a total of 23 Investment SPVs in 24 Investment Projects and some of the underlying real estate projects required guarantees from our Controlling Shareholders. These guarantees were provided by our Controlling Shareholders to guarantee the obligations of the Development SPVs in respect of the banking facilities extended by the lending bank to the Development SPVs for the purpose of the relevant real estate projects.

As at the Latest Practicable Date, there are guarantees on nine real estate projects provided by our Controlling Shareholders to secure the bank loans granted to the relevant Development SPVs, of which we have entered into certain business transfer agreements on 28 June 2017 to assign the business of providing project management services to six Investment SPVs for six real estate projects, namely the respective Investment SPVs for Investment Project F, West Star, Mega@Woodlands, The Visionaire, iNZ Residences, and Investment Project J. For further details, please refer to the paragraph headed "Summary — Recent development" in this document. There were guarantees for three real estate projects for which we continue to provide investment management services to the Investment SPVs and remain outstanding. The details of such real estate projects and guarantees are set out in the table below.

	Name of Project	Investment SPV's shareholding in Development SPV	Investment under management by our Group (S$)	Maximum guarantee amount (S$) and Controlling Shareholders involved as guarantor(s) *(Note 1)*	Date of guarantees	Project status	Expected timing of release of the relevant guarantee *(Note 2)*
1.	Investment Project E	15%	12,750,000	16,728,450 (corporate guarantee by ZACD Investments) 16,728,450 (personal guarantees by Mr. Yeo and Ms. Sim)	12/09/2012	TOP obtained on 27 March 2017	Third quarter of 2017
2.	Bellewoods	10%	8,100,000	11,200,500 (corporate guarantees by the Investment SPV) 11,200,500 (personal guarantees by Mr. Yeo and Ms. Sim)	12/08/2013	TOP obtained on 16 March 2017	Third quarter of 2017
3.	Bellewaters	10%	9,200,000	26,788,700 (corporate guarantee by ZACD Investments)	28/08/2013	TOP obtained on 3 May 2017	Fourth quarter of 2017

Notes:

1. In addition to the corporate guarantees and the personal guarantees provided by our Controlling Shareholders, the lending banks also require guarantees taken out by other shareholders of the relevant Development SPV, charges on the land titles and the project proceeds, and other collaterals and covenants that are customary for financings of this type.

2. Expected timing of release of the relevant guarantee is provided based on the best estimation of our Company's management, relying on its experience and the project status.

All loans and advances due to our Controlling Shareholders which are non-trade in nature will be fully settled prior to the [REDACTED]. Our Directors confirm that our Group will not rely on our Controlling Shareholders for financing after the [REDACTED] as our Group expects that our working capital will be funded by our operating income, the [REDACTED] of the [REDACTED] and bank borrowings.

DEED OF NON-COMPETITION

Each of our Controlling Shareholders has confirmed that none of them nor any of its/his/her close associates is engaged in, involved in or interested in any business (other than being a director or shareholder or members of our Group) which, directly or indirectly, competes or may compete with our business. To protect our Group from any potential competition, our Controlling Shareholders have given an irrevocable non-compete undertaking in favour of our Company (for itself and for the benefit of its subsidiaries) pursuant to which each of our Controlling Shareholders has, among other matters, undertaken to us on a joint and several basis that at any time during the Relevant Period (as defined below), each of our Controlling Shareholders shall, and shall procure that their respective close associates and/or companies controlled by it/him/her (other than members of our Group) shall:

(i) not, directly or indirectly, engage, on its/his/her own account or with each other or in conjunction with or on behalf of any person, firm, company or organisation, carry on or be engaged, concerned with or interested in, directly or indirectly, whether as a director, shareholder partner, agent or otherwise (other than being a director or a shareholder of members of our Group), and whether for profit, reward or otherwise, in any business which competes with the business of the provision of investment management services, project consultancy and management services, property management and asset management services and financial advisory services including the regulated activity of fund management pursuant to the CMS Licence in Singapore, and financial services within Hong Kong (including but not limited to Type 1, Type 4 and Type 6 regulated activities in Hong Kong), and any business in any form or manner that is or is likely to be in competition with that of any member of our Group or our Group as a whole from time to time (the "**Restricted Activity**");

(ii) not interfere with or endeavour to entice away from our Group any firm, company or organisation who to its/his/her knowledge is from time to time or has at any time within the immediate past two years before the date of this document been a customer or supplier of our Group;

(iii) not at any time employ any person who has been a director, manager or employee of or consultant to our Group who is or may be likely to be in possession of any confidential information or trade secrets relating to our Group's business without prior written consent from our Company;

(iv) not directly or indirectly solicit or persuade any person who has dealt with our Group or is in the process of negotiating with our Group to cease to deal with our Group or reduce the amount of business which the person would normally do with our Group; and

(v) not disclose any confidential information of our Group in its/his/her possession to any third party or our Group's competitors unless such disclosure (i) is made to professional advisors on a confidential basis; (ii) is otherwise required by the government or any regulatory authorities under any applicable laws and regulations or pursuant to any court orders; or (iii) is already in public domain or which become so through no fault or breach of our Controlling Shareholders, and that before making any disclosure, our Controlling Shareholders shall inform and consult our Group as to the form and substance of such disclosure.

Each of our Controlling Shareholders has undertaken to us that in the event that it/he/she or its/his/her close associate(s) and/or companies controlled by it/him/her (other than members of our Group) (the "**Offeror**") is given or identified or offered any business investment or commercial opportunity by Independent Third Parties and such investment or opportunity directly or indirectly competes, or may lead to competition with the Restricted Activity (the "**New Opportunity**"), it/he/she will and will procure its/his/her close associate(s) and/or companies controlled by it/him/her (other than members of our Group) to refer the New Opportunity to us as soon as practicable in the following manner:

(i) each of our Controlling Shareholders is required to, and shall procure its/his/her close associates and companies controlled by it/him/her (other than members of our Group) to, refer, or to procure the referral of, the New Opportunity to us, and shall give written notice to us of any New Opportunity containing the information available to the relevant Controlling Shareholder for us to consider whether (a) such New Opportunity would constitute competition with the Restricted Activity; and (b) it is in the interest of our Group to pursue such New Opportunity, including but not limited to the nature of the New Opportunity and the details of the investment or acquisition costs (the "**Offer Notice**"); and

(ii) the Offeror will be entitled to pursue the New Opportunity only if (a) the Offeror has received a notice from us declining the New Opportunity; or (b) the Offeror has not received such notice from us within ten Business Days from our receipt of the Offer Notice.

If there is a material change in the terms and conditions of the New Opportunity pursued by the Offeror, the Offeror will refer the New Opportunity as so revised to us in the manner as set out above.

Upon receipt of the Offer Notice, we will form an independent board committee (the "**Independent Board Committee**") which comprises our independent non-executive Directors without the attendance by any Director with beneficial or conflicting interest in such New Opportunity and seek opinions and decisions from the Independent Board Committee in the manner as to whether (a) such New Opportunity would constitute competition with the Restricted Activity; and (b) it is in the interest of our Company and our Shareholders as a whole to pursue the New Opportunity.

Where any of our Controlling Shareholders, its/his/her close associates and/or companies controlled by it/him/her (other than members of our Group) has acquired any business, investment or interest in any entity relating to the Restricted Activity pursuant to (ii) above and intend to sell such business, investment or interest, the relevant Controlling Shareholders, its/his/her close associates and/or companies controlled by it/him/her (other than members of our Group) shall provide us with a written notice (the "**Pre-emptive Right Notice**") notifying us our pre-emptive right (the "**Pre-emptive Right**") to acquire any such Restricted Activity with an expiry date being the 11th Business Day from our receipt of the Pre-Emptive Right Notice. Where (i) the Independent Board Committee decides to waive the Pre-emptive Right by way of written notice within ten Business Days from our receipt of the Pre-emptive Right Notice or (ii) the relevant Controlling Shareholder or its/his/her close associates and/or companies controlled by it/him/her (other than members of our Group) (as the case may be) has not received the Pre-emptive Right Notice, the relevant Controlling Shareholder, its/his/her close associates and/or companies controlled by it/him/her (other than members of our Group) may offer to sell such business, investment or interest in the Restricted Activity to other third parties on such terms which are no more favourable than those made available to our Group. In deciding whether to exercise the Pre-emptive Right, our Directors will consider various factors including the purchase price and their values and benefits, as well as the benefit that they will bring to our Group.

For the above purpose, the "**Relevant Period**" means the period commencing on the [REDACTED] and shall expire on the earlier of:

(i) the date on which the relevant Controlling Shareholder, its/his/her close associates and/or companies controlled by it/him/her, individually or taken as a whole, cease to be our Controlling Shareholders for the purpose of the GEM Listing Rules; and

(ii) the date on which our Shares cease to be [REDACTED] on the GEM of the Stock Exchange.

The Deed of Non-competition is conditional on (i) the Listing Division of the Stock Exchange granting the approval of the [REDACTED] of, and permission to deal in, our Shares in issue and our Shares to be allotted and issued as mentioned in this document, and such [REDACTED] and permission not subsequently having been revoked prior to the commencement of dealings in our Shares on the Stock Exchange; (ii) the [REDACTED] having been duly determined; and (iii) the obligations of the [REDACTED] under the [REDACTED] becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the [REDACTED] (for themselves and on behalf of the [REDACTED])) and the [REDACTED] not being terminated in accordance with its terms.

CORPORATE GOVERNANCE MEASURES TO AVOID CONFLICT OF INTEREST

Our Directors recognise the importance of incorporating elements of good corporate governance in management conducive to the protection of the interests of our Shareholders. In particular, the following corporate governance measures in relation to managing the potential conflict of interest arising from potential competing business between our Controlling Shareholders and our Group will be taken:

(i) our independent non-executive Directors will review, on an annual basis, the compliance with the Deed of Non-competition by our Controlling Shareholders;

(ii) our Company will disclose the decisions on matters reviewed by our independent non-executive Directors relating to the compliance with and enforcement of the Deed of Non-competition in the annual report;

(iii) our Controlling Shareholders will (if necessary) make an annual declaration on compliance with their undertakings under the Deed of Non-competition in the annual report of our Company;

(iv) the Independent Board Committee of our Company comprising all independent non-executive Directors will be responsible for deciding and given the authority to decide: (i) in the New Opportunity; and (ii) in the exercise of the Pre-emptive Right. In addition, the Independent Board Committee may, at the costs of our Company and from time to time, engage independent financial adviser and other external professional advisers as they may consider necessary to advise them on the issues which relate to the above matters;

(v) in the event that there is conflict of interest in the operations of our Group and our Controlling Shareholders, any Director, who is considered to be interested in a particular matter or the subject matter, shall disclose his interests to our Board. Pursuant to the Constitution, should a Director have any material interests in the matter (other than certain matters permitted under note 5 of Appendix 3 to the GEM Listing Rules), he shall not vote on the resolutions of our Board approving the same and shall not be counted in the quorum of the relevant Board meeting;

(vi) our Directors will ensure that any material conflict or potential conflict involving our Controlling Shareholders will be reported to our independent non-executive Directors as soon as practicable when such conflict or potential conflict is known to our Controlling Shareholders involved and a Board meeting will be held to review and evaluate the implications and risk exposure of such event and will monitor any material irregular business activities;

(vii) any transaction (if any) between (or proposed to be made between) us and our connected persons will be required to comply with Chapter 20 of the GEM Listing Rules, including, where applicable, the announcement, reporting, annual review and independent Shareholders' approval requirements and with those conditions imposed by the Stock Exchange for the grant of waiver(s) from strict compliance with relevant requirements under the GEM Listing Rules; and

(viii) our Company has appointed Innovax Capital as our compliance adviser, which will provide advice and guidance to our Group in respect of compliance with the applicable laws and the GEM Listing Rules including various requirements relating to directors' duties and internal control measures.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between our Controlling Shareholders and our Group and to protect the interests of our Shareholders, in particular, our minority Shareholders.

OVERVIEW

During the Track Record Period, we have entered into transactions with connected persons of our Company. Upon the [REDACTED], certain members of our Group will continue to have transactions with connected persons of our Company and these transactions will constitute continuing connected transactions of our Group pursuant to Chapter 20 of the GEM Listing Rules. A summary of the continuing connected transactions is set out below:

	Brief description of transaction	Term	Applicable GEM Listing Rule	Waiver sought
1.	Sub-lease of Alexcier Office (as defined below)	Three years from 1 January 2017	Rule 20.74(1)(c) and Rule 20.76	None (De minimus transactions)
2.	Sub-lease of Spring Office (as defined below)	From 5 May 2017 to 30 April 2018	Rule 20.74(1)(c) and Rule 20.76	None (De minimus transactions)
3.	Provision of human resources services by MVG to our Group	From the [REDACTED] and ending on 31 December 2019	Rule 20.74(1)(c) and Rule 20.76	None (De minimus transactions)
4.	Provision of repair and maintenance services by Neew Pte Ltd ("**Neew**"), a wholly-owned subsidiary of MVG to ZACD POSH	From the [REDACTED] and ending on 31 December 2019	Rule 20.74(2) and Rule 20.103	Reporting and announcement requirements
5.	Provision of investment management services	Not applicable	Rule 20.103	(i) Reporting, announcement and independent Shareholders' approval requirements; and (ii) Fixing a term to three years or less

CONNECTED PERSONS

Mr. Yeo, Ms. Sim and ZACD Investments are our Controlling Shareholders. Hence, each of them is considered as a connected person of our Company pursuant to Rule 20.07(1) of the GEM Listing Rules upon the [REDACTED].

ZACD Investments has established certain Investment SPVs as their initial subscribers of shares to invest in and hold the issued shares of Development SPVs set up between the Investment SPVs and the real estate developer partners of real estate projects (the "**Projects**"). Generally, ZACD Investments and other investors who are Independent Third Parties would finance the Investment SPVs by way of subscribing to the convertible loans of the Investment SPVs pursuant to the Convertible Loan Agreements. Prior to the conversion of the Convertible Loans into shares of the Investment SPVs (the "**Conversion**"), the issued shares of the Investment SPVs would continue to be wholly owned by ZACD Investments. Hence, all Investment SPVs, before the Conversion, are considered as subsidiaries of ZACD Investments and our connected persons upon the [REDACTED]. After the Conversion, the Investment SPVs, with 30% or more of their issued

shares held, directly or indirectly, by our Group and/or ZACD Investments and 10% or more of their issued shares held by ZACD Investments (other than those indirectly held through our Group), and their subsidiary Development SPVs are considered as associates of ZACD Investments and our connected persons upon the [REDACTED].

ARO II Fund is a general purpose real estate fund sponsored by ZACD Investments. As ZACD Investments holds the entire ordinary share capital of this fund comprising two ordinary shares with voting rights, ARO II Fund is considered as an associate of ZACD Investments and our connected person upon the [REDACTED].

As such, the above mentioned Investment SPVs and Development SPVs and the ARO II Fund (the "**Connected SPVs and Fund**") which are subsidiaries or associates of ZACD Investments will become our connected persons pursuant to Rule 20.07(4) of the GEM Listing Rules upon the [REDACTED].

All the issued shares of MVG are owned as to 50% by each of Mr. Yeo and Ms. Sim and therefore, MVG together with its subsidiaries including SLPI and Neew will be considered as associates of Mr. Yeo and Ms. Sim and connected persons of our Company pursuant to Rule 20.07(4) of the GEM Listing Rules.

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

Following the [REDACTED], the continuing connected transactions of our Group set out below constitute fully exempt continuing connected transactions under the GEM Listing Rules:

Sub-leases

(a) ***Description of the transactions***

Alexcier Office

On 12 June 2017, ZACD POSH as tenant, and ZACD Investments as landlord entered into a tenancy agreement in relation to the lease of office premises at 237 Alexandra Road, #08-01, Singapore 159929 (the "**Alexcier Office**") with an aggregate floor area of approximately 396.14 sq.m. to ZACD POSH and its related corporations as office (the "**Alexcier Office Tenancy Agreement**"). The term of the tenancy commenced on 1 January 2017 and ends on 31 December 2019 at a rent and service charge in the aggregate amount of S$16,200 per month payable in advance on the first day of each calendar month (exclusive of property tax, inclusive of utility and other property related miscellaneous expenses).

The historical figures for this transaction incurred by our Group for the two years ended 31 December 2016 and three months ended 31 March 2017 were S$58,500, S$58,500 and S$48,600, respectively. Such rental fee for the two years ended 31 December 2016 was included in the corporate service charge paid by us to MVG, which amounted to S$197,000 and S$207,000,

respectively, and was terminated in December 2016. For the three months ended 31 March 2017, the rental fee of Alexcier Office was charged under the Alexcier Office Tenancy Agreement.

The annual rental payable by us to ZACD Investments for each of the years ending 31 December 2017, 2018 and 2019 will be approximately S$194,400 (equivalent to approximately HK$1,103,920). In arriving at the above annual rental, our Directors have considered, among others, the floor area under the Alexcier Office Tenancy Agreement and the prevailing market rates, namely, the rental payable for similar properties to be leased from an Independent Third Party at similar locations.

Spring Office

On 12 June 2017, each of our Company and ZACD Capital, as a sub-tenant, entered into a sub-tenancy agreement with SLPI, a wholly-owned subsidiary of MVG, as head tenant (collectively, the "**Spring Office Tenancy Agreements**") for the lease of office premises at an identified portion of 2 Bukit Merah Central, #22-01, Singapore 159835 (the "**Spring Office**"), the details of which are set out as below:

Sub-Tenancy Agreement	Sub-tenant	Head Tenant	Term	Option to Renew	Floor Area (Approximate)	Monthly Rent
Tenancy Agreement 1	Our Company	SLPI	The period commencing on 5 May 2017 and expiring on 30 April 2018	Nil	367.07 sq.m.	S$14,000 in advance on the first day of each and every calendar month (exclusive of property tax, inclusive of utilities and other property related miscellaneous expenses)
Tenancy Agreement 2	ZACD Capital	SLPI	The period commencing on 5 May 2017 and expiring on 30 April 2018	Nil	156.2 sq.m.	S$5,800 in advance on the first day of each and every calendar month (exclusive of property tax, inclusive of utilities and other property related miscellaneous expenses)
				Total	**5,632.43 sq.ft.**	**S$19,800**

The Spring Office landlord was the Government of the Republic of Singapore, who has leased the Spring Office to SLPI which was then sublet to our Company and ZACD Capital. The historical figures for this transaction incurred by our Group for the two years ended 31 December 2016 and three months ended 31 March 2017 were S$23,200, S$23,200 and S$5,800, respectively. This rental fee during the Track Record Period was included in the corporate service charge paid by us to MVG, which amounted to S$197,000, S$207,000 and S$46,000, respectively, and was terminated in May 2017. The rental fee of Spring Office has been charged under Spring Office Tenancy Agreements since May 2017.

Our Group leased the Spring Office to use it as our office premises. As our Spring Office has been known to our business partners, we currently do not have any plan to, and in the foreseeable future will not, relocate to alternative properties, which we believe is in the interest of our Company and our Shareholders as a whole in terms of cost, time and operational stability.

The aggregate annual rental payable by our Company and ZACD Capital to SLPI for the year ending 31 December 2017 and four months ending 30 April 2018 under the Spring Office Tenancy Agreements will be approximately S$158,400 (equivalent to approximately HK$0.9 million) and S$79,200 (equivalent to approximately HK$0.5 million), respectively. In arriving at the above annual rental, our Directors have considered, among others, the floor area under the Spring Office Tenancy Agreements and the prevailing market rates, namely, the rental payable for similar properties to be leased from an Independent Third Party at similar locations.

Our Directors considered that the Alexcier Office Tenancy Agreement and the Spring Office Tenancy Agreements and the continuing connected transactions thereunder were entered into in the ordinary course of our Group's business after arm's length negotiation, and the terms thereof are on normal commercial terms, fair and reasonable and in the interests of our Company and our Shareholders as a whole.

(b) ***Implication under the GEM Listing Rules***

As all of the applicable percentage ratios in respect of the annual rental of the Alexcier Office Tenancy Agreement and the Spring Office Tenancy Agreements for each of the years ending 31 December 2017, 2018 and 2019, respectively, are less than 5% and the total annual consideration is less than HK$3 million, the transactions contemplated thereunder constitute de minimis continuing connected transactions exempt from independent Shareholders' approval, annual review and all disclosure requirements set out in Chapter 20 of the GEM Listing Rules.

Receiving of human resources services

(a) ***Description of the transaction***

MVG is currently providing and intends to continue to provide human resources services to our Group at S$85 per head count based on MVG's actual cost incurred in the supply and procuring of the supply of services. Such fees were determined with reference to (i) the estimated headcount and time recorded; and (ii) the prevailing market rates of similar services by independent third parties on a cost basis. Accordingly, on [●], MVG and our Company (for itself and on behalf of its subsidiaries) entered into a human resources services agreement (the "**HR Services Agreement**") pursuant to which MVG, as a service provider, has agreed to provide to our Group human resources services including recruitment, training, payroll and administration services for a term commencing on the [REDACTED] and ending on 31 December 2019. Our Directors understand that our Group would be able to retain or source human resources services from Independent Third Party service providers and such services from MVG are not critical to our operations. However, this is not the preference of either our Group or MVG and its subsidiaries given that it will be more cost-efficient and convenient to continue with the human resources services arrangement.

The annual service fee payable by us to MVG for each of the financial years ending 31 December 2017, 2018 and 2019 is expected not to exceed S$145,000 (equivalent to approximately HK$819,000), S$153,000 (equivalent to approximately HK$866,000) and S$211,000 (equivalent to approximately HK$1.2 million), respectively. In arriving at the above annual caps, our Directors have considered the estimated costs to be incurred by MVG for the provision of human resources services expected to be required or demanded by us with reference to the estimated head count and duration of the services and the prevailing market rates of providing similar services, namely the service fee payable for similar human resources services to be received from Independent Third Party service providers.

Our Directors considered that the receiving of human resources services under the HR Services Agreement and the proposed annual service fees thereof are in the ordinary and usual course of business of our Group and are on normal commercial terms, fair and reasonable and in the interests of our Company and our Shareholders as a whole.

(b) ***Historical transaction amounts***

The historical annual fee of human resources services paid by us to MVG for the two years ended 31 December 2016 and three months ended 31 March 2017 was S$30,000 (equivalent to approximately HK$168,000), S$65,000 (equivalent to approximately HK$371,000) and S$25,000 (equivalent to approximately HK$143,000), respectively. Such fee was included in the corporate service charge paid by us to MVG, which amounted to S$197,000 (equivalent to approximately HK$1.1 million), S$207,000 (equivalent to approximately HK$1.2 million) and S$46,000 (equivalent to approximately HK$263,000) for the years ended 31 December 2015 and 2016 and three months ended 31 March 2017, respectively, and was terminated in May 2017.

(c) ***Implication under the GEM Listing Rules***

As all of the applicable percentage ratios in respect of the annual aggregate service fee payable to MVG for each of the years ending 31 December 2017, 2018 and 2019, respectively, are less than 5% and the total annual consideration is less than HK$3 million, the transactions contemplated under the HR Services Agreement constitute de minimis continuing connected transactions exempt from independent Shareholders' approval, annual review and all disclosure requirements set out in Chapter 20 of the GEM Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Continuing Connected Transactions Subject to Reporting and Announcement Requirement

Receiving of repair and maintenance services

(a) ***Description of the transaction***

A wholly-owned subsidiary of MVG, Neew, is currently providing and intends to continue to provide certain repair and maintenance services, including building maintenance works, to ZACD POSH (as part of the property management services to be provided to Independent Third Party customers of ZACD POSH). The price shall be determined after arm's length commercial negotiations with reference to, among other things (i) the historical fees paid to and quotations obtained from Independent Third Party service providers for similar services; (ii) the estimated costs to be incurred by Neew for the provision of the services expected to be required or demanded by our Company with reference to the estimated head count and time to be incurred by such technician(s) as demanded by our Company under each agreement; and (iii) the prevailing market rate for similar services arrangement. Accordingly, on [●], Neew and ZACD POSH entered into a repair and maintenance services agreement (the "**Repair and Maintenance Agreement**"), pursuant to which, Neew, as a supplier, has agreed to provide to ZACD POSH repair and maintenance services for a term commencing on the [REDACTED] and ending on 31 December 2019.

The annual service fee payable by us to Neew for each of the financial years ending 31 December 2017, 2018 and 2019, is expected not to exceed S$647,000 (equivalent to approximately HK$3.7 million), S$712,000 (equivalent to approximately HK$4.0 million) and S$783,000 (equivalent to approximately HK$4.4 million), respectively. In arriving at the above annual caps, our Directors have considered the estimated costs to be incurred by Neew for the provision of repair and maintenance services expected to be required or demanded by us with reference to the estimated head count and time to be incurred by such technicians as demanded by us.

Our Directors considered that the receiving of repair and maintenance services under the Repair and Maintenance Agreement and the proposed annual service fees thereof are in the ordinary and usual course of business of our Group and are on normal commercial terms, fair and reasonable and in the interests of our Company and our Shareholders as a whole.

(b) ***Historical transaction amounts***

For each of the years ended 31 December 2015 and 2016 and the three months ended 31 March 2017, the annual service fee paid by us to Neew amounted to S$42,000 (equivalent to approximately HK$239,000), S$391,000 (equivalent to approximately HK$2.2 million) and S$190,000 (equivalent to approximately HK$1.1 million), respectively.

(c) ***Implication under the GEM Listing Rules***

Given that the annual transaction amount under the Repair and Maintenance Agreement is expected to be under HK$10 million and that the applicable percentage ratios are less than 25%, the transactions contemplated thereunder constitute continuing connected transactions and will be subject to the reporting, annual review and announcement requirements under Chapter 20 of the GEM Listing Rules.

(d) ***Application for waivers***

As the transactions contemplated under the Repair and Maintenance Agreement are expected to continue upon the [REDACTED], we [have] under Rule 20.103 applied to the Stock Exchange for and the Stock Exchange [has agreed] to grant us a waiver from strict compliance with the reporting, annual review and announcement requirements under Chapter 20 of the GEM Listing Rules.

Continuing Connected Transactions Subject to Reporting, Announcement and Independent Shareholders' Approval Requirement

Provision of investment management services

The following transactions have been carried out by our Group and the connected persons of our Group during the Track Record Period and are expected to continue after the [REDACTED], which will constitute continuing connected transactions and will not be exempt from all reporting, announcement and/or independent Shareholders' approval requirements set out in Chapter 20 of the GEM Listing Rules upon the [REDACTED].

(a) ***Background***

During the Track Record Period, our wholly-owned subsidiaries, ZACD International and/or ZACD Capital have entered into a number of agreements or deeds with the Connected SPVs and Fund, ZACD Investments and independent investors in relation to our provision of investment management services (the "**Investment Management Agreements**") to ZACD Investments and the Connected SPVs and Fund. Details of the material terms under the Investment Management Agreements entered among our Group, the Connected SPVs and Fund and/or ZACD Investments which are expected to continue upon the [REDACTED] are summarised in the table below:

Name of the connected person	Relationship with us	Description of services provided by us to the connected person	Term	Type of fees payable to our Group
1. ZACD (Sennett) Pte. Ltd.	Owned as to 20.00% by ZACD Investments and 15.30% by ZACD International as at the Latest Practicable Date	Investment management services	N/A	All dividends receivable on the Establishment Shares
2. ZACD (Punggol Central) Pte. Ltd.	Owned as to 24.10% by ZACD Investments and 17.30% by ZACD International as at the Latest Practicable Date	Investment management services	N/A	All dividends receivable on the Establishment Shares
3. ZACD (Woodlands2) Pte. Ltd.	Owned as to 21.20% by ZACD Investments and 16.30% by ZACD International as at the Latest Practicable Date	Investment management services	N/A	All dividends receivable on the Establishment Shares
4. ZACD (AMK) Pte. Ltd.	Owned as to 100% by ZACD Investments as at the Latest Practicable Date and will be owned as to 25.24% by ZACD Investments and 14.95% by ZACD International after the Conversion	Investment management services	N/A	All dividends receivable on the Establishment Shares
5. ZACD (Frontier) Pte. Ltd.	Owned as to 100% by ZACD Investments as at the Latest Practicable Date and will be owned as to 30.50% by ZACD Investments and 18.20% by ZACD International after the Conversion	Investment management services	N/A	All dividends receivable on the Establishment Shares
6. ZACD (Neew) Pte. Ltd.	Owned as to 100% by ZACD Investments as at the Latest Practicable Date and will be owned as to 19.40% by ZACD Investments and 18.80% by ZACD International after the Conversion	Investment management services	N/A	All dividends receivable on the Establishment Shares

Name of the connected person	Relationship with us	Description of services provided by us to the connected person	Term	Type of fees payable to our Group
7. ARO II Fund	Entire nominal ordinary share capital held by ZACD Investments	Fund management services	N/A	Management fee and performance fee
8. ZACD Investments	Our direct Controlling Shareholder	Investment management services	N/A	Management fees equivalent to 2% per annum based on the outstanding investment amount for Investment SPVs under convertible loan structures Performance fees from two Investment Projects under trust structures

For details of our services and service fees, please refer to the section headed "Business" in this document.

Upon the [REDACTED], it is expected that ZACD Investments and the Connected SPVs and Fund will continue to engage ZACD International or ZACD Capital for the provision of investment management services for the on-going Projects and in return our Group will continue to receive dividends on the Establishment Shares, management fees and performance fees from ZACD Investments and the Connected SPVs and Fund. Therefore, those transactions will constitute non-exempt continuing connected transactions of our Company (the "**Investment Management Transactions**"). All Investment Management Agreements have no express duration and our Group is obliged to provide investment management services until the relevant Projects are completed. Based on our Directors' and management's experience and the progresses of the relevant Projects, all services provided by our Group under the Investment Management Agreements are expected to be completed by the year ending 31 December 2021.

(b) ***Pricing policy***

The fees of investment management services payable by ZACD Investments and the Connected SPVs and Fund to us under each contract or deed entered into between ZACD Investments and the Connected SPVs and Fund and the relevant members of our Group were arrived at after arm's length negotiations between ZACD Investments and the relevant Connected SPVs and Fund and our Group and were determined on the basis of the following factors:

(i) *in respect of investment management services to the Connected SPVs and Fund:*

— all dividends receivable on the Establishment Shares from the relevant Investment SPVs;

— management fees for investment management services to ARO II Fund equivalent to 2% per annum of the invested capital of the fund; and

— performance fees, namely the carried interest in the form of distributions of the redeemable preference class B shares of ARO II Fund equivalent to 15% of the net proceeds from the realisation of investments of ARO II Fund after full repayment of the invested capital to the investors.

(ii) *in respect of the investment management services to ZACD Investments*

— management fees equivalent to 2% per annum of dollar value of ZACD Investments' outstanding investment in seven Projects; and

— performance fees in the range of 10% to 25% of profits.

(c) ***Reasons for the transactions***

All the Connected SPVs and Fund were established prior to the Track Record Period, during which the Connected SPVs and Fund were used as vehicles for ZACD Investments and independent investors to jointly invest in the Projects. As the Investment Management Agreements have already been entered into, we are contractually obliged to complete the management or consultancy services as specified in the relevant Investment Management Agreements which will expire after completion of the relevant Projects.

The continuation of our business with ZACD Investments and the Connected SPVs and Fund is fundamental to us as the Investment Management Agreements have offered profits to our Group in the past. The revenue from the Investment Management Transactions have contributed 7.2%, 39.6% and 16.2% of our total revenue for the financial years ended 31 December 2015 and 2016 and the three months ended 31 March 2017, respectively. Although the fees received by our Group under the Investment Management Agreements represented a substantial portion of our total revenue during the Track Record Period and the transactions contemplated thereunder will technically constitute connected transactions of our Company under Chapter 20 of the GEM Listing Rules, only six Investment SPVs and the ARO II Fund will remain as our connected persons and continue to have transactions with us after the [REDACTED] and with the use of the fund structure adopted by our Group for fund management, such continuing connected transactions will be minimised. As regards the ARO II Fund, our Directors considered that it would be unduly burdensome and impracticable and would impose unnecessary administrative costs on us to transfer all the ordinary shares which carry the voting rights in general meetings of the ARO II Fund to our Group. As at the Latest Practicable Date, the ARO II Fund has allotted 15,850 preference shares with additional share capital of S$15,850,000 to various independent subscribers to such fund.

As the fees received by our Group under the Investment Management Agreements represented a substantial portion of the total revenue of our Group during the Track Record Period, it is commercially advantageous to our Group to link the respective term of the Investment Management Agreements with the duration of the Projects. Further, our Directors are of the view that it would be impracticable and would impose unnecessary administrative costs on our Group to amend the clauses of the Investment Management Agreements so as to impose fixed terms on the same, for the reasons that (i) given the nature of the Investment Management Transactions, durations of which depend on the progresses of the Projects, the terms of the Investment Management Agreements cannot be fixed at the time of execution before the commencement of the Projects; (ii) the Investment Management Agreements have already been entered into. It would be unduly

burdensome and impracticable for our Group to amend or renegotiate the terms and clauses of the Investment Management Agreements with the Connected SPVs and Fund, ZACD Investments and independent investors; (iii) the Investment Management Agreements will not be renewed after completion of the relevant Projects; and (iv) all services provided by our Group under the Investment Management Agreements are expected to be completed by the year ending 31 December 2021. Given the nature of the Investment Management Transactions, our Directors are of the view that the Investment Management Agreements are in the interests of our Company and our Shareholders as a whole.

(d) ***Historical transaction amounts***

For the years ended 31 December 2015 and 2016 and the three months ended 31 March 2017, the revenue generated by our Group for the provision of investment management services to ZACD Investments and the Connected SPVs and Fund amounted to approximately S$631,000 (equivalent to approximately HK$3.6 million), S$4.6 million (equivalent to approximately HK$25.9 million) and S$442,000 (equivalent to approximately HK$2.5 million), respectively, which represented approximately 7.2%, 39.6% and 16.2% of our Group's total revenue during the same period, respectively.

(e) ***Annual caps and basis of caps***

We expect the aggregate maximum amount of the fees payable to our Group under the Investment Management Agreements shall not exceed the annual caps of S$2,942,000 (equivalent to approximately HK$13.4 million), S$988,000 (equivalent to approximately HK$5.6 million) and S$500,000 (equivalent to approximately HK$2.8 million) for the years ending 31 December 2017, 2018 and 2019, respectively.

The above annual caps are derived based on (i) the historical transaction amounts between our Group, ZACD Investments and the Connected SPVs and Fund for the years ended 31 December 2015 and 2016 and the three months ended 31 March 2017 in respect of the provision of investment management services to ZACD Investments and the Connected SPVs and Fund; and (ii) our estimation of the fees and dividends receivable on the Establishment Shares for the provision of investment management services which we expect to receive for the on-going Projects from ZACD Investments and the Connected SPVs and Fund to us; (iii) a buffer for unexpected increases in the transaction amounts; and (iv) our estimation of completion time of the on-going Projects.

(f) ***Implication under the GEM Listing Rules***

Given that the annual transaction amount under the Investment Management Agreements is expected to be over HK$10 million, the transactions contemplated thereunder constitute continuing connected transactions and will be subject to the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

All Investment Management Agreements, as the agreements for continuing connected transactions, are subject to the requirement under Rule 20.50 of the GEM Listing Rules, which stipulates that the period for the agreement for continuing connected transactions must not exceed three years, except in special circumstances where the nature of the transaction requires a longer period.

(g) ***Application for waivers***

As the Investment Management Agreements are expected to continue on a recurring basis upon the [REDACTED], we [have] under Rule 20.103 of the GEM Listing Rules applied to the Stock Exchange for and the Stock Exchange [has agreed to grant us waivers] from strict compliance with (i) the announcement, circular and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules in respect of the Investment Management Transactions; and (ii) fixing a term of the Investment Management Transactions to three years or less, for so long as our Shares are [REDACTED] on the Stock Exchange and subject to the following conditions:

(a) No changes without independent non-executive Directors' approval: no changes to the existing Investment Management Agreements will be made without the approval of the independent non-executive Directors;

(b) No changes without independent Shareholders' approval: no changes to the existing Investment Management Agreements will be made without the approval of our independent Shareholders;

(c) No renewal: upon the expiry of the existing Investment Management Agreements, no such agreements will be renewed. Instead, all our investment management services will be carried out by us for funds to be managed by us via the fund structures, in which ZACD Fund holds the entire ordinary share capital of each real estate private equity fund. The directors, chief executive or substantial shareholders (as defined in the GEM Listing Rules) of such real estate private equity funds will be treated as our connected persons and transactions between these connected persons and us shall comply with Chapter 20 of the GEM Listing Rules. Transactions between such real estate private equity funds for which voting power is wholly or majority owned or controlled by us and our connected persons shall also comply with Chapter 20 of the GEM Listing Rules;

(d) On-going reporting and approvals: we will disclose details relating to the Investment Management Transactions on an on-going basis as follows:

- details of the Investment Management Transactions will be disclosed in our annual report and accounts in accordance with the relevant provisions of the GEM Listing Rules;

- the independent non-executive Directors will review the Investment Management Transactions annually, and confirm in our annual reports and accounts for the relevant year that the transactions carried out during such year have been entered into based on the principal terms and pricing policies as disclosed in this document that are fair and reasonable and in the interests of our Shareholders as a whole;

- our auditor will carry out review procedures annually on the transactions under the Investment Management Transactions and will provide a letter to our Directors with a copy to the Stock Exchange, at least ten business days before the bulk printing of its annual report, reporting on their findings pursuant to Rule 20.54 of the GEM Listing Rules;

- for the purposes of Chapter 20 of the GEM Listing Rules, the real estate private equity funds, of which ZACD Fund holds their respective entire ordinary share capital, will be treated as our Company's subsidiaries, and the respective directors, chief executives or substantial shareholders of such real estate private equity funds and their respective associates will be connected persons, and transactions between these connected persons and us, and such real estate private equity funds and our connected persons, will be subject to requirements under Chapter 20 of the GEM Listing Rules; and

- ZACD Investments and the Connected SPVs and Fund will undertake to provide our management and auditor sufficient access to their relevant records for the purpose of our auditors' review of the continuing connected transactions.

We will comply with the relevant requirements under Chapter 20 of the GEM Listing Rules, including, but not limited to, the proposed annual caps set out above, and will comply with the relevant rules of Chapter 20 of the GEM Listing Rules (including Shareholders' approval requirements as appropriate) if the waivers from the Stock Exchange expire or any annual caps set out above are exceeded, or when the relevant agreement expires or when any terms of the Investment Management Transactions are materially altered or our Company enters into new agreements with any such connected persons.

CONFIRMATION FROM DIRECTORS

For reasons stated above, our Directors are of the view that the non-exempt continuing connected transactions are fundamental to our Group's business operations, have been and shall be entered into in the ordinary and usual course of our business, are on normal commercial terms and are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and the proposed annual caps set for the non-exempt continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Directors also believe that the structure of the Connected SPVs and Fund, places our Group in a special position in relation to the connected transaction rules. Accordingly, notwithstanding that the Investment Management Transactions technically constitute continuing connected transactions for the purposes of Chapter 20 of the GEM Listing Rules, our Directors

consider that it would be unduly burdensome and impracticable and would impose unnecessary administrative costs on us to be subject to strict compliance with the requirements set out under Chapter 20 of the GEM Listing Rules in respect of these Investment Management Transactions.

Our Directors further confirm that it is a normal business practice and in the best interest of our Company and our Shareholders for the Investment Management Agreements to be of a duration longer than three years or without any express duration.

CONFIRMATION FROM THE JOINT SPONSORS

The Joint Sponsors have reviewed the relevant documents, information and historical figures provided by our Group, and have participated in the due diligence and discussions with our management. Based on the above, the Joint Sponsors are of the view that the non-exempt continuing connected transactions are fundamental to our business operations, have been entered into in the ordinary and usual course of our business, are based on normal commercial terms (as defined under Chapter 20 of the GEM Listing Rules) and are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and the annual caps set for the non-exempt continuing connected transactions are fair and reasonable as far as our Shareholders are concerned and in the interests of our Company and our Shareholders as a whole. With respect to the term of each relevant Investment Management Agreement which term is of a duration longer than three years or provides no express duration, after taking into consideration of the reasons for and our Directors' views on the entering of the relevant Investment Management Agreement, the Joint Sponsors concur that the long-term nature or no express duration of the relevant Investment Management Agreement is a justifiable and normal business practice to ensure that our Group continues to derive revenue from its business operation of investment management services to ZACD Investments and the Connected SPVs and Fund after the [REDACTED].

DIRECTORS

Our Board consists of six Directors, comprising three executive Directors and three independent non-executive Directors. The following table sets forth certain information regarding our Directors:

Name	Age	Date of joining our Group	Existing position in our Company	Date of appointment as Director	Roles and responsibilities	Relationships amongst Directors and senior management
Yeo Choon Guan (Yao Junyuan) (姚俊沅)	45	28 January 2011	Executive Director and chief executive officer	8 November 2016	Responsible for overseeing the operations and strategic planning and development of our Group	Husband of Ms. Sim
Sim Kain Kain (沈娟娟)	51	28 January 2011	Executive Director and chairman of our Board	8 November 2016	Responsible for the marketing activities and overall administrative management and co-ordination of our Group's operational activities	Wife of Mr. Yeo
Siew Chen Yei (蕭勁毅)	40	1 November 2015	Executive Director and chief financial officer	8 November 2016	Responsible for driving all aspects of financial stewardship for our Group including capital raising, financial reporting and treasury	Not applicable
Kong Chi Mo (江智武)	42	[●]	Independent non-executive Director	[●]	Responsible for providing independent advice and guidance to our Board	Not applicable
Sim Mong Keang (沈茂強)	47	[●]	Independent non-executive Director	[●]	Responsible for providing independent advice and guidance to our Board	Not applicable
Cheung Ying Kwan (張應坤)	57	[●]	Independent non-executive Director	[●]	Responsible for providing independent advice and guidance to our Board	Not applicable

Executive Directors

Mr. Yeo Choon Guan (Yao Junyuan) (姚俊沅) ("Mr. Yeo"), aged 45, was appointed as our Director on 8 November 2016 and was re-designated as our executive Director and chief executive officer on 12 July 2017. He is also one of our Controlling Shareholders. As one of our Founders, Mr. Yeo is primarily responsible for overseeing the operations and strategic planning and development of our Group. He is also a director of all of our subsidiaries.

Mr. Yeo co-founded ZACD International with Ms. Sim through ZACD Investments in 2011. He has over ten years of experience in investing in the industrial property development section in Singapore. Prior to establishing our Group, Mr. Yeo gained experience in the real estate industry since 1995 when he first worked as a marketing executive in HSR International Realtors Pte Ltd ("**HSR**"), which is a real estate agency principally engaged in the marketing of local and overseas properties and providing real estate services. Mr. Yeo founded SLPI with Ms. Sim in April 2003 to engage in the real estate agency business.

Mr. Yeo completed the Singapore-Cambridge General Certificate of Education Normal Level in 1988 and the Singapore-Cambridge General Certificate of Education Ordinary Level in 1989. He also obtained a certificate of marketing (parts I and II) from the Stamford Group of Colleges of Further Education in Singapore and Malaysia in June 1994.

Mr. Yeo was awarded the Public Service Medal in 2015 by the President of Singapore and has been serving as the chairman of Tampines North Citizens' Consultative Committee since 1 July 2016. He was also awarded the Teochew Entrepreneurs Award in 2016.

Mr. Yeo has not held any directorship in any public companies, the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Yeo is the husband of Ms. Sim, who is an executive Director, the chairman of our Board and one of our Controlling Shareholders.

Ms. Sim Kain Kain (沈娟娟) ("Ms. Sim"), aged 51, was appointed as our Director on 8 November 2016 and was re-designated as our executive Director and the chairman of our Board on 12 July 2017. She is one of our Founders and also one of our Controlling Shareholders. Ms. Sim is primarily responsible for the marketing activities of our Group and the overall administrative management and the co-ordination of our Group's operational activities. She is also a director of ZACD Australia, ZACD Financial, ZACD Fund, ZACD Group Holdings, ZACD International, ZACD POSH and ZACD China.

Ms. Sim co-founded ZACD International with Mr. Yeo through ZACD Investments in 2011. She has around 20 years of experience in international property investments. Prior to joining our Group, Ms. Sim worked as a business development manager at HSR and helped to manage the International Project Sales division from 1994 to 1995. She worked as associate director in International Sales Division at Colliers International Singapore from 1995 to 2000. Ms. Sim founded SLPI with Mr. Yeo in April 2003 to engage in the real estate agency business.

Ms. Sim completed the Singapore-Cambridge General Certificate of Education Ordinary Level in 1981 and 1982.

Ms. Sim has not held any directorship in any public companies, the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Ms. Sim is the wife of Mr. Yeo, who is an executive Director, our chief executive officer and one of our Controlling Shareholders.

Mr. Siew Chen Yei (蕭勁毅) ("Mr. Siew"), aged 40, was appointed as our Director on 8 November 2016 and was re-designated as our executive Director and chief financial officer on 12 July 2017. Mr. Siew is primarily responsible for driving all aspects of the financial stewardship for our Group including capital raising, financial reporting and treasury. He is also a director of ZACD Financial, ZACD Fund and ZACD China, and a responsible officer of ZACD Financial in respect of Type 1 *(dealing in securities (CIS))*, Type 4 *(advising on securities)* and Type 6 *(advising on corporate finance)* regulated activities.

Mr. Siew has over 10 years of experience in corporate finance, mergers and acquisitions, accounting and audit. He joined our Group as the chief financial officer under ZACD Group Holdings in November 2015. Prior to joining our Group, Mr. Siew worked in Flemmings Chartered Accountants, an accounting firm, in the United Kingdom from September 1998 to October 2001 as a senior accountant, where he was mainly responsible for accounting and auditing works. From January 2002 to April 2003, he worked in KPMG, an accounting firm, in Malaysia as an auditor where he was mainly responsible for auditing works. From May 2003 to August 2007, he worked in AmInvestment Bank, an investment bank in Malaysia as a manager of corporate finance, where he was mainly responsible for advising and executing diverse corporate transactions. From July 2009 to September 2012, he worked in Nomura International (Hong Kong) Limited, an investment bank, in Hong Kong as an associate under the investment bank division, where he mainly specified in natural resources industry projects. From November 2012 to October 2015, he worked in Canaccord Genuity (Hong Kong) Limited, an independent global investment bank, in Hong Kong first as a vice president of investment banking and then as a director, where he was mainly responsible for deal origination and project management.

Mr. Siew obtained a Bachelor of Arts degree in financial analysis from the University of Newcastle Upon Tyne in the United Kingdom in July 1998 and a master of business administration degree from London Business School to The University of London in the United Kingdom in August 2009. He became an associate of the Institute of Chartered Accountants in England and Wales in the United Kingdom in November 2001 and a chartered accountant with the Malaysian Institute of Accountants in July 2002.

Mr. Siew has not held any directorship in any public companies, the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Independent non-executive Directors

Mr. Kong Chi Mo (江智武) ("Mr. Kong"), aged 42, was appointed as an independent non-executive Director on [●] 2017 and is primarily responsible for providing independent advice and guidance to our Board.

Mr. Kong has over 19 years of experience in auditing, corporate finance, investor relations and corporate governance. Mr. Kong currectly holds various positions in the following companies listed on the Main Board of the Stock Exchange:

Company name	Stock code	Principal business	Appointment date	Role
CAA Resources Limited	02112	Mining, ore processing, sales of iron ore products and other commodities to steel manufacturers and/or their respective purchase agents in the PRC and other commodity trading companies, as well as investment holding	April 2013	Independent non-executive director
Huazhang Technology Holding Limited	01673, previously listed on the GEM of the Stock Exchange (stock code: 08276)	Research and development, manufacture and sale of industrial automation and sludge treatment products, the provision of after-sales service and wastewater treatment business in the PRC	May 2013	Independent non-executive director
Hengshi Mining Investments Limited	01370	Mining, processing and sale of iron ore products and the provision of hospital management service in the PRC	June 2013	Independent non-executive director
Jimei International Entertainment Group Limited	01159	Entertainment and gaming business, trading of chemical products, and energy conservation and environmental protection products	May 2017	Independent non-executive director
China Vanadium Titano-Magnetite Mining Company Limited ("**China Vanadium**")	00893	Mining and ore processing, sale of self-produced products, trading of iron products, coals and steels, and management of strategic investments	September 2009	Company secretary and authorised representative

Mr. Kong was the executive director and chief financial officer of China Vanadium from October 2013 to May 2015 and from May 2008 to May 2015, respectively. Mr. Kong worked at KPMG from October 1999 to December 2007 and was promoted to senior manager during his term

of office. Prior to joining KPMG, Mr. Kong worked as a finance trainee in Hutchison Telecommunications (Hong Kong) Limited from June 1997 to March 1998, and as an associate in PricewaterhouseCoopers from March 1998 to October 1999.

Mr. Kong obtained his bachelor's degree in business administration from the Chinese University of Hong Kong in December 1997. Mr. Kong became a fellow of the Association of Chartered Certified Accountants in February 2008, a member of the Hong Kong Institute of Directors ("**HKIoD**") in May 2010, and a fellow of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in February 2012. Mr. Kong received silver, gold and bronze certificates of merit in continuing professional development in 2013, 2014 and 2015, respectively from the HKIoD.

Saved as disclosed, Mr. Kong has not held any directorship in any public companies, the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Dato' Dr. Sim Mong Keang (沈茂強) ("Dr. Sim"), aged 47, was appointed as our independent non-executive Director on [●]. Mr. Sim is primarily responsible for providing independent advice and guidance to our Board.

Dr. Sim has over 20 years of experience in investment and business management. Since 1997, Dr. Sim has been the founder and director of a number of companies in Singapore engaging in a wide range of businesses, including the trading of electronics and electronic components. In June 2010, Dr. Sim was appointed as the managing director and the chief executive officer of WE Holdings Ltd, a company listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), after it was acquired through a reverse takeover by Plexus Components, which is owned by Dr. Sim. In March 2013, Dr. Sim sold his controlling stake in WE Holdings Ltd to focus on his other business activities. Dr. Sim resigned as managing director and the chief executive officer of WE Holdings Ltd in August 2013.

Since September 2015, Dr. Sim has been a non-independent non-executive director of Global Invacom Group Limited, a company listed on the Mainboard of SGX-ST and the AIM Market of the London Stock Exchange and principally engaged in providing satellite communication equipment. He is mainly responsible for providing high level oversight of management and operation.

Dr. Sim obtained a diploma in electronic engineering from Ngee Ann Polytechnic in 1990, a Bachelor of Commerce degree from Murdoch University, Australia in March 1998 and a degree of doctor of philosophy in business administration from Honolulu University, the United States of America in November 2015.

Saved as disclosed, Mr. Sim has not held any directorship in any public companies, the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Cheung Ying Kwan (張應坤) ("Mr. Cheung"), aged 57, was appointed as our independent non-executive Director on [●]. Mr. Cheung is primarily responsible for providing independent advice and guidance to our Board.

Mr. Cheung has over 20 years of experience in finance and accounting. Mr. Cheung currently holds various positions in the following companies listed on the Main Board of the Stock Exchange:

Company name	Stock code	Principal business	Appointment date	Role
Tian Shan Development (Holding) Limited	02118	Development and sale of properties in the PRC	June 2010	Independent non-executive director
Beijing Chunlizhengda Medical Instruments Co., Ltd.	01858	Research and development, production and sales of implantable orthopedic medical devices	March 2015	Independent non-executive director
Gold-Finance Holdings Limited	01462	Provision of building services in Hong Kong	February 2016	Independent non-executive director
China Metal Resources Utilisation Limited	01636	Manufacturing and sales of copper, aluminium and related products	March 2013	Company secretary

Mr. Cheung served, from April 2001 to March 2006, as the qualified accountant and company secretary of Goldigit Atom-tech Holdings Limited (now known as Jinchuan Group International Resources Co. Ltd. (stock code: 2362)), a company listed on the Main Board of the Stock Exchange, which is mainly engaging in mining operations and the trading of mineral and metal products, and as the authorised representative of that company from December 2002 to March 2006. From November 2005 to May 2013, Mr. Cheung was an independent non-executive director of Auto Italia Holdings Limited (stock code: 0720), a company listed on the Main Board of the Stock Exchange, which mainly engaged in the import, marketing, distribution and provision of after-sales service of branded products in, among others, Hong Kong and Macau. From March 2006 to August 2013, Mr. Cheung was the financial controller of Gushan Environmental Energy Limited, a company mainly engaged in the production of biodiesel and related products in the PRC and the American depository shares of which were listed on the New York Stock Exchange from December 2007 to October 2012.

Mr. Cheung was admitted as a fellow member of the Association of Chartered Certified Accountants in November 2000 and an associate of the Hong Kong Institute of Certified Public Accountants in April 1995. Mr. Cheung obtained a diploma in woven fabric manufacture from the Hong Kong Polytechnic in September 1981.

Save as disclosed, Mr. Cheung has not held any directorship in any public companies, the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Save as disclosed above, there is no other information in respect of our Directors that is disclosable pursuant to Rules 17.50(2)(a) to (v) of the GEM Listing Rules and there is no other matter that needs to be brought to the attention of our Shareholders. Save as disclosed in the paragraph headed "7. Further information about our Directors and substantial Shareholders" in Appendix IV to this document, each of our Directors does not have any interests in the Shares within the meaning of Part XV of the SFO.

SENIOR MANAGEMENT

The following table sets forth certain information regarding our senior management:

Name	Age	Date of joining our Group	Existing position in our Company	Roles and responsibilities	Relationships amongst Directors and senior management
Tan Shu Mei	32	18 August 2014	Head of property management and asset management	Responsible for overseeing property and asset management operations of our Group	Not applicable
Mak Chuen Weng	49	1 January 2012	Executive director of fund management and chief investment officer	Responsible for overseeing the research, consultancy and investment analysis function of our Group	Not applicable

Ms. Tan Shu Mei ("Ms. Tan"), aged 32, acted as senior manager of property and asset management for ZACD International since August 2014, was re-designated as the head of property management and asset management in July 2016 of ZACD International and was appointed as the head of property management and asset management of our Company in May 2017. Ms. Tan is primarily responsible for overseeing property and asset management operations of our Group.

Prior to joining our Group in September 2007, Ms. Tan worked in Property Facility Services Pte Ltd, which is principally engaged in property and facility management, as a property executive, where she was mainly responsible for property maintenance and facilities management. From 2009

to 2014, she worked in Savills CKH Pte Ltd (formerly known as Savills (Singapore) Pte. Ltd.), a global real estate services provider, as a senior property executive, where she was mainly responsible for property and asset management.

Ms. Tan obtained a Bachelor of Business degree in property from the University of South Australia in July 2009 through long-distance learning and a master of business administration degree from the University of Northampton through long-distance learning in December 2016.

Ms. Tan has not held any directorship in any public companies, the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Mak Chuen Weng ("Mr. Mak"), aged 49, acted as a research consultant for ZACD International and ZACD Capital since January 2012 and January 2013, respectively, and was appointed as the executive director of fund management and the chief investment officer of our Company in January 2017. Mr. Mak is primarily responsible for overseeing the research, consultancy and investment analysis function of our Group.

Prior to joining our Group, Mr. Mak worked in Knight Frank Private Limited, a real estate consultancy, as a director of the consultancy & research department from June 2005 to August 2009, where he was mainly responsible for leading and supervising property consultancy projects and research studies. From September 2009 to February 2010, he worked in Ngee Ann Polytechnic, an institution of higher learning in Singapore, as an adjacent lecturer of the Building & Environment Division of the School of Engineering, where he was mainly responsible for teaching and project research. From March 2010 to September 2010, he worked as a lecturer in Ngee Ann Polytechnic, where he was mainly responsible for conducting lectures and tutorials on various subjects.

Mr. Mak obtained a Bachelor of Business degree from the University of Technology, Sydney in Australia in September 1994 and a Master of Science (Real Estate) degree from the National University of Singapore in April 2002.

Mr. Mak has not held any directorship in any public companies, the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

JOINT COMPANY SECRETARIES

In order to satisfy the qualification requirements under both Hong Kong law and Singapore law, we have appointed two joint company secretaries in Hong Kong and one joint company secretary in Singapore.

As to Hong Kong Law

Mr. Siew was appointed as one of the joint company secretaries of our Company in Hong Kong on 12 July 2017. Please refer to the paragraph headed "Executive Directors" above in this section for the biography of Mr. Siew.

Mr. Ip Pui Sum (葉沛森) ("Mr. Ip"), aged 58, was appointed as one of the joint company secretaries of our Company in Hong Kong on 12 July 2017. Mr. Ip has been the founding partner of Sum, Arthur & Co., Certified Public Accountants since 1993 whose scope of services includes the provision of financial statement audit, accounting and company secretary services. Mr. Ip has been appointed as the company secretary of various companies listed on the Main Board of the Stock Exchange including Tingyi (Cayman Islands) Holding Corp. (stock code: 0322) since 12 January 1996, Luoyang Glass Company Limited (stock code: 1108) since 6 August 2008, National Agricultural Holdings Limited (stock code: 1236) since 1 December 2011, Orient Victory China Holdings Limited (stock code: 0265) since 3 October 2014, Baofeng Modern International Holdings Company Limited (stock code: 1121) since 5 April 2017 and Asiaray Media Group Limited (stock code: 1993) since 26 June 2017, and as one of the joint company secretaries of Beijing Chunlizhengda Medical Instruments Co., Ltd. (stock code:1858) since 11 March 2015.

Mr. Ip obtained a higher diploma in accountancy from the Hong Kong Polytechnic University in November 1982 and a master's degree in business administration from Henley Management College in Brunel University in May 1997. Mr. Ip is a Certified Public Accountant (Practising) in Hong Kong, a fellow member of the Chartered Association of Certified Accountants and an associate member of the Chartered Institute of Management Accountants, the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Company Secretaries.

As to Singapore Law

Mr. Tan Kim Swee Bernard (Chen Jinrui Bernard), aged 42, was appointed as one of the joint company secretaries of our Company in Singapore on 8 November 2016. He is a practising solicitor in Singapore. Mr. Tan has over 16 years of experience in legal practice including the professional secretarial services sector in Singapore. He obtained a Bachelor of Laws degree from the National University of Singapore in August 2000.

COMPLIANCE OFFICER

Mr. Siew was appointed as the compliance officer (Rule 5.19 of the GEM Listing Rules) of our Company on 12 July 2017. Please refer to the paragraph headed "Executive Directors" above in this section for the biography of Mr. Siew.

AUTHORISED REPRESENTATIVES

Mr. Siew and Mr. Ip Pui Sum are the authorised representatives of our Company.

BOARD COMMITTEES

Audit Committee

We have established an Audit Committee pursuant to a resolution of our Directors passed on [●] in compliance with Rule 5.28 of the GEM Listing Rules and with written terms of reference in compliance with the Corporate Governance Code and the Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The primary duties of our Audit Committee include (i) making recommendations to the Board on the appointment and removal of external auditors; (ii) reviewing and supervising the financial statements and material advice in respect of financial reporting; (iii) overseeing internal control procedures and corporate governance of our Company; (iv) supervising internal control systems of our Group; and (v) monitoring continuing connected transactions (if any).

Our Audit Committee currently consists of all three of our independent non-executive Directors. The members of the Audit Committee are currently Mr. Kong Chi Mo, Dr. Sim Mong Keang and Mr. Cheung Ying Kwan and the chairman is Mr. Kong Chi Mo.

Remuneration Committee

We have established a Remuneration Committee pursuant to a resolution of our Directors passed on [●] in compliance with Rule 5.34 of the GEM Listing Rules and with written terms of reference in compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the Remuneration Committee include (i) reviewing and making recommendations to our Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group; (ii) reviewing other remuneration-related matters, including benefits-in-kind and other compensation payable to our Directors and senior management; and (iii) reviewing performance-based remunerations and establishing a formal and transparent procedure for developing policy in relation to remuneration.

Our Remuneration Committee currently consists of one executive Director, Ms. Sim, and all three independent non-executive Directors, namely Mr. Kong Chi Mo, Dr. Sim Mong Keang and Mr. Cheung Ying Kwan. It is currently chaired by Dr. Sim Mong Keang, an independent non-executive Director.

Nomination Committee

We have established a Nomination Committee pursuant to a resolution of our Directors passed on [●] with written terms of reference in compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the Nomination Committee are to (i) review the structure, size, composition and diversity of our Board on a regular basis; (ii) identify individuals suitably qualified to become Board members; (iii) assess the independence of independent non-executive Directors; (iv) make

recommendations to our Board on relevant matters relating to the appointment or re-appointment of Directors; and (v) make recommendations to our Board regarding the candidates to fill vacancies on our Board.

Our Nomination Committee currently consists of one executive Director, Mr. Yeo, and all three independent non-executive Directors, namely Mr. Kong Chi Mo, Dr. Sim Mong Keang and Mr. Cheung Ying Kwan and is currently chaired by Mr. Cheung Ying Kwan.

CORPORATE GOVERNANCE CODE

Our Company's corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") in Appendix 15 to the GEM Listing Rules.

CG Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Ms. Sim is the chairman of our Board while her husband, Mr. Yeo, is our chief executive officer. In view of Ms. Sim and Mr. Yeo being founders of our Group and having been operating and managing our Group since 2011, our Board believes that the vesting of the roles of chairman and chief executive officer in Ms. Sim and Mr. Yeo, respectively, is beneficial to the business operations and management of our Group and will provide a strong and consistent leadership to our Group.

Our Board will continue to review and consider appointing Directors who are not related to other Board members for the roles of chairman of our Board and chief executive officer of our Company, respectively, at a time when it is appropriate and suitable by taking into account the circumstances of our Group as a whole.

COMPLIANCE ADVISER

We have appointed Innovax Capital as our compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules. Pursuant to Rule 6A.23 of the GEM Listing Rules, our Company must consult, and if necessary seek advice from our compliance adviser on a timely basis in the following circumstances:

(a) before the publication of any regulatory announcement, circular or financial report;

(b) where a transaction, which might be a notifiable or connected transaction is contemplated, including Share issues and Share repurchases;

(c) where our Company proposes to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and

(d) where the Stock Exchange makes an inquiry to us under Rule 17.11 of the GEM Listing Rules.

The term of this appointment shall commence on the [REDACTED] and is expected to end on the date on which we comply with Rule 18.03 of the GEM Listing Rules in respect of our financial results for the second full financial year commencing after the [REDACTED], subject to termination.

REMUNERATION AND COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate remuneration (including salaries, allowances and benefits in kind and retirement benefit scheme contributions) paid to our Directors for the two years ended 31 December 2016 and the three months ended 31 March 2017 were approximately SGD57,000, SGD348,000 and SGD89,000, respectively.

The aggregate remuneration (including salaries, bonuses, allowances and benefits in kind and retirement benefit scheme contributions) paid to our Company's five highest-paid individuals for the two years ended 31 December 2016 and the three months ended 31 March 2017 were approximately SGD719,000, SGD651,000 and SGD197,000, respectively.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest-paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors, or the five highest-paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any subsidiary of our Company.

Save as disclosed above, no payments have been made or are payable by any of member of our Group to any of our Directors or the five highest-paid individuals during the Track Record Period.

Under the arrangements currently in force, we estimate the aggregate remuneration, excluding discretionary bonus, of our Directors for the year ending 31 December 2017 to be approximately HK$1,271,700.

REMUNERATION POLICY

Our executive Directors, independent non-executive Directors and senior management receive compensation in the form of director fees, salaries, allowances, benefits in kind and/or performance-related bonuses with reference to those paid by comparable companies, time commitment and responsibilities of respective Directors and senior management and the performance of our Group. Our Group also reimburses our Directors and senior management for expenses which are necessarily and reasonably incurred for the provision of services to our Group or executing their functions in relation to the operations of our Group. We regularly review and determine the remuneration and compensation packages of our Directors and senior management by reference to, among other things, market level of remuneration and compensation paid by comparable companies, the respective experience and qualifications as well as responsibilities of our Directors and senior management and the performance of our Group.

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme under which employees of our Group including executive Directors and other eligible participants may be granted options to subscribe for Shares. The principal terms of the Share Option Scheme are summarised in the paragraph headed "8. Share Option Scheme" in Appendix IV to this document.

SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, Mr. Yeo and Ms. Sim (through ZACD Investments) held, indirectly, 1,000,000,000 Shares, representing the entire issued share capital of our Company.

As at the date of this document, Mr. Yeo and Ms. Sim (through ZACD Investments) held, indirectly, [REDACTED] Shares, representing the entire issued share capital of our Company.

So far as is known to our Directors, immediately following the completion of the [REDACTED] (without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED] and the options which may be granted under the Share Option Scheme), the following persons will have an interest and/or a short position in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or would be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group:

Name of Shareholder	Nature of interest and capacity	Number of Shares held or interested	Approximate percentage of the total issued Shares
ZACD Investments	Beneficial owner	[REDACTED]	[REDACTED]
Mr. Yeo*(Note 1)*	Interest in a controlled corporation	[REDACTED]	[REDACTED]
Ms. Sim*(Note 1)*	Interest in a controlled corporation	[REDACTED]	[REDACTED]

Note:

1. 51% and 49% of the total issued share capital of ZACD Investments are owned by Mr. Yeo and Ms. Sim, respectively, who are both deemed to be interested in all the Shares held by ZACD Investments by virtue of the SFO. Ms. Sim is the spouse of Mr. Yeo.

Save as disclosed herein, our Directors are not aware of any person who will, immediately following the completion of the [REDACTED] (without taking into account any Shares which may be issued upon the exercise of the [REDACTED] and the options which may be granted under the Share Option Scheme), have an interest or a short position in any Shares or underlying Shares, which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group and are therefore regarded as substantial Shareholders under the GEM Listing Rules.

SHARE CAPITAL OF OUR COMPANY

All of the issued Shares of our Company comprise ordinary shares. Pursuant to the Singapore Companies Act, companies incorporated in Singapore no longer have an authorised share capital and there is no concept of par value in respect of issued shares.

As at the date of this document, our Company's issued and paid-up share capital was S$13,704,642 (excluding share issuance costs).

Assuming the [REDACTED] is not exercised, the total number of Shares immediately before and following the completion of the [REDACTED] will be as follows:

		Approximate percentage of the total number of Shares issued following the completion of the [REDACTED]
	Issued and to be issued	
[REDACTED]	Shares in issue (immediately prior to the completion of the [REDACTED])	[REDACTED]
[REDACTED]	Shares to be issued under the [REDACTED]	[REDACTED]
[REDACTED]	Total	100%

Assuming the [REDACTED] is exercised in full, the total number of Shares immediately before and following the completion of the [REDACTED] will be as follows:

		Approximate percentage of the total number of Shares issued following the completion of the [REDACTED]
	Issued and to be issued	
[REDACTED]	Shares in issue (immediately prior to the completion of the [REDACTED])	[REDACTED]
[REDACTED]	Shares to be issued under the [REDACTED] (including all Shares which may be issued under the [REDACTED])	[REDACTED]
[REDACTED]	Total	100%

TREASURY SHARES

Under the Singapore Companies Act, Shares purchased or acquired by our Company may be held or dealt with as treasury Shares. Please refer to Appendix III to this document for a summary of some of the provisions on treasury shares under the Singapore Companies Act.

As at the date of this document, no treasury Shares are held by our Company.

ASSUMPTIONS

The above table assumes that the [REDACTED] becomes unconditional and the issue of Shares pursuant to the [REDACTED] are made. It takes no account of any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any options that may be granted under the Share Option Scheme, and any Shares which may be issued or repurchased by us pursuant to the general mandates given to our Directors to allot and issue or repurchase Shares as described below.

RANKING

The [REDACTED] will be ordinary Shares in the share capital of our Company and will rank *pari passu* in all respects with all the Shares now in issue or to be issued as mentioned in this document, and, in particular, will qualify in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this document.

GENERAL MANDATES TO ALLOT AND ISSUE SHARES

Subject to the [REDACTED] becoming unconditional, general mandates have been granted to our Directors to allot and issue Shares and to repurchase Shares. For details of such general mandates, please see Appendix IV to this document.

SHARE OPTION SCHEME

Pursuant to the written resolutions of our sole Shareholder passed on [●], we conditionally adopted the Share Option Scheme. A summary of the principal terms of the Share Option Scheme is set out in the paragraph headed "8. Share Option Scheme" in Appendix IV to this document.

You should read this section in conjunction with our audited consolidated financial information as at and for the years ended 31 December 2015 and 2016 and three months ended 31 March 2017, including the notes thereto, as set out in "Appendix I — Accountants' Report" to this document. The consolidated financial information has been prepared in accordance with IFRS. You should read the whole of the Accountants' Report included as Appendix I to this document and not rely merely on the information contained in this section.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those anticipated in the forward-looking statements. Factors that might cause future results to differ significantly from those anticipated in the forward-looking statements include those discussed in "Risk Factors".

OVERVIEW

Our Group is an integrated asset manager headquartered in Singapore offering integrated solutions across the real estate value chain during different stages of real estate project development in Singapore and elsewhere in the Asia-Pacific region. Known for our pioneering spirit and acute business strategies, we have a reputation for identifying and seizing market opportunities before others to capture the first mover advantages ahead of economic cycles. Currently, our Group is principally engaged in the following businesses: (i) investment management services, which are carried out as (a) SPV investment management (PE structures) and (b) fund management; (ii) project consultancy and management services; (iii) property management and asset management services; and (iv) financial advisory services.

For the years ended 31 December 2015 and 2016, our revenue amounted to approximately S$8.7 million and S$11.5 million, respectively, while our profit for the year attributable to owners of the parent amounted to approximately S$6.0 million and S$3.6 million, respectively. Excluding the non-recurring [REDACTED] expenses of [REDACTED] and approximately [REDACTED] in 2015 and 2016, our profit for the year attributable to owners of the parent amounted to approximately S$6.0 million and S$4.4 million, respectively.

For the three months ended 31 March 2016 and 31 March 2017, our revenue amounted to approximately S$1.7 million and S$2.7 million, respectively, while our result for the period attributable to owners of the parent amounted to approximately profit of S$649,000 and loss of S$37,000, respectively. Excluding the non-recurring [REDACTED] expenses of [REDACTED] and approximately [REDACTED] for the three months ended 31 March 2016 and 31 March 2017, our profit for the period attributable to owners of the parent amounted to approximately S$649,000 and S$588,000, respectively.

BASIS OF PRESENTATION

Our Company is a company limited by shares, which is domiciled and incorporated in Singapore.

In preparation for the [REDACTED] of our Company's shares on GEM, a business transfer agreement was entered into between SLPI and a subsidiary now comprising our Group, pursuant to which the property management and asset management business segment formerly operated by SLPI was transferred to a subsidiary now comprising our Group and the business transfer was completed on 1 July 2016. SLPI is jointly owned by our Controlling Shareholders who are also the controlling shareholders of ZACD Investments, the ultimate holding company of the Company.

The property management and asset management business segment formerly operated by SLPI did not exist as a legal or statutory entity and no separate statutory financial statements were therefore prepared. The historical financial information of the property management and asset management business segment formerly operated by SLPI has been prepared to reflect its historical results of operations and its historical assets and liabilities.

Our Company and its subsidiaries now comprising our Group underwent the Reorganisation as set out in the section headed "History, Development and Reorganisation" in this document. Pursuant to the Reorganisation, our Company became the holding company of the companies now comprising our Group upon completion of the Reorganisation on 31 March 2017. The companies now comprising our Group and the property management and asset management business segment formerly operated by SLPI were under the common control of our Controlling Shareholders before and after the Reorganisation. Accordingly, the consolidated financial information has been prepared on a consolidated basis by applying the principles of merger accounting as if the Reorganisation and the transfer of the property management and asset management business segment formerly operated by SLPI had been completed at the beginning of the Track Record Period or since the date when the respective subsidiaries first came under the common control of our Controlling Shareholders, whichever is later.

The consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of our Group for the Track Record Period and the three months ended 31 March 2016 include the results and cash flows of all the companies and businesses now comprising our Group from the earliest date presented or since the date when the respective subsidiaries and businesses were incorporated/established or first came under the common control of our Controlling Shareholders, whichever is later. The consolidated statements of financial position of our Group as at the end of each of the Track Record Period have been prepared to present the assets and liabilities of the subsidiaries and businesses using the existing book values from our Controlling Shareholders' perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

All intra-group transactions and balances have been eliminated on consolidation.

Our consolidated financial information has been prepared in accordance with IFRSs and under the historical cost convention, except for available-for-sale financial assets and a financial asset at fair value through profit or loss, which have been measured at fair value.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been and will continue to be affected by a number of factors, including those set out below:

Our success depends on our ability to identify or source real estate projects which are suitable for our Investment Projects

Our business model depends to a large extent on our ability to identify and source suitable and desirable real estate projects that can achieve our investment target returns. The identification and sourcing of real estate projects will depend on a number of factors which may be out of our control, such as (i) the continuation of our relationships with certain key developers or (ii) the number of real estate projects in the market that are suitable for our investment target returns. As such, we cannot assure you that we will be able to source new real estate projects that are suitable and desirable for our future Investment Projects. Any failure to do so may have a material adverse impact on our business, financial condition, results of operations and growth prospects.

General economic conditions and regulatory environment of the real estate development industry

The performance of our investment management services business segment is directly correlated to the performance of our Investment Projects. This can be reflected by the fair value of our available-for-sale financial assets, which reflects our entitlement of future cash flow from our Investment Projects. The valuation of our available-for-sale financial assets, which is carried at fair value, is subject to, among other factors, certain market conditions and risks. A sensitivity analysis on the fair value of our available-for-sale financial assets to the significant unobservable input is set forth in note 30 of Appendix I to this document.

Our project consultancy and management services business segment is complementary to the real estate development industry, such that the performance of our project consultancy and management services business segment is highly correlated to real estate development activities. The Singapore real estate development industry is to a large extent affected by the conditions of the Singapore economy, while the general economic conditions in Singapore have affected and may continue to affect the business and result of operation of our project consultancy and management services business segment. In addition, changes in national or local policies related to the Singapore real estate development industry may affect the level of activities in the industry, as well as the supply of land for real estate projects, project financing, foreign investment and taxation.

Our revenue from property management and asset management services business segment is relatively less sensitive to the general economic conditions because the set-up of MCSTs, which are the major target of our services, is required under the laws.

Pipeline of projects

Generally, our business activities in Singapore are conducted on a project-basis. The duration and contract value of the projects would be varied by scale and complexity. For our investment management services business segment, we have to continue to collaborate with the real estate developer partners to obtain new real estate projects. Also, for our project consultancy and management services business segment, as the revenue is not recurring in nature, we have to continuously secure new contracts to achieve a stable level of revenue. Specifically, we are highly dependent on the pipeline of these contracts, which in turn is dependent on the real estate projects in both public and private sectors. For our property management and asset management services business segment, our property management agreements typically have an initial term of one year, and our appointment is usually renewed yearly at the annual general meeting of the property owners. Therefore, we have to secure the renewal of property management agreements from MCSTs and to continually look for new contracts for our growth.

Staff costs

Staff costs represent our major component of operating expenses, which accounted for approximately 23.5%, 44.2% and 56.7% of our revenue during the Track Record Period respectively.

We believe our employees are the most important asset to our business. We intend to continue to invest in hiring and retaining talented employees to deliver quality services to our clients and grow our business. In order to attract and retain our employees, we have to maintain our staff remuneration and benefits levels up to the market standard. Therefore, our staff costs may fluctuate with the market conditions due to inflation, and supply and demand of industry talents. If we are unable to effectively mitigate the increase in staff costs resulting from market fluctuation with higher revenue generated on a sustainable basis, our profitability and results of operations could be adversely affected.

For illustrative purpose only, the following table sets out a sensitivity analysis of our profit/(loss) before tax with reference to the fluctuation of the staff costs during the Track Record Period. The following table demonstrates the impact of hypothetical increase or decrease in the staff costs on our profit/(loss) before tax, while all other factors remain unchanged:

	Decrease/Increase in profit before tax		
	Year ended 31 December		Three months ended 31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Hypothetical fluctuation of staff costs:			
Hypothetical increase/decrease of 5.0%	–/+102	–/+254	–/+78
Hypothetical increase/decrease of 10.0%	–/+205	–/+508	–/+155
Hypothetical increase/decrease of 15.0%	–/+307	–/+761	–/+233

Note: The sensitivity analysis above assumes that only one variable changes while other variables remain unchanged. This sensitivity analysis is intended for reference only, and any variation may differ from the amounts indicated. Investors should note in particular that this sensitivity analysis is not intended to be exhaustive and is limited to the impact of changes in staff costs and does not reflect changes in our revenue.

The distribution of dividends (i.e. our dividends from Establishment Shares) is subject to the discretion of the directors and the approval of the shareholders of the Development SPVs

Our dividends from Establishment Shares amounted to approximately S$4.3 million, S$6.5 million and S$808,000, representing approximately 49.6%, 56.4% and 29.5% of our total revenue during the Track Record Period, respectively. Our dividends from Establishment Shares is ultimately derived from the Development SPVs, which are at the discretion of the directors of the Development SPVs and subject to the approval from the shareholders of the Development SPVs, under the applicable laws, after taking into account the profits earned by the Development SPVs, which in turn depend on the performance of the underlying Investment Projects.

Moreover, after the Investment SPVs receive dividends from the Development SPVs, the payment of dividends at the Investment SPV level is also subject to the discretion of the directors and the approval of the shareholders of the Investment SPVs. We may encounter significant delay and long turnover days of trade receivables if dividends are declared by the Investment SPVs but the payout is delayed due to the administrative process of obtaining the approval of the shareholders of the Investment SPVs.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial information in accordance with IFRS. The Accountants' Report in Appendix I to this document sets forth these significant accounting policies, estimates and judgements in notes 3 and 4 of section II, respectively. Some of our accounting policies involve subjective

assumptions and estimates, as well as judgments relating to accounting items. Our estimates are based on historical experience, latest information and other assumptions that we believe to be reasonable under the circumstances. Actual results may differ under different assumptions and conditions. We believe the following accounting policies, estimates and judgements are of critical importance to us in the preparation of our consolidated financial information.

Fair value measurement

Our Group measures financial instruments such as unquoted available-for-sale financial assets and a financial asset at fair value through profit or loss at fair value at the end of each reporting period. Fair-value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed, are summarised in the following notes to the Accountants' Report in Appendix I to this document:

- Disclosures for valuation methods, significant estimates and assumptions *(note 30 of App I)*
- Quantitative disclosures of fair value measurement hierarchy *(note 30 of App I)*
- Financial instruments (including those carried at amortised cost) *(note 29 of App I)*

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 measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

  or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Our Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial information at fair value on a recurring basis, our Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Our Group's management determines the policies and procedures for recurring fair value measurement, such as unquoted available-for-sale financial assets and a structured deposit.

At each reporting date, our Group's management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per our Group's accounting policies. For this analysis, our Group's management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Our Group's management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, our Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Financial instruments — financial assets — available-for-sale financial assets — initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All

financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Available-for-sale financial assets include equity investments. Equity investments classified as available-for-sale financial assets are those that are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive income and credited to the available-for-sale financial assets revaluation reserve until the investment is derecognised, at which time, the cumulative gain or loss is recognised in other income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale financial assets revaluation reserve to profit or loss in finance costs.

The fair value of available-for-sale financial assets held by our Group is measured using valuation techniques including the discounted cash flow ("DCF") model as these instruments do not have quoted prices in active markets. As these instruments relate to equity interests presently held or to be received by our Group in Investment SPVs that undertake investment in real estate development projects, we expect the fair value to be eventually realised through dividend distributions and return of capital that our Group will receive from the Investment SPVs.

The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of estimation is required in establishing fair values. Key estimates include considerations of inputs such as future dividend distribution cash flows expected to be received by our Group based on the Investment SPV's projected distributable profits, the level of uncertainty to be ascribed to such profits projection taking into consideration the current stage of the real estate project's development and its sale progress, as well as the discount rate. Changes in assumptions relating to these factors could affect the reported fair value of the financial instruments.

De-recognition

A financial asset is primarily derecognised (i.e. removed from our Group's consolidated statements of financial position) when the rights to receive cash flows from the asset have expired or our Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a

'pass-through' arrangement; and either (a) our Group has transferred substantially all the risks and rewards of the asset, or (b) our Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When our Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, our Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, our Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that our Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that our Group could be required to repay.

Impairment of financial assets

Our Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For available-for-sale financial assets, our Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale financial assets, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss — is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in other comprehensive income.

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, our Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to our Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Our Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Rendering of services

Our Group provides investment management, project management and consultancy, property management and asset management and financial advisory services as described below.

(a) ***Investment management services***

(i) *SPV investment management (PE structures)*

Our Group provides investment management services to investors of real estate projects by establishing and incorporating Investment SPVs through which the investors participate in such projects by subscribing convertible loans that are issued by the Investment SPVs. Post establishment and incorporation of the Investment SPVs, our Group continues to provide investment management services to the investors by managing the Investment SPVs up to the time of project completion.

Our Group derives revenue from the investors of the Investment SPVs comprising: (i) fixed pre-negotiated project management fees receivable in cash; and (ii) establishment fees receivable in the form of equity shares (the "**Establishment Shares**") in the Investment SPV that are owned by the investors, upon conversion of their convertible loans as and when the underlying real estate project is substantially completed; together with the dividend income from the Establishment Shares. Our Group also derives performance fees from a major investor in return for providing a priority right to the investor to participate in real estate projects. Such fees are pegged to a stipulated percentage of all dividends and/or profit distributions to be received by the investor on its investments from the real estate projects.

Our Group recognises the fixed pre-negotiated investment management fees on a time-apportioned basis over the estimated real estate development period, and establishment fees based on the initial fair value of its right over the entitlement of the Establishment Shares which our Group is entitled to receive upon subscription of convertible loans in the Investment SPVs by the investors when it is probable that our Group will receive the Establishment Shares. Subsequent to initial recognition, our Group's entitlement to the Establishment Shares is accounted for as available-for-sale financial assets in accordance with the accounting policy described above. Our Group's entitlement over the dividends from the Establishment Shares is recognised when our Group's right to receive the payments is

established, which is generally when shareholders of Investment SPVs approve the dividends. Performance fee is recognised as and when our Group's right to such fee is established and the revenue amount can be reliably measured, which is generally when the Investment SPV declares the relevant dividends and/or profit distributions to the investor.

(ii) *Fund management*

Our Group renders fund management services by serving as manager of private real estate funds. Under this arrangement, our Group is responsible for the management of the funds' investment portfolios where it actively sources for real estate deals and manages the investment process for the funds, manages the assets owned by the funds, and sources for avenues for divesting the investments in order to maximise the funds' internal rates of return.

Under the contracts entered with the private real estate funds, our Group is entitled to fund management fees based on a percentage of committed capital and performance fees based on a percentage of return on equity of the fund upon divestment of all investments in the fund or expiration or early termination of the fund life. The fund management fees are recognised on a straight-line basis over the contractual terms. The performance fees are recognised as and when our Group's rights and entitlement to the fees are established.

(b) ***Project consultancy and management services***

Project consultancy and management services rendered by our Group to real estate developers generally comprise services in the areas of tender consultancy and research, design development consultancy, marketing project management, sales administration, and handover and property defects management services, coordination of legal services, as well as finance and corporate services. These services are provided to real estate developers and help to address various needs during each major stage of real estate development project.

Our Group enters into service agreements with real estate developers for these services in which fixed pre-negotiated fees are specified. Project consultancy and management service fees are recognised on a time-apportioned basis over the contractual service period.

(c) ***Property management and asset management services***

Our Group's property management services are primarily provided to real estate developers and property owners' association including property maintenance management services and aucillary services, such as accounting and financial services. Properties managed by our Group comprise residential properties as well as non-residential properties including commercial buildings, office buildings and industrial parks. Fixed pre-negotiated fees are specified in property management contracts which typically cover a one-year service period and are renewable on an annual basis. Such fees are recognised as revenue on a time-apportioned basis over the contractual service period.

Our Group's asset management services are primarily provided to property owners and help the property owners oversee a full range of services including defect management, rental management, lease advisory services, administrative management and tenant care management. Revenue is recognised by our Group on an accrual basis in accordance with the terms of the underlying agreements.

(d) ***Financial advisory services***

Our Group's financial advisory services primarily relate to corporate finance advisory services. Revenue is recognised by our Group as and when the services have been rendered.

RESULTS OF OPERATIONS

The following tables set forth our consolidated statements of profit or loss and consolidated statements of comprehensive income for the Track Record Period, extracted from the Accountants' Report in Appendix I to this document.

Consolidated statements of profit or loss

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (Unaudited)	S$'000
Revenue	8,711	11,493	1,717	2,737
Other income and gain	20	262	14	30
Staff costs	(2,046)	(5,075)	(738)	(1,552)
Depreciation	(16)	(166)	(16)	(60)
Office rentals and related expenses	(17)	(217)	(54)	(105)
Marketing expenses	(87)	(333)	(4)	(48)
Other expenses, net	(525)	(2,551)	(269)	(1,116)
Profit/(loss) before tax	6,040	3,413	650	(114)
Income tax credit/(expense)	(54)	174	(1)	77
Profit/(loss) for the year/period attributable to owners of the parent	5,986	3,587	649	(37)

Consolidated statements of comprehensive income

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (Unaudited)	S$'000
Profit/(loss) for the year/period	5,986	3,587	649	(37)
Other comprehensive income/(loss)				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	(7)	(3)	17	4
Fair value changes on available-for-sale financial assets	383	1,930	159	(174)
Other comprehensive income/(loss) for the year/period	376	1,927	176	(170)
Total comprehensive income/(loss) for the year/period attributable to owners of the parent	6,362	5,514	825	(207)

DESCRIPTION OF SELECTED ITEMS IN CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

Our revenue is derived from our Group's business segments, namely, (i) investment management services, which can be broadly categorised into SPV investment management (PE structures) and fund management; (ii) project consultancy and management services; (iii) property management and asset management services; and (iv) financial advisory services during the Track Record Period.

Our Group has concluded that we are the principal in all of our revenue generating business arrangements since we are the primary obligor in all the arrangements, have pricing latitude, and are also exposed to credit risks.

The following table sets forth the breakdown of our revenue by business segments for the periods indicated:

	Year ended 31 December				Three months ended 31 March			
	2015		2016		2016		2017	
	S$'000	%	S$'000	%	S$'000	%	S$'000	%
					(Unaudited)			
Investment management services								
— SPV investment management (PE structures)	7,147	82.0	8,263	71.9	1,329	77.4	1,110	40.6
— Fund management	—	—	176	1.5	—	—	111	4.0
Project consultancy and management services	1,268	14.6	858	7.5	192	11.2	489	17.9
Property management and asset management services	296	3.4	2,196	19.1	196	11.4	980	35.8
Financial advisory services	—	—	—	—	—	—	47	1.7
	8,711	100.0	11,493	100.0	1,717	100.0	2,737	100.0

Investment management services

SPV investment management (PE structures)

Our Group derives investment management revenue from the investors of the Investment SPVs comprising (i) management fees; (ii) Establishment Fees receivable in form of Establishment Shares in the Investment SPV and together with dividends derived from Establishment Shares; and (iii) performance fees. Management fees are fixed and recognised on a time-apportioned basis over the estimated real estate project development period. Establishment fees, based on the initial fair value of our Group's right over the entitlement to the Establishment Shares which our Group is entitled to receive upon subscription of convertible loans in the Investment SPV by the investors, when it is probable that our Group will receive the Establishment Shares. Dividends from Establishment Shares are recognised when our Group's right to receive the payment is established, which is generally when shareholders of the Investment SPV approve the dividends. Performance fees represented consideration entitled by our Group (i) in return for providing a priority right to a major investor to participate in certain Investment SPVs and (ii) at a certain percentage of profit made by investors from the Investment SPVs under the trust structure. Such fee is pegged to a stipulated percentage of all dividends and/or profit distributions to be received by the investors on their investments in the real estate projects. Performance fees are recognised as and when our Group's right to such fees are established and the revenue amount can be reliably measured, which generally

is when the Investment SPV declares dividends and/or profit distributions to the investors. No performance fees were derived from the trust structure during the Track Record Period. The following table sets forth the breakdown of revenue from SPV investment management (PE structures) by nature for the periods indicated:

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (Unaudited)	S$'000
Management fees	1,320	790	254	141
Establishment Fees and dividends from Establishment Shares *(Note)*	4,322	6,487	962	808
Performance fees	1,505	986	113	161
Total	7,147	8,263	1,329	1,110

Note: During the Track Record Period, Establishment Fees of S$1,000 were recognised in 2015 which is based on the initial nominal value of Establishment Shares.

The following table sets forth the breakdown of dividends from Establishment Shares for the periods indicated:

	Year ended 31 December		Three months ended 31 March	
Project	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (Unaudited)	S$'000
Nin Residence	168	366	—	—
Premier@Kaki Bukit	1,505	283	—	—
Riverparc Residence	1,357	540	—	—
Riversound Residence	—	1,277	962	—
Investment Project B	—	—	—	479
Investment Project C	581	125	—	—
Parc Centros	—	3,428	—	329
Investment Project D	710	93	—	—
Woodlands Industrial Xchange	—	375	—	—
Total dividends from Establishment Shares	4,321	6,487	962	808

The amount of dividends from Establishment Shares derived in a financial year is primarily affected by the project pipeline, the size of the Investment SPV's stake in the real estate project, the Group's entitlement on Establishment Shares from other investors, the construction and sale status of the underlying real estate project and the timing of distribution of dividends from the Development SPVs.

Fund management

Our fund management services recognises (i) fund management fees; and (ii) performance fees. Fund management fees are recognised, based on a percentage of committed capital, on a straight-line basis over the contractual terms ranging from three to five years. Performance fees are recognised, based on a percentage of return on equity of the fund upon divestment of all investments in the fund or expiration or early termination of the fund life, as and when our Group's rights and entitlement to the fees are established. In 2016 and the three months ended 31 March 2017, the ARO II Fund generated approximately S$159,000 and S$79,000 fund management fees since its establishment in April 2016, while the BBW6 Fund generated approximately S$17,000 and S$32,000 fund management fees since its establishment in October 2016, respectively.

Project consultancy and management services

Project consultancy and management services rendered by our Group to real estate developers and construction companies to address the issues arising during various major stages of a property development project, from the land tender stage to marketing and sales of property units.

Our Group enters into service agreements with real estate developers or construction companies for these services in which fixed fees are specified. Project consultancy and management fees are recognised on a time-apportioned basis over the contractual service period.

The following table sets forth a summary of the contracts under our project consultancy and management services business segment:

Contract	Contract value	Contract length	Contract term		Year ended 31 December		Three months ended 31 March	
			from	to	2015	2016	2016	2017
	S$'000				S$'000	S$'000	S$'000 (Unaudited)	S$'000
Developer B	1,200	36 months	1 January 2013	31 December 2015	400	—	—	—
Customer G	2,000	75 months	1 January 2012	31 March 2018	320	320	80	80
BH-ZACD (Woodlands) Development Pte. Ltd.	700	44 months	1 June 2013	31 January 2017	191	191	48	16
BH-ZACD (Tuas Bay) Development Pte. Ltd.	1,178	55 months	1 March 2013	30 September 2017	257	257	64	64
Customer J	1,047	24 months	1 January 2017	31 December 2018	—	—	—	131
Others *(Note)*					100	90	—	198
Total project consultancy and management fees					1,268	858	192	489

Note: Others represented one-off consultancy services projects provided to real estate developers, such as handover services, tender consultancy and research, marketing project management, sales administration and design development consultancy.

Property management and asset management services

Our property management and asset management services business segment provides property management services to the real estate developers and the MCSTs and asset management services. For property management services, fixed property management fees, as specified in property management agreements which typically cover a one-year service period and are renewable on an annual basis, are recognised as revenue on a time-apportioned basis over the contractual service period. For asset management services, our Group recognises fixed management fees on an accrual basis in accordance with the terms of the underlying agreements.

The following table sets forth the breakdown of revenue from property management services, with the real estate developers and the MCSTs, and asset management services business segment for the periods indicated:

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (Unaudited)	S$'000
Property management services				
— Real estate developers	37	714	5	380
— MCSTs	233	1,446	183	564
Sub-total	270	2,160	188	944
Asset management services	26	36	8	36
	296	2,196	196	980

The following table sets forth a summary of the revenue from our property management services:

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
			(Unaudited)	
Revenue from property management services (S$'000)	270	2,160	188	944
Average number of properties[(1)]	3	14	8	21
Average revenue per property per month (S$'000)[(2)]	7.1	13.2	8.2	15.2

Note (1): Average number of properties is calculated using the average of number of properties under our management for each month within the respective year/period.

Note (2): Average revenue per property per month is calculated using the revenue derived from property management services divided by average number of properties and divided by number of months for the relevant year/period.

Financial advisory services

We incorporated ZACD Financial in October 2015 and commenced business since December 2016, after obtaining related SFO licenses in Hong Kong. Our financial advisory services primarily relate to capital raising, mergers and acquisitions, joint-ventures and general strategic advice. For details, please refer to the section headed "Business — Financial advisory services".

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000	S$'000
Financial advisory fees	—	—	—	47

Other income and gain

Other income and gain mainly consists of government grants and net foreign exchange gain. Our other income amounted to approximately S$20,000, S$262,000 and S$30,000 during the Track Record Period, respectively. Government grants have been received by certain of our Singapore subsidiaries under the Special Employment Credit and Wage Credit Scheme and as incentives for product development under the Capability Development Grant provided by the Singapore Government. There were no unfulfilled conditions or contingencies relating to these grants.

Staff costs

Staff costs consist of salaries, bonuses, commission, other allowances and retirement benefit scheme contributions. Our staff costs amounted to approximately S$2.0 million, S$5.1 million and S$1.6 million during the Track Record Period, respectively. The following table sets forth the breakdown of staff costs by nature for the periods indicated:

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (Unaudited)	S$'000
Staff costs (including directors' remuneration):				
Salaries, bonuses, commission and other allowances	1,859	4,518	687	1,390
Retirement benefit scheme contributions (defined contribution scheme)	187	557	51	162
	2,046	5,075	738	1,552

The following table sets forth the breakdown of staff costs by business segments for the periods indicated:

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (Unaudited)	S$'000
Investment management services[1]	1,361	2,112	338	473
Project consultancy and management services[1]	187	54	29	112
Property management and asset management services	402	2,114	182	759
Financial advisory services	—	—	—	101
Others	96	795	189	107
Total	2,046	5,075	738	1,552

The following table sets forth the breakdown of number of staff by function for the periods indicated:

	Year ended 31 December		Three months ended 31 March	
Function	2015	2016	2016	2017
Investment management and project consultancy and management services [1]	14	34	18	34
Property management and asset management services[2]	15	65	19	65
Financial advisory services	—	—	—	4
Others	2	6	3	2
Total	31	105	40	105

Note 1: Since some of our employees have multiple roles in both investment management and consultancy and management services, it is impractical to separate the number of staff into these two business segments. We calculated our segmental staff costs for these two segments on a pro-rata basis to our segmental revenue.

Note 2: Our property management and asset management business segment is labour-intensive, we usually assign a team of dedicated site staff for each property.

Other expenses, net

Other expenses, net mainly consist of [REDACTED] expenses, suppliers and service providers costs, travel and entertainment expenses, professional fees, administrative fees, fair value loss/(gain) on a financial asset at fair value through profit or loss and other miscellaneous expenses. Our other expenses, net amounted to approximately S$525,000, [REDACTED] and [REDACTED] during the Track Record Period, respectively. The following table sets forth the breakdown of other expenses, net for the periods indicated:

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (Unaudited)	S$'000
[REDACTED] expenses	—	[REDACTED]	—	[REDACTED]
Suppliers and service providers costs	61	529	44	233
Travel and entertainment expenses	58	363	45	48
Professional fees	123	187	8	68
Administrative fees	197	207	57	46
Fair value loss/(gain) on a financial asset at fair value through profit or loss	—	98	—	(36)
Other miscellaneous expenses	86	356	115	132
Total	525	[REDACTED]	269	[REDACTED]

Income tax credit/expense

In 2015, income tax expense represented income tax paid or payable at the applicable tax rates in accordance with the relevant laws and regulations in each tax jurisdiction we operate or domicile. In 2016 and the three months ended 31 March 2017, income tax credit mainly represented over-provision in prior years and deferred tax assets recognised in relation to tax losses available for offsetting against future taxable profits.

During the Track Record Period, our income tax amounted to expense of approximately S$54,000, credit of approximately S$174,000 and credit of approximately S$77,000, respectively. Our effective tax rate for 2015 was 0.9%. Since our Group recorded tax credits for 2016 and the three months ended 31 March 2017, the calculations of effective tax rates were not meaningful.

We had no tax payable in any tax jurisdictions other than Singapore during the Track Record Period. Our effective tax rate was significantly lower than the statutory tax rate for Singapore of 17% or we did not record tax expense even when we recorded a profit before taxation mainly because dividends income from Establishment Shares, representing approximately 49.6%, 56.4% and 29.5% of our total revenue during the Track Record Period, respectively, are tax-exempt under Singapore's One-Tier System. Please refer to the section headed "Regulatory Overview —

Regulatory Requirements in Singapore — Singapore taxation — Dividend distributions — (i) One tier corporate taxation system" in this document for further details on the tax treatment of our Group's dividends from Establishment Shares.

During the Track Record Period and up to the Latest Practicable Date, we fulfilled all our income tax obligations and have not had any unresolved income tax issues or disputes with the relevant tax authorities.

DESCRIPTION OF SELECTED ITEMS IN CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Fair value changes on available-for-sale financial assets

Fair value changes on available-for-sale financial assets, representing the unrealised revaluation differences of the Establishment Shares received or receivable or contractual rights over the Establishment Shares to be awarded by the investors of the Investment SPVs for which our Group acts as the investment manager, amounted to gain of approximately S$383,000 and S$1.9 million, for 2015 and 2016, and loss of S$174,000 for the three months ended 31 March 2017, respectively.

REVIEW OF HISTORICAL RESULTS OF OPERATIONS

Three months ended 31 March 2017 compared to three months ended 31 March 2016

Revenue

Our revenue increased from approximately S$1.7 million for the three months ended 31 March 2016 to approximately S$2.7 million for the three months ended 31 March 2017, representing an increase of approximately 59.4%. Such increase was primarily attributable to the increase in revenue recognised from (i) project consultancy and management fees from our project consultancy and management services business segment; and (ii) property management fees from our property management and asset management services business segment, partly offset by the decrease in revenue recognised from our investment management services business segment.

(a) *Investment management services*

Revenue generated from the investment management services business segment decreased from approximately S$1.3 million for the three months ended 31 March 2016 to approximately S$1.2 million for the three months ended 31 March 2017, representing a decrease of approximately 8.1%. Such decrease was mainly due to (i) decrease in dividends from Establishment Shares; and (ii) decrease in management fees from Investment SPVs as the recognition periods of management fees for certain Investment SPVs have lapsed in 2016.

During the three months ended 31 March 2016 and 31 March 2017, our decrease in dividends was primarily due to the fact that Riversound Residence which contributed dividends of S$962,000 during the three months ended 31 March 2016, representing all of the dividends received by the

Group during the three months ended 31 March 2016 but not any dividends in the three months ended 31 March 2017. The effect was partly offset by (i) Investment Project B, generated dividends during the three months ended 31 March 2017, amounting to S$479,000, representing 59.3% of dividends for the period and (ii) Parc Centros, which contributed dividends of S$329,000, representing 40.7% of dividends for the period.

We also derived fund management fees of S$111,000 from our two funds, namely the ARO II Fund and the BBW6 Fund, which were successfully established in April and October 2016 respectively.

(b) *Project consultancy and management services*

Revenue generated from the project consultancy and management services business segment increased from approximately S$192,000 for the three months ended 31 March 2016 to approximately S$489,000 for the three months ended 31 March 2017, representing an increase of approximately 154.7%. Such increase was mainly due to our contract term with Customer J which was newly commenced in January 2017 and contributed revenue of S$131,000 for the three months ended 31 March 2017. Moreover, we generated revenue of approximately S$198,000 from one-off consultancy services projects for the three months ended 31 March 2017 which also contributed to the increase during the three months ended 31 March 2017.

(c) *Property management and asset management services*

Revenue generated from property management and asset management services business segment increased from approximately S$196,000 for the three months ended 31 March 2016 to approximately S$980,000 for the three months ended 31 March 2017, representing an increase of approximately 400.0%. Such increase was mainly due to (i) the increase of average number of properties under management from eight during the three months ended 31 March 2016 to 21 during the three months ended 31 March 2017; and (ii) the increase in average revenue per property per month from S$8,200 for the three months ended 31 March 2016 to S$15,200 for the three months ended 31 March 2017. Our significant growth in the property management and asset management services was mainly attributable to the competitive services offered to our clients. This includes a web portal allowing home owners to book facilities, request for property maintenance and receive notification updates regarding their property. A dedicated technical support team provides "twenty-four seven" support and provides immediate response to home owners on any property maintenance request.

(d) *Financial advisory services*

Revenue generated from the financial advisory services business segment for the three months ended 31 March 2017 amounted to approximately S$47,000. No financial advisory fees was recorded for the three months ended 31 March 2016 because this business segment was newly commenced in December 2016.

Other income and gain

Our other income and gain increased from approximately S$14,000 for the three months ended 31 March 2016 to approximately S$30,000 for the three months ended 31 March 2017, representing an increase of approximately 114.3%. The increase was primarily due to the increase in government grants which compensated for our increased staff costs in the three months ended 31 March 2017.

Staff costs

Our staff costs increased from approximately S$738,000 for the three months ended 31 March 2016 to approximately S$1.6 million for the three months ended 31 March 2017, representing an increase of approximately 110.3%. The increase was mainly due to the increase in number of staff from (i) the investment management and project consultancy and management services which had the number of staff increased from 18 as of 31 March 2016 to 34 as of 31 March 2017 because of its ramping up following our success in obtaining a capital markets services license from MAS; and (ii) property management and asset management services which had the number of staff increased from 19 as of 31 March 2016 to 65 as of 31 March 2017, because of the increase in average number of properties under our management.

Other expenses, net

Our other expenses, net increased from approximately S$269,000 for the three months ended 31 March 2016 to approximately S$1.1 million for the three months ended 31 March 2017, representing an increase of approximately 314.9%. The increase was mainly due to (i) [REDACTED] expenses of approximately [REDACTED] which only incurred during the three months ended 31 March 2017; and (ii) suppliers and service providers costs because of the increase in average number of properties managed under our property management and asset management services business segment.

Income tax expense/credit

For the three months ended 31 March 2016 and 2017, our income tax amounted to expense of approximately S$1,000 and credit of approximately S$77,000, respectively.

Profit for the period

As a result of the foregoing, we recorded profit for the period of approximately S$649,000 for the three months ended 31 March 2016 and loss for the period of approximately S$37,000 for the three months ended 31 March 2017. The change from profit to loss for the period of the three months ended 31 March 2017 was mainly due to (i) [REDACTED] expenses which only incurred during the three months ended 31 March 2017; and (ii) increase in staff costs for the three months ended 31 March 2017.

Year ended 31 December 2016 compared to year ended 31 December 2015

Revenue

Our revenue increased from approximately S$8.7 million in 2015 to approximately S$11.5 million in 2016, representing an increase of approximately 31.9%. Such increase was primarily attributable to the increase in revenue recognized from (i) dividends received from our SPV investment management in our investment management business segment; and (ii) service income in our property management and asset management segment.

(a) *Investment management services*

Revenue generated from investment management services business segment increased from approximately S$7.1 million in 2015 to approximately S$8.4 million in 2016, representing an increase of approximately 18.1%. Such increase was mainly due to several Investment SPVs that started to contribute dividends, partially offset by the decrease in management fees and performance fees from Investment SPVs during the year. The decrease in management fees was primarily because the recognition periods of management fees for certain Investment SPVs have lapsed in 2015. The decrease in performance fees was primarily due to the decrease in dividends entitled by the major investor to whom we offer a priority right to participate in certain Investment SPVs in 2016.

In 2016, the amount of dividends received from Establishment Shares were primarily attributable to Parc Centros, Riversound Residence and Woodlands Industrial Xchange, which received their first tranche dividends from their respective Development SPVs during the year. Due to the relatively larger amount of investment size in Parc Centros, the dividends received from such project already contributed approximately 52.8% of total dividends received in 2016. Such increase was partially offset by the decrease in dividends recognized from Premier@Kaki Bukit and Riverparc Residence where the first tranche dividends were recognised in 2015 and remained a lesser amount of dividends distributed in 2016.

We also derived management fees of S$176,000 from two funds managed by us, namely the ARO II Fund and the BBW6 Fund, which were successfully established in April and October 2016, respectively.

(b) *Project consultancy and management services*

Revenue generated from project consultancy and management services decreased from approximately S$1.3 million in 2015 to approximately S$858,000 in 2016, representing a decrease of approximately 32.3%. Such decrease was mainly due to our contract term with Developer B, which was ended in December 2015, due to which no revenue was recorded from this contract in 2016 compared to that of S$400,000 in 2015.

(c) *Property management and asset management services*

Revenue generated from the property management and asset management business segment increased from approximately S$296,000 in 2015 to S$2.2 million in 2016, representing an increase of approximately 641.9%. Such increase was mainly due to (i) the increase of average number of properties under management from 3 in 2015 to 14 in 2016; and (ii) the increase in average revenue per property per month from S$7,100 in 2015 to S$13,200 in 2016. Our significant growth in the property management and asset management services was mainly attributable to the competitive services offered to our clients. This includes a web portal allowing home owners to book facilities, request for property maintenance and receive notification updates regarding their property. A dedicated technical support team provides "twenty-four seven" support and provides immediate response to home owners on any property maintenance request..

Other income and gain

Our other income and gain increased from approximately S$20,000 in 2015 to approximately S$262,000 in 2016, representing an increase of approximately 1,210.0%. The increase was mainly due to the increase in foreign exchange difference, net in 2016.

Staff costs

Our staff costs increased from approximately S$2.0 million in 2015 to approximately S$5.1 million in 2016, representing an increase of approximately 148.0%. The increase was mainly due to the increase in number of staff from the investment management services and project consultancy and management services business segment which had the number of staff increased from 14 in 2015 to 34 in 2016, because of its ramping up following our success in obtaining a capital markets services license from MAS; and (ii) property management and asset management services business segment which had the number of staff increased from 15 as of 31 December 2015 to 65 as of 31 December 2016, because of its increase in number of properties under our management.

Other expenses, net

Our other expenses, net increased from approximately S$525,000 in 2015 to approximately S$2.6 million in 2016, representing an increase of approximately 385.9%. The increase was mainly due to the increase in (i) [REDACTED] expenses of approximately [REDACTED] which were only incurred in 2016; (ii) suppliers and service providers costs because of the increase in number of projects under our property management and asset management services business segment; (iii) travel and entertainment expenses because of the increased travel between Singapore and Hong Kong following the set-up of a new office in Hong Kong in 2016; (iv) professional fees because of the legal and advisory fees for obtaining the CMS license and setting up the ARO II Fund and the BBW6 Fund, established in 2016; and (v) other miscellaneous expenses because of the ramping up of our businesses and operations.

Income tax expense/credit

For the years ended 31 December 2015 and 2016, our income tax amounted to expense of approximately S$54,000 and credit of approximately S$174,000, respectively.

Profit for the year

As a result of the foregoing, our profit for the year decreased by approximately S$2.4 million or 40.1% from approximately S$6.0 million in 2015 to approximately S$3.6 million in 2016. Despite the increase in revenue, our net profit margin decreased by approximately 37.5 percentage points from approximately 68.7% in 2015 to approximately 31.2% in 2016 which was mainly due to (i) [REDACTED] expenses which were only incurred in 2016; and (ii) increase in staff costs in 2016.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following table sets forth a summary of our consolidated cash flows for the periods indicated:

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (Unaudited)	S$'000
Operating cash flows before changes in working capital	6,056	3,587	666	(54)
Changes in working capital	(6,617)	(1,913)	(1,333)	(1,757)
Net cash flows from/(used in) operating activities	(561)	1,674	(667)	(1,811)
Net cash flows from/(used in) investing activities	(114)	(1,824)	(127)	1,240
Net cash flows from/(used in) financing activities	613	3,476	1,539	(764)
Net increase/(decrease) in cash and cash equivalents	(62)	3,326	745	(1,335)
Cash and cash equivalents at beginning of year/period	1,025	964	964	4,371
Effect of foreign exchange rate changes, net	1	81	(30)	4
Cash and cash equivalents at end of year/period	964	4,371	1,679	3,040

Net cash flows from/(used in) operating activities

We generated our cash from operating activities primarily from rendering of our services. We used our cash in operating activities primarily for staff costs and other expenses including [REDACTED] expenses, suppliers and service providers costs, travel and entertainment expenses. Our net cash flows generated from (used in) operating activities reflects our profit/(loss) before taxation, as adjusted for non-cash items, such as depreciation and write-off of items of property, plant and equipment, and the effects of changes in working capital such as increase or decrease in trade receivables, prepayments, deposits and other receivables and trade payables, other payables and accruals.

For the three months ended 31 March 2017, our net cash used in operating activities was S$1.8 million, primarily due to (i) operating cash outflow before changes in working capital of S$54,000, (ii) an increase in trade receivables of S$1.3 million relating primarily to revenue earned, and (iii) a decrease in amounts due to related parties of S$312,000.

In 2016, our net cash flows generated from operating activities was S$1.7 million, primarily due to (i) operating cash inflows before changes in working capital of S$3.6 million, (ii) increase in trade payables, other payables and accruals of S$1.0 million relating primarily to delayed settlements, offset by (iii) an increase in trade receivables of S$2.4 million relating primarily to revenue earned but yet to be settled.

In 2015, our net cash used in operating activities was S$561,000, primarily due to (i) operating cash inflows before changes in working capital of S$6.1 million, offset by (ii) increase in trade receivables of S$7.7 million relating primarily to revenue earned but yet to be settled.

Net cash flows from/(used in) investing activities

Our cash outflows for investing activities was primarily utilized to (i) purchase property, plant and equipment to cope with our Group's business expansion; and (ii) fund deposit for structured deposit in a financial institution. During the Track Record Period, our cash inflow from investing activities was primarily derived from redemption of such structured deposit.

For the three months ended 31 March 2017, our net cash inflows from investing activities of approximately S$1.2 million was mainly attributable to redemption of the structured deposit of approximately S$1.5 million.

In 2016, our net cash flows used in investing activities of approximately S$1.8 million represented fund deposit into the structured deposit of approximately S$1.5 million and purchases of items of property, plant and equipment mainly for computers and office renovation of approximately S$349,000.

In 2015, our cash flow used in an investing activity of approximately S$114,000 mainly represented purchases of items of property, plant and equipment mainly for computers and office equipment of approximately S$78,000.

Net cash flows from/(used in) financing activities

Our cash outflows for financing activities mainly represented dividends paid to the ultimate holding company. During the Track Record Period, our cash inflow from financing activities were primarily derived from (i) increase in amount due to the ultimate holding company; and (ii) proceeds from issue of shares by subsidiaries from the ultimate holding company.

For the three months ended 31 March 2017, the net cash outflows of S$764,000 in financing activities was mainly attributable to repayment of amount due to ultimately holding company.

In 2016, our net cash inflows from financing activities of approximately S$3.5 million primarily represented increase in an amount due to the ultimate holding company of approximately S$5.8 million and proceeds from issue of shares by ZACD Capital to the ultimate holding company of approximately S$500,000, which was partially offset by dividends paid of approximately S$2.6 million.

In 2015, our net cash inflows from financing activities of approximately S$613,000 primarily represented increase in an amount due to the ultimate holding company of approximately S$254,000 and proceeds from issue of shares by ZACD Capital to the ultimate holding company of approximately S$204,000.

Net Current Assets

We recorded net current assets of approximately S$6.5 million, S$5.0 million, S$4.9 million and S$6.9 million as at 31 December 2015 and 2016, 31 March 2017 and 31 May 2017, respectively. The table below sets forth our current assets and current liabilities as of the dates indicated:

	As at 31 December		As at 31 March	As at 31 May
	2015	2016	2017	2017
	S$'000	S$'000	S$'000	S$'000 (unaudited)
Current Assets				
Trade receivables	7,652	2,698	3,964	5,028
Amount due from the ultimate holding company	78	—	—	46
Amounts due from related parties	87	140	380	372
Prepayments, deposits and other receivables	39	706	697	832
Financial asset at fair value through profit or loss	—	1,500	—	—
Cash and cash equivalents	964	4,371	3,040	3,155
Total current assets	8,820	9,415	8,081	9,433
Current Liabilities				
Trade payables, other payables and accruals	1,092	2,425	2,274	2,408
Amount due to the ultimate holding company	275	1,132	408	63
Amounts due to related parties	871	741	389	20
Tax payable	100	100	97	22
Total current liabilities	2,338	4,398	3,168	2,513
Net Current Assets	6,482	5,017	4,913	6,920

Our net current assets decreased from approximately S$6.5 million as at 31 December 2015 to approximately S$5.0 million as at 31 December 2016, representing a decrease of approximately of 22.6%. The decrease was primarily due to the increase in trade payables, other payables and accruals and amount due to the ultimate holding company.

Our net current assets decreased from approximately S$5.0 million as at 31 December 2016 to approximately S$4.9 million as at 31 March 2017, representing a decrease of approximately 2.1%. The decrease was primarily due to the decrease in financial asset at fair value through profit or loss, partially offset by the decrease in amount due to the ultimate holding company and the increase in trade receivables.

Our net current assets increased from approximately S$4.9 million as at 31 March 2017 to approximately S$6.9 million as at 31 May 2017, representing an increase of approximately 40.9%. The increase was primarily due to increase in trade receivables.

Working Capital

Although our operating cash flow has fluctuated during the Track Record Period, overall our net cash generated from operating activities has been increasing and we expect our cash flow from our existing and future projects to remain steady in the future.

Our Directors confirm that, taking into consideration the financial resources presently available to us, including our cash generated from operations and the estimated [REDACTED] from the [REDACTED], we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this document.

After due consideration and discussion with the Company's management and based on the above, the Joint Sponsors have no reason to believe that the Company cannot meet the working capital requirements for the next 12 months from the date of this document.

DESCRIPTION OF SELECTED ITEMS IN CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Available-for-sale financial assets

	As at 31 December		As at 31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Unlisted equity shares, at fair value	1,498	6,474	6,298
Contractual rights over unlisted equity shares, at fair value	13,567	10,521	10,523
	15,065	16,995	16,821

The Establishment Shares were accounted for as available-for-sale financial assets and were measured at fair value. Our available-for-sale financial assets can be categorised into (i) unlisted equity shares and (ii) contractual rights over unlisted equity shares. Unlisted equity shares represent the equity shares in the Investment SPVs that are currently held by our Group after the conversion of the Investment SPVs. Contractual rights over unlisted equity shares represent equity shares in the

Investment SPVs that are not yet issued to our Group but to which our Group is entitled. Both of them are the Establishment Shares entitled by the Group as consideration for services rendered to investors (including third parties and our Group's ultimate holding company) in relation to the establishment and incorporation of the Investment SPVs as real estate development investment vehicles. Through these Investment SPVs, the investors participate in real estate projects by investing in convertible loans issued by the Investment SPVs.

Although the Establishment Shares are earned by our Group upon the subscription of convertible loans in the Investment SPVs by the investors, the legal title of the Establishment Shares will only be transferred to our Group from the investors upon conversion of their convertible loans as and when the underlying real estate projects are substantially completed.

The following table sets forth a summary of our available-for-sale financial assets as of the dates indicated:

	As at 31 December						As at 31 March		
	2015			2016			2017		
	Number of SPVs	Equity stake in Investment SPV	Fair value	Number of SPVs	Equity stake in Investment SPV	Fair value	Number of SPVs	Equity stake in Investment SPV	Fair value
		%	S$'000		%	S$'000		%	S$'000
Unlisted equity shares	4	Approximately 14% to 16%	1,498	9	Approximately 14 to 18%	6,474	9	Approximately 14 to 18%	6,298
Contractual rights over unlisted equity shares	19	No more than 19%	13,567	14	No more than 19%	10,521	14	No more than 19%	10,523
	23		15,065	23		16,995	23		16,821

The fair value of available-for-sale financial assets held by the Group is measured using valuation techniques including the discounted cash flow ("DCF") model as these instruments do not have quoted prices in active markets. Key inputs in the DCF model include future dividend distribution expected to be received by our Group based on the Investment SPV's projected distributable profits, the current stage of the real estate development project and its sale progress, as well as the discount rate. Increase or decrease in fair values of our available-for-sale financial assets during the Track Record Period was mainly due to the net effect of diminishing uncertainties over future cash flows which contributes to increase in fair value offset by dividends payout from the Investment SPVs which contributes to decrease in fair value.

Our available-for-sale financial assets amounted to approximately S$15.1 million, S$17.0 million and S$16.8 million during the Track Record Period, respectively. The fair values of our unlisted equity shares increased from approximately S$1.5 million as at 31 December 2015 to approximately S$6.5 million as at 31 December 2016, representing an increase of approximately 332.2%. The increase was mainly due to the conversion of five Investment SPVs in 2016. The slight decrease in the fair values of unlisted equity shares from approximately S$6.5 million as at

31 December 2016 to S$6.3 million as at 31 March 2017, representing a decrease of approximately 2.7%, was mainly due to the declaration of dividends from Parc Centros, offset by the effect of diminishing uncertainties during the period. The fair values of our contractual rights over unlisted equity shares decreased from approximately S$13.6 million as at 31 December 2015 to approximately S$10.5 million as at 31 December 2016, representing a decrease of approximately 22.5%. The decrease was primarily due to the conversion of five Investment SPVs in 2016. The balance remained stable at approximately S$10.5 million as at 31 March 2017 as the effect of diminishing of uncertainties was not significant during the three months period for unconverted Investment SPVs. During the years ended 31 December 2015 and 2016 and the three months ended 31 March 2017, the fair value changes in respect of our Group's available-for-sale financial assets recognised in other comprehensive income amounted to gain of approximately S$383,000, gain of approximately S$1.9 million and loss of approximately S$174,000, respectively.

As at 31 December 2015, our Group had unlisted equity shares in 4 SPVs with an aggregate carrying value of S$1.5 million which were held by our ultimate holding company on behalf of our Group pursuant to various deeds of novation entered into in or before 2015 in relation to the internal reorganisation to optimise the structure and the management of our business. For further details of the reorganisation, please refer to paragraphs head "History, development and reorganisation — Reorganisation" in this document.

Pursuant to a deed of ratification entered into between all the investors of ZACD (Kaki Bukit) Pte. Ltd. ("ZACD (Kaki Bukit)"), one of our Investment SPVs and our Group dated 30 June 2017, the beneficial equity interest in ZACD (Kaki Bukit) was held in trust by the ultimate holding company for all the investors and our Group when ZACD (Kaki Bukit) declared a dividend on 28 October 2015. As at 31 December 2015, the fair value of contractual right over the Establishment Shares of ZACD (Kaki Bukit) was amounted to S$19,000 and our Group recognised dividend income of approximately S$1.5 million form ZACD (Kaki Bukit) in 2015. The Establishment Shares of ZACD (Kaki Bukit) were awarded to our Group on 30 March 2016.

Trade receivables

	As at 31 December		As at March
	2015	2016	2017
	S$'000	S$'000	S$'000
Trade receivables	7,652	2,698	3,964

Our trade receivables amounted to approximately S$7.7 million, S$2.7 million and S$4.0 million during the Track Record Period, respectively. The exceptionally large receivable balance in 2015 was mainly attributable to receivables from investment management services and comprising (i) receivable from the ultimate holding company which was intended to be settled through dividend to be distributed by our Group, amounting to S$4.1 million and (ii) the receivables of performance fees from the major investor amounting to approximately S$1.8 million, which was subsequently settled in 2016. Our trade receivables decreased from approximately S$7.7 million as at 31 December 2015 to approximately S$2.7 million as at 31 December 2016, representing a decrease of

approximately 64.7%. The decrease was mainly due to (i) the decrease in trade receivables from the ultimate holding company by S$4.1 million which was offset against the dividends declared by a subsidiary of the Group and; (ii) decrease in performance fees receivable by S$1.5 million primarily due to the settlement from the major investor in 2016. Our trade receivables increased from approximately S$2.7 million as at 31 December 2016 to approximately S$4.0 million as at 31 March 2017, representing an increase of approximately 46.9%. The increase was mainly resulted from dividends income recognised but not received during the three months ended 31 March 2017.

The following table sets forth a breakdown of our trade receivables by segment and by nature as of the dates indicated:

	As at 31 December		As at 31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Investment management services	6,597	1,611	2,504
Project consultancy and management services	985	511	652
Property management and asset management services	70	576	808
	7,652	2,698	3,964

Our Group's dividends receivable is not governed by any credit terms and the payment of dividends is subject to the discretion of the directors of the Development SPVs. However, we typically have board representatives on the boards of the Development SPVs by which we can monitor the construction and sale status of the underlying real estate development project as well as the payout status of dividends.

For other trade receivables, our Group's trading terms with our customers are mainly on credit settlement. The credit period is generally 30 days. Our Group seeks to maintain strict control over our outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Our Group does not hold any collateral or other credit enhancement over our trade receivable balances. Trade receivables are non-interest-bearing.

The following table sets forth the aging analysis of our trade receivables that are not individually nor collectively considered to be impaired, as at the dates indicated:

	As at 31 December		As at 31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Receivables not yet invoiced	3,206	874	1,037
Dividend receivables	100	686	1,344
Neither past due nor impaired	3,931	540	594
Less than 1 month past due	73	296	621
1 to 3 months past due	342	302	368
Total	7,652	2,698	3,964

During the Track Record Period, our Group had the following trade receivables from our Group's ultimate holding company and related companies which are repayable on credit terms similar to those offered to the major customers of our Group.

	As at 31 December		As at 31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
The ultimate holding company*	4,111	—	46
Related parties**	365	1,372	2,099

* *In 2016, dividends payable by a subsidiary of our Company to our ultimate holding company were offset against the trade receivables due from the ultimate holding company.*

** *These related companies are Investment SPVs which are controlled by the Controlling Shareholders who are also the directors of the Company, associates of the ultimate holding company or managed by the Group and the Controlling Shareholders are key management personnel of that company. The balance is incurred in the ordinary business of our Group.*

Our policy for impairment on trade receivables due from third parties is based on an evaluation of collectability and aging analysis of the receivables that requires the use of judgment and estimates of our management. Provisions would apply to the receivables when there are events or changes in circumstances which indicate that the balances may not be collectible. We closely review the trade receivables balances and any overdue balances on an ongoing basis, and assessments are made by our management on the collectability of overdue balances. After fully considering the nature of trade receivables and their collectability on a case-by-case basis, we will make provisions for the impairment of certain overdue trade receivables in order to ensure the quality of our assets. We did not experience any material payment defaults from our customers during the Track Record Period. During the Track Record Period and up to the Latest Practicable Date, no provisions for individually impaired accounts receivable were recorded.

As at 16 June 2017, S$2.0 million or 50.0% of our trade receivables outstanding as at 31 March 2017 were settled.

The table below sets forth our turnover days of trade receivables for the dates indicated:

	Year ended 31 December		Three months ended 31 March
	2015	2016	2017
Turnover days of trade receivables[(1)]	253	165	110

Note (1): Turnover days of trade receivables is calculated using the average of beginning and ending total trade receivables balance as at the year end or period end divided by revenue for the relevant year or period and multiplied by the number of days of the year or period (i.e. 365 days for a full year in 2015, 366 days for a full year in 2016 and 90 days for the three months ended 31 March 2017).

We recorded relatively higher turnover days for our trade receivables in 2015 which was mainly attributable to receivables from our Group's ultimate holding company and performance fees receivable from the major investor in 2015. The decrease in trade receivables turnover days of our Group in 2016 was primarily due to the settlement of receivables from our Group's ultimate holding company and settlement of the performance fees receivable from the major investor. Such settlement contributed to decrease in trade receivables balance in 2016 and therefore also lowered the turnover days in the three months ended 31 March 2017. Despite our relatively long turnover days of trade receivables, our trade receivables were neither past due nor impaired during the Track Record Period, as reflected in the aging analysis.

Prepayments, deposits and other receivables

	As at 31 December		As at 31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Prepayments	9	387	190
Deposits	111	117	115
Other receivables	3	16	4
Deferred [REDACTED] expenses	—	[REDACTED]	[REDACTED]
	123	[REDACTED]	[REDACTED]
Less: amounts classified as current assets	(39)	(706)	(697)
Amounts classified as non-current assets	84	[REDACTED]	[REDACTED]

Our prepayments mainly represented prepaid [REDACTED] expenses, prepaid marketing costs and prepaid subscription fee for new IT system. Our deposits mainly represented office rental deposits during the Track Record Period.

Our total prepayments, deposits and other receivables increased from approximately S$123,000 as at 31 December 2015 to approximately [REDACTED] as at 31 December 2016 representing an increase of approximately 547.2%, which was mainly due to the prepaid [REDACTED] expenses included in prepayments and the increase in deferred [REDACTED] expenses compared to nil as at 31 December 2015. The amount remained relatively stable as at 31 March 2017.

Financial asset at fair value through profit or loss

Our financial asset at fair value through profit or loss represents an investment in a structured deposit which was stated at fair value and placed with a bank. As at 31 December 2016, the deposit amounted to approximately S$1.5 million. The principal of the deposit was fully guaranteed by the bank and the maximum expected rate of return was 2% per annum. Our Group used the structured deposit primarily to enhance the return on idle working capital. The structured deposit was fully redeemed at its principal amount during the three months ended 31 March 2017.

Trade payables, other payables and accruals

The following table sets forth the components of our trade payables, other payables and accruals as at the dates indicated:

	As at 31 December		As at 31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Trade payables	1	187	215
Other payables	412	638	509
Accruals	199	1,127	1,206
Deferred revenue	969	645	476
	1,581	2,597	2,406
Less: amounts classified as current liabilities	(1,092)	(2,425)	(2,274)
Amounts classified as non-current liabilities	489	172	132

Trade payables

Our trade payables primarily consist of payables to suppliers for the property management and asset management services business segment.

Credit periods granted to us are generally 30 days. The following table sets forth the aging analysis of our trade payables based on invoice dates, as at the dates indicated:

	As at 31 December		As at 31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Within 1 month	1	176	97
1 to 2 months	—	11	118
	1	187	215

The following table sets forth our trade payables turnover days for the dates indicated:

	Year ended 31 December		Three months ended 31 March
	2015	2016	2017
Trade payables turnover days[(1)]	3	71	78

Note (1): Turnover days of trade payables is calculated using the average of beginning and ending total trade payables balance as at the year end or period end divided by suppliers costs for the relevant year or period and multiplied by the number of days of the year or period (i.e. 365 days for a full year in 2015, 366 days for a full year in 2016 and 90 days for the three months ended 31 March 2017).

During the Track Record Period, balances of nil, S$160,000 and S$194,000 were payable to a related company and included in the trade payable of our Group respectively. The increase in trade payables turnover day was mainly due to increase in payables to the related company during the Track Record Period.

Other payables

Our other payables mainly include GST liabilities.

Other payables increased by approximately S$226,000 from approximately S$412,000 as at 31 December 2015 to approximately S$638,000 as at 31 December 2016 and decreased slightly by S$129,000 to approximately S$509,000 as at 31 March 2017. The fluctuation during the Track Record Period was the net effect of (1) decrease in GST liabilities mainly due to decrease in SPV management fee during the Track Record Period, which is subject to GST, under our SPV investment management business segment and (2) increase in operating expense payables which is in line with the increase in our operating expenses during the Track Record Period.

Accruals

The following table sets forth the components of accruals:

	As at 31 December		As at 31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Accrued [REDACTED] expenses	—	[REDACTED]	[REDACTED]
Accrued staff costs	95	465	326
Others	104	72	61
	199	[REDACTED]	[REDACTED]

Accruals increased from approximately S$199,000 as at 31 December 2015 to approximately [REDACTED] as at 31 December 2016, representing an increase of approximately 466.3%, which was mainly attributable to the increase in accrued [REDACTED] expenses and accrued staff costs. Accruals further increased slightly to approximately [REDACTED] as at 31 March 2017, representing an increase of 7.0%, as we continue to incur [REDACTED] expenses during the period.

Deferred revenue

Our deferred revenue relates to investment management fees received in advance by our Group for which related services are not yet rendered as of the end of the reporting period.

Deferred revenue decreased from approximately S$969,000 million as at 31 December 2015 to approximately S$645,000 as at 31 December 2016, representing a decrease of approximately 33.4%. It further decreased to approximately S$476,000, representing a decrease of approximately 26.2%, as at 31 March 2017. The decrease was mainly due to the recognition of deferred revenue as revenue during the year/period upon rendering of related services.

CAPITAL EXPENDITURES AND COMMITMENTS

Capital expenditures

Our capital expenditures during the Track Record Period were approximately S$78,000, S$349,000 and S$20,000, respectively, which primarily related to purchases of computers and office equipment, and office renovation. We have financed our capital expenditures primarily through cash flow generated from operating activities.

Operating lease commitments

As at the end of the reporting periods during the Track Record Period, we had commitments for future minimum lease payments in respect of office properties under non-cancellable operating lease arrangements, which fall due as follows:

	As at 31 December		As at 31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Within 1 year	206	216	417
After 1 year but not more than 5 years	395	195	898
	601	411	1,315

Capital commitments

As at the end of each of the Track Record Period and as of the Latest Practicable Date, our Group did not have any significant capital commitments.

PROPERTY INTERESTS

Our Directors confirm that, as at 31 March 2017, there were no circumstances that would give rise to a disclosure requirement under Rules 8.01 to 8.10 of the GEM Listing Rules. As at 31 March 2017, our property interests do not form part of our property activities and no single property interest that forms part of our non-property activities has a carrying amount of 15% or more of our total assets.

INDEBTEDNESS

We had no loan facilities and bank borrowings as at 31 December 2015 and 2016, 31 March 2017, and 31 May 2017.

Apart from intra-group liabilities, our Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, finance leases or hire purchases commitments, guarantees, material covenants, or other material contingent liabilities as at the Latest Practicable Date.

Contingent liabilities

As of 31 May 2017, being the latest practicable date for the purpose of the indebtedness statement, save as disclosed in subsection headed "Indebtedness", our Group did not have any significant contingent liabilities.

As of the date of this document, we did not have any plan for material external debt financing.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENT

As at the Latest Practicable Date, we had not entered into any off-balance sheet transactions commitments and arrangements except as disclosed in the paragraph under "Capital expenditures and commitments" above.

RELATED PARTY TRANSACTIONS

For details of related party transactions, please refer to note 26 to the Accountants' Report in Appendix I to this document. Due to the structure of our investment management business segment, all of our revenue derived from dividends income from Investment SPVs. Moreover, as part of our integrated services, we also derived revenue from services rendered to Investment SPVs. These transactions with Investment SPVs were regarded as related party transactions under IFRS. Our Directors confirm that these transactions were conducted in the ordinary and usual course of business and on normal commercial terms. Our Directors are of the view that the related party transactions did not cause any distortion of our results of operations or make our historical results non-reflective in the Track Record Period.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for each of the periods or as at each of the dates indicated:

	Year ended 31 December		Three months ended 31 March
	2015	2016	2017
Net profit/(loss) margin (%)[1]	68.7	31.2	(1.4)
Return on equity (%)[2]	28.2	16.1	N/A
Return on total assets (%)[3]	24.9	13.3	N/A

	As at 31 December		As at 31 March
	2015	2016	2017
Current ratio[4]	3.8	2.1	2.6

Notes:

(1) Net profit/(loss) margin for each of the years/periods ended 31 December 2015 and 2016 and 31 March 2017 was calculated on net profit/(loss) for each year divided by revenue for the respective year/period. Please refer to the paragraph headed "Review of Historical Results of Operations" in this section for more details on our net profit/(loss) margin.

(2) Return on equity for each of the years ended 31 December 2015 and 2016 equals net profit for each year divided by the total equity at the end of the respective year and multiplied by 100%. For the three months ended 31 March 2017, the calculation of return on equity is not applicable since the calculation is on a full-year basis.

(3) Return on total assets for each of the years ended 31 December 2015 and 2016 and equals net profit for each year divided by the total assets at the end of the respective year and multiplied by 100%. For the three months ended 31 March 2017, the calculation of return of assets is not applicable since the calculation is on a full-year basis.

(4) Current ratios as at 31 December 2015 and 2016 and 31 March 2017 were calculated as the total current assets divided by the total current liabilities as at the end of the respective year/period.

Net profit/(loss) margin

Our net profit/(loss) margin was 68.7%, 31.2% and (1.4)% during the Track Record Period. The decrease was mainly due to the significant increase in staff cost during the Track Record Period as a result of expansion in investment management services and property management and asset management services business segment. In addition, the expansion of property management business which is a labour-intensive business with increasing staff costs further lowered the net profit/(loss) margin during the Track Record Period.

Return on equity

Our return on equity decreased from approximately 28.2% in 2015 to approximately 16.1% in 2016, primarily due to a decrease in net profit as a result of (i) [REDACTED] expenses which only incurred in 2016; and (ii) increase in staff costs.

Return on total assets

Our return on total assets decreased from approximately 24.9% in 2015 to approximately 13.3% in 2016 due to the reasons as discussed in "Return on equity" above.

Current ratio

Our current ratio decreased from 3.8 as at 31 December 2015 to 2.1 as at 31 December 2016 primarily due to the increase in other payables and accruals, and an amount due to the ultimate holding company. Our current ratio increased to 2.6 as at 31 March 2017, primarily due to the decrease in amount due to the ultimate holding company and amounts due to related parties.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

We are exposed to market risks from changes in market, such as credit and liquidity risk.

Credit risk

Receivable balances are monitored on an ongoing basis and our Group's exposure to bad debts is not significant.

The credit risk of our Group's financial assets, which comprise trade receivables, deposits and other receivables, amounts due from the ultimate holding company and related parties, available-for-sale investments, a financial asset at fair value through profit or loss, and cash and cash equivalents, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

At the end of each of the Track Record Period, our Group had certain concentrations of credit risk with respective to trade receivables as follows:

	31 December		31 March
	2015	2016	2017
Due from the largest debtor	54%	18%	16%
Due from the five largest debtors	91%	52%	47%

Liquidity risk

In order to manage liquidity risk, our Group monitors and maintains a level of cash and cash equivalents deemed adequate by our management to finance our Group's operations and mitigate the effects of fluctuations in cash flows. Our Group regularly reviews our major funding positions to ensure that we have adequate financial resources in meeting our financial obligations.

DIVIDEND POLICY

In 2015, a subsidiary of our Company declared dividends of approximately S$5.0 million to the ultimate holding company. The dividends were offset against the trade receivables due from the ultimate holding company. In 2016, a subsidiary of our Company declared dividends of approximately S$6.8 million to the ultimate holding company, of which, approximately S$2.6 million were settled by cash while approximately S$4.2 million were offset against the trade receivables due from the ultimate holding company. In the three months ended 31 March 2017, no dividend has been declared by our Group.

No dividend has been paid or declared by our Company since its incorporation up to and including the Latest Practicable Date. The dividends declared by a subsidiary of our Company to our ultimate holding company were approximately S$5.0 million, S$6.8 million and nil during the Track Record Period, respectively.

The recommendation of the payment of dividends is subject to the absolute discretion of our Board, and, after [REDACTED], any declaration of final dividends for the year will be subject to the approval of our Shareholders. Our Directors may recommend a payment of dividends in the future after taking into account our operations, earnings, financial condition, cash requirements and availability, capital expenditure and future development requirements and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of the dividend will be subject to our constitutional documents and the Companies Act, including the approval of our Shareholders.

Subject to the factors described above, our Board intends to recommend dividends of no less than 30% of our distributable profits to the Shareholders in each financial year beginning from the year ending 31 December 2018.

DISTRIBUTABLE RESERVES

Our Company was incorporated on 8 November 2016 and is an investment holding company. There were no reserves available for distribution to our Shareholders as at 31 March 2017.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] commission, SFC transaction levy and Stock Exchange trading fee incurred in connection with the [REDACTED] and the [REDACTED]. Assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range) and that the [REDACTED] is not exercised, our total [REDACTED] expenses are estimated to be approximately [REDACTED], of which [REDACTED] is directly attributable to the issue of new Shares and to be accounted for as a deduction from the equity, and the remaining amount of [REDACTED] has been or will be reflected in our consolidated statements of profit or loss. [REDACTED] expenses, of approximately [REDACTED], [REDACTED] and [REDACTED], in relation to services already performed by relevant parties, were reflected in our consolidated statements of profit or loss in 2015, 2016 and the three months ended 31 March 2017 respectively, and an additional of [REDACTED] is expected to be recognised in our consolidated statements of profit or loss subsequent to the Track Record Period and upon [REDACTED].

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

For our unaudited pro forma adjusted net tangible assets, please refer to the Unaudited Pro Forma Financial Information in Appendix II to this document.

DISCLOSURE REQUIRED UNDER THE GEM LISTING RULES

Our Directors confirm that as of the Latest Practicable Date, there were no circumstances that would give rise to the disclosure requirements under Rules 17.15 to 17.21 of the GEM Listing Rules upon the [REDACTED] of the Shares on the Stock Exchange.

RECENT ACCOUNTING PRONOUNCEMENTS

For recent accounting pronouncement, please refer to Note 2.3 to the "Accountants' Report" in Appendix I to this document.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed, after performing all the due diligence work which the Directors consider appropriate, that save as disclosed under section headed "Summary — Recent Development", since 31 March 2017 and up to the date of this document, there had been no material adverse change in our financial, operational and trading positions or prospects or in the general regulatory economic and market conditions in Singapore and Hong Kong or in the industry in which we operate that materially and adversely affected our business, results of operations or financial condition.

FUTURE PLANS

Please see the section headed "Business — Our Strategies" of this document for a detailed description of our future plans.

REASONS FOR THE [REDACTED]

Prior to the [REDACTED], funding of our business activities was primarily from internally generated cash. As we do not have sufficient fixed assets available for security or pledge that is generally required to obtain banking facilities necessary to finance meaningful business expansion, it is difficult for us to obtain debt financing from banks on commercially viable terms. Our Directors believe that the ability to be the first-mover is a key element for us to maintain market competitiveness. We have, therefore, drawn up business plans of setting up a bridging reserve fund, which will require considerable additional financial resources. In addition, we also plan to expand our property management business by setting up a dedicated client service centre and investing in mobile application systems to provide greater efficiency in our services, both of which will also require considerable additional funds. As such, our Directors believe that the [REDACTED] will enable us to raise additional funds immediately and have access to the equity capital markets for raising funds in the future to fulfil our capital needs. Our Directors also believe that it would be easier and more cost-effective for us to obtain sufficient debt financing from banks to fund our future operations and development with a [REDACTED] status.

Furthermore, we aim to expand our business reach to Hong Kong as we foresee a market potential in this region. As part of our effort to achieve this objective, we plan to expand our financial advisory business in Hong Kong with part of the [REDACTED] from the [REDACTED]. We believe that becoming a company [REDACTED] on the Stock Exchange can further our expansion plan to the Hong Kong market.

We also believe that our profile as a company [REDACTED] on the Stock Exchange will serve as a stepping stone in achieving our business objective of further strengthening our position as an integrated asset manager offering integrated solutions across the real estate value chain. In addition to furthering our business objective, we believe that the [REDACTED] of our Company can (i) sharpen our competitive strengths; and (ii) raising confidence of potential and existing real estate developer partner, customers, suppliers and staff in our Group. We intend to leverage such visibility and confidence to (i) attract new customers; (ii) attract new talents; and (iii) strengthen our business relationships with existing customers, suppliers and real estate developer partners. A public [REDACTED] status on GEM may offer our Company a broader shareholder base which could potentially lead to a more liquid market in the trading of our Shares. We further believe that our internal control and corporate governance practices could be further enhanced following the [REDACTED].

[REDACTED]

The estimated [REDACTED] of the [REDACTED] which we will receive, assuming an [REDACTED] is fixed at the low-end, mid-point and high-end of the [REDACTED] range stated in this document with and without exercising the [REDACTED] and after deduction of [REDACTED] fees and commissions and estimated expenses payable by us in connection with the [REDACTED] are set out in the table below.

	Estimated [REDACTED] of the [REDACTED]		
	[REDACTED] of HK$[REDACTED] per [REDACTED] (low-end of [REDACTED])	**[REDACTED] of HK$[REDACTED] per [REDACTED] (mid-point of [REDACTED])**	**[REDACTED] of HK$[REDACTED] per [REDACTED] (high-end of [REDACTED])**
[REDACTED] exercised in full	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED] not exercised	[REDACTED]	[REDACTED]	[REDACTED]

We intend to use the [REDACTED] of the [REDACTED] which we will receive for the following purposes:

- approximately [REDACTED], or [REDACTED] or [REDACTED], of the [REDACTED] for setting up a bridging reserve fund to enhance investments sourcing capabilities to be utilised as follows:

  (i) to participate in tenders or sales for land parcels and/or real estate assets, including but not limited to payment of the deposits for such transactions. Such funds in the bridging reserve fund to be used for participating in such tenders or sales is expected to be replenished by the funds raised by the investors; and/or

  (ii) to be used in the future to commit to the take-up of the investment stake of potential real estate projects first before setting up of the investment vehicles and/or securing investment funds from the investors when the real estate developer partners approach us for co-investing in new potential real estate projects.

- approximately [REDACTED], or [REDACTED] or [REDACTED], of the [REDACTED] for further expansion of our investment management business, including hiring more experienced relationship managers with existing networks of investors to expand our fund distribution channels, hiring more professionals, analysts and consultants to expand our research and consultancy capabilities, and hiring more supporting staff to support overall investment management operations in Singapore;

- approximately [REDACTED], or [REDACTED] or [REDACTED], of the [REDACTED] for expanding our property management business, including setting up of a dedicated client service centre, potential acquisition of project management companies and upgrading our existing infrastructure. As at the Latest Practicable Date, we have not identified any acquisition targets;

- approximately [REDACTED], or [REDACTED] or [REDACTED], of the [REDACTED] for expanding our financial advisory business, including hiring more staff in Hong Kong;

- approximately [REDACTED], or [REDACTED] or [REDACTED], of the [REDACTED] for expanding our project consultancy and management business, including hiring more real estate developer relationship managers and additional building and construction professionals; and

- the balance of approximately [REDACTED], or [REDACTED] or [REDACTED], of the [REDACTED] will be used to provide funding for our working capital and other general corporate purposes.

Please refer to the section entitled "Business — Our Strategies" in this document for further details.

If the [REDACTED] is determined at HK$[REDACTED], being the highest point of the indicative range of the [REDACTED], the [REDACTED] to us would be increased by [REDACTED]. In such event, the percentage of our allocation of the total [REDACTED] for the above purposes will be adjusted on a pro rata basis.

If the [REDACTED] is determined at HK$[REDACTED], being the lowest point of the indicative range of the [REDACTED], the [REDACTED] to us would be decreased by [REDACTED]. In such event, the percentage of our allocation of the total [REDACTED] for the above purposes will be adjusted on a pro rata basis.

If the [REDACTED] is exercised in full, and assuming that the [REDACTED] is HK$[REDACTED], (being the mid-point of the indicative range of the [REDACTED], the [REDACTED] to us would be increased by [REDACTED]. In such event, the percentage of our allocation of the total [REDACTED] for the above purposes will be adjusted on a pro rata basis.

To the extent that the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we intend to deposit the [REDACTED] into short-term demand deposits and/or money market instruments. We will make an appropriate announcement if there is any change to the above proposed [REDACTED] or if any amount of the [REDACTED] will be used for general corporate purposes.

IMPLEMENTATION PLANS

The implementation plans for each of the six-month periods until 31 December 2019 for carrying out our business strategies are set out below. The following implementation plans are formulated on the bases and assumptions set out in the sub-paragraph headed "Bases and key assumptions" below in this paragraph and are subject to uncertainties, variables and unexpected factors. There is no assurance that the implementation plans will materialise in accordance with the timetable below or that our business objectives will be accomplished at all.

		For the six months ending					
	Upon Latest Practicable Date to 31 December 2017	30 June 2018	31 December 2018	30 June 2019	31 December 2019	Total	Approximate % of [REDACTED]
In *S$'000*							
Bridging reserve fund	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expansion of investment management business	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expansion of property management business	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expansion of financial advisory business	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expansion of project consultancy and management business	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

		For the six months ending					
	Upon Latest Practicable Date to 31 December 2017	30 June 2018	31 December 2018	30 June 2019	31 December 2019	Total	Approximate % of [REDACTED]
In *HKD'000*							
Bridging reserve fund	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expansion of investment management business	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expansion of property management business	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expansion of financial advisory business	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expansion of project consultancy and management business	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

For the period from Latest Practicable Date to 31 December 2017

Business Strategies	Implementation Activities	Source of Funding
Bridging reserve fund	Utilising such bridging reserve fund as follows: (i) to participate in tenders or sales for land parcels and/or real estate assets, including but not limited to payment of the deposits for such transactions; and/or (ii) to be used in the future to commit to the take-up of the investment stake of potential real estate projects first before setting up of the investment vehicles and/or securing investment funds from the investors when the real estate developer partners approach us for co-investing in new potential real estate projects.	To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**
General working capital		To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**

For the period from 1 January 2018 to 30 June 2018

Business Strategies	Implementation Activities	Source of Funding
Expansion of investment management business	Set up a new investment management team by recruiting one senior relationship manager head, three junior relationship managers, one senior operation head, one compliance head, one finance staff and one general staff to support operations, in line with our business expansion	To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**

Business Strategies	Implementation Activities	Source of Funding
	The relationship managers will be responsible for marketing investment opportunities and our services to new clients through their networks and engaging existing clients to explore investment opportunities, and should each have around five to ten years' relevant experience in the investment management or real estate industry in Singapore. The operation, compliance, finance and general staff will be responsible for providing operational and administrative supports to the investment management team, and should each have around two years' relevant experience	
	Lease an additional office space for the new investment management team, carry out renovation works as well as the acquisition of furniture and fixtures and acquire office equipment in relation to the aforementioned new office premises in Singapore	
	Purchase additional software licenses to enhance existing information technology systems such as Yardi, which is an integrated investment management software system that covers the full spectrum of processes involved in our fund management activities	
Expansion of property management business	Expand our property management team by setting up a dedicated customer service centre and recruiting two supporting staff to enhance our property management services, and should each have around one to three years' relevant experience in the customer service industry in Singapore	To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**

Business Strategies	Implementation Activities	Source of Funding
	Upgrade existing assets, both software and hardware • Invest in information technology such as mobile applications to enhance workflow processes • Addition of a commercial vehicle to support business activities	
Expansion of financial advisory business	Expand our team for marketing and distribution activities in Hong Kong by recruiting one junior relationship manager, one compliance head, one general staff and one corporate finance staff to expand our corporate finance team in Hong Kong The relationship manager will be responsible for marketing our existing and future investment opportunities from Singapore to new clients in Hong Kong through his/her networks, and should have around three to five years' relevant experience in the financial advisory industry in Hong Kong. The compliance and general staff will provide operational and administrative supports to the financial advisory team, in line with our business expansion, and should each have around two years' relevant experience. The corporate finance staff will be responsible for sourcing and leading transactions, and should each have around three to five years' relevant experience in the corporate finance industry in Hong Kong Recruit two Responsible Officers ("ROs") to source for potential deals and lead the execution team, and should each have at least 5 years' relevant experience with a degree.	To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**

Business Strategies	Implementation Activities	Source of Funding
	Professional fees and setup costs for the business expansion, including the retention of local consultants and attorneys	
	Lease additional office space for the new finance advisory team, carry out renovation works as well as the acquisition of furniture and fixtures and acquire office equipment in relation to the aforementioned new office premises in Hong Kong	
Expansion of project consultancy & management business	Expand our consultancy management team by recruiting one senior manager and three general staff, who will be responsible for sourcing and leading the execution of our consultancy and management projects, and should each have around three to five years' relevant experience in the real estate project management industry in Singapore	To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**
General working capital		To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**

For the period from 1 July 2018 to 31 December 2018

Business Strategies	Implementation Activities	Funding Amount
Expansion of investment management business	Expand our investment management team by recruiting two junior relationship managers who will be responsible for marketing investment opportunities and our services to new clients through their network and engaging existing clients to explore investment opportunities, and should each have around five to ten years' relevant experience in the investment management or real estate industry in Singapore	To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**

Business Strategies	Implementation Activities	Funding Amount
	Retain the relationship managers, operation, compliance, finance and general staff	
Expansion of property management business	Retain the customer service centre staff	To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**
Expansion of financial advisory business	Expand our team for marketing and distribution activities in Hong Kong by recruiting one junior relationship manager, who will be responsible for marketing our existing and future investment opportunities from Singapore to new clients in Hong Kong through his/her networks, and should have around six to eight years' relevant experience in the financial advisory industry in Hong Kong	To be funded by [REDACTED] from the [REDACTED]of **[REDACTED] or [REDACTED]**
	Retain the relationship managers and Responsible Officers	
Expansion of project consultancy & management business	Expand our consultancy management team by recruiting one senior manager and three general staff who will be responsible for sourcing and leading the execution of our consultancy and management projects, and should each have around three to five years' relevant experience in the real estate project management industry in Singapore	To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**
	Retain the senior manager and general staff	
General working capital		To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**

For the period from 1 January 2019 to 30 June 2019

Business Strategies	Implementation Activities	Source of Funding
Expansion of investment management business	Recruit two senior relationship manager heads, five junior relationship managers, one industry expert to support the CIO Office in Singapore, one finance staff and one general staff to support operations, in line with our business expansion The relationship managers will be responsible for marketing investment opportunities and our services to new clients through their networks and engaging existing clients to explore investment opportunities, and should each have around five to ten years' relevant experience in the investment management or real estate industry in Singapore. The industry expert will support the CIO Office in collecting market intelligence and research, and conduct analyses on potential investment opportunities, and should have around eight to ten years' relevant experience in the real estate research or investment management sector in Singapore. The finance and general staff will be responsible for providing operational support to the investment management team, and should each have around two years' relevant experience Retain the junior relationship managers	To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**
Expansion of property management business	Acquisition of 1–2 project management companies to increase the number of contracts under our property management arm	To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**

Business Strategies	Implementation Activities	Source of Funding
Expansion of financial advisory business	Recruit one senior relationship manager head, two relationship managers, one finance manager and one information technology manager, one corporate finance staff and two senior fund managers to support the business expansion in Hong Kong The relationship managers will be responsible for marketing our existing and future investment opportunities from Singapore to new clients in Hong Kong through their networks, and should each have around six to eight years' relevant experience in the financial advisory industry in Hong Kong. The finance and information technology managers will provide operational supports to the financial advisory team, in line with our business expansion, and should each have around two years' relevant experience. The corporate finance staff will be responsible for sourcing and leading transactions, and should each have around three to five years' relevant experience in the corporate finance industry in Hong Kong. The senior fund managers will be responsible for managing investment opportunities for our existing clients, and should each have around three to five years' relevant experience in the investment management industry in Hong Kong Retain the junior relationship manager	To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**
Expansion of project consultancy & management business	Retain the senior manager and general staff	To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**

For the period from 1 January 2019 to 30 June 2019

Business Strategies	Implementation Activities	Source of Funding
Expansion of investment management business	Retain the relationship managers, industry expert, finance and general staff	To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**
Expansion of financial advisory business	Retain the relationship manager head, finance manager, information technology manager, corporate finance staff and fund managers	To be funded by [REDACTED] from the [REDACTED] of **[REDACTED] or [REDACTED]**

To the extent that the [REDACTED] from the [REDACTED] are not immediately applied for the above purposes, it is our present intention that such [REDACTED] will be deposited into interest bearing bank accounts with licensed financial institutions in Hong Kong.

Bases and key assumptions:

The implementation plans are based on the following bases and key assumptions:

- there will be no material changes in the existing applicable laws, policies or industry or regulatory treatment or in the political, fiscal, foreign trade or economic conditions in Hong Kong, Singapore and other places in which our Group operates or intends to operate;
- there will be no significant changes in the interest rates or the currency exchange rates from those currently prevailing;
- there will be no material changes in the bases or rates of taxation applicable to our Group;
- the [REDACTED] will be completed in accordance with and as described in the section headed "Structure and Conditions of the [REDACTED]";
- our Group will not be materially adversely affected by the risk factors as set out under the section headed "Risk factors"; and
- our Group will be able to continue our operation in substantially the same manner as it has been operating and there will be no disasters, natural, political or otherwise, which would materially disrupt our business or the implementation of our development plans.

[REDACTED] ARE FULLY UNDERWRITTEN

This document is published in connection with the [REDACTED]. The [REDACTED] is sponsored by the Joint Sponsors. The [REDACTED] is fully underwritten by the [REDACTED] under the terms and conditions of the [REDACTED]. The International [REDACTED] relating to the International [REDACTED] is expected to be entered on or around the [REDACTED], subject to agreement on pricing of the [REDACTED] between our Company and the [REDACTED] (for themselves and on behalf of the [REDACTED]). The [REDACTED] is managed by the [REDACTED], the [REDACTED] and the [REDACTED]. Further information relating to the [REDACTED] and the [REDACTED] and the [REDACTED] arrangements is set out in the section headed "[REDACTED]" of this Document. If, for any reason, the [REDACTED] is not agreed, the [REDACTED] will not proceed and will lapse.

[REDACTED]

[REDACTED]

[REDACTED]

Undertakings to the Stock Exchange pursuant to the GEM Listing Rules

By our Company

Pursuant to Rule 17.29 of the GEM Listing Rules, we have undertaken to the Stock Exchange that, no further Shares or securities convertible into our equity securities (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue by us within six months from the [REDACTED] (whether or not such issue of Shares or securities will be completed within six months from the [REDACTED]), except for the circumstances as prescribed under Rule 17.29 of the GEM Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

Undertakings pursuant to the [REDACTED]

By our Company

The Share Option Scheme and the [REDACTED] (including pursuant to the [REDACTED]), during the period commencing on the date of this document and ending on, and including, the date that is six months after the [REDACTED] (the "**First Six-Month Period**"), our Company has undertaken to each of the [REDACTED], the [REDACTED] and the Joint Sponsors not to, and to procure each other member of our Group not to, without the prior written consent of the [REDACTED] (such consent not to be unreasonably withheld or delayed) and the Joint Sponsors and unless in compliance with the requirements of the GEM Listing Rules:

(i) offer, allot, issue or sell, or agree to allot, issue or sell, hedge, grant or agree to grant any option, right or warrant over, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by our Company or any of its affiliates), either directly or indirectly, conditionally or unconditionally, any Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or any securities convertible into or exchangeable for such Shares (or any interest in any Shares or any voting or other right attaching to any Shares); or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or such securities; or

(iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above; or

(iv) offer or agree to do any of the foregoing transactions and publicly disclose any intention to effect such transaction, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or such other securities of our Company or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period).

By our Controlling Shareholders

Each of our Controlling Shareholders has also undertaken to each of our Company, the [REDACTED], the [REDACTED] and the Joint Sponsors that, save as (i) pursuant to the [REDACTED]; or (ii) permitted under the GEM Listing Rules, without the prior written consent of the [REDACTED] (such consent not to be unreasonably withheld or delayed) and the Joint Sponsors:

(1) it will not, at any time during the First Six-Month Period, (i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares, as applicable), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or such other securities of our Company or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period);

(2) it will not, during the period of six months commencing on the date on which the First Six- Month Period expires (the "**Second Six-Month Period**"), enter into any of the transactions specified in (i), (ii) or (iii) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, it will cease to be a "controlling shareholder" (as defined in the GEM Listing Rules) of our Company; and

(3) without prejudice to the undertakings as referred to in paragraphs (1) and (2) above, during the period commencing on the date by reference to which disclosure of its direct or indirect shareholding in our Company is made in this document and ending on the date which is 12 months from the [REDACTED], it shall:

(i) when it pledges or charges or otherwise create any rights of encumbrances over any Shares or other securities of our Company beneficially owned by it in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Rule 13.18(1) of the GEM Listing Rules, immediately inform our Company, the Joint Sponsors and the [REDACTED] of such pledge or charge or creation of the rights of encumbrances together with the number of the securities so pledged or charged and all other information as may be reasonably requested by our Company, the Joint Sponsors and/or the [REDACTED]; and

(ii) subsequent to the pledge or charge or creation of rights or encumbrances over the Shares (or interest therein) or other shares or interests as mentioned in subparagraph (i) above, when it receives any indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged or encumbered securities as referred to in sub-paragraph (i) above will be disposed of, immediately inform our Company of such indications, and inform the Joint Sponsors and the [REDACTED] as soon as practicable thereafter (taking into account the requirements of applicable laws, rules and regulations) of such indications.

[REDACTED]

In connection with the [REDACTED], it is expected that our Company will enter into the [REDACTED] with, among others, the [REDACTED], on terms and conditions that are substantially similar to the [REDACTED] as described above and on the additional terms described below. Under the [REDACTED], the [REDACTED] will severally agree to subscribe or procure subscribers for the [REDACTED] being offered pursuant to the [REDACTED].

It is expected that, pursuant to the [REDACTED], our Company, our executive Directors and our Controlling Shareholders will give undertakings similar to those given pursuant to the [REDACTED], as described in the paragraph headed "[REDACTED]" in this section.

It is expected that each of our Controlling Shareholders will undertake to the [REDACTED] not to dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interest or encumbrances in respect of any of our Shares held by it/him/her in our Company for a period similar to that given by them pursuant to the [REDACTED] as described in the paragraph

"[REDACTED]" in this section.

COMMISSION AND EXPENSES

The [REDACTED] will receive an [REDACTED] commission of [REDACTED] of the aggregate [REDACTED] payable for the [REDACTED] (including the Shares which may be allotted and issued pursuant to the exercise of the [REDACTED]). We will bear the [REDACTED] commissions, SFC transaction levy and Stock Exchange trading fee payable by us in connection with the issue of the new Shares together with any applicable fees relating to the [REDACTED]. In addition, the [REDACTED] may each also be entitled to an incentive fee of or up to, as the case may be, 1.0% of the final [REDACTED] multiplied by the number of Shares as underwritten by the respective [REDACTED] at our discretion.

The aggregate commissions and fees, together with the [REDACTED] fees, SFC transaction levy, the Stock Exchange trading fee, legal and other professional fees, printing and other expenses payable by us relating to the [REDACTED] are estimated to amount to approximately [REDACTED] in total (assuming the [REDACTED] is not exercised and based on the mid-point of our indicative [REDACTED] range for the [REDACTED], being HK$[REDACTED] per [REDACTED]).

If the [REDACTED] is exercised by the [REDACTED], the commission, SFC transaction levy and Stock Exchange trading fee, relating thereto shall be borne by us.

[REDACTED], JOINT SPONSORS', [REDACTED] AND [REDACTED] INTERESTS IN OUR COMPANY

The Joint Sponsors will receive a sponsorship fee. The [REDACTED] (for themselves and on behalf of the [REDACTED]) will receive an [REDACTED] commission. Particulars of these [REDACTED] commission and expenses are set forth under the sub-paragraph headed "Commission and expenses" in this section.

Our Company will appoint Innovax Capital Limited as its compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules for the period commencing on the [REDACTED] and ending on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full financial year commencing after the [REDACTED], or until the compliance adviser agreement is otherwise terminated in accordance with its terms and conditions.

Save for the obligations and the interests under the [REDACTED] and save as disclosed in this document, none of the [REDACTED], the Joint Sponsors, the [REDACTED] nor the [REDACTED] or their associates is interested beneficially or non-beneficially in any shares in any member of our Group nor has any right (whether legally enforceable or not) or option to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Following the completion of the [REDACTED], the [REDACTED] and their respective affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the [REDACTED].

STAMP TAXES

Buyers of [REDACTED] sold by the [REDACTED] may be required to pay stamp taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the [REDACTED].

INDEMNITY

Our Company and the Controlling Shareholders have agreed to severally indemnify the [REDACTED] against certain losses which they may suffer, including losses arising from their performance of their obligations under the [REDACTED] and any breach by us or the Controlling Shareholders of the [REDACTED] as the case may be.

JOINT SPONSORS' INDEPENDENCE

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 6A.07 of the GEM Listing Rules.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

The following is the text of a report, prepared for the inclusion in this document, received from the independent reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong.

22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

The Directors
ZACD Group Ltd.
China Everbright Capital Limited
Innovax Capital Limited

Dear Sirs,

We report on the historical financial information of ZACD Group Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-71, which comprises the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for each of the years ended 31 December 2015 and 2016, and the three months ended 31 March 2017 (the "Track Record Period"), and the consolidated statements of financial position of the Group as at 31 December 2015 and 2016 and 31 March 2017 and the statements of financial position of the Company as at 31 December 2016 and 31 March 2017 and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-71 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the "Document") in connection with the initial [REDACTED] of the shares of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group as at 31 December 2015 and 2016 and 31 March 2017 and the Company as at 31 December 2016 and 31 March 2017 and of the financial performance and cash flows of the Group for each of the Track Record Period in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the three months ended 31 March 2016 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Interim

Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standards Board. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Report on matters under the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

No historical financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong

[Date]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by Ernst & Young LLP, Singapore in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "Underlying Financial Statements").

The Historical Financial Information is presented in Singapore dollars ("S$") and all values are rounded to the nearest thousand (S$'000) except when otherwise indicated.

Consolidated statements of profit or loss

	Section II	Year ended 31 December		Three months ended 31 March	
	Notes	2015	2016	2016	2017
		S$'000	S$'000	S$'000 (unaudited)	S$'000
REVENUE	*6*	8,711	11,493	1,717	2,737
Other income and gain	*6*	20	262	14	30
Staff costs	*7*	(2,046)	(5,075)	(738)	(1,552)
Depreciation	*13*	(16)	(166)	(16)	(60)
Office rentals and related expenses		(17)	(217)	(54)	(105)
Marketing expenses		(87)	(333)	(4)	(48)
Other expenses, net		(525)	(2,551)	(269)	(1,116)
PROFIT/(LOSS) BEFORE TAX	*7*	6,040	3,413	650	(114)
Income tax credit/(expense)	*10*	(54)	174	(1)	77
PROFIT/(LOSS) FOR THE YEAR/ PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		5,986	3,587	649	(37)
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	*11*	N/A	N/A	N/A	N/A

Consolidated statements of comprehensive income

	Section II	Year ended 31 December		Three months ended 31 March	
	Notes	2015	2016	2016	2017
		S$'000	S$'000	S$'000 (unaudited)	S$'000
PROFIT/(LOSS) FOR THE YEAR/ PERIOD		5,986	3,587	649	(37)
OTHER COMPREHENSIVE INCOME/(LOSS)					
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		(7)	(3)	17	4
Fair value changes on available-for-sale financial assets	*14*	383	1,930	159	(174)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD		376	1,927	176	(170)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		6,362	5,514	825	(207)

Consolidated statements of financial position

	Section II	31 December		31 March
	Notes	2015	2016	2017
		S$'000	S$'000	S$'000
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	69	244	204
Available-for-sale financial assets	*14*	15,065	16,995	16,821
Deposit	*18*	84	90	88
Deferred tax assets	*22*	—	151	224
Total non-current assets		15,218	17,480	17,337
CURRENT ASSETS				
Trade receivables	*15*	7,652	2,698	3,964
Amount due from the ultimate holding company	*17*	78	—	—
Amounts due from related parties	*17*	87	140	380
Prepayments, deposits and other receivables	*18*	39	706	697
Financial asset at fair value through profit or loss	*19*	—	1,500	—
Cash and cash equivalents	*20*	964	4,371	3,040
Total current assets		8,820	9,415	8,081
CURRENT LIABILITIES				
Trade payables, other payables and accruals	*21*	1,092	2,425	2,274
Amount due to the ultimate holding company	*17*	275	1,132	408
Amounts due to related parties	*17*	871	741	389
Tax payable		100	100	97
Total current liabilities		2,338	4,398	3,168
NET CURRENT ASSETS		6,482	5,017	4,913
TOTAL ASSETS LESS CURRENT LIABILITIES		21,700	22,497	22,250
NON-CURRENT LIABILITIES				
Other payables	*21*	489	172	132
NET ASSETS		21,211	22,325	22,118
EQUITY				
Share capital	*23*	—	—	4,718
Reserves	*24*	21,211	22,325	17,400
TOTAL EQUITY		21,211	22,325	22,118

Consolidated statements of changes in equity

	Section II Notes	Share capital	Available-for-sale financial assets revaluation reserve	Exchange fluctuation reserve	Merger reserve	Capital reserve	Retained profits/ (accumulated losses)	Total equity
		S$'000	S$'000	S$'000	S$'000 *(Note 24)*	S$'000 *(Note 24)*	S$'000	S$'000
At 1 January 2015		—	14,682	—	2,000	1,491	1,392	19,565
Profit for the year		—	—	—	—	—	5,986	5,986
Other comprehensive income/(loss) for the year:								
Exchange differences on translation of foreign operations		—	—	(7)	—	—	—	(7)
Fair value changes on available-for-sale financial assets	*14*	—	383	—	—	—	—	383
Total comprehensive income for the year		—	383	(7)	—	—	5,986	6,362
Issue of shares by subsidiaries		—	—	—	284	—	—	284
2015 dividends	*12*	—	—	—	—	—	(5,000)	(5,000)
At 31 December 2015 and 1 January 2016		—	15,065*	(7)*	2,284*	1,491*	2,378*	21,211
Profit for the year		—	—	—	—	—	3,587	3,587
Other comprehensive income/(loss) for the year:								
Exchange differences on translation of foreign operations		—	—	(3)	—	—	—	(3)
Fair value changes on available-for-sale financial assets	*14*	—	1,930	—	—	—	—	1,930
Total comprehensive income for the year		—	1,930	(3)	—	—	3,587	5,514
Issue of shares by subsidiaries		—	—	—	2,434	—	—	2,434
2016 dividends	*12*	—	—	—	—	—	(6,834)	(6,834)
At 31 December 2016 and 1 January 2017		—	16,995*	(10)*	4,718*	1,491*	(869)*	22,325
Loss for the period		—	—	—	—	—	(37)	(37)
Other comprehensive income/(loss) for the period:								
Exchange differences on translation of foreign operations		—	—	4	—	—	—	4
Fair value changes on available-for-sale financial assets	*14*	—	(174)	—	—	—	—	(174)
Total comprehensive loss for the period		—	(174)	4	—	—	(37)	(207)
Issue of shares by the Company for acquisition of subsidiaries in connection with the Reorganisation	*23*	4,718	—	—	(4,718)	—	—	—
At 31 March 2017		4,718	16,821*	(6)*	—*	1,491*	(906)*	22,118

	Section II Notes	**Share capital**	**Available-for-sale financial assets revaluation reserve**	**Exchange fluctuation reserve**	**Merger reserve**	**Capital reserve**	**Retained profits**	**Total equity**
		S$'000	**S$'000**	**S$'000**	**S$'000** *(Note 24)*	**S$'000** *(Note 24)*	**S$'000**	**S$'000**
(Unaudited)								
At 1 January 2016		—	15,065	(7)	2,284	1,491	2,378	21,211
Profit for the period		—	—	—	—	—	649	649
Other comprehensive income for the period:								
Exchange differences on translation of foreign operations		—	—	17	—	—	—	17
Fair value changes on available-for-sale financial assets	*14*	—	159	—	—	—	—	159
Total comprehensive income for the period		—	159	17	—	—	649	825
At 31 March 2016		—	15,224	10	2,284	1,491	3,027	22,036

* These reserve accounts comprise the consolidated reserves of S$21,211,000, S$22,325,000 and S$17,400,000 in the consolidated statements of financial position as at 31 December 2015 and 2016 and 31 March 2017, respectively.

Consolidated statements of cash flows

	Section II	Year ended 31 December		Three months ended 31 March	
	Notes	2015	2016	2016	2017
		S$'000	S$'000	S$'000 (unaudited)	S$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before tax		6,040	3,413	650	(114)
Adjustments for:					
Depreciation	*13*	16	166	16	60
Write-off of items of property, plant and equipment	*7*	—	8	—	—
Operating cash flows before changes in working capital		6,056	3,587	666	(54)
Changes in working capital					
Increase in trade receivables		(7,676)	(2,400)	(1,077)	(1,266)
Decrease/(increase) in prepayments, deposits and other receivables		(23)	(665)	(66)	10
Increase/(decrease) in trade payables, other payables and accruals		886	1,017	(127)	(189)
Increase/(decrease) in amounts due to related parties		196	112	(63)	(312)
Cash generated from/(used in) operations		(561)	1,651	(667)	(1,811)
Income tax refunded		—	23	—	—
Net cash flows from/(used in) operating activities		(561)	1,674	(667)	(1,811)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of items of property, plant and equipment	*13*	(78)	(349)	(27)	(20)
Redemption/(purchase) of a financial asset at fair value through profit or loss		—	(1,500)	—	1,500
Decrease/(increase) in amount due from the ultimate holding company		(78)	78	(100)	—
Decrease/(increase) in amounts due from related parties		42	(53)	—	(240)
Net cash flows from/(used in) investing activities		(114)	(1,824)	(127)	1,240

	Section II	Year ended 31 December		Three months ended 31 March	
	Notes	2015	2016	2016	2017
		S$'000	S$'000	S$'000 (unaudited)	S$'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase/(decrease) in amount due to the ultimate holding company		254	5,819	1,246	(724)
Increase/(decrease) in amounts due to related parties		155	(243)	293	(40)
Proceeds from issue of shares by subsidiaries received from the ultimate holding company		204	500	—	—
Dividends paid		—	(2,600)	—	—
Net cash flows from/(used in) financing activities		613	3,476	1,539	(764)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(62)	3,326	745	(1,335)
Cash and cash equivalents at beginning of year/period		1,025	964	964	4,371
Effect of foreign exchange rate changes, net		1	81	(30)	4
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		964	4,371	1,679	3,040
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and bank balances	*20*	964	4,371	1,679	3,040

Statements of financial position of the Company

	Section II Notes	31 December 2016	31 March 2017
		S$'000	S$'000
NON-CURRENT ASSETS			
Investments in subsidiaries	*16*	10	4,728
CURRENT ASSETS			
Prepayments and other receivables	*18*	507	499
Cash and cash equivalents	*20*	—	11
Total current assets		507	510
CURRENT LIABILITIES			
Accruals	*21*	590	819
Amount due to the ultimate holding company	*17*	132	310
Amounts due to subsidiaries	*16*	626	845
Total current liabilities		1,348	1,974
NET CURRENT LIABILITIES		(841)	(1,464)
NET ASSETS/(LIABILITIES)		(831)	3,264
EQUITY			
Share capital	*23*	—	4,718
Accumulated losses	*24*	(831)	(1,454)
TOTAL EQUITY		(831)	3,264

No statement of financial position of the Company as at 31 December 2015 has been presented as the Company was incorporated on 8 November 2016.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a company limited by shares, which is domiciled and incorporated in the Republic of Singapore ("Singapore"). The registered office of the Company, which is also its principal place of business, is located at 2 Bukit Merah Central #22-00, Singapore 159835.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is ZACD Investments Pte. Ltd. ("ZACD Investments"), which is incorporated in Singapore.

The Company is an investment holding company. During the Track Record Period, the Company's subsidiaries were principally engaged in the provision of the following services:

(i) investment management services, which includes (a) special purpose vehicle ("SPV") investment management and (b) fund management;

(ii) project consultancy and management services;

(iii) property management and asset management services; and

(iv) financial advisory services.

In preparation for the [REDACTED] of the Company's shares on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, a business transfer agreement was entered into between SLP International Property Consultants Pte. Ltd. ("SLP International") and a subsidiary now comprising the Group, pursuant to which the property management and asset management business (the "PMAM Business") formerly operated by SLP International was transferred to a subsidiary now comprising the Group and the business transfer was completed on 1 July 2016. SLP International is jointly owned by Mr. Yeo Choon Guan (Yao Junyuan) and Ms. Sim Kain Kain (together the "Controlling Shareholders") who are the controlling shareholders of ZACD Investments, the ultimate holding company of the Company.

The PMAM Business of SLP International did not exist as a legal or statutory entity and no separate statutory financial statements were therefore prepared. The historical financial information of the PMAM Business has been prepared to reflect its historical results of operations and its historical assets and liabilities.

The Company and its subsidiaries now comprising the Group underwent a reorganisation (the "Reorganisation") as set out in the section headed "History, Development and Reorganisation" in the Document. The Company became the holding company of the subsidiaries now comprising the Group upon completion of the Reorganisation. Apart from the Reorganisation, the Company has not commenced any business or operation since its incorporation.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Singapore, have substantially similar characteristics to a private company incorporated in Singapore), the particulars of which are set out below:

Company name	Place and date of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
ZACD International Pte. Ltd. (formerly known as ZACD (Bio5) Pte. Ltd.)[1]	Singapore 28 January 2011	S$2	100%	—	Investment management and project consultancy and management services
ZACD Capital Pte. Ltd.[1]	Singapore 25 October 2011	S$3,280,000	100%	—	Investment management and fund management services
ZACD Financial Group Limited[2]	Hong Kong 7 October 2015	HKD8,000,000	100%	—	Financial advisory services
ZACD Group Holdings Limited[2]	Hong Kong 7 October 2015	HKD10,000	100%	—	Investment management services
獅展商務諮詢(上海)有限公司[3/4] (ZACD (China) Co., Ltd.*)	People's Republic of China ("PRC") 13 July 2016	RMB1,000,000	—	100%	Business consultancy services
ZACD POSH Pte. Ltd.[3]	Singapore 17 November 2016	S$10,000	100%	—	Property management and asset management services
ZACD (Australia) Pty Ltd.[3]	Australia 23 November 2016	AUD2	100%	—	Business consulting services
ZACD Fund Holdings Pte. Ltd.[3]	Singapore 15 March 2017	S$2	100%	—	Fund holding

* For identification purpose only.

1 The statutory financial statements of these entities for the period from 1 June 2014 to 31 December 2015 and year ended 31 December 2016 prepared under Singapore Financial Reporting Standards were audited by Ernst & Young LLP, Singapore.

2 The statutory financial statements of these entities for the period from 7 October 2015 (date of incorporation) to 31 December 2016 prepared under Hong Kong Financial Reporting Standards were audited by Ernst & Young, Hong Kong.

3 No statutory financial statements have been prepared for these entities since their incorporation.

4 獅展商務諮詢(上海)有限公司 is registered as a wholly-foreign owned enterprise under the laws of the PRC. As at the date of this report, the paid up capital of this entity was amounted to RMB290,900.

2.1 BASIS OF PRESENTATION

Pursuant to the Reorganisation, as more fully explained in the section headed "History, Development and Reorganisation" in the Document, the Company became the holding company of the companies now comprising the Group on 31 March 2017. The companies now comprising the Group and the PMAM Business were under the common control of the Controlling Shareholders before and after the Reorganisation. Accordingly, for the purpose of this report, the Historical Financial Information has been prepared on a consolidated basis by applying the principles of merger accounting as if the

Reorganisation and the transfer of the PMAM Business had been completed at the beginning of the Track Record Period or since the date when the respective subsidiaries first came under the common control of the Controlling Shareholders, whichever is later.

The consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the Track Record Period and the three months ended 31 March 2016 include the results and cash flows of all the companies and business now comprising the Group from the earliest date presented or since the date when the respective subsidiaries and business were incorporated/established or first came under the common control of the Controlling Shareholders, whichever is later. The consolidated statements of financial position of the Group as at the end of each of the Track Record Period have been prepared to present the assets and liabilities of the subsidiaries and business using the existing book values from the Controlling Shareholders' prospective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

All intra-group transactions and balances have been eliminated on consolidation.

2.2 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB"). All IFRSs effective for the accounting period commencing from 1 January 2017, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period and the three months ended 31 March 2016.

The Historical Financial Information has been prepared under the historical cost convention, except for available-for-sale financial assets and a financial asset at fair value through profit or loss, which have been measured at fair value.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective in the Historical Financial Information:

IFRS 9	*Financial Instruments*[1]
IFRS 15	*Revenue from Contracts with Customers*[1]
IFRS 16	*Leases*[2]
IFRS 17	*Insurance Contracts*[3]
IFRIC Interpretation 22	*Foreign Currency Transactions and Advance Consideration*[1]
IFRIC 23	*Uncertainty over Income Tax Treatments*[2]
Amendments to IAS 40	*Transfers of Investment Property*[1]
Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[1]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*[1]
Annual Improvements to IFRS Standards 2014–2016 Cycle:	
Amendments to IAS 28	*Investments in Associates and Joint Ventures*[1]
Amendments to IFRS 1	*First-time Adoption of International Financial Reporting Standards*[1]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2019
[3] Effective for annual periods beginning on or after 1 January 2021
[4] No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

IFRS 9 *Financial Instruments*

IFRS 9 replaces the whole of IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 has three financial asset classification categories for investments in debt instruments: amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. Classification is driven by the entity's business model for managing the debt instruments and their contractual cash flow characteristics. Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in OCI, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities, there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability's own credit risk are recognised in OCI, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case all fair value movements are recognised in profit or loss. There is no subsequent recycling of the amounts in OCI to profit or loss. For financial liabilities held for trading (including derivative financial liabilities), all changes in fair value are presented in profit or loss. IFRS 9 introduces a new model for the recognition of impairment losses, the expected credit losses ("ECL") model, which constitutes a change from the incurred loss model in IAS 39. IFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under IFRS 9, to be recorded based on the ECL model either on a twelve-month basis or a lifetime basis.

The Group expects to adopt IFRS 9 from 1 January 2018. The adoption of IFRS 9 might have an impact on the classification of financial instruments and the Group's financial performance and financial position, including the measurement of financial assets and disclosures. In particular, the adoption of the ECL model may result in earlier recognition of credit losses of the Group's receivables. The Group expects to apply simplified approach and record lifetime expected losses that are estimated based on the present value of all cash shortfalls over the remaining life of all of its trade and other receivables. The Group will perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements, for estimation of ECL on its trade and other receivables upon the adoption of IFRS 9.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 replaces the previous revenue standards: IAS 18 *Revenue* and IAS 11 *Construction Contracts*, and the related interpretations on revenue recognition. IFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (i) identify the contract(s) with customer; (ii) identify separate performance obligations in a contract; (iii) determine the transaction price; (iv) allocate transaction price to performance obligations; and (v) recognise revenue when a performance obligation is satisfied. The core principle is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. IFRS 15 provides specific guidance on capitalisation of contract cost and licence arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. Under IFRS 15, an entity normally recognises revenue when a performance obligation is satisfied. Impact on the revenue recognition may arise when multiple performance obligations are identified.

The Group is in the process of performing a detailed assessment of the potential impact of the application of IFRS 15 and expects to adopt IFRS 15 from 1 January 2018. The impact to the Group is expected to include more comprehensive disclosure as required by the new standard. In addition, a contract that contains two or more performance obligations would be accounted for separately and this might have an impact on the pattern of revenue and profit recognition.

IFRS 16 *Leases*

IFRS 16 will supersede IAS 17 *Leases* and other standards on leases under IFRSs and is effective from 1 January 2019. IFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to recognise certain leases outside of the statement of financial position. Instead, almost all leases must be recognised in the form of an asset (for the right-of-use) and a financial liability (for the payment obligation). Each lease will be mapped in the Group's consolidated statement of financial position. Short-term leases of less than twelve months and leases of low-value assets are exempt from the reporting obligation. The new standard will therefore result in an increase in assets and financial liabilities in the consolidated statement of financial position. In the consolidated statement of profit or loss, leases will be recognised in the future as depreciation of right-of-use assets and interest expense on lease liability and will no longer be recorded as an operating expense on a straight-line basis. Therefore, during the initial period of a lease term, the lease expense (asset depreciation plus interest) under the new standard is higher compared to the operating lease expense recognised under the existing standard.

The Group expects to adopt IFRS 16 from 1 January 2019. As set out in note 27 to the Historical Financial Information, the Group had total future minimum lease payments under non-cancellable operating leases as at 31 March 2017 amounted to S$1,315,000. The directors of the Company are currently assessing the impact of IFRS 16 upon adoption and expect that certain portion of these lease commitments will be required to be recognised in the statement of financial position as right-of-use assets and lease liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries now comprising the Group and the PMAM Business for the Track Record Period. The financial statements of the subsidiaries and the PMAM Business are prepared for the same reporting period as the Company, using consistent accounting policies.

As explained in note 2.1 of Section II above, the acquisition of subsidiaries and business under common control has been accounted for using the merger accounting.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the Track Record Period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it de-recognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3.2 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.3 Fair value measurement

The Group measures financial instruments such as unquoted available-for-sale financial assets and a structured deposit at fair value at the end of each reporting period. Fair-value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions (note 30)
- Quantitative disclosures of fair value measurement hierarchy (note 30)
- Financial instruments (including those carried at amortised cost) (note 29)

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 measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for recurring fair value measurement, such as unquoted available-for-sale financial assets and a structured deposit.

At each reporting date, the Group's management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group's management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group's management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

3.4 Foreign currencies

The Historical Financial Information is presented in S$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) ***Transactions and balances***

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(b) ***Group companies***

On consolidation, the assets and liabilities of foreign operations are translated into S$ at the rate of exchange prevailing at the reporting date and their consolidated statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

3.5 Cash dividend distribution to equity holders of the parent

The Company recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. According to the corporate laws of Singapore, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.6 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Computers	—	1 to 3 years
Office equipment	—	3 years
Furniture and fittings	—	3 years
Renovation	—	Over the shorter of the lease term and 3 years

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

The residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, if appropriate.

3.7 Financial instruments — initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) ***Financial assets***

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in profit or loss. The losses arising from impairment are recognised in profit or loss in finance costs for loans and in other expenses for receivables.

Available-for-sale financial assets

Available-for-sale financial assets include equity investments. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited to the available-for-sale financial assets revaluation reserve until the investment is de-recognised, at which time, the cumulative gain or loss is recognised in other income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale financial assets revaluation reserve to profit or loss in finance costs.

De-recognition

A financial asset is primarily de-recognised (i.e., removed from the Group's consolidated statements of financial position) when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Significant accounting estimates (note 4)
- Trade receivables (note 15)

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income (recorded as finance income in profit or loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in profit or loss.

Available-for-sale financial assets

For available-for-sale financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss — is removed from OCI and recognised in profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities comprise trade payables, other payables and accruals, and amounts due to the ultimate holding company and related parties.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(c) ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.8 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or a cash-generating unit's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

3.9 Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Group's cash management.

3.10 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalment.

3.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Rendering of services

The Group provides investment management, project consultancy and management, property management and asset management services and financial advisory services as described below.

(a) *SPV investment management*

The Group provides investment management services to investors of real estate projects by establishing and incorporating SPV (the "Investment SPV") through which the investors participate in the project by subscribing convertible loans that are issued by the Investment SPV. Post establishment and incorporation of the Investment SPV, the Group continues to provide investment management services to the investors by managing the Investment SPV up to the time of project completion.

The Group derives investment management revenue from the investors of the Investment SPV comprising: (i) fixed pre-negotiated investment management fees receivable in cash; and (ii) establishment fees receivable in the form of equity shares (the "Establishment Shares") in the

Investment SPV, that are owned by the investors upon conversion of their convertible loans as and when the underlying real estate project is substantially complete, together with the dividend income from such Establishment Shares. The Group also derives performance fee from a major investor in return for providing a priority right to this investor to participate in real estate projects. Such fee is pegged to a stipulated percentage of all dividends and/or profit distributions to be received by the investor on its investments in the real estate projects.

The Group recognises the fixed pre-negotiated investment management fee revenue on a time-apportioned basis over the estimated real estate development period, and establishment fee revenue, based on the initial fair value of its right over the entitlement to the Establishment Shares which the Group is entitled to receive upon subscription of convertible loans in the Investment SPV by the investors, when it is probable that the Group will receive the Establishment Shares. Subsequent to initial recognition, the Group's entitlement to the Establishment Shares is accounted for as available-for-sale financial assets in accordance with note 3.7(a) above. The Group's entitlement over the dividend from the Establishment Shares is accounted for according to the accounting policies for "Dividends" set out below. Performance fee is recognised as and when the Group's right to such fee is established and the revenue amount can be reliably measured, which is generally when the Investment SPV declares dividends and/or profit distributions.

(b) *Fund management*

The Group renders fund management services by serving as manager of private real estate funds. Under this arrangement, the Group is responsible for the management of the funds' investment portfolio where it actively sources for real estate deals and manages the investment process for the funds, manages the assets owned by the funds, and sources for avenues for divesting the investments in order to maximise the funds' internal rates of return.

Under the contracts entered into with the private real estate funds, the Group is entitled to fund management fees based on a percentage of committed capital and performance fees based on a percentage of return on equity of the fund upon divestment of all investments in the fund or expiration or early termination of the fund life. The management fees are recognised on a straight-line basis over the contractual terms. The performance fees are recognised as and when the Group's rights and entitlement to the fees are established.

(c) *Project consultancy and management services*

Project consultancy and management services rendered by the Group to real estate developers generally comprise services in the areas of tender consultancy and research, design development consultancy, marketing project management, sales administration, and handover and property defects management services, coordination of legal services, as well as finance and corporate services. These services are provided to real estate developers and help to address various needs during each major stage of real estate development projects.

The Group enters into service agreements with real estate developers for these services in which fixed pre-negotiated fees are specified. Project consultancy and management fees are recognised on a time-apportioned basis over the contractual service period.

(d) *Property management and asset management services*

The Group's property management services are primarily provided to real estate developers and property owners' association including property maintenance management services and ancillary services, such as accounting and financial services. Properties managed by the Group comprise residential properties as well as non-residential properties including commercial buildings, office

buildings and industrial parks. Fixed pre-negotiated fees are specified in property management contracts which typically cover a one-year service period and are renewable on an annual basis. Such fees are recognised as revenue on a time-apportioned basis over the contractual service period.

The Group's asset management services are primarily provided to property owners and help the property owners oversee a full range of services including defect management, rental management, lease advisory services, administrative management and tenants care management. Revenue is recognised by the Group on an accrual basis in accordance with the terms of the underlying agreements.

(e) *Financial advisory services*

The Group's financial advisory services primarily relate to corporate finance advisory services. Revenue is recognised by the Group as and when the services have been rendered.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Dividend income derived from the Establishment Shares is classified under SPV investment management fees.

3.12 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that asset is or these assets are not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense on a straight-line basis over the lease term.

3.13 Employee benefits

(a) ***Defined contribution plans***

The Group participates in the national/mandatory pension schemes as defined by the laws of the countries/jurisdictions in which it has operations. In particular, the Group makes contributions to the Central Provident Fund scheme in Singapore and the Mandatory Provident Fund retirement benefit scheme in Hong Kong. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related employee service is received.

(b) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

3.14 Taxes

(a) ***Current income tax***

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting date in the countries/jurisdiction where the Group operates and generate taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) ***Deferred tax***

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) ***Sales tax***

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statements of financial position.

3.15 Deferred revenue

Deferred revenue represents advance receipts from customers for services that have yet to be rendered, and is recognised to profit or loss as revenue as and when these services have been rendered.

3.16 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3.17 General provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.18 Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control of the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management (note 31)
- Financial risk management objectives and policies (note 31)

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the Historical Financial Information:

Consolidation of Investment SPVs and private real estate funds

The Group has been delegated decision-making rights to carry out activities as manager for Investment SPVs and private real estate funds for the benefit of their investors. Assessing whether the Group is making decisions as a principal or carrying out the decisions made by all the investors is a significant judgement. The Group considers the terms and conditions of the arrangement to assess whether it is an agent or a principal based on the scope of decision-making authority it has, rights held by other parties, its remuneration structure and exposure to variability of returns through other interests.

As at 31 December 2015, 31 December 2016 and 31 March 2017, the Group acted as manager for 19, 14 and 14 Investment SPVs respectively, and nil, 2 and 2 private real estate funds respectively. Having considered the fact patterns surrounding each of these Investment SPVs and private real estate funds in which the Group acts as a manager, the Group considers that it does not control all these Investment SPVs and private real estate funds.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair value measurement of available-for-sale financial assets

The fair value of available-for-sale financial assets held by the Group is measured using valuation techniques including the discounted cash flow ("DCF") model as these instruments do not have quoted prices in active markets. As these instruments relate to equity interests presently held or to be received by the Group in Investment SPVs that undertake investment in real estate development projects (note 14), management expects the fair value to be eventually realised through dividend distributions and return of capital that the Group will receive from the Investment SPVs.

The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of estimation is required in establishing fair values. Key estimates include considerations of inputs such as future dividend distribution cash flows expected to be received by the Group based on the Investment SPV's projected distributable profits, the level of uncertainty to be ascribed to such profits projection taking into consideration the current stage of the real estate project's development and its sale progress, as well as the discount rate. Changes in assumptions relating to these factors could affect the reported fair value of the financial instruments. See note 30 for further disclosures.

Impairment of loans and receivables

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of each reporting period during the Track Record Period is disclosed in note 29.

5. OPERATING SEGMENT INFORMATION

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

(a) Investment management

The Group provides investment management services for investors to invest into real estate projects or funds by setting up a single investment vehicle (Investment SPV) or fund holding entity.

(i) ***SPV investment management***

The Group provides investment management services to investors of real estate development projects by establishing and incorporating Investment SPV through which the investors participate in the project by subscribing convertible loans that are issued by the Investment SPV. With respect to a major investor, the Group also derives revenue in return for providing a priority right to this investor to participate in the Group's real estate development projects. Post establishment and incorporation of the Investment SPV, the Group continues to provide investment management services to the investors by managing the Investment SPV up to the time of project completion. The Group also holds the Establishment Shares received from investors to remunerate its SPV investment management services provided, through dividend distribution and return of capital from the relevant Investment SPVs.

(ii) ***Fund management***

The Group renders fund management services by serving as manager of private real estate funds. Under this arrangement, the Group is responsible for the management of the funds' investment portfolio where it actively sources for real estate deals and manage the investment process for the funds, manages the assets owned by the funds, and sources for avenues for divesting the investments in order to maximise the funds' internal rates of return.

(b) Project consultancy and management services

Project consultancy and management services rendered by the Group to real estate developers generally comprise services in the areas of tender consultancy and research, design development consultancy, marketing project management, sales administration, and handover and property defects management services, coordination of legal services, as well as finance and corporate services. These services are provided to real estate developers and help to address various needs during each major stage of real estate development projects.

(c) Property management and asset management

The Group's property management services primarily include maintenance management services and ancillary services, such as accounting and financial services. Properties managed by the Group comprise residential properties as well as non-residential properties including commercial buildings, office buildings and industrial parks.

The Group's asset management services primarily relate to defect management, rental management, lease advisory services, administrative management and tenants care management.

(d) Financial advisory

The Group's financial advisory services primarily relate to corporate finance advisory services.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that unallocated other income and gains as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Year ended 31 December 2015

	Investment management		Project consultancy and management services	Property management and asset management	Total
	SPV investment management	Fund management			
	S$'000	S$'000	S$'000	S$'000	S$'000
Segment revenue					
External customers	7,147	—	1,268	296	8,711
Segment results	6,382	(610)	1,079	(150)	6,701
Reconciliation:					
Other income and gain					20
Corporate and unallocated expenses					(681)
Profit before tax					6,040
Segment assets	21,344	1,803	679	78	23,904
Reconciliation:					
Corporate and unallocated assets					134
Total assets					24,038
Segment liabilities	1,132	1,024	171	241	2,568
Reconciliation:					
Corporate and unallocated liabilities					259
Total liabilities					2,827
Other segment information:					
Depreciation					
— operating segment	10	3	2	1	16
Capital expenditure*					
— operating segment	39	—	7	7	53
— unallocated					25
					78

* Capital expenditure represents additions to property, plant and equipment.

Year ended 31 December 2016

	Investment management		Project consultancy and management services	Property management and asset management	Total
	SPV investment management	Fund management			
	S$'000	S$'000	S$'000	S$'000	S$'000
Segment revenue					
External customers	8,263	176	858	2,196	11,493
Segment results	7,331	(1,927)	760	(536)	5,628
Reconciliation:					
Other income and gain					262
Corporate and unallocated expenses					(2,477)
Profit before tax					3,413
Segment assets	20,220	1,111	720	868	22,919
Reconciliation:					
Corporate and unallocated assets					3,976
Total assets					26,895
Segment liabilities	1,745	632	131	339	2,847
Reconciliation:					
Corporate and unallocated liabilities					1,723
Total liabilities					4,570
Other segment information:					
Depreciation					
— operating segment	74	23	7	48	152
— unallocated					14
					166
Write-off of items of property, plant and equipment	—	—	—	8	8
Capital expenditure*					
— operating segment	202	27	21	88	338
— unallocated					11
					349

* Capital expenditure represents additions to property, plant and equipment.

Three months ended 31 March 2016 (unaudited)

	Investment management		Project consultancy and management services	Property management and asset management	Total
	SPV investment management	Fund management			
	S$'000	S$'000	S$'000	S$'000	S$'000
Segment revenue					
External customers	1,329	—	192	196	1,717
Segment results	1,180	(326)	155	(54)	955
Reconciliation:					
Other income and gain					14
Corporate and unallocated expenses					(319)
Profit before tax					650
Segment assets	22,845	1,643	469	206	25,163
Reconciliation:					
Corporate and unallocated assets					995
Total assets					26,158
Segment liabilities	1,197	1,006	110	357	2,670
Reconciliation:					
Corporate and unallocated liabilities					1,452
Total liabilities					4,122
Other segment information:					
Depreciation					
— operating segment	8	—	1	4	13
— unallocated					3
					16
Capital expenditure*					
— operating segment	19	—	—	—	19
— unallocated					8
					27

* Capital expenditure represents additions to property, plant and equipment.

Three months ended 31 March 2017

	Investment management		Project consultancy and management services	Property management and asset management	Financial advisory	Total
	SPV investment management	Fund management				
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Segment revenue						
External customers	1,110	111	489	980	47	2,737
Segment results	785	(224)	339	(82)	(163)	655
Reconciliation:						
Other income and gain						30
Corporate and unallocated expenses						(799)
Loss before tax						(114)
Segment assets	19,856	733	688	1,677	1,898	24,852
Reconciliation:						
Corporate and unallocated assets						566
Total assets						25,418
Segment liabilities	779	522	172	787	1	2,261
Reconciliation:						
Corporate and unallocated liabilities						1,039
Total liabilities						3,300
Other segment information:						
Depreciation						
— operating segment	33	7	13	7	—	60
Capital expenditure*						
— operating segment	—	19	—	—	1	20

* Capital expenditure represents additions to property, plant and equipment.

Geographical information

(a) ***Revenue from external customers***

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (unaudited)	S$'000
Singapore	7,113	10,307	1,540	2,485
Malaysia	1,578	1,116	153	238
Other countries/jurisdictions	20	70	24	14
	8,711	11,493	1,717	2,737

The revenue information above is based on the locations of the customers.

(b) ***Non-current assets***

	31 December		31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Singapore	44	222	184
Other countries/jurisdictions	25	22	20
	69	244	204

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue from major customers contributing to 10% or more of the Group's revenue for each of the Track Record Period and the three months ended 31 March 2016 is set out below:

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (unaudited)	S$'000
Customer A	1,699	N/A*	N/A*	N/A*
Customer B	1,505	N/A*	N/A*	N/A*
Customer C	1,357	N/A*	N/A*	N/A*
Customer D	N/A^	3,428	N/A^	329
Customer E	N/A#	1,277	962	N/A#
Customer F	N/A@	N/A@	N/A@	479

* Revenue from Customer A, B and C for the year ended 31 December 2016, and the three months ended 31 March 2016 (unaudited) and 31 March 2017 was less than 10% of the Group's revenue.

^ Revenue from Customer D for the year ended 31 December 2015 and the three months ended 31 March 2016 (unaudited) was less than 10% of the Group's revenue.

Revenue from Customer E for the year ended 31 December 2015 and the three months ended 31 March 2017 was less than 10% of the Group's revenue.

@ Revenue from Customer F for the years ended 31 December 2015 and 2016 and the three months ended 31 March 2016 (unaudited) was less than 10% of the Group's revenue.

6. REVENUE, OTHER INCOME AND GAIN

Revenue represents the aggregate of service fee income earned from the provision of investment management services, project consultancy and management services, property management and asset management services, and financial advisory services. An analysis of revenue, other income and gain is as follows:

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (unaudited)	S$'000
Revenue				
Investment management				
— SPV investment management fees	7,147	8,263	1,329	1,110
— Fund management fees	—	176	—	111
Project consultancy and management service fees	1,268	858	192	489
Property management and asset management fees	296	2,196	196	980
Financial advisory fees	—	—	—	47
	8,711	11,493	1,717	2,737
Other income and gain				
Government grants*	20	98	14	30
Foreign exchange differences, net	—	109	—	—
Others	—	55	—	—
	20	262	14	30

* Government grants have been received by certain subsidiaries in connection with employment of senior Singaporean workers under Special Employment Credit and Wage Credit Scheme and enhancement/scale up of business capabilities under Capability Development Grant provided by Singapore Government. There were no unfulfilled conditions or contingencies relating to these grants.

7. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (unaudited)	S$'000
Employee benefit expense (including directors' remuneration *(note 8)*):				
Salaries, bonuses, commission, and other allowances	1,859	4,518	687	1,390
Retirement benefit scheme contributions (defined contribution scheme)	187	557	51	162
	2,046	5,075	738	1,552
Auditor's remuneration	17	17	1	2
[REDACTED] expenses	—	[REDACTED]	—	[REDACTED]
Write-off of items of property, plant and equipment	—	8	—	—
Minimum lease payments under operating leases	17	217	54	105
Fair value loss/(gain) on a financial asset at fair value through profit or loss	—	98	—	(36)
Dividend income from the Establishment Shares included in SPV investment management fees	(4,321)	(6,487)	(962)	(808)
Foreign exchange differences, net	—	(109)	19	19

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

A director received remuneration from the subsidiaries now comprising the Group for his appointment as director of these subsidiaries or his capacity as employee of these subsidiaries. The remuneration of the director as recorded in the financial statements of the subsidiaries is set out below:

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (unaudited)	S$'000
Fees	—	—	—	—
Other emoluments:				
Salaries, allowances and benefits in kind	56	345	86	88
Retirement benefit scheme contributions (defined contribution scheme)	1	3	1	1
	57	348	87	89

(a) Non-executive directors and independent non-executive directors

The Company did not have any non-executive directors and independent non-executive directors at any time during the Track Record Period.

(b) Executive directors and chief executive

The Company did not have any chief executive and executive directors prior to 8 November 2016 since the Company was only incorporated in Singapore subsequent to that date. Mr. Yeo Choon Guan (Yao Junyuan), Ms. Sim Kain Kain, Mr. Gwee Yuen Kerr Ryan and Mr. Siew Chen Yei were appointed as directors of the Company on 8 November 2016. Mr. Gwee Yuen Kerr Ryan resigned as the director of the Company on 15 February 2017. Mr. Yeo Choon Guan (Yao Junyuan) was re-designated as the chief executive officer of the Company on 12 July 2017.

The remuneration of each of the directors of the Company for the Track Record Period and the three months ended 31 March 2016 is set out below:

	Fees	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total
	S$'000	S$'000	S$'000	S$'000
Year ended 31 December 2015				
Yeo Choon Guan (Yao Junyuan)	—	—	—	—
Sim Kain Kain	—	—	—	—
Gwee Yuen Kerr Ryan	—	—	—	—
Siew Chen Yei	—	56	1	57
	—	56	1	57
Year ended 31 December 2016				
Yeo Choon Guan (Yao Junyuan)	—	—	—	—
Sim Kain Kain	—	—	—	—
Gwee Yuen Kerr Ryan	—	—	—	—
Siew Chen Yei	—	345	3	348
	—	345	3	348
Three months ended 31 March 2017				
Yeo Choon Guan (Yao Junyuan)	—	—	—	—
Sim Kain Kain	—	—	—	—
Gwee Yuen Kerr Ryan	—	—	—	—
Siew Chen Yei	—	88	1	89
	—	88	1	89

	Fees	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total
	S$'000	S$'000	S$'000	S$'000
Three months ended 31 March 2016 (unaudited)				
Yeo Choon Guan (Yao Junyuan)	—	—	—	—
Sim Kain Kain	—	—	—	—
Gwee Yuen Kerr Ryan	—	—	—	—
Siew Chen Yei	—	86	1	87
	—	86	1	87

During the Track Record Period and the three months ended 31 March 2016, no remuneration was paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

There was no arrangement under which a director waived or agreed to waive any remuneration during the Track Record Period and the three months ended 31 March 2016.

9. FIVE HIGHEST PAID EMPLOYEES

No director was the five highest paid employees during the year ended 31 December 2015. The five highest paid employees during the year ended 31 December 2016 and the three months ended 31 March 2016 and 2017 included 1, 1 (unaudited) and 1 director of the Company, respectively, details of whose remuneration are set out in note 8 above.

Details of the remuneration of the remaining highest paid employees who are neither a director nor chief executive for the Track Record Period and the three months ended 31 March 2016 are analysed as follows:

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (unaudited)	S$'000
Salaries, bonuses, allowances and benefits in kind	674	598	134	182
Retirement benefit scheme contributions	45	53	16	15
	719	651	150	197

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands for the Track Record Period and the three months ended 31 March 2016 is as follows:

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
			(unaudited)	
Nil to HKD1,000,000	4	3	4	4
HKD1,000,001 to HKD1,500,000	—	1	—	—
HKD1,500,001 to HKD2,000,000	1	—	—	—
	5	4	4	4

10. INCOME TAX

Singapore profits tax has been provided on the estimated assessable profits arising in Singapore at a rate of 17% during the Track Record Period and the three months ended 31 March 2016. No provision for profits tax has been made in other countries/jurisdictions in which the Group operates as the Group did not generate any assessable profits arising in other countries/jurisdictions during the Track Record Period and the three months ended 31 March 2016.

The major components of the income tax charge/(credit) for the Track Record Period and the three months ended 31 March 2016 are as follows:

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (unaudited)	S$'000
Current				
Charge for the year/period	54	—	1	1
Overprovision in prior years	—	(23)	—	(5)
Deferred *(note 22)*	—	(151)	—	(73)
Total tax charge/(credit) for the year/period	54	(174)	1	(77)

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the statutory rates for the countries/jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax charge/(credit) at the Group's effective tax rates is as follows:

Year ended 31 December 2015

	Singapore		Hong Kong		PRC		Total
	S$'000	%	S$'000	%	S$'000	%	S$'000
Profit/(loss) before tax	6,160		(120)		—		6,040
Tax at the statutory tax rate	1,047	17.0	(20)	16.5	—	25.0	1,027
Expenses not deductible for tax	5		20		—		25
Income not subject to tax	(738)		—		—		(738)
Deferred tax assets not recognised	22		—		—		22
Effect of utilisation of losses under group relief*	(256)		—		—		(256)
Effect of partial tax exemption and tax rebate	(26)		—		—		(26)
Tax charge at the Group's effective rate	54	0.9	—	0.0	—	0.0	54

Year ended 31 December 2016

	Singapore		Hong Kong		PRC		Total
	S$'000	%	S$'000	%	S$'000	%	S$'000
Profit/(loss) before tax	4,618		(1,211)		6		3,413
Tax at the statutory tax rate	785	17.0	(200)	16.5	2	25.0	587
Expenses not deductible for tax	223		216		—		439
Income not subject to tax	(1,109)		(16)		(2)		(1,127)
Effect of partial tax exemption and tax rebate	(37)		—		—		(37)
Benefits from previously unrecognised tax losses	(13)		—		—		(13)
Adjustments in respect of current tax of previous periods	(23)		—		—		(23)
Tax credit at the Group's effective rate	(174)	(3.8)	—	0.0	—	0.0	(174)

Three months ended 31 March 2017

	Singapore		Hong Kong		Australia		PRC		Total
	S$'000	%	S$'000	%	S$'000	%	S$'000	%	S$'000
Profit/(loss) before tax	215		(324)		(4)		(1)		(114)
Tax at the statutory tax rate	37	17.0	(53)	16.5	(1)	30.0	—	25.0	(17)
Expenses not deductible for tax	118		68		1		—		187
Income not subject to tax	(214)		(15)		—		—		(229)
Effect of partial tax exemption and tax rebate	(13)		—		—		—		(13)
Adjustments in respect of current tax of previous periods	(5)		—		—		—		(5)
Tax credit at the Group's effective rate	(77)	(35.8)	—	0.0	—	0.0	—	0.0	(77)

Three months ended 31 March 2016 (unaudited)

	Singapore		Hong Kong		Total
	S$'000	%	S$'000	%	S$'000
Profit/(loss) before tax	976		(326)		650
Tax at the statutory tax rate	166	17.0	(54)	16.5	112
Expenses not deductible for tax	5		54		59
Income not subject to tax	(164)		—		(164)
Effect of partial tax exemption and tax rebate	(6)		—		(6)
Tax charge at the Group's effective rate	1	0.1	—	0.0	1

* During the year ended 31 December 2015, the Group received tax losses of S$1,505,000 from the ultimate holding company under the Group Relief System of the Inland Revenue Authority of Singapore to offset taxable profit incurred during that year.

11. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the presentation of the results of the Group for the Track Record Period and the three months ended 31 March 2016 as further explained in note 2.1 to the Historical Financial Information.

12. DIVIDENDS

No dividend has been paid or declared by the Company since its incorporation.

The dividends declared by a subsidiary of the Company to the ultimate holding company during the Track Record Period and the three months ended 31 March 2016 are as follows:

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (unaudited)	S$'000
Dividends	5,000	6,834	—	—

13. PROPERTY, PLANT AND EQUIPMENT

	Computers	Office equipment	Furniture and fittings	Renovation	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
31 December 2015					
At 1 January 2015:					
Cost	53	—	—	—	53
Accumulated depreciation	(46)	—	—	—	(46)
Net carrying amount	7	—	—	—	7
At 1 January 2015, net of accumulated depreciation	7	—	—	—	7
Additions	25	28	12	13	78
Depreciation provided during the year	(14)	(1)	(1)	—	(16)
At 31 December 2015, net of accumulated depreciation	18	27	11	13	69
At 31 December 2015:					
Cost	78	28	12	13	131
Accumulated depreciation	(60)	(1)	(1)	—	(62)
Net carrying amount	18	27	11	13	69
31 December 2016					
At 31 December 2015 and 1 January 2016:					
Cost	78	28	12	13	131
Accumulated depreciation	(60)	(1)	(1)	—	(62)
Net carrying amount	18	27	11	13	69
At 1 January 2016, net of accumulated depreciation	18	27	11	13	69
Additions	180	6	17	146	349
Depreciation provided during the year	(132)	(10)	(7)	(17)	(166)
Write-off during the year	—	—	(8)	—	(8)
At 31 December 2016, net of accumulated depreciation	66	23	13	142	244
At 31 December 2016:					
Cost	247	34	19	159	459
Accumulated depreciation	(181)	(11)	(6)	(17)	(215)
Net carrying amount	66	23	13	142	244

	Computers	Office equipment	Furniture and fittings	Renovation	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
31 March 2017					
At 31 December 2016 and 1 January 2017:					
Cost	247	34	19	159	459
Accumulated depreciation	(181)	(11)	(6)	(17)	(215)
Net carrying amount	66	23	13	142	244
At 1 January 2017, net of accumulated depreciation	66	23	13	142	244
Additions	19	—	—	1	20
Depreciation provided during the period	(42)	(3)	(2)	(13)	(60)
At 31 March 2017, net of accumulated depreciation	43	20	11	130	204
At 31 March 2017:					
Cost	247	34	19	160	460
Accumulated depreciation	(204)	(14)	(8)	(30)	(256)
Net carrying amount	43	20	11	130	204

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	31 December		31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Unlisted equity shares, at fair value	1,498	6,474	6,298
Contractual rights over unlisted equity shares, at fair value	13,567	10,521	10,523
	15,065	16,995	16,821

During the years ended 31 December 2015 and 2016, the gross gain in respect of the Group's available-for-sale financial assets recognised in other comprehensive income amounted to S$383,000 and S$1,930,000, respectively. During the three months ended 31 March 2016 and 2017, the fair value change in respect of the Group's available-for-sale financial assets recognised in other comprehensive income amounted to a gross gain of S$159,000 (unaudited) and a gross loss of S$174,000, respectively.

The above financial assets were designated as available-for-sale financial assets and have no fixed maturity date or coupon rate.

Available-for-sale financial assets represent the Establishment Shares or contractual rights over the Establishment Shares to be awarded by the investors of Investment SPVs that the Group currently acts as a manager, as consideration for services rendered by the Group to the investors (that include independent third parties and the ultimate holding company) in relation to the establishment and incorporation of the Investment SPVs as real estate development investment structures. Through these Investment SPVs, the investors participate in real estate development projects by investing in convertible loans issued by the Investment SPVs.

Although the contractual rights over the Establishment Shares are earned by the Group upon the subscription of convertible loans in the Investment SPVs by the investors, the shares will only be received by the Group from the investors upon conversion of their convertible loans as and when the underlying real estate development project is substantially completed.

The Group receives dividend distributions from the Investment SPVs through the Establishment Shares it has received from the investors and as and when declared by the Investment SPVs. Such dividend distributions are included in the Group's SPV investment management fees (note 6).

As at 31 December 2015, the Group held approximately 14% to 16% equity shares in 4 SPVs while as at 31 December 2016 and 31 March 2017, the Group held approximately 14% to 18% equity shares in 9 SPVs. In addition, the Group also had contractual rights over the Establishment Shares to be awarded by the investors in 19, 14 and 14 Investment SPVs, which upon conversion, represent no more than 19% in the enlarged share capital of the respective Investment SPVs as at 31 December 2015 and 2016 and 31 March 2017, respectively.

As at 31 December 2015, the Group's Establishment Shares with an aggregate carrying value of S$1,498,000 were held by the ultimate holding company on behalf of the Group pursuant to various deeds of novation entered into in various dates between 2014 and 2015 and the Group also recognised dividend income in an aggregate amount of S$2,816,000 from these Establishment Shares during the year ended 31 December 2015. The legal titles of these Establishment Shares were awarded to the Group during the year ended 31 December 2016.

Pursuant to a convertible loan agreement (the "Kaki Bukit CLA") dated 8 October 2010 entered into between all the investors of ZACD (Kaki Bukit) Pte. Ltd. ("ZACD (Kaki Bukit)") and the ultimate holding company, a deed of novation dated 1 June 2014 entered into between the ultimate holding company and the Group, and a supplemental deed to Kaki Bukit CLA dated 30 September 2016 entered into between all the investors (including the ultimate holding company), ZACD (Kaki Bukit) and the Group, the Group, as the manager to provide the project management services, shall be entitled to all the benefits of the terms and conditions of the Kaki Bukit CLA which are applicable to the Group, with effect from the date of Kaki Bukit CLA, including the establishment fees and payouts derived from the Establishment Shares. On 28 October 2015, ZACD (Kaki Bukit) declared dividend and the Group's beneficial equity interest over the dividend amounting to S$1,505,000 was received by the ultimate holding company on behalf of the Group. In addition, pursuant to a deed of ratification (the "Ratification Deed") entered into between all the investors of ZACD (Kaki Bukit) and the Group dated 30 June 2017, it is clarified that the beneficial equity interest in ZACD (Kaki Bukit) was held in trust by the ultimate holding company for all the investors and the Group when ZACD (Kaki Bukit) declared dividend on 28 October 2015. As at 31 December 2015, the fair value of contractual right over the Establishment Shares of ZACD (Kaki Bukit) was amounted to S$19,000 and the Establishment Shares of ZACD (Kaki Bukit) was awarded to the Group during the year ended 31 December 2016.

15. TRADE RECEIVABLES

	31 December		31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Trade receivables	7,652	2,698	3,964

The Group's trading terms with its customers are mainly on credit settlement. The credit period is generally 30 days. The Group's dividend receivables are not governed by any credit terms. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the trade receivables were S$3,206,000, S$874,000 and S$1,037,000 that were recognised as receivables as at 31 December 2015, 31 December 2016 and 31 March 2017 in accordance with the terms of underlying agreements but the amounts have not been invoiced to respective customers.

An aged analysis of the trade receivables, other than receivables not yet invoiced and dividend receivables, as at the end of each of the Track Record Period, based on the invoice date, is as follows:

	31 December		31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Within 1 month	3,931	540	594
1 to 2 months	73	296	621
2 to 3 months	23	85	143
Over 3 months	319	217	225
	4,346	1,138	1,583

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	31 December		31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Receivables not yet invoiced	3,206	874	1,037
Dividend receivables	100	686	1,344
Neither past due nor impaired	3,931	540	594
Less than 1 month past due	73	296	621
1 to 3 months past due	342	302	368
	7,652	2,698	3,964

Trade receivables that were neither past due nor impaired relate to a number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

As at 31 December 2015 and 2016 and 31 March 2017, the Group had the following trade receivables from the Group's ultimate holding company and related parties which are repayable on credit terms similar to those offered to the major customers of the Group.

	31 December		31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
The ultimate holding company	4,111	—	46
Related parties*	365	1,372	2,099

* Particulars of trade receivables due from related parties are as follows:

	31 December		31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
BH-ZACD (Woodlands) Development Pte. Ltd.	35	139	77
BH-ZACD (Tuas Bay) Development Pte. Ltd.	230	235	197
Wee Hur (Woodlands 12) Pte. Ltd.	100	—	—
Publique Realty Pte. Ltd.	—	172	72
SLP International	—	1	—
Publique Realty (Jurong) Pte. Ltd.	—	59	40
Wee Hur (Punggol Central) Pte. Ltd.	—	61	180
ZACD (Sennett) Pte. Ltd.	—	151	152
ZACD (Punggol Drive) Pte. Ltd.	—	367	367
ZACD (Seng Kang) Pte. Ltd.	—	167	167
ZACD (BBW6) Ltd.	—	17	49
ZACD Investments (ARO II) Ltd.	—	3	—
ZACD (Punggol Central) Pte. Ltd.	—	—	329
ZACD (Punggol Field) Pte. Ltd.	—	—	329
Publique Realty (Pasir Ris) Pte. Ltd.	—	—	140
	365	1,372	2,099

Relationship of the above related companies with the Company or the Group are set out in note 26 to the Historical Financial Information.

16. INVESTMENTS IN SUBSIDIARIES

Company

	31 December 2016	31 March 2017
	S$'000	S$'000
Unlisted shares, at cost	10	4,728

Pursuant to the Reorganisation, the Company acquired all of the issued shares of ZACD Group Holdings Limited, ZACD International Pte. Ltd. and ZACD Capital Pte. Ltd. on 28 February 2017, and of ZACD Financial Group Limited on 31 March 2017, in which the Company issued and allotted an aggregate of 13,704,641 new shares of the Company to ZACD Investments. Further details are set out in note 23 to the Historical Financial Information.

Details of the subsidiaries are disclosed in note 1 of this section.

As at 31 December 2016 and 31 March 2017, the amounts due to subsidiaries of S$626,000 and S$845,000, respectively, included in the current liabilities of the Company are unsecured, non-interest bearing and repayable on demand.

17. BALANCES WITH THE ULTIMATE HOLDING COMPANY AND RELATED PARTIES

The balances with the ultimate holding company and related parties are unsecured, non-interest bearing and repayable on demand.

Particulars of the amounts due from the ultimate holding company and related parties of the Group are as follows:

31 December 2015

	31 December 2015	Maximum amount outstanding during the year	1 January 2015
	S$'000	S$'000	S$'000
Due from the ultimate holding company			
ZACD Investments	78	176	176
Due from related parties			
ZACD (Woodlands3) Pte. Ltd.	81	81	81
ZACD (Neew) Pte. Ltd.	6	6	—
	87		81

31 December 2016

	31 December 2016	Maximum amount outstanding during the year	1 January 2016
	S$'000	S$'000	S$'000
Due from the ultimate holding company			
ZACD Investments	—	178	78
Due from related parties			
ZACD (Woodlands3) Pte. Ltd.	81	81	81
ZACD (Neew) Pte. Ltd.	6	6	6
SLP International	33	33	—
SKR Holdings Ltd.	20	20	—
	140		87

31 March 2017

	31 March 2017	Maximum amount outstanding during the period	1 January 2017
	S$'000	S$'000	S$'000
Due from related parties			
ZACD (Woodlands3) Pte. Ltd.	81	81	81
ZACD (Neew) Pte. Ltd.	196	196	6
SLP International	74	74	33
ZACD Investments (ARO II) Limited	2	2	—
Magnificent Vine Group Holdings Pte. Ltd.	21	21	—
SKR Holdings Ltd.	6	100	20
	380		140

Particulars of the amounts due to the ultimate holding company and related parties of the Group and the Company are as follows:

	31 December		31 March
Group	**2015**	**2016**	**2017**
	S$'000	S$'000	S$'000
Due to the ultimate holding company			
ZACD Investments	275	1,132	408
Due to related parties			
Magnificent Vine Group Holdings Pte. Ltd.	445	557	245
SLP International	426	182	141
Creo Adworld Pte. Ltd.	—	—	2
SLP Realty Pte. Ltd.	—	2	1
	871	741	389

	31 December	31 March
Company	**2016**	**2017**
	S$'000	S$'000
Due to the ultimate holding company		
ZACD Investments	132	310

Relationship of the above related parties with the Company or the Group are set out in note 26 to the Historical Financial Information.

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	31 December		31 March
Group	**2015**	**2016**	**2017**
	S$'000	**S$'000**	**S$'000**
Prepayments	9	387	190
Deposits	111	117	115
Other receivables	3	16	4
Deferred [REDACTED] expenses	—	[REDACTED]	[REDACTED]
	123	[REDACTED]	[REDACTED]
Less: amounts classified as current assets	(39)	(706)	(697)
Amounts classified as non-current assets	84	[REDACTED]	[REDACTED]

	31 December	31 March
Company	**2016**	**2017**
	S$'000	**S$'000**
Prepayments	231	23
Deferred [REDACTED] expenses	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
Less: amounts classified as current assets	(507)	(499)
Amounts classified as non-current assets	[REDACTED]	[REDACTED]

None of the above assets is either past due or impaired. Financial assets included in the above balances relate to deposits and receivables for which there was no recent history of default.

19. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

This represented an investment in a structured deposit which was stated at fair value and placed with a bank. As at 31 December 2016, the principal of the deposit amounting to S$1,500,000 was fully guaranteed by the bank and the maximum expected rate of return was 2% per annum. The Group designated this structured deposit as financial asset at fair value through profit or loss at initial recognition in accordance with IAS 39. The Group uses the structured deposit primarily to enhance the return on investment. The structured deposit matured on 23 February 2017.

20. CASH AND CASH EQUIVALENTS

	31 December		31 March
Group	**2015**	**2016**	**2017**
	S$'000	**S$'000**	**S$'000**
Cash and bank balances	964	4,371	3,040

	31 December	31 March
Company	**2016**	**2017**
	S$'000	**S$'000**
Cash and bank balances	—	11

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

21. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	31 December		31 March
Group	**2015**	**2016**	**2017**
	S$'000	**S$'000**	**S$'000**
Trade payables	1	187	215
Other payables	412	638	509
Accruals	199	1,127	1,206
Deferred revenue	969	645	476
	1,581	2,597	2,406
Less: amounts classified as current liabilities	(1,092)	(2,425)	(2,274)
Amounts classified as non-current liabilities	489	172	132

	31 December	31 March
Company	**2016**	**2017**
	S$'000	**S$'000**
Accruals	590	819

An aged analysis of the trade payables as at the end of each of the Track Record Period, based on the invoice date, is as follows:

	31 December		31 March
	2015	**2016**	**2017**
	S$'000	**S$'000**	**S$'000**
Within 1 month	1	176	97
1 to 2 months	—	11	118
	1	187	215

Included in the Group's trade payables as at 31 December 2015 and 2016 and 31 March 2017 is an amount due to Neew Pte. Ltd., a subsidiary of a company controlled by the Controlling Shareholders who are also the directors of the Company, of nil, S$160,000 and S$194,000, respectively.

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

Other payables are non-interest-bearing and have average payment terms of 1 to 3 months.

Deferred revenue relates to investment management fees received in advance by the Group for which related services were not yet rendered as at the end of the respective reporting period. As at 31 December 2015 and 2016 and 31 March 2017, investment management fees received in advance of S$489,000, S$172,000 and S$132,000, respectively, were classified under non-current liabilities because the related services were expected to be rendered after one year from the end of the respective reporting period.

22. DEFERRED TAX

The movements in deferred tax assets during the Track Record Period are as follows:

	Losses available for offsetting against future taxable profits
	S$'000
Gross deferred tax assets at 1 January 2015, 31 December 2015 and 1 January 2016	—
Deferred tax credited to the consolidated statement of profit or loss during the year *(note 10)*	151
Gross deferred tax assets at 31 December 2016 and 1 January 2017	151
Deferred tax credited to the consolidated statement of profit or loss during the period *(note 10)*	73
Gross deferred tax assets at 31 March 2017	224

The Group has unrecognised tax losses arising in Singapore of S$129,000, S$54,000 and S$54,000 as at 31 December 2015 and 2016 and 31 March 2017, respectively. The tax losses arising in Singapore, subject to the agreement by the Inland Revenue Authority of Singapore, are available for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, the profit for the years ended 31 December 2015 and 2016 would increase by S$22,000 and S$9,000, respectively, and the profit for the three months ended 31 March 2017 would increase by S$9,000.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

23. SHARE CAPITAL

	31 December 2016	31 March 2017
	S$'000	S$'000
Issued and fully paid:		
13,704,642 ordinary shares on 31 March 2017 (31 December 2016: 1 share)	—	4,718

A summary of movements in the Company's issued share capital during the period from 8 November 2016 (date of incorporation) to 31 March 2017 is as follows:

	Notes	**Number of ordinary shares**	**Nominal value of ordinary shares**
			S$'000
Issued and fully paid:			
Upon incorporation on 8 November 2016 and as at 31 December 2016 and 1 January 2017	*(a)*	1	—
Issue of shares	*(b)*	13,704,641	13,705
Acquisition of subsidiaries in the Reorganisation	*(b)*	—	(8,987)
As at 31 March 2017		13,704,642	4,718

(a) The Company was incorporated in Singapore as an exempt company with limited liability on 8 November 2016. On the same date, 1 ordinary share of the Company was allotted and issued to the ultimate holding company at S$1.

(b) On 28 February 2017 and 31 March 2017, the Company allotted and issued an aggregate 13,704,641 ordinary shares (the "Allotted Shares") to the ultimate holding company to acquire four subsidiaries (the "Acquired Subsidiaries") from the ultimate holding company for an aggregate consideration of approximately S$13,705,000 in connection with the Reorganisation. In the opinion of the directors, since the Acquired Subsidiaries were under the common control of the Controlling Shareholders before and after the Reorganisation, the value of the Allotted Shares should equal to the cost of investment of the ultimate holding company with respect of the Acquired Subsidiaries which was amounted to approximately S$4,718,000.

Subsequent to the Track Record Period, on 18 April 2017, the ultimate holding company of the Company resolved that the 13,704,642 ordinary shares in the capital of the Company be split into 1,000,000,000 ordinary shares in the capital of the Company (the "Share Split"). Upon completion of the Share Split, the Company had a total of 1,000,000,000 issued ordinary shares, all of which were directly held by the ultimate holding company and the amount of issued share capital and paid-up share capital was S$13,704,642.

In the opinion of the directors, since the Share Split did not involve any economic inflow to the Company that result in a change of the value of the Allotted Shares, the carrying value of the Company's share capital in the statement of financial position remains unchanged and is stated at S$4,718,000.

24. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein during each of the reporting periods of the Track Record Period and the three months ended 31 March 2016 are presented in the consolidated statements of changes in equity on pages I-7 to I-8 of this report.

Merger reserve

The merger reserve represents reserves arising from the Reorganisation.

Capital reserve

The capital reserve represents the waiver of an amount due to the ultimate holding company of the Company.

(b) Company

	Accumulated losses
	S$'000
At 8 November 2016 (date of incorporation)	—
Loss and total comprehensive loss for the period	(831)
At 31 December 2016 and 1 January 2017	(831)
Loss and total comprehensive loss for the period	(623)
At 31 March 2017	(1,454)

25. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(i) Major non-cash transactions

During the Track Record Period, the Group had the following major non-cash transactions:

(a) During the years ended 31 December 2015 and 2016, dividends in the total amounts of S$5,000,000 and S$4,234,000 payable to the ultimate holding company were offset against the trade receivables due from the ultimate holding company.

(b) During the year ended 31 December 2016, a total amount of S$3,120,000 advanced from the ultimate holding company was offset against the trade receivables due from the ultimate holding company.

(c) During the years ended 31 December 2015 and 2016, a subsidiary of the Company allotted 80,000 shares and 500,000 shares respectively, satisfied by capitalisation of an outstanding payable to the ultimate holding company amounting to S$80,000 and S$500,000, respectively.

(d) During the year ended 31 December 2016, a subsidiary of the Company allotted 7,900,000 shares to the ultimate holding company settled by capitalisation of an outstanding payable of S$1,434,000 from the ultimate holding company.

(ii) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those from which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

			Non-cash changes			
	At beginning of reporting period	Financing cash flows	Capitalisation of loans	Offsetting with trade receivables	Effect of changes in foreign exchange rates	At end of reporting period
Year ended 31 December 2015						
Amount due to the ultimate holding company	88	254	(80)	—	13	275
Amounts due to related companies	271	155	—	—	—	426
Year ended 31 December 2016						
Amount due to the ultimate holding company	275	5,819	(1,934)	(3,120)	92	1,132
Amounts due to related companies	426	(243)	—	—	1	184
Three months ended 31 March 2017						
Amount due to the ultimate holding company	1,132	(724)	—	—	—	408
Amounts due to related companies	184	(40)	—	—	—	144

26. RELATED PARTY TRANSACTIONS

Name of related companies	Relationship with the Company or the Group
Investment SPVs:	
ZACD (Kaki Bukit)	ZACD (Kaki Bukit) was a wholly-owned subsidiary of the ultimate holding company. Pursuant to the Ratification Deed, the beneficial equity interest in ZACD (Kaki Bukit) was held in trust by the ultimate holding company for all the investors and the Group when ZACD (Kaki Bukit) declared dividend on 28 October 2015 and since then, ZACD (Kaki Bukit) became a 26.8%-owned associate of the ultimate holding company.
ZACD (Punggol Central) Pte. Ltd.	ZACD (Punggol Central) Pte. Ltd. was a wholly-owned subsidiary of the ultimate holding company. On 24 August 2016, it became a 41.4%-owned associate of the ultimate holding company.
ZACD (Punggol Drive) Pte. Ltd.	ZACD (Punggol Drive) Pte. Ltd. was a wholly-owned subsidiary of the ultimate holding company. On 30 January 2015, it became a 23.3%-owned associate of the ultimate holding company.

Name of related companies	Relationship with the Company or the Group
ZACD (Sennett) Pte. Ltd.	ZACD (Sennett) Pte. Ltd. was a wholly-owned subsidiary of the ultimate holding company. On 16 June 2015, it became a 35.3%-owned associate of the ultimate holding company.
ZACD (Woodlands) Pte. Ltd.	ZACD (Woodlands) Pte. Ltd. was a wholly-owned subsidiary of the ultimate holding company. On 9 July 2015, it became a 29.5%-owned associate of the ultimate holding company.
ZACD (Woodlands2) Pte. Ltd.	ZACD (Woodlands2) Pte. Ltd. was a wholly-owned subsidiary of the ultimate holding company. On 1 December 2016, it became a 37.5%-owned associate of the ultimate holding company.
ZACD (KB2) Pte. Ltd.	ZACD (KB2) Pte. Ltd. is a 23.5%-owned associate of the ultimate holding company.
ZACD (Woodlands3) Pte. Ltd.	ZACD (Woodlands3) Pte. Ltd. is a wholly-owned subsidiary of the ultimate holding company.
ZACD (Neew) Pte. Ltd.	ZACD (Neew) Pte. Ltd. is a wholly-owned subsidiary of the ultimate holding company.
ZACD (Seng Kang) Pte. Ltd. ("ZACD (Seng Kang)")	ZACD (Seng Kang) was a wholly-owned subsidiary of the ultimate holding company. Upon transfer of certain equity interests on 8 January 2016, ZACD (Seng Kang) ceased to be the subsidiary of the ultimate holding company. One of the Controlling Shareholders remains as a key management personnel of ZACD (Seng Kang) after the transfer.
ZACD (Punggol Field) Pte. Ltd.	ZACD (Punggol Field) Pte. Ltd. was a wholly-owned subsidiary of the ultimate holding company. On 7 July 2016, it became a 27.1%-owned associate of the ultimate holding company.
Development SPVs:	
BH-ZACD (Woodlands) Development Pte. Ltd.	BH-ZACD (Woodlands) Development Pte. Ltd. was a 55%-owned subsidiary of the ultimate holding company. On 1 December 2016, it became a 20.6%-owned associate of the ultimate holding company.
BH-ZACD (Tuas Bay) Development Pte. Ltd.	BH-ZACD (Tuas Bay) Development Pte. Ltd. is a 40%-owned associate of the ultimate holding company.
Publique Realty (Jurong) Pte. Ltd.	Publique Realty (Jurong) Pte. Ltd. is a 45%-owned associate of the ultimate holding company.
Publique Realty Pte. Ltd. ("Publique Realty")	Publique Realty was a 30%-owned associate of the ultimate holding company. Upon transfer of certain equity interests on 7 July 2016, Publique Realty was no longer the associate of the ultimate holding company. One of the Controlling Shareholders remains as a key management personnel of Publique Realty after the transfer.
Wee Hur (Woodlands12) Pte. Ltd.	Wee Hur (Woodlands12) Pte. Ltd. is a 25%-owned associate of the ultimate holding company.
Wee Hur (Punggol Central) Pte. Ltd. ("Wee Hur (Punggol Central)")	Wee Hur (Punggol Central) was a 20%-owned associate of the ultimate holding company. Upon transfer of certain equity interests on 24 August 2016, Wee Hur (Punggol Central) was no longer the associate of the ultimate holding company. One of the Controlling Shareholders remains as a key management personnel of Wee Hur (Punggol Central) after the transfer.
Publique Realty (Pasir Ris) Pte. Ltd.	One of the Controlling Shareholders is a key management personnel of Publique Realty (Pasir Ris) Pte. Ltd..

Name of related companies	Relationship with the Company or the Group
Private real estate funds managed by the Group:	
ZACD BBW6 Ltd. ("BBW6")	BBW6 is managed by the Group and the Controlling Shareholders are key management personnel of BBW6.
ZACD Investments ARO II Ltd. ("ARO II")	ARO II is managed by the Group and the Controlling Shareholders are key management personnel of ARO II.
Common control of the Controlling Shareholders:	
Magnificent Vine Group Holdings Pte. Ltd. ("Magnificent Vine Group")	Magnificent Vine Group is controlled by the Controlling Shareholders who are also the directors of the Company.
Neew Pte. Ltd.	Neew Pte. Ltd. is a wholly-owned subsidiary of Magnificent Vine Group.
SLP International	SLP International is a wholly-owned subsidiary of Magnificent Vine Group.
SLP Realty Pte. Ltd.	SLP Realty Pte. Ltd. is a wholly-owned subsidiary of Magnificent Vine Group.
Creo Adworld Pte. Ltd.	Creo Adworld Pte. Ltd. is a wholly-owned subsidiary of Magnificent Vine Group.
SKR Holdings Ltd.	One of the Controlling Shareholders has joint control over SKR Holdings Ltd..

(a) In addition to the transactions and balances detailed elsewhere in this report, the Group had the following material transactions with related parties during the Track Record Period and the three months ended 31 March 2016:

		Year ended 31 December		Three months ended 31 March	
	Notes	**2015**	**2016**	**2016**	**2017**
		S$'000	**S$'000**	**S$'000 (unaudited)**	**S$'000**
Investment management — SPV management fees:	*(i)*				
The ultimate holding company		530	309	108	39
Investment management — dividend income:	*(ii)*				
ZACD (Punggol Central) Pte. Ltd.		—	3,428	—	329
ZACD (Punggol Drive) Pte. Ltd.		1,357	540	—	—
ZACD (Punggol Field) Pte. Ltd.		—	—	—	479
ZACD (Kaki Bukit) Pte. Ltd.		1,505	283	—	—
ZACD (KB2) Pte. Ltd.		581	125	—	—
ZACD (Sennett) Pte. Ltd.		168	366	—	—
ZACD (Seng Kang)		—	1,277	962	—
ZACD (Woodlands) Pte. Ltd.		710	93	—	—
ZACD (Woodlands2) Pte. Ltd.		—	375	—	—
		4,321	6,487	962	808

	Notes	Year ended 31 December		Three months ended 31 March	
		2015	2016	2016	2017
		S$'000	S$'000	S$'000 (unaudited)	S$'000
Investment management — fund management fees:	*(iii)*				
BBW6		—	17	—	32
ARO II		—	159	—	79
		—	176	—	111
Project consultancy and management fees:	*(iv)*				
BH-ZACD (Tuas Bay) Development Pte. Ltd.		257	257	64	64
BH-ZACD (Woodlands) Development Pte. Ltd.		191	191	48	16
Publique Realty		400	—	—	—
Wee Hur (Punggol Central)		320	320	80	80
Wee Hur (Woodlands12) Pte. Ltd.		100	—	—	—
Publique Realty (Pasir Ris) Pte. Ltd.		—	—	—	131
		1,268	768	192	291
Property management and asset management fees:	*(v)*				
BH-ZACD (Woodlands) Development Pte. Ltd.		—	106	—	49
BH-ZACD (Tuas Bay) Development Pte. Ltd.		—	—	—	7
Publique Realty (Jurong) Pte. Ltd.		—	105	—	56
Publique Realty		—	187	—	—
Wee Hur (Punggol Central)		—	211	—	87
		—	609	—	199
Financial advisory fees:	*(vi)*				
SLP International		—	—	—	47
Corporate services expense:	*(vii)*				
Magnificent Vine Group		197	207	57	46
Repair and maintenance services expense:	*(viii)*				
Neew Pte. Ltd.		42	384	25	190
Rental expense:					
The ultimate holding company	*(ix)*	—	—	—	49

Notes:

(i) The SPV management fee income was related to investment management services provided to the ultimate holding company and was charged based on either of 2% per annum of dollar value of the ultimate holding company's investments in the Investment SPVs managed by the Group and at an annual fee of S$100,000 from 1 June 2013 to 31 May 2016.

(ii) The dividend income was derived from the Establishment Shares of the Investment SPVs when the Group's right to receive payment is established. In the opinion of the directors, the Group charged the ultimate holding company a higher percentage of the Establishment Shares comparing with other investors as the Group granted the ultimate holding company a priority right to participate in real estate projects. Further details were set out in note 14 to the Historical Financial Information.

(iii) The fund management income was related to the fund management services rendered by the Group. The fees were determined at terms stipulated in the respective service contracts.

(iv) The project consultancy and management fee income was related to project consultancy and management services rendered by the Group to these related parties who are real estate developers. The fees were determined at terms stipulated in the respective service contracts.

(v) The property management and asset management fee income was related to property management and asset management services provided in relation to the properties managed by the Group and was determined at terms stipulated in the respective service contracts.

(vi) The financial advisory fee income was related to corporate finance advisory services provided and was charged at terms mutually agreed between the relevant parties.

(vii) The corporate services expense was related to corporate and business support services rendered by the related party and was charged at terms mutually agreed between the relevant parties.

(viii) The repair and maintenance services expense was related to building maintenance works rendered by the related party and was charged at terms mutually agreed between the relevant parties.

(ix) The rental expense was related to office space leased from the ultimate holding company. The rental expense was determined at a monthly rental of S$16,200.

The above transactions were conducted at terms and conditions mutually agreed between the relevant parties. The directors of the Company are of the opinion that those related party transactions were conducted in the ordinary course of business of the Group.

(b) Compensation of key management personnel of the Group, including directors' remuneration as disclosed in note 8 to the Historical Financial Information, is as follows:

	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	S$'000	S$'000	S$'000 (unaudited)	S$'000
Short term employee benefits	249	591	156	180
Post-employment benefits	21	32	10	12
Total compensation paid to key management personnel	270	623	166	192

27. COMMITMENTS

Operating lease commitments — Group as lessee

The Group has entered into operating leases for its office properties, with lease terms between one and three years. The Group has an option, under one of its leases, to lease an office property for an additional term of one year. Future minimum rentals payable under non-cancellable operating leases, are as follows:

	31 December		31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Within 1 year	206	216	417
After 1 year but not more than 5 years	395	195	898
	601	411	1,315

At the end of each of the Track Record Period, the Group had no other significant commitments.

28. CONTINGENT LIABILITIES

At the end of each of the Track Record Period, the Group did not have any contingent liabilities.

29. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Track Record Period are as follows:

31 December 2015

Group — financial assets

	Available-for-sale financial assets	Loans and receivables	Total
	S$'000	S$'000	S$'000
Available-for-sale financial assets	15,065	—	15,065
Trade receivables	—	7,652	7,652
Financial assets included in prepayments, deposits and other receivables	—	114	114
Amount due from the ultimate holding company	—	78	78
Amounts due from related parties	—	87	87
Cash and cash equivalents	—	964	964
	15,065	8,895	23,960

Group — financial liabilities

	Financial liabilities at amortised cost
	S$'000
Financial liabilities included in trade payables, other payables and accruals	499
Amount due to the ultimate holding company	275
Amounts due to related parties	871
	1,645

31 December 2016

Group — financial assets

	Available-for-sale financial assets	Financial asset at fair value through profit or loss — designated as such upon initial recognition	Loans and receivables	Total
	S$'000	S$'000	S$'000	S$'000
Available-for-sale financial assets	16,995	—	—	16,995
Trade receivables	—	—	2,698	2,698
Financial assets included in prepayments, deposits and other receivables	—	—	133	133
Amounts due from related parties	—	—	140	140
Financial asset at fair value through profit or loss	—	1,500	—	1,500
Cash and cash equivalents	—	—	4,371	4,371
	16,995	1,500	7,342	25,837

Group — financial liabilities

	Financial liabilities at amortised cost
	S$'000
Financial liabilities included in trade payables, other payables and accruals	1,382
Amount due to the ultimate holding company	1,132
Amounts due to related parties	741
	3,255

Company — financial liabilities

	Financial liabilities at amortised cost
	S$'000
Accruals	590
Amount due to the ultimate holding company	132
Amounts due to subsidiaries	626
	1,348

The Company did not have any financial assets as at 31 December 2016.

31 March 2017

Group — financial assets

	Available-for-sale financial assets	Loans and receivables	Total
	S$'000	S$'000	S$'000
Available-for-sale financial assets	16,821	—	16,821
Trade receivables	—	3,964	3,964
Financial assets included in prepayments, deposits and other receivables	—	119	119
Amounts due from related parties	—	380	380
Cash and cash equivalents	—	3,040	3,040
	16,821	7,503	24,324

Group — financial liabilities

	Financial liabilities at amortised cost
	S$'000
Financial liabilities included in trade and other payables and accruals	1,336
Amount due to the ultimate holding company	408
Amounts due to related parties	389
	2,133

Company — financial assets

	Loans and receivables
	S$'000
Cash and cash equivalents	11

Company — financial liabilities

	Financial liabilities at amortised cost
	S$'000
Accruals	819
Amount due to the ultimate holding company	310
Amounts due to subsidiaries	845
	1,974

30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts			Fair values		
	2015	2016	31 March 2017	2015	2016	31 March 2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Financial assets						
Available-for-sale financial assets	15,065	16,995	16,821	15,065	16,995	16,821
Financial asset at fair value through profit or loss	—	1,500	—	—	1,500	—
	15,065	18,495	16,821	15,065	18,495	16,821

Management has assessed that the fair values of trade receivables, balances with the ultimate holding company and related parties, cash and cash equivalents, the current portion of financial assets included in prepayments, deposits and other receivables, the current portion of financial liabilities included in trade payables, other payables and accruals, and, included in the Company's statements of financial position, amounts due to subsidiaries approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of financial assets included in prepayments, deposits and other receivables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. In the opinion of the directors, the fair values approximate to their carrying amounts because the effect of discounting is not material.

The fair value of a financial asset at fair value through profit or loss was determined using the discounted cash flow ("DCF") model with reference to the expected return of the structured deposit. The fair value of the structured deposit approximates to its carrying amount.

The fair value of the unlisted available-for-sale financial assets has been estimated using a DCF valuation model and is valued under Level 3 of the fair value hierarchy. The valuation requires management to make certain assumptions about the model inputs, including the input base uncertainty as further explained below. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Below is a summary of significant unobservable inputs to the valuation of unlisted available-for-sale financial assets together with a quantitative sensitivity analysis as at 31 December 2015 and 2016, and 31 March 2017:

31 December 2015	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted available-for-sale financial assets	Discounted cash flow method	Input base uncertainty for projected cash flows	51% to 69%	Decrease by 6 percentage points would result in increase in fair value by S$608,000 Increase by 12 percentage points would result in decrease in fair value by S$1,150,000

31 December 2016	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted available-for-sale financial assets	Discounted cash flow method	Input base uncertainty for projected cash flows	51% to 69%	Decrease by 6 percentage points would result in increase in fair value by S$370,000 Increase by 12 percentage points would result in decrease in fair value by S$735,000

31 March 2017	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted available-for-sale financial assets	Discounted cash flow method	Input base uncertainty for projected cash flows	51% to 69%	Decrease by 6 percentage points would result in increase in fair value by S$372,000 Increase by 12 percentage points would result in decrease in fair value by S$738,000

Input base uncertainty for projected cash flows refers to uncertainty discount that has been applied with respect to cash flow forecast estimated by management, taking into consideration the sale progress of individual underlying real estate development project as of each reporting date.

The fair value changes of the unlisted available-for-sale financial assets was dealt with in available-for-sale financial assets revaluation reserve.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

31 December 2015

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Available-for-sale financial assets	—	—	15,065	15,065

31 December 2016

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Available-for-sale financial assets	—	—	16,995	16,995
Financial asset at fair value through profit or loss	—	1,500	—	1,500
	—	1,500	16,995	18,495

31 March 2017

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Available-for-sale financial assets	—	—	16,821	16,821

The movements in fair value measurements within Level 3 during the Track Record Period are as follows:

	31 December		31 March
	2015	2016	2017
	S$'000	S$'000	S$'000
Available-for-sale financial assets — unlisted:			
At beginning of reporting period	14,682	15,065	16,995
Total gains/(losses) recognised in other comprehensive income	383	1,930	(174)
At end of reporting period	15,065	16,995	16,821

The Group did not have any financial liabilities measured at fair value as at 31 December 2015 and 2016, and 31 March 2017.

During the Track Record Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents and a financial asset at fair value through profit or loss. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as available-for-sale financial assets, trade receivables, financial assets included in prepayments, deposits and other receivables, balances with the ultimate holding company and related parties, and financial liabilities included in trade payables, other payables and accruals, which mainly arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's financial assets, which comprise trade receivables, deposits and other receivables, amounts due from the ultimate holding company and related parties, a financial asset at fair value through profit or loss, and cash and cash equivalents, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

At the end of each of the Track Record Period, the Group had certain concentrations of credit risk with respect to trade receivables as follows:

	31 December		31 March
	2015	2016	2017
Due from the largest debtor	54%	18%	16%
Due from the five largest debtors	91%	52%	47%

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 15 to the Historical Financial Information.

Liquidity risk

In order to manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The maturity profile of the Group's and the Company's financial liabilities as at the end of each reporting period, based on contractual undiscounted payments, was as follows:

Group

	31 December 2015		
	On demand/no fixed terms of repayment	**Less than 1 year**	**Total**
	S$'000	**S$'000**	**S$'000**
Financial liabilities included in trade payables, other payables and accruals	—	499	499
Amount due to the ultimate holding company	275	—	275
Amounts due to related parties	871	—	871
	1,146	499	1,645

Group

	31 December 2016		
	On demand/no fixed terms of repayment	**Less than 1 year**	**Total**
	S$'000	**S$'000**	**S$'000**
Financial liabilities included in trade payables, other payables and accruals	—	1,382	1,382
Amount due to the ultimate holding company	1,132	—	1,132
Amounts due to related parties	741	—	741
	1,873	1,382	3,255

Company

	31 December 2016		
	On demand/no fixed terms of repayment	Less than 1 year	Total
	S$'000	S$'000	S$'000
Accruals	—	590	590
Amount due to the ultimate holding company	132	—	132
Amounts due to subsidiaries	626	—	626
	758	590	1,348

Group

	31 March 2017		
	On demand/no fixed terms of repayment	Less than 1 year	Total
	S$'000	S$'000	S$'000
Financial liabilities included in trade payables, other payables and accruals	—	1,336	1,336
Amount due to the ultimate holding company	408	—	408
Amounts due to related parties	389	—	389
	797	1,336	2,133

Company

	31 March 2017		
	On demand/no fixed terms of repayment	Less than 1 year	Total
	S$'000	S$'000	S$'000
Accruals	—	819	819
Amount due to the ultimate holding company	310	—	310
Amounts due to subsidiaries	845	—	845
	1,155	819	1,974

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

Certain subsidiaries of the Group are regulated by the Monetary Authority of Singapore (the "MAS") or the Hong Kong Securities and Futures Commission (the "SFC") and are required to comply with certain minimum capital requirements according to the rules of the MAS or the SFC. The Group has established a legal and compliance department which is operated by experienced compliance officers and is monitored by management. The

principal roles of the legal and compliance department are to monitor the daily financial status and to review internal control of the Group regularly to ensure the regulated subsidiaries are in compliance with related regulations. The regulated subsidiaries have complied with the related regulations throughout the Track Record Period or since the date when the licences were granted.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to the shareholder or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the Track Record Period.

Capital of the Group comprises all components of shareholder's equity.

32. SIGNIFICANT EVENTS AFTER THE TRACK RECORD PERIOD

In addition to the subsequent event disclosed in note 23 to the Historical Financial Information, the Group has the following significant events after the Track Record Period.

(a) On [●], the Company has conditionally adopted a share option scheme (the "Share Option Scheme") under which employees of the Group including directors and other eligible participants may be granted options to subscribe for shares of the Company. The principal terms of the Share Option Scheme are summarised in the section headed "Share Option Scheme" in Appendix IV to the Document.

(b) On 28 June 2017, the Group entered into certain business transfer agreements (collectively the "Business Transfer Agreements") with an independent third party (the "Project Management Co"). Pursuant to the Business Transfer Agreements, the Group agreed to sell, assign and transfer the business of provision of investment management services for six Investment SPVs to the Project Management Co. The consideration will be satisfied by (i) a fixed payment in an aggregate amount of S$100,000 upon completion and (ii) contingent payments equivalent to 90% of all dividends or other distributions of any kind to be paid by the relevant Investment SPVs in respect of the Establishment Shares which have been, or which will be, issued to or transferred to the Project Management Co within 5 business days upon receipt. The transactions are expected to be completed in August 2017.

33. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group or any of its subsidiaries in respect of any period subsequent to [31 March 2017].

The following information sets out in this appendix does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this document, and is included for information purpose only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" and the Accountants' Report set out in Appendix I to this document.

A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is an illustrative statement of unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with paragraph 7.31 of the GEM Listing Rules and on the basis of the notes set out below for the purpose of illustrating the effect of the [REDACTED] on the consolidated net tangible assets of the Group attributable to owners of the Company as if the [REDACTED] had taken place on [31 March 2017]. This unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the [REDACTED] been completed as at [31 March 2017] or any future dates:

	Consolidated net tangible assets attributable to owners of the Company as at 31 March 2017	**Estimated [REDACTED] from the [REDACTED]**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company**	**Unaudited pro forma adjusted consolidated net tangible assets per Share**
	S$'000 *(note 1)*	**S$'000** *(note 2)*	**S$'000**	**S$** *(note 3)*
Based on an [REDACTED] of HK$[REDACTED] per Share	[22,118]	[REDACTED]	[REDACTED]	[REDACTED]
Based on an [REDACTED] of HK$[REDACTED] per Share	[22,118]	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

1. The consolidated net tangible assets attributable to the owners of the Company as at [31 March 2017] is extracted from the Accountants' Report, as set out in Appendix I to this document.

2. The estimated [REDACTED] from the [REDACTED] are based on the indicative [REDACTED] of HK$[REDACTED] and HK$[REDACTED] per Share, being the lower end to higher end of the indicative range of price as stated in this document, after deduction of the estimated [REDACTED] fees and other related expenses payable by our Company and takes no account of any Shares which may be issued upon the exercise of the [REDACTED] or any Shares which may be issued upon the exercise of any options which have been or may be granted under the Share Option Scheme.

3. The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments as describe in note 2 above and on the basis that [REDACTED] Shares are in issue assuming that the [REDACTED] has been completed on [31 March 2017] but takes no account of any Shares which may be issued upon the exercise of the [REDACTED] or any Shares which may be issued upon the exercise of any options which have been or may be granted under the Share Option Scheme.

4. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to [31 March 2017].

5. The conversion rate from Hong Kong dollars to Singapore dollars is based on the approximate exchange rate of S$1 to HK$5.6786.

[REDACTED]

[REDACTED]

[REDACTED]

Set out below is a summary of certain provisions of the Constitution of our Company and certain provisions of the laws of Singapore applicable to a Singapore incorporated company. This description is only a summary and is qualified by reference to Singapore law and the Constitution of our Company.

Our Company was incorporated in Singapore under the Singapore Companies Act as a public company limited by shares on 8 November 2016.

A. CONSTITUTION OF THE COMPANY

The Constitution of our Company was adopted on [●] and include provisions to the following effect:

(a) Liability of members

Regulation 3

The liability of the members of the Company ("**Members**") is limited.

(b) Business

Regulation 4

Subject to the provisions of the Companies Act, (Chapter 50) of Singapore ("**Singapore Companies Act**") and the Constitution, the Company has:

(a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and

(b) for these purposes, full rights, powers and privileges.

(c) Director's duty to disclose his interest in contracts with the Company

Regulation 107(2)

Every Director and Chief Executive Officer Officer shall observe the provisions of Section 156 of the Singapore Companies Act relating to the disclosure of the interests of the Directors and Chief Executive Officer in contracts or proposed contracts with the Company or of any office or property held by him which might create duties or interests in conflict with his duties or interests as a Director or Chief Executive Officer.

(d) Director's power to vote on a proposal, arrangement or contract in which the Director is interested

Regulation 107(2)

Notwithstanding disclosure of interest under Section 156 of the Singapore Companies Act, a Director shall not vote in regard to any contract or arrangement or any other proposal whatsoever in which he or any of his close associates has directly or indirectly a personal material interest nor shall he be taken into account in ascertaining whether a quorum is present.

Regulation 108(2)

Subject always to regulation 107(2), the Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such director of the Company may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.

(e) Director's power to hold office

Regulation 107(1)

Other than the office of auditor, a Director may hold any other office or place of profit in the Company and he or any firm of which he is a member or any company of which he is a Director or shareholder may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. Subject to the Singapore Companies Act, no Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement with the Company whether as vendor, purchaser, lessor, lessee, mortgagor, mortgagee, manager, agent, broker or otherwise howsoever nor shall such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested whether directly or indirectly be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established. Provided always that he has complied with the requirements of Section 156 of the Singapore Companies Act as to disclosure.

Regulation 108(1)

A Director may be or become a director of, or hold any office or place of profit (other than as auditor), or be otherwise interested in any company in which the Company may be interested as vendor, purchaser, shareholder or otherwise and such Director shall not be accountable for any fees, remuneration or other benefits received by him as a Director or officer of, or by virtue of his interest in such other company unless the Company otherwise directs.

(f) Remuneration of Directors and a Director's power to vote on remuneration

Regulation 104(1)

The fees of the Directors shall be determined from time to time by an Ordinary Resolution of the Company and such fees shall (unless such resolution otherwise provides) not be increased except pursuant to an Ordinary Resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the meeting. Such fees shall (unless such resolution otherwise provides) be divided among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for the proportion of fee related to the period during which he has held office.

Regulation 104(2)

Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside the scope of his ordinary duties as a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine, subject however as is hereinafter provided in this regulation.

Regulation 104(3)

The fees (including any remuneration under regulation 104(2)) in the case of a Director other than an Executive Director shall comprise: (i) fees which shall be a fixed sum and/or (ii) such fixed number of shares in the capital of the Company, and shall not at any time be by commission on, or percentage of, the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on, or percentage of turnover.

Regulation 105

The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company, in the course of the performance of their duties as Directors.

Regulation 107(2)

Notwithstanding disclosure of interest under Section 156 of the Singapore Companies Act, a Director shall not vote in regard to any contract or arrangement or any other proposal whatsoever in which he or any of his close associates has directly or indirectly a personal material interest nor shall he be taken into account in ascertaining whether a quorum is present.

(g) Borrowing powers exercisable by the Directors and how such borrowing powers can be varied

Regulation 123

Subject to the provisions of the Singapore Companies Act and every other act for the time being in force concerning companies incorporated in Singapore (the "**Statutes**") and the provisions of the Constitution, the Directors may at their discretion exercise all powers of the Company to borrow or otherwise raise money, to mortgage, charge or hypothecate all or any of the property or business of the Company including any uncalled or called but unpaid capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(h) Appointment, Retirement, Resignation and Removal of Directors

Regulation 102

Subject to the listing rules of a stock exchange in respect of which the shares of the Company are listed or quoted and where such stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company (the "**Exchange**"), the number of Directors, all of whom shall be natural persons, shall not be less than two.

Regulation 109

The Company in general meeting may, subject to the provisions of the Constitution and any requirements of the Singapore Companies Act, by Ordinary Resolution of which notice has been given to all Members entitled to receive notices, from time to time

remove any Director before the expiration of his period of office (notwithstanding anything in the Constitution or in any agreement between the Company and such Director) and appoint another person in place of the Director so removed (and any person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director), and may increase or reduce the number of Directors, and may alter their share qualifications (if any). Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy in accordance with regulation 116. Until otherwise determined by a general meeting, there shall be no maximum number of Directors.

Regulation 110

The office of a Director shall be vacated in any of the following events, namely:

(a) if he becomes prohibited by law from acting as a Director by reason of any order made under the Singapore Companies Act or any other law;

(b) if he ceases to be a Director by virtue of any of the provisions of the Singapore Companies Act;

(c) if (not being a Director holding any executive office for a fixed term) he shall resign by writing under his hand left at the registered office of the Company (the "**Office**") or if he shall in writing offer to resign and the Directors shall resolve to accept such offer;

(d) if a bankruptcy order is made against him or if he suspends payments or makes any arrangement or composition with his creditors generally;

(e) if he becomes mentally disordered and incapable of managing himself or his affairs or if in Singapore or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;

(f) if he becomes disqualified from acting as a director by virtue of his disqualification or removal or the revocation of his appointment as a director, as the case may be, under any applicable laws;

(g) if he absents himself from the meetings of the Directors during a continuous period of six (6) months without special leave of absence from the Board of Directors and they pass a resolution that he has by reason of such absence vacated office;

(h) if he is removed from office by the Company in general meeting pursuant to the Constitution; and

(i) if he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds (in which case he must immediately resign from the Board of Directors).

Regulation 112

Subject to the Constitution and to the Singapore Companies Act, at each annual general meeting at least one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third), selected in accordance with regulation 113, shall retire from office by rotation (in addition to any Director retiring pursuant to regulation 116).

Regulation 113

The Directors to retire in every year shall be those subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

Regulation 114

The Company at the meeting at which a Director retires under any provision of the Constitution may by Ordinary Resolution fill the vacated office by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected, unless:

(a) such meeting it is expressly resolved not to fill up such vacated office or a resolution for the re-election of such Director is put to the meeting and lost; or

(b) such Director is disqualified under the Singapore Companies Act from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected; or

(c) such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or

(d) the default is due to the moving of a resolution in contravention of Section 150 of the Singapore Companies Act.

The retirement shall not take effect until the conclusion of the meeting (except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost) and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

Regulation 115

No person, other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any general meeting unless there shall have been lodged at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and notice in writing signed by the person to be proposed giving his consent to the nomination and signifying his candidature for the office, Provided always that the minimum length of the period, during which such notice(s) are given, shall be at least seven days and that (if the notice(s) are submitted after the despatch of the notice of the meeting appointed for such appointment) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the meeting appointed for such appointment and end no later than seven days prior to the date of such meeting.

Regulation 116

The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director but the total number of Directors shall not at any time exceed the maximum number (if any) fixed by the Constitution. Without prejudice thereto, the Directors shall have power at any time and from time to time to do so, but any person so appointed by the Directors shall hold office only until the next annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

(i) The number of Shares, if any, required for Director's qualification

Regulation 103

A Director need not be a Member and shall not be required to hold any shares of the Company by way of qualification. A Director who is not a Member shall nevertheless be entitled to receive notice of, attend and speak at all general meetings of the Company.

(j) Rights, preferences and restrictions attaching to each class of Shares

Change in Capital

Regulation 7

(1) The Company has power to issue different classes of shares, including shares which confer special, limited or conditional voting rights, or which do not confer voting rights.

(2) The rights attaching to shares of a class other than ordinary shares shall be expressed in the Constitution.

(3) Notwithstanding anything in as set out in the preceding two sub-paragraphs, the Company shall not undertake any issuance of shares that confer special, limited or conditional voting rights, or that confer no voting rights, unless it is approved by the members of the Company by Special Resolution.

(4) Where the Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares and where the equity capital of the Company includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting right must include the words "restricted voting" or "limited voting".

(5) The Company may issue shares for which no consideration is payable to it.

Regulation 8

Subject to the Statutes and the Constitution, no shares may be issued by the Directors without the prior approval of the Company in general meeting but subject thereto and to regulation 69, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit. Any such shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit. Preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors Provided always that:

(a) (subject to any direction to the contrary that may be given by the Company in general meeting) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be

to the number of shares of such class then held by them and the provisions of the second sentence of regulation 69(1) with such adaptations as are necessary shall apply; and

(b) any other issue of shares, the aggregate of which would exceed the limits referred to in regulation 69(2), shall be subject to the approval of the Company in general meeting.

Regulation 69(1) read with Regulation 79

Subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted under the listing rules of the Exchange, all new shares shall before issue be offered to such Members who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled or hold. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined. After the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares), in the opinion of the Directors, cannot be conveniently offered under this regulation 69(1).

Regulation 79

Notice of every general meeting shall be given in any manner authorised by the Constitution to:

(a) every Member holding shares conferring the right to attend and vote at the meeting who at the time of the convening of the meeting shall have paid all calls or other sums presently payable by him in respect of shares;

(b) every person entitled to a share in consequence of the death or bankruptcy or otherwise of a Member who but for the same would be entitled to receive notice of the meeting;

(c) every Director;

(d) the Auditors, without prejudice to regulation180; and

(e) the Exchange.

No other person shall be entitled to receive notices of general meetings; Provided always that if the meeting is called for the alteration of the objects of the Company, the notice shall comply with the provisions of Section 33 of the Singapore Companies Act regarding notices to debenture holders.

Regulation 69(2)

Notwithstanding regulation 69(1) but subject to regulation 7(3) the Company may by Ordinary Resolution in general meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:

(a) (i) issue shares of the Company whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and

(b) (notwithstanding that the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

Provided always that:

(1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Exchange;

(2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and the Constitution; and

(3) (unless revoked or varied by the Company in general meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Singapore Companies Act (whichever is the earliest).

Regulation 11

(1) Preference shares may be issued subject to such limitation thereof as may be prescribed by law or by the listing rules of the Exchange. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports, balance sheets and financial statements and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six (6) months in arrears. In the event of preference shares being issued, the total number of issued preference shares shall not at any time exceed the total number of issued ordinary shares.

(2) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.

Registered Member as Absolute Owner

Regulation 19

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by the Constitution or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee, as the case may be) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share.

"Depository" and "Depository Register" shall have the meanings ascribed to them respectively in the Securities and Futures Act (Chapter 289) of Singapore ("**Singapore Securities and Futures Act**").

Share Certificate

Regulation 20

Every person whose name is entered as a Member in the Register of Members shall be entitled to receive, within ten (10) Market Days (or such other period as may be approved by the Exchange) of the closing date of any application for shares or, as the

case may be, the date of lodgement of a registrable transfer, one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred.

Voting

Regulation 92

(1) Each Member shall have a right to attend any general meeting and to speak on any resolution at the meeting.

(2) Subject and without prejudice to any special rights or restrictions as to voting for the time being attached to any class or classes of shares for the time being forming part of the capital of the Company, each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

(3) Where the Company has knowledge that any member is, under the rules and regulations of the Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(4) Every Member who is present in person or by proxy, attorney or corporate representative (as applicable) shall:

(a) on a poll, have one vote for every share which he holds or represents; and

(b) on a show of hands, have one vote, Provided always that:

(i) in the case of a Member who is not a relevant intermediary or a clearing house or its nominee(s) and is represented by two proxies, only one of the two proxies as determined by that Member, or failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and

(ii) in the case of a Member who is a relevant intermediary or a clearing house or its nominee(s) and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

(5) For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the

number of shares entered against his name in the Depository Register as at seventy-two (72) hours before the time of the relevant general meeting as certified by the Depository to the Company.

Regulation 95

Save as expressly provided in the Constitution or in the Singapore Companies Act, no person other than a Member duly registered, and only in respect of shares upon which all calls due to the Company have been paid, shall be entitled to be present or to vote on any question, either personally or by proxy, attorney or representative at any general meeting.

Joint Holders

Regulation 24

Where two (2) or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:

(a) the Company shall not be bound to register more than four persons as the holders of any share, except in the case of executors, trustees or administrators of the estate of a deceased Member;

(b) the joint holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share;

(c) on the death of any one of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the Directors may require such evidence of death as they may deem fit;

(d) any one of such joint holders may give effectual receipts for any dividend or other moneys payable or property distributable to such joint holders on or in respect of the share; and

(e) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.

Regulation 167(1)

Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto (or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or (as the case maybe) to the Depository for distribution to the Depositors entitled thereto or to such Member or person at such address as such persons may in writing direct or by such means (including, by electronic means) as the Directors may decide at their absolute discretion. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Regulation 183

All notices, communications and/or documents (including a share certificate) with respect to any share to which persons are jointly entitled, shall be given to whichever of such persons is named first in the Register of Members or the Depository Register (as the case may be), and notice so given shall be sufficient notice to all the holders of such shares. For such purpose a joint holder having no registered address in Singapore and not having supplied an address within Singapore for the service of notices shall be disregarded.

(k) Any change in capital

Regulation 72

(1) The Company may by Ordinary Resolution:

(a) consolidate and divide all or any of its shares;

(b) subdivide its shares or any of them (subject nevertheless to the provisions of the Statutes and the Constitution) provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(c) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person or which have been forfeited and diminish the amount of its capital by the number of the shares so cancelled; and

(d) subject to the provisions of the Statutes, convert its share capital or any class of shares from one currency to another currency.

(2) The Company may by Special Resolution and subject to and in accordance with the Statutes, convert one class of shares into another class of shares.

Regulation 73

(1) The Company may reduce its share capital or any undistributable reserve in any manner, subject to any requirements and consents required by law.

(2) Subject to and in accordance with the provisions of the Singapore Companies Act, the listing rules of the Exchange and any applicable legislation or regulation, the Company may authorise the Directors in general meeting to purchase or otherwise acquire ordinary shares, stocks, preference shares, options, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms as the Company may think fit and in the manner prescribed by the Singapore Companies Act. In the case of purchases of redeemable shares, purchases not made through the market or by tender shall, subject to the provisions of the Singapore Companies Act, the listing rules of the Exchange and any applicable legislation or regulation, be limited to a maximum price and if purchases are by tender, tenders shall be available to all members holding redeemable shares in the Company alike. If required by the Singapore Companies Act, the listing rules of the Exchange and any applicable legislation or regulation, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Singapore Companies Act, the listing rules of the Exchange and any applicable legislation or regulation, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may deal with any share which is so purchased or acquired by the Company in such manner as may be permitted by, and in accordance with, the Singapore Companies Act, the listing rules of the Exchange and any applicable legislation or regulation (including without limitation, to hold such share as a treasury share). Without prejudice to the foregoing, upon cancellation of shares purchased or otherwise acquired by the Company pursuant to the Constitution and the Singapore Companies Act, the number of issued shares of the Company shall be diminished by the number of

shares so cancelled, and where any such cancelled shares were purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly.

(l) Any change in the respective rights of the various classes of Shares including the action necessary to change the rights

Regulation 12

If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Singapore Companies Act, whether or not the Company is being wound up, be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Singapore Companies Act shall with such adaptations as are necessary apply. To every such separate general meeting, the provisions of the Constitution relating to general meetings shall *mutatis mutandis* apply,

Provided always that:

(a) the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll, but where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from the holders of three fourths of the issued shares of the class concerned within two months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting; and

(b) where all the issued shares of the class are held by one person, the necessary quorum shall be one person and such holder of shares of the class present in person or by proxy or by attorney may demand a poll.

Regulation 13

The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholders' rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned. Provided always that where the necessary majority for such a Special Resolution is not obtained at a meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a Special Resolution carried at the meeting.

Regulation 14

The rights conferred upon the holders of the shares of any class issued with preferred rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class or by the Constitution, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

(m) Dividends and distribution

Regulation 157

Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted by the Singapore Companies Act, (a) all dividends shall be declared and paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and (b) all dividends shall be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. For the purposes of this regulation, no amount paid or credited as paid on a share in advance of a call shall be treated as paid on the share.

Regulation 159

The Directors may, with the sanction of an Ordinary Resolution at a general meeting, from time to time declare dividends, but no such dividend shall (except as by the Statutes expressly authorised) be payable otherwise than out of the profits of the Company. No higher dividend shall be paid than is recommended by the Directors and a declaration by the Directors as to the amount of the profits at any time available for dividends shall be conclusive. The Directors may, if they think fit, and if in their opinion the profits of the Company justifies such payment, without any such sanction as aforesaid, from time to time declare and pay fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and may also from time to time pay to the holders of any class of shares interim dividends of such amounts and on such dates and in respect of such periods as they may think fit.

Regulation 160

The Company may upon the recommendation of the Directors by Ordinary Resolution, direct payment of a dividend in whole or in part in specie by the distribution of specific assets (and in particular of paid-up shares or debentures or debenture stock of any other company or any combination of any specific assets) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments shall be made to any Members in terms of the value so fixed, in order to adjust the rights of all parties. The Directors may vest any such specific assets in trustees as may seem expedient to the Directors and no valuation, adjustment or arrangement so made shall be questioned by any Member.

Regulation 161(1)

Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on shares of a particular class in the capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of shares of that class credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:

(a) the basis of any such allotment shall be determined by the Directors;

(b) the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of shares of the relevant class credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid. The Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend(s) or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this regulation;

(c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded, provided that the Directors may determine, either generally or in specific cases, that such right shall be exercisable in respect of the whole or any part of that portion; and

(d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on the shares of the relevant class in respect of which the share election has been duly exercised (the "**elected shares**") and in lieu of cash and in satisfaction thereof shares of the relevant class shall be allotted and credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid. For such purpose, and notwithstanding the provisions of regulation 0, the Directors shall (i) capitalise and apply out of the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sums as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and among the holders of the elected shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected shares towards payment of the appropriate number of shares of the relevant class for allotment and distribution to and among the holders of the elected shares on such basis.

Regulation 163

The Directors may deduct from any dividend or other moneys payable to a Member in respect of any share held by such Member, either alone or jointly with any other Member, any or all sums of money as may be due and payable by him, either alone or jointly with any other person in respect of any debts, liabilities or engagements to the Company on account of calls or otherwise towards satisfaction (in whole or in part) of such debts, liabilities or engagements, or any other account which the Company is required by law to deduct.

Regulation 165

(1) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(2) The Directors may retain the dividends payable on shares in respect of which any person is under the Constitution, as to the transmission of shares, entitled to become a Member, or which any person under the Constitution is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.

Regulation 167(1)

Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto (or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or (as the case maybe) to the Depository for distribution to the Depositors entitled thereto or to such Member or person at such address as such persons may in writing direct or by such means (including, by electronic means) as the Directors may decide at their absolute discretion. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Regulation 168

The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six (6) years from the date they are first payable may be forfeited and if so forfeited, shall revert to the Company. However, the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividends or moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six (6) years has elapsed from the date such dividend or other moneys are first payable. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends or moneys, howsoever and whatsoever.

(n) Any limitation on the right to own Shares

Regulation 19

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by the Constitution or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee, as the case may be) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share.

Regulation 29

No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs.

Regulation 31

Subject to the Constitution, the Singapore Companies Act or as required by the Exchange, there shall be no restriction on the transfer of fully paid up shares (except where required by law or the rules, bye-laws or listing rules of the Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve.

The Directors may decline to recognise any instrument of transfer of shares unless:

(a) a fee not exceeding S$2/– (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Exchange) as the Directors may from time to time require, is paid to the Company in respect thereof;

(b) the amount of proper duty (if any) with which each instrument of transfer of shares is chargeable under any law for the time being in force relating to stamp duty is paid;

(c) the instrument of transfer is deposited at the Office (or such other place as the Directors may appoint) and is accompanied by a certificate of payment of stamp duty (if any), the certificate of the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the

right of the transferor to make the transfer, and where the instrument is executed by some other person on his behalf, the authority of the person so to do; and

(d) the instrument of transfer is in respect of only one class of shares.

Regulation 32

If the Directors refuse to register a transfer of any shares, they shall within ten (10) Market Days after the date on which the transfer was lodged with the Company (or such period of time as may be prescribed by the listing rules of the Exchange) give to the transferor and to the transferee notice of their refusal to register as required by the Singapore Companies Act.

(o) Approval for issue of new ordinary shares

Regulation 8

Subject to the Statutes and the Constitution, no shares may be issued by the Directors without the prior approval of the Company in general meeting but subject thereto and to regulation 69, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit. Any such shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit. Preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, provided always that:

(a) (subject to any direction to the contrary that may be given by the Company in general meeting) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of regulation 69(1) with such adaptations as are necessary shall apply; and

(b) any other issue of shares, the aggregate of which would exceed the limits referred to in regulation 69(2), shall be subject to the approval of the Company in general meeting.

(p) Transfer of Ordinary Shares and replacement of Share Certificates

Regulation 23

Subject to the provisions of the Singapore Companies Act, if any share certificates shall be defaced, worn-out, destroyed, lost or stolen, it may be renewed or replaced on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Exchange or on behalf of its/their client(s) as the Directors shall require, and in the case of defacement or wearing out, on delivery of the old certificate and in any case on payment of such sum not exceeding S$2/– or the relevant maximum amount as the Exchange may from time to time determine or as the Directors may from time to time require. In the case of destruction, loss or theft, the shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction, loss or theft.

When any shares under the powers in the Constitution herein contained are transferred and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

Regulation 25

Subject to the restrictions of the Constitution and any restrictions imposed by law or the Exchange, any Member may transfer all or any of his shares, but every instrument of transfer of the legal title in shares must be in writing and in the form approved by the Exchange, or in any other form acceptable to the Directors, and must be left at the Office (or such other place as the Directors may appoint) for registration, accompanied by the certificate(s) of the shares to be transferred, and such other evidence (if any) as the Directors may require to prove the title of the intending transferor, or his right to transfer the shares.

Regulation 29

No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs.

Regulation 31

Subject to the Constitution, the Singapore Companies Act or as required by the Exchange, there shall be no restriction on the transfer of fully paid up shares (except where required by law or the rules, bye-laws or listing rules of the Exchange) but the

Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve.

The Directors may decline to recognise any instrument of transfer of shares unless:

(a) a fee not exceeding S$2/– (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Exchange) as the Directors may from time to time require, is paid to the Company in respect thereof;

(b) the amount of proper duty (if any) with which each instrument of transfer of shares is chargeable under any law for the time being in force relating to stamp duty is paid;

(c) the instrument of transfer is deposited at the Office (or such other place as the Directors may appoint) and is accompanied by a certificate of payment of stamp duty (if any), the certificate of the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and where the instrument is executed by some other person on his behalf, the authority of the person so to do; and

(d) the instrument of transfer is in respect of only one class of shares.

Regulation 32

If the Directors refuse to register a transfer of any shares, they shall within ten (10) Market Days after the date on which the transfer was lodged with the Company (or such period of time as may be prescribed by the listing rules of the Exchange) give to the transferor and to the transferee notice of their refusal to register as required by the Singapore Companies Act.

Regulation 33

The Register of Members and the Depository Register may be closed at such times and for such period as the Directors may from time to time determine; Provided always that it shall not be closed for more than thirty (30) days in any year (in aggregate) and during such periods the Directors may suspend the registration of transfers. Further Provided always that the Company shall give prior notice of such closure to the Exchange (as may be required by the listing rules of the Exchange) stating the period and purpose or purposes for which the closure is to be made.

(q) General Meeting of Shareholders

Regulation 74

Save as otherwise permitted under the Singapore Companies Act, the Company shall in each calendar year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it. Not more than fifteen (15) months shall elapse between the date of one annual general meeting and that of the next. The annual general meeting shall be held at such time and place as the Directors shall determine.

Regulation 76

The Directors may whenever they think fit convene an extraordinary general meeting and an extraordinary general meeting shall also be convened on such requisition by Members in accordance with the Singapore Companies Act or in default may be convened by such requisitionist as provided for under the Singapore Companies Act including Members holding a minority stake in the Company which have shareholdings of not less than 10.0% of the total number of paid up shares in the Company.

Regulation 78

Any general meeting at which it is proposed to pass Special Resolutions or (save as provided by the Statutes) a resolution of which special notice has been given to the Company pursuant to the Singapore Companies Act, shall be called by at least twenty-one (21) clear days' notice in writing. An annual general meeting or any other general meeting shall be called by at least fourteen (14) clear days' notice in writing. The notice must specify the place, the day and the hour of the meeting. Such notice shall be given in the manner hereinafter mentioned to all Members other than those who are not under the provisions of the Constitution and the Singapore Companies Act entitled to receive such notices from the Company. The period of notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given. So long as the shares in the Company are listed on the Exchange, at least fourteen (14) days' notice of every general meeting shall be given by advertisement in the daily press and in writing to the Exchange and to each stock exchange upon which the shares in the Company are listed.

Subject to the provisions of the Singapore Companies Act, notwithstanding that it has been called by a shorter notice than that specified above, a general meeting shall be deemed to have been duly called if it is agreed:

(a) in the case of an annual general meeting by all the Members entitled to attend and vote thereat; and

(b) in the case of an extraordinary general meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per cent (95%) of the total voting rights of all the Members having a right to vote at that meeting.

Provided also that the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

Regulation 80

There shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that such proxy need not be a Member.

Regulation 81

Routine business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say:

(a) receiving and adopting the financial statements, the Directors' statement, the Auditor's report and other documents required to be attached to the financial statements;

(b) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;

(c) fixing of the fees of Directors proposed to be paid under regulation 104(1);

(d) declaring dividends; and

(e) appointing or re-appointing Auditors, removal of Auditors, and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

Regulation 82 read with Regulations 181 and 182(1)

In the case of any general meeting at which business other than routine business is to be transacted (special business), the notice shall specify the general nature of the special business, and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.

Regulation 181

Any notice or document (including a share certificate) may be served on or delivered to any Member either personally or by sending it through the post in a prepaid cover addressed to such Member at his registered address appearing in the Register of Members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company or (as the case may be) supplied by him to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the time when the cover containing the same is posted, and in proving such service or delivery, it shall be sufficient to prove that such cover was properly addressed, stamped and posted.

Regulation 182(1)

Without prejudice to the provisions of regulation 181 but subject otherwise to the Singapore Companies Act and any regulations made thereunder and (where applicable) the listing rules of the Exchange relating to electronic communications, any notice or document (including, without limitation, any accounts, balance sheets, financial statements, circulars or reports) which is required or permitted to be given, sent or served under the Singapore Companies Act or under the Constitution by the Company, or by the Directors, to a Member or officer or Auditor of the Company may be given, sent or served using electronic communications (including by electronic mail or short message service) (a) to the current address of that person; or (b) by making it available on a website prescribed by the Company from time to time, in accordance with the provisions of the Constitution, the Singapore Companies Act and/or any other applicable regulations or procedures.

Regulation 83

No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Except as herein otherwise provided, two (2) Members present in person shall form a quorum. For the purposes of this regulation, 'Member' includes a person attending as a proxy and a corporation being a Member shall be deemed to be personally present if represented in accordance with the provisions of Section 179(3) of

the Singapore Companies Act and such corporation's representative is not otherwise entitled to be present at the meeting as a Member or proxy or as a corporate representative of another Member. Provided always that (i) a proxy representing more than one Member shall only count as one Member for the purpose of determining the quorum; and (ii) where a Member is represented by more than one proxy such proxies shall count as only one Member for the purpose of determining the quorum.

Regulation 84

If within half an hour from the time appointed for the holding of a general meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting if convened on the requisition of Members shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day is a public holiday then the next business day following that public holiday) at the same time and place or to such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting any one or more Members present in person or by proxy or attorney or in the case of a corporation by a representative shall be a quorum.

Regulation 87(1)

If required by the listing rules of the Exchange, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the Exchange).

Regulation 95

Save as expressly provided herein or in the Singapore Companies Act, no person other than a Member duly registered, and only in respect of shares upon which all calls due to the Company have been paid, shall be entitled to be present or to vote on any question, either personally or by proxy, attorney or representative at any general meeting.

Regulation 96(1)

Save as otherwise provided in the Singapore Companies Act:

(a) a Member who is not a relevant intermediary or a clearing house or its nominee(s) may appoint not more than two proxies to attend, speak and vote at the same general meeting. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any subsequent named proxy as an alternate to the earlier named; and

(b) a Member who is a relevant intermediary or a clearing house or its nominee(s) may appoint more than two proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

Regulation 97

An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve (provided that this shall not preclude the use of the two-way form) and:

(a) in the case of an individual, shall be:

(i) signed by the appointor or his attorney if the instrument is delivered personally or sent by post; or

(ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and

(b) in the case of a corporation, shall be:

(i) either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation if the instrument is delivered personally or sent by post; or

(ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, for the purposes of regulations 97(1)(a)(ii) and 97(1)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

Regulation 98(1)

An instrument appointing a proxy:

(a) if sent personally or by post, must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office); or

(b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting,

and in either case, not less than seventy-two (72) hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided always that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered in accordance with this regulation 98 for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

Regulation 100

(1) Any corporation which is a Member may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member. The Company shall be entitled to treat a certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative under this regulation.

(2) If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives or proxies at any meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is authorised. Each person so authorised under the provisions of this regulation 100(2) shall be deemed to have been duly authorised without further evidence of the facts and be entitled to

exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)).

(r) Voting rights

Regulation 87

(1) If required by the listing rules of the Exchange, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the Exchange).

(2) Subject to regulation 87(1), at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

(a) the Chairman of the meeting; or

(b) at least two Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative, and entitled to vote thereat; or

(c) any Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing not less than five per cent (5%) of the total voting rights of all the Members having the right to vote at the meeting; or

(d) any Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than five per cent (5%) of the total sum paid up on all the shares conferring that right.

A demand for a poll made pursuant to regulation 87(2) may be withdrawn only with the approval of the Chairman of the meeting, and any such demand shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Unless a poll is so demanded (and the demand is not withdrawn), a declaration by the Chairman that a resolution has been carried or carried

unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

Regulation 88

In the case of an equality of votes whether on a poll or on a show of hands, the Chairman shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Member or as a proxy of a Member.

Regulation 89

Subject to regulation 91, where a poll is taken, it shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place as the Chairman of the meeting may direct and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same and such determination made in good faith shall be final and conclusive. The Chairman of the meeting may (and, if required by the listing rules of the Exchange or if so directed by the meeting shall) appoint scrutineer(s) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

Regulation 92

(1) Each Member shall have a right to attend any general meeting and to speak on any resolution at the meeting.

(2) Subject and without prejudice to any special rights or restrictions as to voting for the time being attached to any class or classes of shares for the time being forming part of the capital of the Company, each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

(3) Where the Company has knowledge that any member is, under the rules and regulations of the Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(4) Every Member who is present in person or by proxy, attorney or corporate representative (as applicable) shall:

(a) on a poll, have one vote for every share which he holds or represents; and

(b) on a show of hands, have one vote, provided always that:

(i) in the case of a Member who is not a relevant intermediary or a clearing house or its nominee(s) and is represented by two proxies, only one of the two proxies as determined by that Member, or failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and

(ii) in the case of a Member who is a relevant intermediary or a clearing house or its nominee(s) and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

(5) For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at seventy-two (72) hours before the time of the relevant general meeting as certified by the Depository to the Company.

Regulation 94

If two (2) or more persons are jointly entitled to a share then in voting upon any question, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders of the share and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or the Depository Register (as the case may be). Several executors, trustees or administrators of a deceased Member in whose name any share stands shall for the purpose of this regulation be deemed joint holders thereof.

Regulation 95

Save as expressly provided in the Constitution or in the Singapore Companies Act, no person other than a Member duly registered, and only in respect of shares upon which all calls due to the Company have been paid, shall be entitled to be present or to vote on any question, either personally or by proxy, attorney or representative at any general meeting.

(s) Capitalisation and rights issue

Regulation 170

The Company may, upon the recommendation of the Directors, with the sanction of an Ordinary Resolution (including any Ordinary Resolution passed pursuant to regulation 69(2)) but subject to regulation 7(3):

(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to regulation 69(2)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares; and/or

(b) capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of the profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to regulation 69(2)) such other date as may be determined by the Directors),

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up and amongst them as bonus shares in the proportion aforesaid.

Regulation 171

The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under regulation 170, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional

entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for any such bonus issue and/or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all such Members.

(t) Indemnity

Regulation 191

Subject to the provisions of and so far as may be permitted by the Statutes, every Director, Auditor, Secretary and other officer for the time being of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto.

Without prejudice to the generality of the foregoing, no Director, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust.

(u) Accounts and audit

Regulation 173

Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or, at such other place as the Directors think fit.

Regulation 175

In accordance with the provisions of the Singapore Companies Act, the Directors shall from time to time in accordance with the Singapore Companies Act cause to be prepared and to be laid before the Company in general meeting such financial statements, balance sheets, reports, statements and other documents as may be necessary. The interval between the close of the Company's financial year and the date of the

Company's annual general meeting shall not exceed four months (or such other period as may be prescribed from time to time by the Exchange, the provisions of the Singapore Companies Act and/or any applicable law).

Regulation 176

A copy of the financial statements and, if required, the balance sheet (including every document required by law to be attached thereto) which is duly audited and which is to be laid before the Company in general meeting accompanied by a copy of the Auditor's report thereon, shall not less than twenty one (21) days before the date of the meeting be sent to every Member of and every holder of debentures of the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or the Constitution; Provided always that:

(a) these documents may, subject to the listing rules of the Exchange, be sent less than fourteen (14) days before the date of the meeting if all persons entitled to receive notices of meetings from the Company so agree; and

(b) this regulation shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of any joint holders of any shares or debentures in the Company or the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

(v) Alteration of Constitution

Unless otherwise provided in the Singapore Companies Act, a company's constitution may be altered by way of Special Resolution, except that any entrenching provision in the constitution and any provision contained in the constitution before 1 April 2004 which could not be altered before that date may be removed or altered only if all members of the company agree.

For these purposes, the term "**entrenching provision**" means a provision of the constitution of a company to the effect that other specified provisions of the constitution (a) may not be altered in the manner provided by the Singapore Companies Act, or (b) may not be so altered except by a resolution passed by a specified majority greater than 75.0%, or where other specified conditions are met.

(w) Alteration of Company's name

Section 28(1) of the Singapore Companies Act provides that a company incorporated in Singapore may by Special Resolution resolve to change its name.

(x) Liquidation

Regulation 186

A Special Resolution is required to approve the voluntary winding up of the Company. The Directors shall have the power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up (whether the liquidation is under supervision or by the Court).

Regulation 187

If the Company shall be wound up, subject to due provision being made for satisfying the claims of any holders of shares having attached thereto any special rights in regard to the repayment of capital, the surplus assets shall be applied in repayment of the capital paid up or credited as paid up on the shares at the commencement of the winding up.

Regulation 188

If the Company shall be wound up (whether the liquidation is voluntary under supervision or by the Court), the liquidator may, with the sanction of a Special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company, whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members, but if any division is resolved otherwise than in accordance with such rights, the Members shall have the same right of dissent and consequential rights as if such resolution were a Special Resolution passed pursuant to Section 306 of the Singapore Companies Act. A Special Resolution sanctioning a transfer or sale to another company duly passed pursuant to the said Section may in like manner authorise the distribution of any shares or other consideration receivable by the liquidator amongst the Members otherwise than in accordance with their existing rights; and any such determination shall be binding upon all the Members subject to the right of dissent and consequential rights conferred by the said Section.

Regulation 189

The liquidator may, as he thinks fit, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other securities in respect of which there is a liability.

Regulation 190

In the event of a winding up of the Company, every Member who is not for the time being in Singapore shall be bound, within fourteen (14) days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some person in Singapore upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such Member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such Member for all purposes, and where the liquidator makes any such appointment he shall with all convenient speed, give notice thereof to such Member by advertisement in any English newspaper widely circulated in Singapore or by a registered letter sent through the post and addressed to such Member at his address as appearing in the Register of Members or (as the case may be) the Depository Register, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

(y) Call on Shares and forfeiture of Shares

Regulation 42

The Directors may from time to time, as they think fit, make calls upon the Members in respect of any moneys unpaid on their shares or on any class of their shares and not by the conditions of the issue and allotment thereof made payable at fixed times; and each Member shall (subject to his having been given at least fourteen (14) days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be made payable by instalments. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.

Regulation 44

If before or on the day appointed for payment thereof, a call payable in respect of a share is not paid, the person from whom the amount of the call is due shall pay interest on such amount at such rate not exceeding ten per cent (10%) per annum as the Directors may determine from the day appointed for payment thereof to the time of actual payment, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of the non-payment of such call or instalment, but the Directors shall be at liberty to waive payment of such interest, costs, charges and expenses wholly or in part.

Regulation 45

Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date and any instalment of a call shall for all purposes of the Constitution be deemed to be a call duly made and payable on the date fixed for payment and, in the case of non-payment, the provisions of the Constitution as to payment of interest and expenses, forfeiture and the like and all other relevant provisions of the Statutes or of the Constitution shall apply as if such sum were a call duly made and notified as hereby provided.

Regulation 47

The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish (so far as the same shall extend) the liability upon the shares in respect of which it is made, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at a rate agreed between the Member paying such sum and the Directors provided that such rate may not exceed ten per cent (10%) per annum without the sanction of the Company in general meeting. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right on the holder of such share or shares to participate in respect thereof in a dividend and any other distribution subsequently declared.

Regulation 48

If a Member fails to pay the whole or any part of any call or instalment of a call by or on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

Regulation 49

The notice shall name a further day (not being less than fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made. It shall also name the place where payment is to be made and shall state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

Regulation 50

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.

Regulation 51

A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture notwithstanding that they shall have been declared.

Regulation 52

The Directors may accept a surrender of any share liable to be forfeited hereunder.

Regulation 53

The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and all claims and demands against the Company in respect of the share, and all other rights and liabilities incidental to the share as between the Member whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by the Constitution expressly saved, or as are by the Singapore Companies Act given or imposed in the case of past Members.

Regulation 54

Notwithstanding any such forfeiture, the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture, upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit.

Regulation 55

A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person, on such terms and in such manner as the Directors think fit and at any time before a sale or disposition, the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, re-allotment or other disposition, the Directors are empowered to or may authorise some other person to transfer the shares to the purchaser.

Regulation 56

The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Regulation 57

If any shares are forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, trustees, administrators or assignees or as he directs.

Regulation 58

A person whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall, notwithstanding such forfeiture or surrender, remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at the rate of ten per cent (10%) per annum (or such lower rate as the Directors may approve) from the date of the forfeiture or surrender until payment in respect of the shares; but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. The Directors may at their absolute disclosure enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment either wholly or in part.

Regulation 59

Notice of any forfeiture shall forthwith be given to the holder of the share forfeited or to the person entitled by transmission to the share forfeited as the case may be. An entry of the forfeiture with the date thereof and the fact of the notice given shall be made in the Register of Members or in the Depository Register (as the case may be) opposite the share. The provisions of this regulation are directory only, and no forfeiture shall be in any manner invalidated by any omission to give such notice or to make such entry as aforesaid.

Regulation 60

(1) The Company shall have a first and paramount lien and charge on all the shares not fully paid up in the name of a Member (whether solely or jointly with others) and all dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of

which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this regulation.

(2) No Member shall be entitled to receive any dividend or to exercise any privileges as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether along or jointly with any other person, together with interest and expenses (if any).

Regulation 61

For the purpose of enforcing such lien, the Directors may sell all or any of the shares subject thereto in such manner as they think fit, but no sale shall be made unless some sum in respect of which the lien exists is presently payable and until a notice in writing stating the amount due and demanding payment and giving notice of intention to sell in default, shall have been served in such a manner as the Directors shall think fit on such Member or the person (if any) entitled by transmission to the shares, and default in payment shall have been made by him or them for fourteen days after such notice. To give effect to any such sale or other disposition, the Directors are empowered or may authorise some other person to transfer the shares to the purchaser.

Regulation 64

A statutory declaration in writing by a Director that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, together with the certificate under seal for the share delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be entered in the Register of Members as the holder of the share or (as the case may be) in the Depository Register in respect of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the forfeiture, surrender, sale, re-allotment or disposal of the share.

(z) Untraceable members

Regulation 41

(1) Without prejudice to the rights of the Company under regulation 41(2), the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

(2) The Company shall have the power to sell, in such manner as the Directors think fit and in accordance with the requirements of any applicable law, any shares of a member who is untraceable, but no such sale shall be made unless:

(a) all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Constitution have remained uncashed;

(b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and

(c) the Company, if so required by the rules and regulations of the Exchange, has given notice to the Exchange, and caused advertisement to be made in newspapers in accordance with the requirements of the Exchange, of its intention to sell such shares in the manner required by the Exchange, and a period of three months or such shorter period as may be allowed by the Exchange has elapsed since the date of such advertisement.

For the purpose of the foregoing, the "relevant period" means the period commencing 12 years before the date of publication of the advertisement referred to in regulation 41(2)(c) and ending at the expiry of the period referred to in regulation 41(2)(c).

(3) To give effect to any such sale the Directors may authorise some person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the

Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this regulation shall be valid and effective notwithstanding that the member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

(aa) Power to dispose of the assets of the Company or any of its subsidiaries

Regulation 121

The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Directors who may exercise all such powers of the Company as are not by the Statutes or by the Constitution required to be exercised by the Company in general meeting. The Directors shall not carry into effect any proposals for selling or disposing of the whole or substantially the whole of the Company's undertaking unless such proposals have been approved by the Company in a general meeting.

The general powers given by this regulation shall not be limited or restricted by any special authority or power given to the Directors by any other regulation.

(bb) Proceedings of the Board

Regulation 137

The Directors or any committee of Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be two (2). Subject to the provisions of the Constitution, questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote Provided always that the Chairman of a meeting at which only two Directors are present and form the quorum or only two Directors are competent to vote on the question at issue, shall not have a second or casting vote. A meeting of the Directors at which a quorum is present at the time the meeting proceeds to business shall be competent to exercise all the powers and discretions for the time being exercisable by the Directors.

B. SINGAPORE COMPANY LAW

The following is a summary of certain provisions of the laws of Singapore as at the date of this document which are applicable to a Singapore incorporated company. The summary below is for general guidance only and does not constitute legal advice nor should it be used as a substitute for specific legal advice on the corporate laws of Singapore. The summary does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the corporate laws of Singapore. In addition, prospective investors and/or shareholders should also note that the laws applicable to shareholders may change, whether as a result of proposed legislative reforms to the Singapore laws or otherwise. Prospective investors and/or shareholders should consult their own legal advisors for specific legal advice concerning their legal obligations under the relevant laws.

(a) Reporting Obligations of Shareholders

(i) *Obligation to notify Company of substantial shareholding and change in substantial shareholding — Sections 81 to 84 of the Singapore Companies Act*

Under Section 81 of the Singapore Companies Act, a person has a substantial shareholding in a company if he has an interest or interests in one (1) or more voting shares in the company, and the total votes attached to that share, or those shares, is not less than 5.0% of the total votes attached to all the voting shares in the company.

Under Section 82 of the Singapore Companies Act, a substantial shareholder of a company is required to notify the company of his interests in the voting shares in the company within two (2) business days after becoming a substantial shareholder.

In addition, under Sections 83 and 84 of the Singapore Companies Act, a substantial shareholder is required to notify the company of any change in the percentage level of his shareholding or his ceasing to be a substantial shareholder, within two (2) business days after he is aware of such change.

(ii) *Consequences of non-compliance by defaulting shareholders — Sections 89 to 91 of the Singapore Companies Act*

Under Section 89 of the Singapore Companies Act, a person who fails to comply with Sections 82, 83 or 84 shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$5,000 and in the case of a continuing offence to a further fine of S$500 for every day during which the offence continues after conviction.

Section 90 of the Singapore Companies Act provides for a defence to a prosecution for failing to comply with Sections 82, 83 or 84. It is a defence if the defendant proves that his failure was due to his not being aware of a fact or occurrence the existence of which was necessary to constitute the offence and that he:

(a) was not so aware on the date of the summons; or

(b) became so aware less than seven (7) days before the date of the summons.

However, a person will conclusively be presumed to have been aware of a fact or occurrence at a particular time:

(i) of which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware at that time; or

(ii) of which an employee or agent of the person, being an employee or agent having duties or acting in relation to his master's or principal's interest or interests in a share or shares in the company concerned, was aware or would, if he had acted with reasonable diligence in the conduct of his master's or principal's affairs, have been aware at that time.

Under Section 91 of the Singapore Companies Act, where a substantial shareholder fails to comply with Sections 82, 83 or 84, the Court may, on the application of the Minister, whether or not the failure still continues, make one (1) of the following orders:

(a) an order restraining the substantial shareholder from disposing of any interest in shares in the company in which he is or has been a substantial shareholder;

(b) an order restraining a person who is, or is entitled to be registered as, the holder of shares referred to in paragraph (a) from disposing of any interest in those shares;

(c) an order restraining the exercise of any voting or other rights attached to any share in the company in which the substantial shareholder has or has had an interest;

(d) an order directing the company not to make payment, or to defer making payment, of any sum due from the company in respect of any share in which the substantial shareholder has or has had an interest;

(e) an order directing the sale of all or any of the shares in the company in which the substantial shareholder has or has had an interest;

(f) an order directing the company not to register the transfer or transmission of specified shares;

(g) an order that any exercise of the voting or other rights attached to specified shares in the company in which the substantial shareholder has or has had an interest be disregarded;

(h) for the purposes of securing compliance with any other order made under this section, an order directing the company or any other person to do or refrain from doing a specified act.

Any order made under this section may include such ancillary or consequential provisions as the Court thinks just.

The Court shall not make an order other than an order restraining the exercise of voting rights, if it is satisfied that:

(a) the failure of the substantial shareholder to comply was due to his inadvertence or mistake or to his not being aware of a relevant fact or occurrence; and

(b) that in all the circumstances, the failure ought to be excused.

Any person who contravenes or fails to comply with an order made under this section that is applicable to him shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$5,000 and, in the case of a continuing offence, to a further fine of S$500 for every day during which the offence continues after conviction.

(b) Prohibited Conduct In Relation to Trading in the Securities of the Company

(i) ***Prohibitions against false trading and market manipulation — Section 197 of the Singapore Securities and Futures Act***

Under Section 197(1) of the Singapore Securities and Futures Act, no person shall do anything, cause anything to be done or engage in any course of conduct, if his purpose, or any of his purposes, for doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, is to create a false or misleading appearance of (i) active trading in any securities on a securities market; or (ii) with respect to the market for, or the price of, such securities.

In addition, under Section 197(1A) of the Singapore Securities and Futures Act, no person shall do anything, cause anything to be done or engage in any course of conduct that creates, or is likely to create, a false or misleading appearance of active trading in any securities on a securities market, or with respect to the market for, or the price of, such securities, if:

(1) he knows that doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, will create, or will be likely to create, that false or misleading appearance; or

(2) he is reckless as to whether doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, will create, or will be likely to create, that false or misleading appearance.

Under Section 197(2) of the Singapore Securities and Futures Act, no person shall, by means of any purchase or sale of any securities that do not involve a change in the beneficial ownership of those securities, or by any fictitious transaction or device, maintain, inflate, depress, or cause fluctuations in, the market price of any securities.

Under Section 197(3) of the Singapore Securities and Futures Act, where a person:

(a) effects, takes part in, is concerned in or carries out, directly or indirectly, any transaction of purchase or sale of any securities, being a transaction that does not involve any change in the beneficial ownership of the securities;

(b) makes or causes to be made an offer to sell any securities at a specified price where he has made or caused to be made or proposes to make or cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to purchase the same number, or substantially the same number, of securities at a price that is substantially the same as the first-mentioned price; or

(c) makes or causes to be made an offer to purchase any securities at a specified price where he has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to sell the same number, or substantially the same number, of securities at a price that is substantially the same as the first-mentioned price,

it shall be presumed that his purpose, or one of his purposes, for doing so is to create a false or misleading appearance of active trading in securities on a securities market. Section 197(4) of the Singapore Securities and Futures Act provides that the presumption

under Section 197(3) may be rebutted if the defendant establishes that the purpose or purposes for which he did the act was not, or did not include, the purposes of creating a false or misleading appearance of active trading in securities on a securities market.

Section 197(5) of the Singapore Securities and Futures Act provides that a purchase or sale of securities does not involve a change in the beneficial ownership if a person who had an interest in the securities before the purchase or sale, or a person associated with the first-mentioned person in relation to those securities, has an interest in the securities after the purchase or sale.

Section 197(6) of the Singapore Securities and Futures Act provides that in any proceedings against a person for contravention of Section 197(2) in relation to a purchase or sale of securities that did not involve a change in the beneficial ownership of those securities, it is a defence if the defendant establishes that the purpose or purposes for which he purchased or sold the securities was not, or did not include, the purpose of creating a false or misleading appearance with respect to the market for, or the price of, securities.

(ii) ***Prohibitions against market manipulation — Section 198 of the Singapore Securities and Futures Act***

Under Section 198(1) of the Singapore Securities and Futures Act, no person shall effect, take part in, be concerned in or carry out directly or indirectly, two or more transactions in securities of a corporation, being transactions that have, or are likely to have, the effect of raising, lowering, maintaining or stabilising the price of the securities of the corporation on a securities market, with intent to induce other persons to subscribe for, purchase or sell securities of the corporation or of a related corporation.

Section 198(2) of the Singapore Securities and Futures Act provides that transactions in securities of a corporation includes (i) the making of an offer to purchase or sell such securities of the corporation; and (ii) the making of an invitation, however expressed, that directly or indirectly invites a person to offer to purchase or sell such securities of the corporation.

(iii) ***Prohibitions against false or misleading statements — Section 199 of the Singapore Securities and Futures Act***

Under Section 199 of the Singapore Securities and Futures Act, no person shall make a statement, or disseminate information, that is false or misleading in a material particular and is likely (a) to induce other persons to subscribe for securities; (b) to induce the sale or purchase of securities by other persons; or (c) to have the effect of raising, lowering, maintaining, or stabilising the market price of securities, if, when he

makes the statement or disseminates the information, (1) he either does not care whether the statement or information is true or false; or (2) he knows or ought reasonably to have known that the statement or information is false or misleading in a material particular.

(iv) ***Prohibitions against fraudulently inducing persons to deal in securities — Section 200 of the Singapore Securities and Futures Act***

Under Section 200(1) of the Singapore Securities and Futures Act, no person shall (a) by making or publishing any statement, promise, or forecast that he knows or ought reasonably to have known to be misleading, false or deceptive; (b) by any dishonest concealment of material facts; (c) by the reckless making or publishing of any statement, promise, or forecast that is misleading, false or deceptive; or (d) by recording or storing in, or by means of, any mechanical, electronic, or other device information that he knows to be false or misleading in a material particular, induce or attempt to induce another person to deal in securities. Section 200(2) of the Singapore Securities and Futures states that in any proceedings against a person for a contravention of Section 200(1) of the Singapore Securities and Futures Act constituted by recording or storing information as mentioned in sub-paragraph (d) of Section 200(1) above, it is a defence if it is established that, at the time when the defendant so recorded or stored the information, he had no reasonable grounds for expecting that the information would be available to any other person.

(v) ***Prohibitions against employment of manipulative and deceptive devices — Section 201 of the Singapore Securities and Futures Act***

Section 201 of the Singapore Securities and Futures Act provides that no person shall, directly or indirectly, in connection with the subscription, purchase or sale of any securities (i) employ any device, scheme or artifice to defraud, (ii) engage in any act, practice, or course of business which operates as a fraud or deception, or is likely to operate as a fraud or deception, upon any person, (iii) make any statement he knows to be false in a material particular, or (iv) omit to state a material fact necessary to make statements, in the light of the circumstances under which they were made, not misleading.

(vi) ***Prohibitions against the dissemination of information about illegal transactions — Section 202 of the Singapore Securities and Futures Act***

Section 202 of the Singapore Securities and Futures Act provides that no person shall circulate or disseminate, or authorise or be concerned in the circulation or dissemination of, any statement or information to the effect that the price of any securities of a corporation will, or is likely, to rise, fall or be maintained by reason of any transaction entered into or to be entered into or other act or thing done or to be done in relation to securities of that corporation, or of a corporation that is related to that corporation, which to his knowledge, was entered into or done in contravention of any of

Sections 197 to 201 of the Singapore Securities and Futures Act or if entered into or done would be in contravention of any of Sections 197 to 201 of the Singapore Securities and Futures Act if (i) the person, or a person associated with the person, has entered into or purports to enter into any such transaction or has done or purports to do any such act or thing; or (ii) the person, or a person associated with the person, has received, or expects to receive, whether directly or indirectly, any consideration or benefit for circulating or disseminating, or authorising or being concerned in the circulation or dissemination of, the information or statements.

(c) Prohibitions Against Insider Trading — Sections 218, 219 and 216 of the Singapore Securities and Futures Act

Sections 218 and 219 of the Singapore Securities and Futures Act prohibit persons from dealing in securities of a corporation if the person knows or reasonably ought to know that he is in possession of information that is not generally available, and if it were generally available, might have a material effect on the price or value of securities of that corporation. Such persons include officers and substantial shareholders of a corporation or a related corporation, and persons who occupy a position reasonably expected to give him access to inside information by virtue of professional or business relationship with the corporation or a related corporation, or by being an officer of a substantial shareholder in that corporation or in a related corporation.

For an alleged contravention of Section 218 or 219, Section 220 makes it clear that it is not necessary for the prosecution or the plaintiff to prove that the accused person or defendant intended to use the information referred to in Section 218(1)(a) or (1A)(a) or 219(1)(a) in contravention of Section 218 or 219, as the case may be.

Section 216 of the Singapore Securities and Futures Act sets out when a reasonable person would be taken to expect information to have a material effect on the price or value of securities. Section 216 provides that a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the first-mentioned securities.

(d) Penalties — Sections 232, 204 and 221 of the Singapore Securities and Futures Act

Section 232 of the Singapore Securities and Futures Act provides whenever it appears to the Monetary Authority of Singapore (the "**MAS**") that any person has contravened the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above), the MAS may, with the consent of the Public Prosecutor, bring an action in a court against him to seek an order for a civil penalty in respect of that contravention. If the court is satisfied on the balance of probabilities that the person has contravened a provision which resulted in his gaining a profit or avoiding a loss, the court may make an order against him for the payment of a civil penalty of a sum (a) not

exceeding three times the amount of the profit that the person gained or the amount of loss that he avoided, as a result of the contravention; or (b) equal to S$50,000 if the person is not a corporation, or S$100,000 if the person is a corporation, whichever is the greater.

If the court is satisfied on a balance of probabilities that the person has contravened a provision which did not result in his gaining a profit or avoiding a loss, the court may make an order against him for the payment of a civil penalty of a sum not less than S$50,000 and not more than S$2 million.

Under Section 204 of the Singapore Securities and Futures Act, a person who contravenes Sections 197, 198, 199, 200, 201 or 202 shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$250,000 or to imprisonment for a term not exceeding seven years or to both. Section 204 further provides that no proceedings shall be instituted against a person for the offence after a court has made an order against him for the payment of a civil penalty under Section 232 in respect of the contravention, or if the person has entered into an agreement with MAS to pay, with or without admission of liability, a civil penalty under Section 232(5) in respect of that contravention.

Under Section 221 of the Singapore Securities and Futures Act, a person who contravenes Section 218 or 219 shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$250,000 or to imprisonment for a term not exceeding seven years or to both. Section 221 further provides that no proceedings shall be instituted against a person for an offence in respect of a contravention of Section 218 or 219 after a court has made an order against him for the payment of a civil penalty under Section 232 in respect of that contravention, or if the person has entered into an agreement with MAS to pay, with or without admission of liability, a civil penalty under Section 232(5) in respect of that contravention.

(e) Civil Liability — Section 234 of the Singapore Securities and Futures Act

Section 234 of the Singapore Securities and Futures Act provides that a person who has contravened any of the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above) shall, if he had gained a profit or avoided a loss as a result of that contravention, whether or not he had been convicted or had a civil penalty imposed on him in respect of that contravention, be liable to pay compensation to any person who:

(a) contemporaneously with the contravention, had subscribed for, purchased or sold securities of the same description; and

(b) had suffered loss by reason of the difference between:

(i) the price at which the securities were dealt in or traded contemporaneously with the contravention; and

(ii) the price at which the securities would have been likely to have been so dealt in or traded at the time of the contemporaneous dealing or trading if:

(1) in any case where the contravening person had acted in contravention of Section 218 or 219, the information referred to had been generally available; or

(2) in any other case, the contravention had not occurred.

(f) Extra-territoriality of the Singapore Securities and Futures Act — Section 339 of the Singapore Securities and Futures Act

Section 339(1) of the Singapore Securities and Futures Act provides that where a person does an act partly in and partly outside Singapore, which, if done wholly in Singapore, would constitute an offence against any provision of the Singapore Securities and Futures Act (which would include the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above)), that person shall be guilty of that offence as if the act were carried out by that person wholly in Singapore, and may be dealt with as if the offence were committed wholly in Singapore.

Section 339(2) of the Singapore Securities and Futures Act provides that where:

(a) a person does an act outside Singapore which has a substantial and reasonably foreseeable effect in Singapore; and

(b) that act would, if carried out in Singapore, constitute an offence under the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above),

that person may be guilty of an offence as if the act were carried out by that person in Singapore, and may be dealt with as if the offence were committed in Singapore.

In addition, for the purposes of an action under Section 232 or 234 of the Singapore Securities and Futures Act, where a person:

(i) does an act partly in and partly outside Singapore which, if done wholly in Singapore, would constitute a contravention of any of the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above); or

(ii) does an act outside Singapore which has a substantial and reasonably foreseeable effect in Singapore and that act, if carried out in Singapore, would constitute a contravention of any of the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above),

the act shall be treated as being carried out by that person in Singapore.

(g) Take-Over Obligations

Pursuant to written confirmation obtained by the Company from the Singapore Securities Industry Council, in light of the protections afforded to shareholders under the Takeovers Code, the Singapore Code on Take-overs and Mergers will cease to apply to the Company upon the [REDACTED] and the Company will thereafter be subject to the Takeovers Code.

(h) Share Capital

The power to issue shares in a company is usually vested with the directors of that company subject to any restrictions in the constitution of that company. However, pursuant to Section 161 of the Singapore Companies Act, notwithstanding anything to the contrary in the constitution of a company, prior approval of the company at a general meeting is required to authorise the directors to exercise any power of the company to issue shares, or the share issue is void under Section 161 of the Singapore Companies Act. Such approval need not be specific but may be general and, once given, will only continue in force until the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier, provided that such approval has not been previously revoked or varied by the company in a general meeting.

Pursuant to Section 64A of the Singapore Companies Act, and subject to the approval of the shareholders of a public company incorporated in Singapore by special resolution, different classes of shares in the public company may be issued if the issue of the class(es) of shares is provided for in the constitution of the company, and the constitution of the company sets out in respect of each class of shares the rights attached to that class of shares. Such class(es) of shares may confer special, limited or conditional voting rights, or not confer any voting rights.

(i) Financial Assistance to Purchase Shares of a Company or its Holding Company

Generally, pursuant to Section 76 of the Singapore Companies Act, a public company or a company whose holding company or ultimate holding company is a public company is prohibited from giving financial assistance to any person directly or indirectly for the purpose of, or in connection with, the acquisition of that company's shares or shares in its holding company.

Financial assistance includes the making of a loan, the giving of a guarantee, the provision of security, and the release of a debt or obligation. Certain transactions are specifically provided by the Singapore Companies Act not to be prohibited. These include the distribution of a company's assets by way of dividends, a distribution in the course of a company's winding up, the payment by a company pursuant to a reduction of capital in accordance with the Singapore Companies Act, the giving by a company in good faith and in the ordinary course of commercial dealing of any representation, warranty or indemnity in relation to an offer to the public of, or an invitation to the public to subscribe for or purchase shares or units of shares in the company, and the entering into by the company, in good faith and in the ordinary course of commercial dealing, of an agreement with a subscriber for shares in the company permitting the subscriber to make payments for the shares by instalments, an allotment of bonus shares, a redemption of redeemable shares of a company in accordance with the company's constitution, or the payment of some or all of the costs by a company listed on a securities exchange in Singapore or any securities exchange outside Singapore associated with a scheme, an arrangement or a plan under which any shareholder of the company may purchase or sell shares for the sole purpose of rounding off any odd-lots which he owns.

The Singapore Companies Act further provides that a company can give financial assistance in certain circumstances, including but not limited to: (i) where the amount of financial assistance does not exceed 10.0% of the aggregate of the total paid-up capital and reserves of the company as disclosed in the most recent financial statements of the company and the company receives fair value in connection with the financial assistance; (ii) where the giving of financial assistance does not materially prejudice the interests of the company or its shareholders or, the company's ability to pay its creditors; or (iii) where the financial assistance is approved unanimously by the shareholders of the company, provided that certain conditions and procedures under the Singapore Companies Act are also complied with.

Where the company is a subsidiary of a listed corporation or a subsidiary whose ultimate holding company is incorporated in Singapore, the listed corporation or the ultimate holding company, as the case may be, is also required to pass a special resolution to approve the giving of the financial assistance.

(j) Purchase of Shares by a Company

The Singapore Companies Act generally prohibits a company from acquiring its own shares subject to certain exceptions. Any contract or transaction by which a company acquires its own shares is void subject to the exceptions below. However, provided that it is expressly permitted to do so by its constitution and subject to the special conditions of each permitted acquisition contained in the Singapore Companies Act, a company may:

(a) redeem redeemable preference shares. Preference shares may be redeemed out of capital if all the directors make a solvency statement in relation to such redemption in accordance with the Singapore Companies Act;

(b) make an off-market purchase of its own shares in accordance with an equal access scheme authorised in advance at a general meeting;

(c) make a selective off-market purchase of its own shares in accordance with an agreement authorised in advance at a general meeting by a special resolution where persons whose shares are to be acquired and their associated persons have abstained from voting;

(d) make an acquisition of its own shares under a contingent purchase contract which has been authorised in advance at a general meeting by a special resolution; and

(e) make a market purchase of its own shares which has been authorised in advance at a general meeting.

A company may also purchase its own shares by an order of a Singapore court.

The total number of ordinary shares that may be purchased by a company in a relevant period may not exceed 20% of the total number of ordinary shares in that class as at the date of the resolution passed pursuant to the relevant share purchase provisions under the Singapore Companies Act. Where, however, the Company has reduced its share capital by a special resolution of the general meeting or a Singapore court made an order to such effect, the total number of ordinary shares shall be taken to be the total number of ordinary shares in that class as altered by the special resolution or the order of the court. Payment may be made out of the company's profits or capital, provided that the company is solvent.

Where ordinary shares are re-purchased, such shares may be held as treasury shares or cancelled as provided in the Singapore Companies Act. Treasury shares may be dealt with in such manner as may be permitted under the Singapore Companies Act. On cancellation of the shares, the rights and privileges attached to those shares will expire.

(k) Dividends and Distributions

Section 403 of the Singapore Companies Act provides that no dividends may be paid to shareholders of a company except out of the company's profits. Section 76J of the Singapore Companies Act provides that no dividend may be paid, and no other distribution (whether in cash or otherwise) of a company's assets may be made to the company in respect of shares held by a company as treasury shares.

(l) Minority Protection

Section 216 of the Singapore Companies Act protects the rights of minority shareholders of Singapore incorporated companies by giving the Singapore courts a general power to make any order, upon application by any shareholder of a company, as they think fit to remedy any of the following situations:

(a) if the affairs of the company are being conducted or the powers of the board of directors are being exercised in a manner oppressive to, or in disregard of the interest of, one or more of the shareholders including the applicant or in disregard of his or their interests as shareholders of the company; or

(b) if the company takes an action, or threatens to take an action, or the shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of the shareholders, including the applicant.

Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Singapore Companies Act itself. Without prejudice to the foregoing, Singapore courts may:

(i) direct or prohibit any act or cancel or vary any transaction or resolution;

(ii) regulate the conduct of the affairs of the company in the future;

(iii) authorise civil proceedings to be brought in the name of, or on behalf of, the company by a person or persons and on such terms as the court may direct;

(iv) direct the company or some of its shareholders to purchase a minority shareholder's shares and, in the case of the company's purchase of shares, a corresponding reduction of the company's share capital;

(v) provides that the company's constitution be amended; or

(vi) provide that the company be wound up.

(m) Disposal of Assets

Under Section 160 of the Singapore Companies Act, prior approval of the company at a general meeting is required before the directors can carry into effect any proposals for disposing of the whole or substantially the whole of the company's undertaking or property, notwithstanding anything in a company's constitution.

(n) Accounting and Auditing Requirements

Section 199 of the Singapore Companies Act provides that every company must keep accounting and other records that will sufficiently explain the transactions and financial position of the company and enable true and fair financial statements to be prepared.

(o) Exchange Controls

As at the date of this document, no exchange control restrictions are in effect in Singapore.

(p) Members' Requisition to Convene Extraordinary General Meetings

Section 176 of the Singapore Companies Act provides that members of a company holding not less than 10.0% of the total number of paid up shares of a company carrying the right to vote at general meetings or, in the case of a company not having a share capital, members representing not less than 10% of the total voting rights of all members having a right to vote at general meetings, may requisition for an extraordinary general meeting in accordance with the provisions of the Singapore Companies Act. The directors must convene the meeting to be held as soon as practicable, but in any case not later than two months after the receipt by the company of the requisition.

Section 183 of the Singapore Companies Act provides that (a) any number of members representing not less than 5.0% of the total voting rights of all the members having at the date of requisition a right to vote at a meeting to which the requisition relates or (b) not less than 100 members holding shares on which there has been paid up an average sum, per member, of not less than S$500, may requisition the company to give to members entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting, and circulate to members entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

(q) Loan to directors

Subject to specified exceptions, a company (other than an exempt private company) is prohibited from making a restricted transaction. Restricted transactions include making a loan or quasi-loan to a director (and to the spouse or natural, step or adopted child of any such director) of the company or a related company ("**relevant director**"), entering into any guarantee or providing any security in connection with a loan or quasi-loan made to a relevant director by any other person, entering into a credit transaction as creditor for the benefit of a relevant director, entering into any guarantee or providing any security in connection with a credit transaction entered into by any person for the benefit of a relevant director, taking part in an arrangement under which another person enters into a transaction that, if it had been entered into by the company, would have been a restricted transaction, and that person obtains

a benefit from the company or a related company, or arranging the assignment to the company, or assumption by the company, of any rights, obligations or liabilities under a transaction that, if entered into by the company, would have been a restricted transaction.

For these purposes, a related company of a company means its holding company, its subsidiary and a subsidiary of its holding company.

Subject to specified exceptions, a company (the "**first mentioned company**") (other than an exempt private company) is also prohibited from making loans or quasi-loan to connected persons, entering into any guarantee or providing any security in connection with a loan or quasi-loan made to connected persons by a third-party, entering into a credit transaction for the benefit of connected persons or, entering into any guarantee or providing any security in connection with a credit transaction entered into by any person for the benefit of connected persons. Connected persons of the first mentioned company include companies in which the director(s) of the first mentioned company, individually or collectively, have an interest in 20.0% or more (as determined in accordance with the Singapore Companies Act).

This prohibition does not apply to:

(a) anything done by a company where the other company is its subsidiary, holding company or a subsidiary of its holding company; or

(b) a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, to anything done in the ordinary course of that business if the activities of that company are regulated by any written law relating to banking, finance companies or insurance or are subject to supervision by the MAS.

(r) Inspection of Corporate Records

Under Section 192(2) of the Singapore Companies Act, the register of members of a public company incorporated in Singapore shall be open to the inspection of any member without charge.

(s) Register of Members

Under Sections 190 and 191 of the Singapore Companies Act, a public company must keep a register of members at its registered office (the "**principal register**"). In addition, Section 196 of the Singapore Companies Act provides that a public company having a share capital may keep a branch register of members (the "**branch register**") outside Singapore. Such branch register is deemed to be part of the company's principal register and a duplicate of the branch register will be kept at the same office as the principal register.

(t) Register of Directors, Chief Executive Officers, Secretaries and Auditors

Under Section 173 of the Singapore Companies Act, the register of a company's directors, chief executive officers, secretaries and auditors (if any) shall be kept by the Registrar of Companies.

(u) Winding Up and Dissolution

The winding up of a company may be done in the following ways:

(a) members' voluntary winding up;

(b) creditors' voluntary winding up;

(c) court compulsory winding up; and

(d) an order made pursuant to Section 216 of the Singapore Companies Act for the winding up of the company.

The type of winding up depends, *inter alia*, on whether the company is solvent or insolvent.

A company may be dissolved:

(i) through the process of liquidation pursuant to the winding up of the company;

(ii) in a merger or amalgamation of two companies where the court may order the dissolution of one after its assets and liabilities have been transferred to the other; or

(iii) when it is struck off the register by the Registrar of Companies on the ground that it is a defunct company.

(v) Mergers and Similar Arrangements

Section 212 of the Singapore Companies Act provides that the Singapore courts have the authority, in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any two or more companies and that under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme (the transferor company) is to be transferred to another company (the transferee company), to order that the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of the transferor company. Such power only exists in relation to companies incorporated in Singapore.

Sections 215A to 215J of the Singapore Companies Act further provides for a voluntary amalgamation process without the need for a court order. Under this voluntary amalgamation process, two or more companies may amalgamate and continue as one company, which may be one of the amalgamating companies or a new company, in accordance with the procedures set out in the Singapore Companies Act. As part of these procedures, the board of directors of each of the amalgamating company must make a solvency statement in relation to both the amalgamating company and the amalgamated company.

(w) Indemnification

Subject to specified exceptions, Section 172 of the Singapore Companies Act prohibits a company from indemnifying its officers (including directors acting in an executive capacity) against liability, which by law would otherwise attach to them in connection with any negligence, default, breach of duty or breach of trust in relation to that company. A company is not prohibited from (a) purchasing and maintaining for its officers insurance against any such liability; and (b) indemnifying its officers against third party liability, except in circumstances where such liability is for any criminal or regulatory fines or penalties, or where such liability is incurred in respect of (i) the officer defending criminal proceedings in which he is convicted; (ii) the officer defending civil proceedings brought by the company or a related company in which judgment is given against him; or (iii) in connection with any application under Section 76A(13) or Section 391 of the Singapore Companies Act in which the court refuses to grant the officer relief.

1. FURTHER INFORMATION ABOUT OUR COMPANY

(a) Incorporation

Our Company was incorporated on 8 November 2016 in Singapore under the Singapore Companies Act as a public company limited by shares. Our Company has established a principal place of business in Hong Kong at Unit 501, 5th Floor, Hing Wai Building, No. 36 Queen's Road Central, Hong Kong and registered on 30 December 2016 with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance. Mr. Siew has been appointed as the authorised representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our registered place of business in Hong Kong.

As our Company was incorporated in Singapore, its operations are subject to applicable Singapore laws and regulations and its Constitution. A summary of certain provisions of our Constitution and relevant aspects of the Singapore Companies Act is set out in Appendix III to this document.

(b) Changes in our Share capital

The following alterations in the share capital of our Company have taken place since its date of incorporation up to the date of this document:

(i) On the date of our incorporation on 8 November 2016, our issued and paid-up share capital was S$1 with one Share allotted and issued to ZACD Investments;

(ii) On 28 February 2017, 13,704,641 Shares were allotted and issued to ZACD Investments;

(iii) On 18 April 2017, the 13,704,642 Shares in the capital of our Company were split into 1,000,000,000 Shares in the capital of our Company. Upon completion of such share split, our Company had a total of 1,000,000,000 issued Shares, all of which were directly held by ZACD Investments, and the amount of issued share capital and paid-up share capital remained at S$13,704,642; and

(iv) On [●], the 1,000,000,000 Shares in the capital of our Company were further split into [REDACTED] Shares in the capital of our Company. Upon completion of such share split, our Company had a total of [REDACTED] issued Shares, all of which were directly held by ZACD Investments, and the amount of issued share capital and paid-up share capital was S$13,704,642.

Assuming that the [REDACTED] becomes unconditional and the [REDACTED] are issued (assuming the [REDACTED] is not exercised and without taking into account the Shares to be allotted and issued upon exercise of any options which may be granted under the Share Option Scheme), the total number of Shares issued by us will be [REDACTED] Shares.

On the basis that the [REDACTED] is exercised in full (but without taking into account the Shares to be allotted and issued upon exercise of any options which may be granted under the Share Option Scheme), the total number of Shares issued by us will be [REDACTED] Shares.

Save as described above, there has been no alteration in our Company's share capital since the date of its incorporation.

(c) Written resolutions of our sole Shareholder passed on [●]

On [●], resolutions in writing of all our sole Shareholder were passed pursuant to which, among others:

(i) conditional upon the conditions as set out in the section headed "Structure and Conditions of the [REDACTED]" in this document being fulfilled or waived:

a. our Company approved and adopted the amended and restated Constitution with effect from the [REDACTED];

b. the [REDACTED] and the [REDACTED] were approved and our Directors were authorised to allot and issue the [REDACTED] and the Shares which may be required to be allotted and issued upon the exercise of the [REDACTED] pursuant to the terms set out in this document;

c. the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed "Share Option Scheme" in this appendix, were approved and adopted and our Directors were authorised to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options granted under the Share Option Scheme; and

d. the [REDACTED] was approved and our Directors were authorised to implement the [REDACTED];

(ii) subject to Rule 17.29 of the GEM Listing Rules, a general unconditional mandate was granted to our Directors to allot, issue and deal with the Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for the Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers, provided that the aggregate number of Shares allotted or agreed to be allotted by our Directors other than pursuant to (i) a rights issue or an issue of share upon the exercise of any subscription or conversion rights attached to any warrants or any securities which are convertible into Shares, or (ii) the exercise of any options granted or to be granted under the Share Option Scheme, any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or

employees of our Company and/or any of its subsidiaries or any other person of share or rights to acquire Shares, or (iii) any scrip dividend scheme or similar arrangement providing for the allotment of the Shares in lieu of the whole or part of a dividend on the Shares, or (iv) a specific authority granted by our Shareholders in general meeting, shall not exceed the aggregate of:

a. 20% of the total number of Shares in issue immediately following the completion of the [REDACTED] (excluding any Shares which may be issued pursuant to the exercise of the [REDACTED]); and

b. the aggregate number of Shares repurchased by our Company (if any) under the general mandate to repurchase Shares referred to in paragraph (iii) below,

such mandate to remain in effect during the period from the passing of the resolution until the earliest of (I) the conclusion of the next annual general meeting of our Company, (II) the end of the period within which our Company is required by the Constitution or any applicable laws to hold its next annual general meeting and (III) the date on which the mandate is varied or revoked by an ordinary resolution of our Shareholders in a general meeting; and

(iii) a general unconditional mandate was granted to our Directors to exercise all the powers of our Company to repurchase the Shares on the Stock Exchange, or on any other stock exchange on which the Shares may be listed (and which is recognised by the SFC and the Stock Exchange for this purpose) not exceeding in aggregate 10% of the total number of Shares in issue immediately following the completion of the [REDACTED] (excluding any Shares which may be issued pursuant to the exercise of the [REDACTED]) and at such price or prices as may be determined by our Directors provided that the purchase price shall not be 5% or more than the average closing market price for the five preceding trading days on which the Shares were traded on the Stock Exchange, and otherwise in accordance with all applicable laws and the requirements of the GEM Listing Rules, such mandate to remain in effect during the period from the passing of the resolution until the earliest of (i) the conclusion of the next annual general meeting of our Company, (ii) the end of the period within which our Company is required by the Constitution or any applicable laws to hold its next annual general meeting and (iii) the date on which the mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

2. OUR PRINCIPAL SUBSIDIARIES

The particulars of our principal subsidiaries are provided in the Accountants' Report, the text of which is set out in Appendix I to this document.

The following subsidiaries have been incorporated within the two years immediately preceding the date of this document:

Name of Subsidiary	Place of Incorporation	Date of Incorporation
ZACD Financial Group Limited	Hong Kong	7 October 2015
ZACD Group Holdings Limited	Hong Kong	7 October 2015
獅展商務諮詢(上海)有限公司 (ZACD (China) Co., Ltd.*)	The PRC	13 July 2016
ZACD POSH Pte. Ltd.	Singapore	17 November 2016
ZACD (Australia) Pty Ltd.	Australia	23 November 2016
ZACD Fund Holdings Pte. Ltd.	Singapore	15 March 2017

* *For identification purpose only*

3. CHANGES IN THE SHARE CAPITAL OF OUR SUBSIDIARIES

Save as disclosed in the paragraph headed "History, Development and Reorganisation — Corporate development" in this document, there has been no alteration in the share capital of any of our subsidiaries within the two years immediately preceding the date of this document.

4. SHARE REPURCHASE MANDATE

This section includes information relating to the repurchase by our Company of the Shares, including information required by the Stock Exchange to be included in this document concerning such repurchase.

A. Relevant Legal and Regulatory Requirements

The GEM Listing Rules permit a company whose primary listing is on the Stock Exchange to repurchase its securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) ***Shareholders' Approval***

All proposed repurchases of securities (which must be fully paid up in the case of shares) on the Stock Exchange by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to the written resolutions passed by our sole Shareholder on [●], a general mandate (the "**Repurchase Mandate**") was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the Shares may be [REDACTED] (and which is recognised by the SFC and the Stock Exchange for this purpose) not exceeding the aggregate 10% of the total number of the Shares in issue immediately following completion of the [REDACTED] (excluding any Shares which may be issued pursuant to the exercise of the [REDACTED] and the options which may be granted under the Share Option Scheme), such mandate to remain in effect during the period from the passing of the resolution until the earliest of (i) the conclusion of the next annual general meeting of our Company, or (ii) the end of the period within which our Company is required to be held by any applicable laws or the Constitution to hold its the next annual general meeting, or (iii) the date on which the mandate is varied or revoked by an ordinary resolution of our Shareholders at a general meeting (the "**Relevant Period**").

(b) ***Source of Funds***

Repurchases must be funded out of funds legally available for the purpose in accordance with the Constitution of our Company, the GEM Listing Rules and the applicable laws of Singapore. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Subject to the foregoing, such repurchases by our Company may only be made out of our Company's funds which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of Shares made for the purpose of the repurchase.

(c) ***Trading Restrictions***

A listed company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

The GEM Listing Rules also prohibit a listed company from repurchasing its securities on the Stock Exchange if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

A listed company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(d) ***Suspension of Repurchase***

Pursuant to the GEM Listing Rules, a listed company may not make any repurchases of shares after inside information has come to its knowledge until the information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required by the GEM Listing Rules); and (ii) the deadline for a listed company to publish an announcement of its results for any year or half-year under the GEM Listing Rules, or quarterly or any other interim period (whether or not required under the GEM Listing Rules), and in each case ending on the date of the results announcement, the listed company may not repurchase shares on the Stock Exchange unless the circumstances are exceptional. In addition, the Stock Exchange may prohibit a repurchase of the shares on the Stock Exchange if a listed company has breached the GEM Listing Rules.

(e) ***Reporting Requirements***

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following Business Day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchase, where relevant, and the aggregate prices paid.

(f) ***Core Connected Persons***

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a "core connected person" (as defined in the GEM Listing Rules) and a core connected person is prohibited from knowingly selling his securities to our Company on the Stock Exchange.

B. Reasons for Repurchases

Our Directors believe that it is in our Company's and our Shareholders' best interests for our Directors to have general authority from our Shareholders to enable our Company to execute repurchases of Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of our Company and its assets and/or its earnings per Share and will only be made where our Directors believe that such repurchases will benefit us and our Shareholders.

C. Funding of Repurchases

In repurchasing securities, a listed company may only apply funds legally available for such purpose in accordance with its constitution, the GEM Listing Rules and the applicable Singapore laws and regulations.

On the basis of our Company's current financial position as disclosed in this document and taking into account our Company's current working capital position, our Directors consider that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on our Company's working capital and/or our Company's gearing position as compared with the position disclosed in this document. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on our Company's working capital requirements or the gearing position which, in the opinion of our Directors, are from time to time appropriate for our Company.

D. General

Exercise in full of the current Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] assuming the [REDACTED] is not exercised, could accordingly result in up to approximately [REDACTED] Shares being repurchased by our Company during the Relevant Period.

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the GEM Listing Rules) have any present intention to sell any Shares to us or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, our Constitution and the applicable Singapore laws and regulations.

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholders' interests, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of a repurchase of Shares made immediately after the [REDACTED]. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate immediately after the [REDACTED].

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agrees to waive the GEM Listing Rules requirements regarding the public float referred to above. A waiver of this provision is not normally granted other than in exceptional circumstances. However, our Directors have no present intention to exercise the Repurchase Mandate to such an extent that, in the circumstances, there is insufficient public float as prescribed under the GEM Listing Rules.

No core connected person (as defined in the GEM Listing Rules) of our Company has notified us that he or she or it has a present intention to sell Shares to us, or has undertaken not to do so if the Repurchase Mandate is exercised.

No repurchase of Shares has been made by our Company since its incorporation.

5. CORPORATE REORGANISATION

For details of the major steps of the Reorganisation effected in preparation for the [REDACTED], please refer to the paragraph headed "History, Development and Reorganisation — Reorganisation" in this document.

6. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or our subsidiaries within the two years preceding the date of this document and are or may be material:

(i) a trademark assignment agreement dated 28 December 2016 entered into between ZACD Investments and our Company pursuant to which ZACD Investments transferred and assigned the trademark (with trade mark no. T1313388B) set out in schedule 1 thereof and all rights, title and interests therein to our Company at a consideration of S$100;

(ii) a sale and purchase agreement in relation to ZACD Capital dated 17 February 2017 entered into, among ZACD Investments, Mr. Yeo, Ms. Sim and our Company, pursuant to which ZACD Investments agreed to transfer 2,780,000 shares in ZACD Capital, as the sale shares, to our Company at a consideration of S$3,280,000 to be satisfied by the allotment and issue of 3,280,000 Shares, credited as fully paid, to ZACD Investments by our Company;

(iii) a supplemental deed to the sale and purchase agreement referred to in paragraph (i) above dated 16 March 2017 entered into among ZACD Investments, Mr. Yeo, Ms. Sim and our Company, pursuant to which the number of the sale shares was amended to 3,280,000 shares in ZACD Capital;

(iv) a sale and purchase agreement in relation to ZACD International dated 17 February 2017 entered into, among ZACD Investments, Mr. Yeo, Ms. Sim and our Company, pursuant to which ZACD Investments agreed to transfer two shares in ZACD International to our Company at a consideration of S$8,950,000 to be satisfied by the allotment and issue of 8,950,000 Shares, credited as fully paid, to ZACD Investments by our Company;

(v) a sale and purchase agreement in relation to ZACD Financial dated 17 February 2017 entered into, among ZACD Investments, Mr. Yeo, Ms. Sim and our Company, pursuant to which ZACD Investments agreed to transfer 10,000 shares in ZACD Financial as the sale shares to our Company at a consideration of HK$8,000,000 to be satisfied by the allotment and issue of 1,472,800 Shares, credited as fully paid, to ZACD Investments by our Company;

(vi) a supplemental deed to the sale and purchase agreement referred to in paragraph (v) above dated 16 March 2017 entered into among ZACD Investments, Mr. Yeo, Ms. Sim and our Company, pursuant to which the parties thereto agreed that the consideration (as defined therein) was to be satisfied on 28 February 2017 or such other date as agreed by the parties;

(vii) a second supplemental deed to the sale and purchase agreement referred to in paragraph (vi) above dated 31 March 2017 entered into among ZACD Investments, Mr. Yeo, Ms. Sim and our Company, pursuant to which, the number of the sale shares was amended to 8,000,000 shares in ZACD Financial;

(viii) a sale and purchase agreement in relation to ZACD Group Holdings dated 17 February 2017 entered into among ZACD Investments, Mr. Yeo, Ms. Sim and our Company, pursuant to which, ZACD Investments agreed to transfer 10,000 shares in ZACD Group Holdings to our Company at a consideration of HK$10,000 to be satisfied by the allotment and issue of 1,841 Shares, credited as fully paid, to ZACD Investments by our Company;

(ix) an occupation agreement dated 12 June 2017 entered into between ZACD POSH as licensor and ZACD International as occupier pursuant to which ZACD POSH grants exclusively to ZACD International a licence to use the premises situated and known as part of 237 Alexandra Road, #08-01, Singapore 159929 leased by ZACD POSH from ZACD Investments for a period of three years commencing on 1 January 2017 and expiring on 31 December 2019 at a licence fee of S$5,400 per month;

(x) a business transfer agreement dated 28 June 2017 (the "**ZACD (Canberra) BTA**") entered into, among Zhongtai Singapore as Project Management Co (as defined in the ZACD (Canberra) BTA), ZACD International as vendor and ZACD (Canberra) Pte. Ltd. ("**ZACD (Canberra)**"), pursuant to which ZACD International agreed to sell and Zhongtai Singapore agrees to purchase the business of providing project management services to ZACD (Canberra) engaged by ZACD International at a

consideration comprising a fixed payment in the amount of S$5,000 and contingent payments equivalent to 90% of all dividends or other distributions of any kind paid by ZACD (Canberra) in respect of the Establishment Shares (as defined in the ZACD (Canberra) BTA) which have been or will be issued to or transferred to Zhongtai Singapore pursuant to the Amended CLA (as defined in the ZACD (Canberra) BTA) and the ZACD (Canberra) BTA;

(xi) a business transfer agreement dated 28 June 2017 (the "**ZACD (CCK) BTA**") entered into, among Zhongtai Singapore as Project Management Co (as defined in the ZACD (CCK) BTA), ZACD International as vendor and ZACD (CCK) Pte. Ltd. ("**ZACD (CCK)**"), pursuant to which ZACD International agreed to sell, and Zhongtai Singapore agreed to purchase, the business of providing project management services to ZACD (CCK) engaged by ZACD International, at a consideration comprising a fixed payment in the amount of S$8,000 and contingent payments equivalent to 90% of all dividends or other distributions of any kind paid by ZACD (CCK) in respect of the Establishment Shares (as defined in the ZACD (CCK) BTA) which have been or will be issued to or transferred to Zhongtai Singapore pursuant to the Amended CLA (as defined in the ZACD (Canberra) BTA) and the ZACD (Canberra) BTA;

(xii) a business transfer agreement dated 28 June 2017 (the "**ZACD (Gambas) BTA**") entered into, among Zhongtai Singapore as Project Management Co (as defined in the ZACD (Gambas) BTA), ZACD International as vendor and ZACD (Gambas) Pte. Ltd. ("**ZACD (Gambas)**"), pursuant to which ZACD International agreed to sell, and Zhongtai Singapore agreed to purchase, the business of providing project management services to ZACD (Gambas) engaged by ZACD International, at a consideration comprising a fixed payment in the amount of S$9,000 and contingent payments equivalent to 90% of all the Performance Fees (as defined in the ZACD (Gambas) BTA) which will be paid by ZACD Investments to Zhongtai Singapore pursuant to and the ZACD (Gambas) BTA;

(xiii) a business transfer agreement dated 28 June 2017 (the "**ZACD (Jurong) BTA**") entered into, among Zhongtai Singapore as Project Management Co (as defined in the ZACD (Jurong) BTA), ZACD International as vendor and ZACD (Jurong) Pte. Ltd. ("**ZACD (Jurong)**")., pursuant to which ZACD International agreed to sell, and Zhongtai Singapore agreed to purchase, the business of providing project management services to ZACD (Jurong) engaged by ZACD International, at a consideration comprising a fixed payment in the amount of S$45,000 and contingent payments equivalent to 90% of all dividends or other distributions of any kind paid by ZACD (Jurong) in respect of the Establishment Shares (as defined in the ZACD (Jurong) BTA) which have been or will be issued to or transferred to Zhongtai Singapore pursuant to the Amended CLA (as defined in the ZACD (Jurong) BTA) and the ZACD (Jurong) BTA;

(xiv) a business transfer agreement dated 28 June 2017 (the "**ZACD (Tuas Bay) BTA**") entered into, among Zhongtai Singapore as Project Management Co (as defined in the ZACD (Tuas Bay) BTA), ZACD International as vendor and ZACD (Tuas Bay) Pte. Ltd. ("**ZACD (Tuas Bay)**"), pursuant to which ZACD International agreed to sell, and Zhongtai Singapore agreed to purchase, the business of providing project management services to ZACD (Tuas Bay) engaged by ZACD International, at a consideration comprising a fixed payment in the amount of S$8,000 and contingent payments equivalent to 90% of all dividends or other distributions of any kind paid by ZACD (Tuas Bay) in respect of the Establishment Shares (as defined in the ZACD (Tuas Bay) BTA) which have been or will be issued to or transferred to Zhongtai Singapore pursuant to the Amended CLA (as defined in the ZACD (Tuas Bay) BTA) and the ZACD (Tuas Bay) BTA;

(xv) a business transfer agreement dated 28 June 2017 ("**ZACD (Woodlands12) BTA**") entered into, among Zhongtai Singapore as Project Management Co (as defined in the ZACD (Woodlands12) BTA), ZACD International as vendor and ZACD (Woodlands12) Pte. Ltd. ("**ZACD (Woodlands12)**"), pursuant to which ZACD International agreed to sell, and Zhongtai Singapore agreed to purchase, the business of providing project management services to ZACD (Woodlands12) engaged by ZACD International, at a consideration comprising a fixed payment in the amount of S$25,000 and contingent payments equivalent to 90% of all dividends or other distributions of any kind paid by ZACD (Woodlands12) in respect of the Establishment Shares (as defined in the ZACD (Woodlands12) BTA) which have been or will be issued to or transferred to Zhongtai Singapore pursuant to the Amended CLA (as defined in the ZACD (Woodlands12) BTA) and the ZACD (Woodlands12) BTA;

(xvi) a deed of discharge and release dated 28 June 2017 (the "**ZACD (Canberra) Deed**") entered into among ZACD Investments, ZACD Capital and ZACD International, pursuant to which each party, among others, (i) waived, released and discharged fully and unconditionally the other parties all their respective obligations, liabilities whatsoever under the Deed of Undertaking (as defined in the ZACD (Canberra) Deed), and agreed to treat the Deed of Undertaking as terminated; and (ii) fully and unconditionally relinquished all its rights, title, interest, benefits, advantages and remedies in, under or arising out of the Deed of Undertaking, with effect from 1 August 2017;

(xvii) a deed of discharge and release dated 28 June 2017 (the "**ZACD (CCK) Deed**") entered into among ZACD Investments, ZACD Capital and ZACD International, pursuant to which each party, among others, (i) waived, released and discharged fully and unconditionally the other parties all their respective obligations, liabilities whatsoever under the Deed of Undertaking (as defined in the ZACD (CCK) Deed), and agreed to treat the Deed of Undertaking as terminated; and (ii) fully and unconditionally relinquished all its rights, title, interest, benefits, advantages and remedies in, under or arising out of the Deed of Undertaking, with effect from 1 August 2017;

(xviii) a deed of discharge and release dated 28 June 2017 (the "**ZACD (Gambas) Deed**") entered into among ZACD Investments, ZACD Capital and ZACD International, pursuant to which each party, among others, (i) waived, released and discharged fully and unconditionally the other parties all their respective obligations, liabilities whatsoever under the Deed Documents (as defined in the ZACD (Gambas) Deed), and agreed to treat the Deed Documents as terminated; and (ii) fully and unconditionally relinquished all its rights, title, interest, benefits, advantages and remedies in, under or arising out of the Deed Documents, with effect from 1 August 2017;

(xix) a deed of discharge and release dated 28 June 2017 (the "**ZACD (Jurong) Deed**") entered into between ZACD Investments and ZACD International, pursuant to which each party, among others, (i) waived, released and discharged fully and unconditionally the other party all its obligations, liabilities whatsoever under the Deed of Undertaking (as defined in the ZACD (Jurong) Deed), and agreed to treat the Deed of Undertaking as terminated; and (ii) fully and unconditionally relinquished all its rights, title, interest, benefits, advantages and remedies in, under or arising out of the Deed of Undertaking, with effect from 1 August 2017;

(xx) a deed of discharge and release dated 28 June 2017 (the "**ZACD (Tuas Bay) Deed**") entered into between ZACD Investments and ZACD International, pursuant to which each party, among others, (i) waived, released and discharged fully and unconditionally the other party all its obligations, liabilities whatsoever under the Deed of Undertaking (as defined in the ZACD (Tuas Bay) Deed), and agreed to treat the Deed of Undertaking as terminated; and (ii) fully and unconditionally relinquished all its rights, title, interest, benefits, advantages and remedies in, under or arising out of the Deed of Undertaking, with effect from 1 August 2017;

(xxi) a deed of discharge and release dated 28 June 2017 (the "**ZACD (Woodlands12) Deed**") entered into among ZACD Investments, ZACD Capital and ZACD International, pursuant to which each party, among others, (i) waived, released and discharged fully and unconditionally the other parties all their respective obligations, liabilities whatsoever under the Deed of Undertaking (as defined in the ZACD (Woodlands12) Deed), and agreed to treat the Deed of Undertaking as terminated; and (ii) fully and unconditionally relinquished all its rights, title, interest, benefits, advantages and remedies in, under or arising out of the Deed of Undertaking, with effect from 1 August 2017;

(xxii) the Deed of Indemnity;

(xxiii) the Deed of Non-competition; and

(xxiv) the [REDACTED].

B. Intellectual property

(a) *Trademarks*

As at the Latest Practicable Date, our Group had filed an application to register the ownership of the following trademark in Singapore, details of which are as follows:

Trademark	Application number	Class	Number of applicant	Place of application	Status
	T1313388B	36	Our Company	Singapore	Application received

As at the Latest Practicable Date, we had made the following trademark registration application in Hong Kong:

Trademark	Application number	Class	Name of applicant	Place of registration	Date of application	Status
	304074066	35, 36	Our Company	Hong Kong	13 March 2017	Application published

(b) *Domain Name*

As at the Latest Practicable Date, members of our Group had registered the following domain name which is material to our business:

Domain name	Registered owner	Expiry date
zacdgroup.com	our Company	14 October 2017

The information contained in the above website does not form part of this document. Save as disclosed above, there are no other intellectual property rights which are material in relation to the business of our Group.

7. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

A. Disclosure of interests

(a) *Interests of Directors and the chief executive of our Company and associated corporations*

Immediately following the completion of the [REDACTED] (without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED] and options which may be granted under the Share Option Scheme), the interests and/or short positions of our Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are [REDACTED] will be as follows:

Name of Director	Name of corporation	Nature of interest and capacity	Number of shares held	Approximate percentage of shareholding
Long position in our Shares				
Mr. Yeo	Our Company	Interest in a controlled corporation	[REDACTED] Shares	[REDACTED]
Ms. Sim	Our Company	Interest in a controlled corporation	[REDACTED] Shares	[REDACTED]
Long position in the shares of associated corporations				
Mr. Yeo*(Note 1)*	ZACD Investments	Beneficial owner and interest of a spouse	1,700,000 shares	100%
Ms. Sim*(Note 1)*	ZACD Investments	Beneficial owner and interest of a spouse	1,700,000 shares	100%

Note:

1. Mr. Yeo and Mrs. Sim are spouses. 51% and 49% of the total issued share capital of ZACD Investments are owned by Mr. Yeo and Ms. Sim, respectively. Accordingly, they are both deemed to be interested in all the Shares held by ZACD Investments and all the shares in ZACD Investments held by each other by virtue of the SFO.

(b) ***Interests of substantial Shareholders***

So far as is known to any Director or chief executive of our Company, immediately following the completion of the [REDACTED] (without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED] and the options which may be granted under the Share Option Scheme), the following persons (other than a Director or chief executive of our Company) will have or be deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which must be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or are, directly or indirectly, interested in 10% or more of the total number of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest and capacity	Number of Shares held	Approximate percentage of the total issued Shares
ZACD Investments	Beneficial owner	[REDACTED]	[REDACTED]

As at the Latest Practicable Date, so far as is known to our Directors, other than our Company, no other persons were interested in 10% or more of the total number of any class of share capital carrying rights to vote in all circumstances at general meetings of our subsidiaries.

B. Directors' service contracts

Each of our executive Directors [has entered] into a service contract with our Company for a fixed term of three years commencing on the [REDACTED] which can be terminated before the expiration of the term by not less than three months' notice in writing served by either party on the other.

Each of the independent non-executive Directors [has signed] an appointment letter with our Company for a term of two years with effect from the [REDACTED]. Their appointments are subject to the provisions of retirement and rotation of Directors under the Constitution.

Save as disclosed above, none of our Directors has entered into a service contract with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

C. Directors' remuneration

For details of our Director's remuneration, please refer to the paragraph headed "Directors and Senior Management — Remuneration and compensation of Directors and senior management" in this document.

D. Personal guarantees

Our Directors have not provided personal guarantees in favour of lenders in connection with banking facilities granted to us.

E. Agency fees or commission received

Save as disclosed in this document, no commissions, discounts, agency fees, brokerages or other special terms have been granted in connection with the issue or sale of any of our capital of any member of our Group within the two years preceding the date of this document.

F. Disclaimers

Save as disclosed in this document:

(a) none of our Directors or chief executive of our Company have any interests or short positions in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to in that section, or which will be required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to our Company and the Stock Exchange, in each case once the Shares are [REDACTED] on the Stock Exchange;

(b) so far as is known to any Director or chief executive of our Company, no person has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;

(c) none of our Directors nor any of the persons listed in the paragraph headed "Qualification of experts" below have any direct or indirect interest in the promotion of our Company, or in any assets which have been, within the two years immediately preceding the issue of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(d) none of our Directors are materially interested in any contract or arrangement with our Group subsisting at the date of this document which is unusual in its nature or conditions or which is significant in relation to the business of our Group taken as a whole;

(e) save in connection with the [REDACTED] Agreements, none of the persons listed in the paragraph headed "Qualification of experts" below have any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;

(f) save for the [REDACTED] Agreements, none of the persons listed in the paragraph headed "Qualification of experts" below are materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole; and

(h) so far as is known to our Directors as of the Latest Practicable Date, none of our Directors or their respective close associates (as defined under the GEM Listing Rules) or any Shareholder (which to the knowledge of our Directors owns 5% or more of the issued share capital of our Company) have any interest in any of our five largest suppliers or customers.

8. SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted by written resolutions of our Shareholders on [●]. The terms of our Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. The following summary does not form, nor is intended to be, part of the Share Option Scheme. For the purpose of this paragraph 8, references to "Board" shall mean the board of Directors or a committee thereof appointed for the purpose of administering the Share Option Scheme; references to "Participants" shall mean any directors (including executive directors, non-executive directors and independent non-executive directors) and full-time/part-time employees of any member of our Group and any advisers, consultants, suppliers, agents, customers, business partners, joint venture business partners, service providers of any member of our Group who the Board considers, in its sole discretion, have contributed or will contribute to our Group; references to "Grantee" shall mean any Participant who accepts an offer of the grant of an option in accordance with the terms of the Share Option Scheme, or (where the context so permits) any person who is entitled to any such option in consequence of the death of the original Grantee, or the legal representative of such person.

(i) Purpose

The purpose of the Share Option Scheme is to provide Participants with the opportunity to acquire proprietary interests in our Company and to encourage the Participants to work towards enhancing the value of our Company and our Shares for the benefit of our Company and our Shareholders as a whole. The Share Option Scheme will provide our Company with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to the Participants.

(ii) Who may join

On and subject to the terms of the Share Option Scheme and the requirements of the GEM Listing Rules, our Board may offer to grant an option to any Participant as our Board may in its absolute discretion select.

(iii) Administration

The Share Option Scheme shall be subject to the administration of our Board. Our Board shall have the right to:

(a) interpret and construe the provisions of the Share Option Scheme;

(b) determine the persons who will be offered options under the Share Option Scheme, the number of Shares and the subscription price, subject to paragraph (vi) below, in relation to such options;

(c) subject to paragraphs (xiv) and (xv) below, make such appropriate and equitable adjustments to the terms of the options granted under the Share Option Scheme as it deems necessary; and

(d) make such other decisions or determinations as it shall deem appropriate in the administration of the Share Option Scheme.

(iv) Grant of options

On and subject to the terms of the Share Option Scheme and the requirements of the GEM Listing Rules, our Board shall be entitled at any time within ten years after the date of adoption of the Share Option Scheme to make an offer for the grant of an option to any Participant, as our Board may in its absolute discretion select. The offer shall specify the terms on which the option is to be granted. Such terms may include any minimum period(s) for which an option must be held and/or any minimum performance target(s) that must be reached, before the options can be exercised in whole or in part, and may include at the discretion of our Board other terms imposed (or not imposed) either on a case by case basis or generally.

No offer shall be made and no option shall be granted to any Participant after inside information (as defined in the SFO) has come to our Company's knowledge until it has announced the information. In particular, our Company shall not grant any option during the period commencing one month immediately before the earlier of:

(a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the requirements of the GEM Listing Rules) for the approval of our Company's results for any year, half-year, quarter-year or any other interim period (whether or not required under the GEM Listing Rules); and

(b) the deadline for our Company to publish an announcement of its results for any year, half-year or quarter-year period in accordance with the GEM Listing Rules or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcement. For the avoidance of doubt, the period during which no option shall be granted mentioned above shall include any period of delay in the publication of a results announcement.

(v) Payment on acceptance of option offer

An offer shall remain open for acceptance by the Participant concerned for a period of 14 days from the date on which the letter containing an offer for the grant of an option is delivered to that Participant. S$1.00 is payable by the Grantee to our Company on acceptance of the offer of the option.

(vi) Subscription price

The subscription price in respect of any particular option shall, subject to the adjustment referred to in paragraph (xiv) below, be such price determined by our Board at its absolute discretion and notified to the Participant in the offer for the grant at an option at the time of the offer and shall be no less than the highest of (i) the closing price of our Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; (ii) the average closing price of our Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant (provided that in the event that any option is proposed to be granted within a period of less than five business days after the trading of our Shares first commences on the Stock Exchange, the new issue price of our Shares in connection with the [REDACTED] shall be deemed to be the closing price for any business day falling within the period before the [REDACTED] of our Shares on the Stock Exchange); and (iii) the nominal value of a Share on the date of grant.

(vii) Option period

The period within which the Shares must be taken up under an option shall be the period of time to be notified by our Board to each Grantee at the time of making an offer, which shall be determined by our Board in its absolute discretion at the time of grant, but such period must not exceed ten years from the date of grant of the relevant option.

(viii) Rights are personal to grantee

An option and an offer of the grant of an option shall be personal to the Grantee and shall not be transferable or assignable.

(ix) Rights attaching to Shares allotted

The Shares to be allotted and issued upon the exercise of an option shall be subject to all the provisions of our Constitution for the time being in force and shall rank *pari passu* with the fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of our Company. Prior to the Grantee being registered on the register of members of our Company, the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of our Company), in respect of our Shares to be issued upon the exercise of the option.

(x) Exercise of option

Subject to the terms and conditions upon which an option is granted, an option may be exercised by the Grantee at any time during the option period, provided that:

(a) in the event the Grantee (being an employee or a director of any member of our Group) ceases to be a Participant for any reason other than (1) his death or (2) on one or more of the grounds for termination of employment or engagement specified in paragraph (xi)(f) below, the option shall lapse on the date of cessation of such employment or engagement and not be exercisable unless our Board otherwise determines in which event the option shall be exercisable to the extent and within such period as our Board may determine. The date of cessation of employment of a Grantee (being an employee and who may or may not be a director of any member of our Group) shall be the last actual working day on which the Grantee was physically at work with our Company or the relevant subsidiary, whether salary is paid in lieu of notice or not;

(b) in the event the Grantee dies before exercising the option in full, and none of the events for termination of employment or engagement under paragraph (xi)(f) below then exists with respect to such Grantee, the personal representative(s) of our Grantee shall be entitled within a period of 12 months (or such longer period as the Board may determine) from the date of death to exercise the option up to the entitlement of such Grantee as at the date of death;

(c) if a general offer by way of voluntary offer, takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph (x)(d) below) is made to all the holders of our Shares (or all such holders other than the offeror, any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant option, our Company shall forthwith give notice thereof to the Grantee and the Grantee shall be entitled to exercise the option to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company at any time within such period as shall be notified by our Company;

(d) if a general offer for Shares by way of scheme of arrangement is made to all the holders of our Shares and has been approved by the necessary number of holders of our Shares at the requisite meetings, our Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but before such time as shall be notified by our Company) exercise the option to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company;

(e) in the event a notice is given by our Company to our Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but before such time as shall be notified by our Company) exercise the option to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company, and our Company shall as soon as possible and in any event no later than seven days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued upon exercise of such option; and

(f) in the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph (x)(d) above, between our Company and its members and/or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of our Company, our Company shall give notice thereof to all Grantees on the same day as it first gives notice of the meeting to its members and/or creditors to consider such a compromise or arrangement and the Grantee may at any time thereafter but before such time as shall be notified by our Company exercise the Option to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company, and our Company shall as soon as possible and in any event no later than seven days prior to the date of the proposed meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such option.

(xi) Lapse of option

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

(a) the expiry of the option period;

(b) the date on the expiry of the periods for exercising the option as referred to in paragraph (x) above;

(c) subject to the scheme of arrangement (referred to in paragraph (x)(d) above) becoming effective, the expiry of the period for exercising the option as referred to in paragraph (x)(d) above;

(d) subject to paragraph (x)(e) above, the date of the commencement of the winding-up of our Company;

(e) the date on which the Grantee commits a breach of paragraph (viii) above;

(f) the date on which the Grantee (being an employee or a director of any member of our Group) ceases to be a Participant by reason of the termination of his employment or engagement on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become bankrupt or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty, or on any other ground on which an employer would be entitled to terminate his employment summarily;

(g) the date on which the Grantee (being a corporation) appears either to be unable to pay or to have no reasonable prospect of being able to pay its debts or has become insolvent or has made any arrangement or composition with its creditors generally;

(h) where the Grantee is an employee, director, officer or contract consultant of a member of our Group (other than our Company), the date on which such member ceases to be a subsidiary; and

(i) unless our Board otherwise determines, and other than in the circumstances referred to in paragraph (x)(a) or (b) above, the date the Grantee ceases to be a Participant (as determined by a Board resolution) for any reason.

Transfer of employment, engagement or relationship from one member of our Group to another member of our Group shall not be considered as a cessation of employment, engagement or relationship.

(xii) Cancellation of option

Any options granted but not exercised may be cancelled if the Grantee so agrees and new options may be granted to the Grantee provided such new options are granted within the limits prescribed by paragraph (xiii) below and otherwise comply with the terms of the Share Option Scheme.

(xiii) Maximum number of Shares subject to options

(a) The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and other share option schemes of our Company (and to which the provisions of Chapter 23 of the GEM Listing Rules are applicable) must not exceed 30% of the Shares in issue from time to time (the "**Scheme Limit**");

(b) The Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other share option schemes of our Company (and to which the provisions of Chapter 23 of the GEM Listing Rules are applicable) shall not exceed [REDACTED] Shares, representing 10% of the aggregate of our Shares in issue on the date the Shares commence trading on the Stock Exchange (the "**Scheme Mandate Limit**"). Options lapsed in accordance with the terms of the Share Option Scheme shall not be counted for the purpose of calculating the Scheme Mandate Limit;

(c) Our Company may refresh the Scheme Mandate Limit at any time subject to prior Shareholders' approval. However, the Scheme Mandate Limit as refreshed shall not exceed 10% of our Shares in issue as at the date of the aforesaid Shareholders' approval. Options previously granted under the Share Option Scheme and other share option schemes of our Company (and to which the provisions of Chapter 23 of the GEM Listing Rules are applicable) (including those outstanding, cancelled, lapsed in accordance with its terms or exercised) shall not be counted for the purpose of calculating the limit as refreshed. A circular must be sent to our Shareholders in connection with the meeting at which their approval will be sought;

(d) Our Company may also seek separate Shareholders' approval for granting options beyond the Scheme Mandate Limit to the Participants specifically identified by our Company before the aforesaid Shareholders' meeting where such approval is sought. A circular shall be sent to our Shareholders containing a generic description of the identified Participants, the number and terms of the options to be granted, the purpose of granting options to the identified Participants, and how those options serve such purpose;

(e) The total number of Shares issued and to be issued upon exercise of the options granted to each Participant (including both exercised, cancelled and outstanding options) in any 12 month period shall not exceed 1% of our Shares in issue (the "**Individual Limit**"). Any further grant of options to a Participant which would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such Participant (including exercised, cancelled and outstanding options) in the 12 month period up to and including the date of grant of such further options exceeding the Individual Limit shall be subject to Shareholders' approval in advance with such Participant and his close associates (such term shall have the meaning ascribed to the definition of "associate" under Rule 1.01 of the GEM Listing Rules in relation to any director, chief executive or substantial shareholder (being an individual)) (or his associates if such Participant is a connected person) abstaining from voting. A circular must be sent to our Shareholders disclosing the identity of such Participant and the number and terms of the options granted and to be granted. The number and terms of options to be granted to such Participants shall be fixed before our Shareholders' approval is

sought and the date of the Board meeting for proposing such further grant shall for all purposes be the date of grant for the purpose of calculating the subscription price; and

(f) The maximum number of Shares referred to in this paragraph (xiii) shall be adjusted, in such manner as the auditors or the financial adviser of our Company retained for such purpose shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of our Company in accordance with paragraph (xiv) below whether by way of rights issue, open offer, subdivision or consolidation of Shares, but in any event shall not exceed the Scheme Limit prescribed in paragraph (xiii)(a) above.

(xiv) Reorganisation of capital structure and special dividends

In the event of an alteration in the capital structure of our Company whilst any option remains exercisable whether by way of rights issue, open offer, subdivision or consolidation of Shares (other than an issue of Shares as consideration in a transaction), such corresponding alterations (if any) shall be made to: (i) the number of Shares subject to the option so far as unexercised; or (ii) the subscription price; or (iii) the method of exercise of the option, or any combination thereof, as the auditors or the financial adviser engaged by our Company for such purpose shall, at the request of our Company, certify in writing, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided that any such adjustments give a Grantee the same proportion of the equity capital of our Company as that to which that Grantee was previously entitled, but so that no such adjustments be made to the extent that a Share would be issued at less than its nominal value (if any).

(xv) Alteration of the Share Option Scheme

(a) Subject to paragraph (xv)(b) below, our Board may amend any of the provisions of the Share Option Scheme (including without limitation, amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions imposed by the provisions of the Share Option Scheme, which are not found in Chapter 23 of the GEM Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any Grantee at that date);

(b) Those specific provisions of the Share Option Scheme which relate to the matters set out in Rule 23.03 of the GEM Listing Rules cannot be altered to the advantage of the Participants, and no changes to the authority of our Directors or administrator of the Share Option Scheme in relation to any alteration of the terms of the Share Option Scheme shall be made, without the prior approval of our Shareholders in a general meeting. Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature, or any change to the terms of options granted, must also, to be effective, be approved by our Shareholders in a general

meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme. The Share Option Scheme so altered must comply with Chapter 23 of the GEM Listing Rules; and

(c) Notwithstanding any approval obtained pursuant to paragraph (xv)(b) above, no amendment shall operate to adversely affect the terms of issue of any option granted or agreed to be granted prior to such amendment except with the consent or sanction in writing of such number of Grantees as shall together hold options in respect of not less than three-fourths in nominal value of all Shares then subject to the options granted under the Share Option Scheme, except where such amendment takes effect automatically under the existing terms of the Share Option Scheme.

(xvi) Termination of Share Option Scheme

Our Company by ordinary resolution in general meeting or our Board may at any time resolve to terminate the operation of the Share Option Scheme and in such event no further options shall be offered or granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect. Options which are unexercised and unexpired immediately prior to the termination of the operation of the Share Option Scheme shall continue to be exercisable in accordance with their terms of issue after the termination of the Share Option Scheme.

(xvii) Offers made to a Director, chief executive or employee who is also substantial Shareholder of our Company or any of their respective associates

Each grant of options to any Director, chief executive or substantial Shareholder of our Company (or any of their respective associates) (as the aforesaid terms are defined in Rule 1.01 of the GEM Listing Rules) shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of options). Where any grant of options to a substantial Shareholder or an independent non-executive Director, or any of their respective associates, would result in our Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12 month period (or such other period as may from time to time be specified by the Stock Exchange) up to and including the date of grant:

(a) representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of our Shares in issue on the date of grant; and

(b) having an aggregate value, based on the closing price of our Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK$5 million (or such other amount as may from time to time be specified by the Stock Exchange),

such grant of options shall be subject to the prior approval by our Shareholders (voting by way of poll). The Grantee, his associates and all core connected persons (as defined in the GEM Listing Rules) of our Company shall abstain from voting at such general meeting, except that any such person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to our Shareholders in connection therewith.

(xviii) Conditions of the Share Option Scheme

The Share Option Scheme shall take effect subject to and is conditional upon:

(a) the passing of the necessary resolutions by our Shareholders to approve and adopt the rules of the Share Option Scheme;

(b) the Listing Committee (as defined in the GEM Listing Rules) of the Stock Exchange granting approval of the Share Option Scheme and the granting of options thereunder, and the [REDACTED] of, and permission to deal in, our Shares to be issued as mentioned in this document (including any Shares which may fall to be issued upon exercise of the [REDACTED]) and any Shares to be issued pursuant to the exercise of options under the Share Option Scheme;

(c) the obligations of the [REDACTED] under the [REDACTED] Agreements becoming unconditional (including, if relevant, as a result of the waiver(s) of any conditions by the [REDACTED]) and not being terminated in accordance with their respective terms or otherwise; and

(d) the commencement of dealings in our Shares on the Stock Exchange.

(xix) Present status of the Share Option Scheme

As at the Latest Practicable Date, no option has been granted or agreed to be granted under the Share Option Scheme.

Application has been made to the Listing Committee of the Stock Exchange for the [REDACTED] of, and permission to deal in, our Shares which may fall to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme, being [REDACTED] Shares in total.

9. OTHER INFORMATION

A. Litigation

As at the Latest Practicable Date, save as disclosed in the paragraph headed "Business — Legal proceedings" in this document, no member of our Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of

material importance was known to our Directors to be pending or threatened by or against any member of our Group, that would have a material adverse effect on our business, financial condition or results of operations.

B. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee of the Stock Exchange for the [REDACTED] of, and permission to deal in, the Shares in issue and to be issued pursuant to the [REDACTED] (including the additional Shares which may be issued pursuant to the exercise of the [REDACTED] and the options to be granted under the Share Option Scheme). All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

The Joint Sponsors satisfy the independence criteria applicable to sponsors as set out in Rule 6A.07 of the GEM Listing Rules. The Joint Sponsors' fees payable by us in respect of the Joint Sponsors' services as sponsors for the [REDACTED] is approximately HK$8 million.

C. No material adverse change

Our Directors confirmed that, up to the date of this document, there has been no material adverse change in the financial or trading position or prospects of our Group since 31 March 2017 (being the date to which the latest audited consolidated financial statements of our Group were reported in the Accountants' Report included in Appendix I to this document).

D. Tax and other indemnities

(a) *Tax on Dividends*

No tax is payable in Hong Kong in respect of dividends paid by us.

Singapore adopts the one-tier corporate taxation system ("**One-Tier System**"). Under the One-Tier System, the tax collected from corporate profits is a final tax and the after-tax profits of the company residents in Singapore can be distributed to the shareholders as tax-exempt (One-Tier) dividends. Such dividends are tax-exempt in the hands of the shareholders, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

(b) *Profits*

No tax is imposed in Hong Kong in respect of capital gains from the sale of property such as our Shares. Trading gains from the sale of property by persons carrying on a trade, profession or business in Hong Kong where such gains are derived from or arise in Hong Kong from such trade, profession or business will be chargeable to Hong Kong profits tax, which is currently imposed at the rate of 16.5% on corporations and at a rate of 15% on unincorporated businesses. Gains from sales of our Shares effected on

the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of the Shares realised by persons carrying on a business of trading or dealing in securities in Hong Kong.

Singapore does not impose tax on capital gains. There are no specific laws or regulations which deal with the characteristic of whether a gain is income or capital in nature. However, gains arising from the disposal of our Shares (irrespective of the Shares registered with the Principal Share Registrar or the Hong Kong Share Registrar) that are construed to be of an income nature will be subject to tax. Hence, any profits from the disposal of our Shares are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature in Singapore, in which case the gains on disposal of our Shares would be taxable. Similarly, if the gains are regarded by the Inland Revenue Authority of Singapore as having arisen from the carrying on of a trade or business in Singapore, such gains may be taxed as trading income.

(c) ***Stamp Duty***

Hong Kong stamp duty will be payable by the purchaser on every purchase and by the seller on every sale of our Shares. The duty is charged at the current rate of 0.2% of the consideration or, if higher, the fair value of our Shares being sold or transferred (the buyer and seller each paying half of such stamp duty). In addition, a fixed duty of HK$5 is currently payable on any instrument of transfer of our Shares.

Where existing Shares evidenced in certificated form are acquired in Singapore, stamp duty is payable on the instrument of transfer of our Shares at the rate of 0.2% of the consideration for or market value of, our Shares, whichever is higher. The purchaser is liable for stamp duty, unless otherwise agreed. No stamp duty is payable if no contract or agreement is executed (such as in the case of scripless shares, for which no contract or agreement is executed) or if the instrument of transfer is executed outside Singapore. However, stamp duty will be payable if the contract or agreement which is executed outside Singapore is subsequently received in Singapore.

(d) ***Estate Duty***

Estate duty has been abolished in Hong Kong by The Revenue (Abolition of Estate Duty) Ordinance 2005 which came into effect on 11 February 2006. The estate of a person who died before 11 February 2006 is subject to the provisions of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong), and our Shares are Hong Kong property for this purpose. The estate duty chargeable in respect of estates of persons dying between the transitional period from and including 15 July 2005 to 11 February 2006 with the principal value exceeding HK$7.5 million shall be a nominal amount of HK$100.

Singapore estate duty has been abolished with effect from 15 February 2008.

Our Directors have been advised that no material liability for estate duty would likely fall upon any member of our Group in Hong Kong and Singapore.

(e) ***Deed of Indemnity***

Our Controlling Shareholders entered into the Deed of Indemnity with and in favour of our Company (for itself and as trustee for each of its present subsidiaries) (being the contract referred to in the paragraph headed "Summary of material contracts" in this Appendix) to provide indemnities on a joint and several basis in respect of, among other matters, the following:

(i) taxation falling on any members of our Group resulting from or by reference to any revenue (including any form of government financial assistance, subsidy or rebate), income, profits or gains granted, earned, accrued, received or made (or deemed to be so granted, earned, accrued, received or made);

(ii) any litigation, arbitrations, claims (including counter-claims), complaints, demands and/or legal proceedings whether of criminal, administrative, contractual, tortuous nature or otherwise instituted by or against our Company and/or any member of our Group which was issued and/or accused and/or arising from any act, non-performance, omission or otherwise of our Company or any member of our Group; and

(iii) any and all of the non-compliances with any applicable laws, rules or regulations by our Company and/or any member of our Group,

provided that the same has occurred at any time on or before the [REDACTED].

(f) ***Consultation with professional advisers***

Potential investors in the [REDACTED] are recommended to consult their professional advisers if they are in any doubt as to the tax implications of subscribing for, purchasing, holding or disposing of or dealing in our Shares. None of our Company, the Joint Sponsors, the [REDACTED], any of their respective directors, or any other person or party involved in the [REDACTED] accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription for, purchase, holding or disposal of, or dealing in, our Shares or exercise of any rights attaching to them.

E. Miscellaneous

(a) Save as disclosed in this document, within the two years immediately preceding the date of this document:

(i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) neither our Company nor any of our subsidiaries have issued or agreed to issue any founder shares, management shares, deferred shares or debentures;

(iv) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any shares or loan capital of any member of our Group;

(v) no commission has been paid or payable (except commissions to the [REDACTED]) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares of any member of our Group;

(b) None of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;

(c) Our Company has no outstanding convertible debt securities or debentures;

(d) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;

(e) There is no arrangement under which future dividends are waived or agreed to be waived;

(f) No company within our Group is presently listed on any stock exchange or traded on any trading system; and

(g) Our principal register of members will be maintained by our principal registrar, [REDACTED], in Singapore and our Hong Kong register of members will be maintained by our Hong Kong Share Registrar, [REDACTED]. Unless our Directors otherwise agree, all transfer and other documents of title of our Shares must be lodged for registration with and registered by our Company's share registrar in Hong Kong and may not be lodged in Singapore.

F. Qualification of experts

The following are the qualifications of experts who have opined or advised on information contained in this document:

Name	Qualifications
China Everbright Capital Limited	Licensed under the SFO for Type 1 (dealing in securities (CIS)), Type 4 (advising on securities), and Type 6 (advising on corporate finance) regulated activities under the SFO
Innovax Capital Limited	Licensed under the SFO for Type 1 (dealing in securities (CIS)) and Type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young	Certified Public Accountants
Rajah & Tann Singapore LLP	Legal advisers as to Singapore law
Savills Valuation and Professional Services (S) Pte Ltd	Industry consultant

G. Consents of experts

Each of China Everbright Capital Limited, Innovax Capital Limited, Ernst & Young, Rajah & Tann Singapore LLP, and Savills Valuation and Professional Services (S) Pte Ltd has given and has not withdrawn its consent to the issue of this document with the inclusion of its report and/or letter and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

None of the experts named above has any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of our Company or any of our subsidiaries.

H. Promoter

Our Company has no promoter for purposes of the GEM Listing Rules. Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given, nor are any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document.

I. Financial Adviser

Zhongtai International Capital Limited has been appointed by our Company as the Financial Adviser to our Company in respect of the [REDACTED]. The appointment of the Financial Adviser is at our own initiative and not pursuant to any requirement of the GEM Listing Rules. The role of the Financial Adviser is separate and distinct from the role of the Joint Sponsors that the Financial Adviser focuses more on the provision of advisory services relating to the [REDACTED]. Principal functions of the Financial Adviser include providing advice to our Company on the strategy and timing of the [REDACTED] and to assist our Company on cooperating with the Joint Sponsors to the overall execution of the [REDACTED] and help to advise on the structure of the [REDACTED]. The Joint Sponsors have not relied on the work performed by the Financial Adviser in fulfilling their duties.

J. Preliminary expenses

The estimated preliminary expenses incurred and paid by our Company were S$1,835.50.

K. Binding effect

This document shall have the effect, if an application is made in pursuance of this document, of binding all persons concerned by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (WUMP) Ordinance insofar as applicable.

L. Bilingual document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by Section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) the written consents referred to in the paragraph headed "Consents of experts" in Appendix IV to this document; and

(b) a copy of each of the material contracts referred to in the paragraph headed "Summary of material contracts" in Appendix IV to this document.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Howse Williams Bowers at 27/F Alexandra House, 18 Chater Road, Central, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. up to and including the date which is 14 days from the date of this document:

(a) the Constitution;

(b) the Accountants' Report prepared by Ernst & Young, the text of which is set out in Appendix I to this document;

(c) the audited financial statements of companies comprising our Group for the two financial years ended 31 December 2015 and 2016 and the three months ended 31 March 2017;

(d) the report on the unaudited pro forma financial information prepared by Ernst & Young, the text of which is set out in Appendix II to this document;

(e) the letter prepared by Rajah & Tann Singapore LLP, our Singapore Legal Advisers, summarising the Constitution of our Company and salient provisions of the laws of Singapore referred to in Appendix III to this document;

(f) the Singapore legal opinion dated [●] prepared by our Singapore Legal Advisers;

(g) the Singapore Companies Act;

(h) the rules of the Share Option Scheme;

(i) the material contracts referred to in the paragraph headed "Summary of material contracts" in Appendix IV to this document;

(j) the Savills Report;

(k) the written consents referred to in the paragraph headed "Consents of experts" in Appendix IV to this document; and

(l) the service contracts and letters of appointment with each of our Directors referred to in the paragraph headed "Directors' service contracts" in Appendix IV to this document.