



Centrepont Alliance Limited
ABN 72 052 507 507

Notice of general meeting

Notice is given that a general meeting of Centrepont Alliance Limited (**Company**) will be held at the offices of Norton Gledhill at Level 23, 459 Collins Street, Melbourne, Victoria, 3000 on Friday 19 October 2012 at 10:30 am (Melbourne time).

Resolution 1 — selective buy-back of Aviva's 7.6% shareholding in Company

To consider and if thought fit pass the following resolution as a **special resolution**:

That the terms of the buy-back agreement between Aviva Overseas Holdings Limited and the Company for the sale and buy-back of 7,731,684 fully paid ordinary shares (representing approximately 7.6% of the total issued shares) in the Company for consideration to be satisfied by the transfer of the Company's entire interest in its Singaporean business through the transfer of 4,355,216 shares (representing approximately 81.1% of the total issued shares) in Professional Advisory Holdings Ltd to Aviva Asia Holdings Pte Ltd and otherwise as summarised in the explanatory statement accompanying the notice of this meeting, be approved for the purpose of section 257D(1) of the *Corporations Act* 2001 (Cth) and for all other purposes.

Resolution 2 — selective buy-back of Tony Robinson's partly paid shares in Company

To consider and if thought fit pass the following resolution as a **special resolution**:

That the terms of the share buy-back deed between Tony Robinson and the Company for the sale and buy-back of 428,572 partly paid ordinary shares (representing approximately 0.4% of the total issued shares) in the Company for nil consideration and otherwise as summarised in the explanatory statement accompanying the notice of this meeting, be approved for the purpose of section 257D(1) of the *Corporations Act* 2001 (Cth) and for all other purposes.

Resolution 3 — acquisition of options by Tony Robinson

To consider and if thought fit pass the following resolution as an **ordinary resolution**:

That:

- (a) the acquisition by Tony Robinson (or his nominee) under the Company's share option incentive plan 2002 of 1,500,000 options comprising:
 - (1) 500,000 options which vest on 30 June 2013;
 - (2) 500,000 options which vest on 30 June 2014;
 - (3) 500,000 options which vest on 30 June 2015;

each of which entitles the holder to subscribe for 1 ordinary share in the Company at an exercise price of \$0.40 at any time after the vesting date for the option until 30 November 2015 and otherwise on the terms of the options as summarised in the explanatory statement accompanying the notice of this meeting; and

(b) the acquisition of the underlying shares following exercise of the options;

be approved for the purpose of rule 10.14 of the ASX Listing Rules and for all other purposes.

By order of the board

.....
Ian Magee
Company Secretary

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint one proxy or, if the member is entitled to cast two or more votes at the meeting, two proxies to attend and vote on behalf and instead of the member.
2. Where two proxies are appointed and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes.
3. A proxy need not be a member.
4. A proxy form accompanies this notice. To be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a certified copy of that power or authority, not less than 48 hours before the time for holding the meeting, namely by 10:30 am (Melbourne time) on Wednesday 17 October 2012:
 - (a) at the Company's share registrar, Computershare Investor Services Pty Limited by:
 - (1) hand delivery to 452 Johnston Street, Abbotsford, Victoria, 3067;
 - (2) post to GPO Box 242, Melbourne, Victoria, 3001; or
 - (3) facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
 - (b) at the registered office of the Company by:
 - (1) hand delivery or post to Level 2, 6 Thelma Street, West Perth, Western Australia, 6005; or
 - (2) facsimile on 1300 737 447.

5. Regulation 7.11.37 determination: A determination has been made by the board of directors of the Company under regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that those persons who are registered as the holders of shares in the Company as at 7:00pm (Melbourne time) on Wednesday 17 October 2012 will be taken to be the holders of shares for the purposes of determining voting entitlements at the meeting.

Voting exclusion statement

The Company will disregard any votes cast on:

- (a) resolution 1 (selective buy-back of Aviva's 7.6% shareholding in Company) by Aviva Overseas Holdings Limited or an associate of Aviva Overseas Holdings Limited;
- (b) resolution 2 (selective buy-back of Tony Robinson's partly paid shares in Company) by Tony Robinson or an associate of Tony Robinson; and
- (c) resolution 3 (acquisition of options by Tony Robinson):
 - (1) by or on behalf of a member of the key management personnel for the Company or its consolidated entities, or a closely related party of such a member, on the basis of their appointment as a proxy, if the appointment does not specify the way the proxy is to vote on the resolution; and
 - (2) by any director of the Company or an associate of any director.

However, the Company need not disregard a vote in relation to resolution 3 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides (and the appointment expressly authorises the chair to vote in accordance with a direction on the proxy form to vote as the proxy decides).

The chair of the meeting intends to vote undirected proxies held by the chair in favour of each resolution. Please refer to the proxy form accompanying the notice of meeting for more information.

Resolution 1 may not be validly passed for the purpose of section 257D(1) of the *Corporations Act* if Aviva Overseas Holdings Limited or an associate vote in favour of the resolution. Resolution 2 may not be validly passed for the purpose of that section either if Tony Robinson or an associate votes in favour of the resolution.

Explanatory statement

1. General information

This explanatory statement comprises part of, and should be read in conjunction with, the notice of general meeting of Centrepont Alliance Limited (**Company**) to be held on 19 October 2012. It contains the information required to be sent to the Company's shareholders under section 257D(2) of the *Corporations Act* and is dated 12 September 2012. It is an important document and should be read carefully.

If you have any questions regarding the matters set out in this explanatory statement (or elsewhere in the notice of general meeting), please contact the Company, or your stockbroker or other professional adviser.

Except where otherwise indicated, references to \$ are to Australian dollars.

2. Resolution 1 — selective buy-back of Aviva's 7.6% shareholding in Company

2.1 Overview of the buy-back

Sale of Singaporean business in exchange for buy-back of Aviva's shareholding in the Company

As announced to ASX Limited (**ASX**) on 8 August 2012, a conditional agreement has been entered into with Aviva Asia Holdings Pte Ltd (**Aviva Asia**) for the sale by the Company's wholly-owned subsidiary, Fifth Floor Pte Ltd (**Fifth Floor**), of its entire shareholding (representing approximately 81.1% of the total issued shares) in Singaporean subsidiary Professional Advisory Holdings Limited (**PAH**) to Aviva Asia. PAH's wholly-owned subsidiary, Professional Investment Advisory Services Pte Ltd (**PIAS**), conducts a financial planning advisory business in Singapore under a branch network structure with over 300 licensed financial advisers.

The sale agreement required the Company and Aviva Asia's UK related company, Aviva Overseas Holdings Limited (**AOHL**), to enter into a separate buy-back agreement under which the Company must buy back from AOHL, and AOHL must sell and transfer to the Company, AOHL's entire shareholding of 7,731,684 fully paid ordinary shares (representing approximately 7.6% of the total issued shares) in the Company, contemporaneously with completion of the sale of the PAH shares.

The buy-back agreement entered into and executed by AOHL and the Company is dated 10 September 2012.

Consideration

The consideration for the sale of Fifth Floor's shares in PAH is the transfer of AOHL's shares in the Company under the buy-back agreement plus a cash payment to the

Company of SG\$282,480 in settlement of any net balance of inter-company loans owing by PAH and PIAS to the Company or any of its other subsidiaries. The transfer of AOHL's shares in the Company to the Company in accordance with the buy-back agreement will result in their cancellation.

The consideration for the buy-back is the sale and transfer of the PAH shares.

See section 2.14 for further particulars of the terms of the transaction.

2.2 Reasons for the buy-back

While PIAS conducts a successful investor adviser services business in Singapore, it requires a significant on-going contribution by the Company in terms of management and working capital to assist it achieve an acceptable level of profitability in the near term.

The sale of the PAH shares, therefore, will allow the Company to exit the Singaporean business and focus its resources on its Australian businesses. The buy-back, and consequential cancellation, of AOHL's shares in the Company, provides consideration for the sale that the directors of the Company believe is acceptable in the circumstances, and will remove a substantial holding from the market and the Company's share register.

2.3 Advantages of the buy-back

The following are reasons why shareholders may choose to vote in favour of the buy-back:

- (a) The buy-back will result in the cancellation of 7,731,684 fully paid ordinary shares (representing approximately 7.6% of the total issued shares) in the Company held by AOHL. These shares, along with an additional 7,731,685 fully paid ordinary shares in the Company, were issued to AOHL as consideration for its interest in Professional Investment Holdings Limited (**PIH**) at the time of the merger of PIH with the Company in 2010. The additional shares were sold by AOHL in April 2011, only 4 months after they were issued, however, the buy-back parcel of 7,731,684 shares was subject to voluntary escrow restrictions which, for 3,865,642 of the shares, expired on 20 June 2012, and for the balance, expire on 20 June 2013. The cancellation of AOHL's remaining shareholding in the Company will remove a substantial holding from the market and speculation that it is likely to be sold in its entirety once the remaining escrow restrictions expire, which may be having a negative impact on the share price of the Company's shares.
- (b) In consequence of the buy-back, all other shareholders' percentage shareholdings in the Company, along with their proportionate economic interests in the net assets and future earnings of the Company, will increase.
- (c) The buy-back will not deplete the Company's cash reserves as there is no cash consideration for the buy-back.

- (d) The buy-back consideration is Fifth Floor's shareholding in PAH. That shareholding represents the Company's interest in its Singaporean business conducted by PIAS. The Company faces a number of challenges with regard to this business, including:
- (1) the potential need to provide additional capital investment to improve the commission and record keeping systems and other core processes of the business, to possibly relocate the head office in Singapore when the current lease expires in 2013, and to continue to meet the minimum regulatory capital requirements for the business which are likely to increase as costs continue to grow;
 - (2) keeping up to date with, and responding to, the changing regulatory environment in Singapore e.g. the Monetary Authority of Singapore recently announced the establishment of a panel to prepare recommendations in relation to raising the competence of financial advisory representatives and the quality of financial advisory firms, making financial advice a dedicated service, lowering distribution costs and promoting a culture of fair dealing;
 - (3) arranging and paying for expensive external reviews of the compliance processes of the business that are periodically required by the Monetary Authority of Singapore and responding to other regular and extensive inquiries about the business from the Monetary Authority of Singapore;
 - (4) operating in an unfamiliar legal and tax environment;
 - (5) the difficulty of conducting business without strong links into the local business community, and the attendant difficulty of attracting and retaining key personnel;
 - (6) the on-going and significant cost to the Company of providing head office, IT, accounting support and other administrative services which are not recouped from the business; and
 - (7) operating in a restrictive regulatory environment with constraints on the maximum number of advisers.
- (e) Having regard to the above challenges, exiting the Singaporean business through the buy-back will allow the Company to deploy more of its capital on opportunities in Australia and focus more management attention on the issues facing the Australian businesses.
- (f) Based on the Company and its controlled entities' consolidated net assets as at 30 June 2012 and the expected financial impact of the buy back as set out in section 2.10, consolidated net assets per share will increase in consequence of the buy-back from approximately \$0.268 to approximately \$0.276.

2.4 Disadvantages of the buy-back

The following are reasons why shareholders may choose to vote against the buy-back:

- (a) PIAS conducts a financial advisory business in a developing market with high growth prospects. It is possible that with further capital investment and attention to management, the profitability and value of the business would increase, and possibly at a greater pace than in comparable Australian businesses. As a result of the buy-back, the Company will exit its entire interest in PIAS thereby missing out on any such future growth.
- (b) If the financial performance of PIAS improves in the future, the value of the buy-back consideration, being Fifth Floor's shareholding in PAH, may increase. This potential opportunity for an increase in value will be lost as a result of the buy-back.

2.5 Alternative courses of action for the Company

The directors of the Company consider that as far as the interests of the Company and its shareholders are concerned, the proposed buy-back is superior to any other possible alternatives that the Company could pursue.

Alternative proposals

The primary objective of the parties through this transaction is to facilitate the sale of the Company's interest in its Singaporean financial advisory business to Aviva Asia. The provision of any other form of consideration for the buy-back of AOHL's shares in the Company would not achieve this objective.

Prior to entering into the agreement with Aviva Asia, the Company had discussions with a number of other potential buyers of the Singaporean business and although some wanted to progress discussions, none was forthcoming with an offer or proposal that in the view of the directors of the Company provided a realistic and superior alternative to the agreement that has been reached with Aviva Asia.

The agreement between the Company and Aviva Asia does not prevent a third party from making an alternative proposal for the Company's interest in its Singaporean business, although the Company would be required to pay a break fee of SG\$250,000 if it accepted a superior proposal. Given the time that has elapsed since the sale to Aviva Asia was announced to ASX, and the weak interest in the business before the announcement, the directors of the Company believe that an alternative superior proposal is unlikely to emerge.

Continue the present business operations of PIAS

The directors of the Company consider not buying back AOHL's shares and maintaining the status quo, is a viable option. However, as AOHL sold the un-escrowed shares in the Company that were issued to it as part of the consideration for the merger with PIH in 2010 only 4 months after the merger, the directors are of the view that AOHL's remaining shareholding in the Company is not a core or strategic investment for it and, therefore, AOHL is likely to be a seller when all of the shares are released from escrow, and speculation about this may be placing downwards pressure on the share price. Further, as the needs of the Singaporean business are likely to grow thereby requiring more capital and management resources, the ability of the Company to develop its Australian businesses and handle new opportunities is likely to be

constrained, which may adversely affect its future growth opportunities and prospects generally.

Other corporate activity

Given the current stage of development of PIAS's business and the nature of its assets, the directors believe that winding up PIAS would not realise any greater value for the assets than the value of the buy-back shares and the financial benefit to be provided to the Company (i.e. the cash payment of SG\$282,480 in settlement of any net balance of inter-company loans owing by PAH and PIAS) under the agreement with Aviva Asia.

2.6 Historical financial performance

The historical financial information below has been extracted from the Company's preliminary financial statements for the financial year ended 30 June 2012, which have been reviewed by the Company's auditors and were provided to ASX on 31 August 2012. The information relates to the consolidated group (**Group**) comprising the Company and its subsidiaries and other controlled entities (which includes PAH and PIAS) and does not reflect the impact of the buy-back.

The information is a summary only and does not contain the disclosures provided in annual financial reports in accordance with the *Corporations Act*.

Consolidated statement of financial position

	As at 30 Jun 2012 \$'000	As at 30 Jun 2011 \$'000
<u>Assets</u>		
Current		
Cash and cash equivalents	14,621	20,420
Trade and other receivables	23,895	26,184
Interest bearing receivables	95,299	88,562
Other assets	4,155	5,115
Total current assets	137,970	140,281
Non-current		
Trade and other receivables	562	655
Interest bearing receivables	1,044	8,053
Other assets	1,784	1,810
Investments	166	1,425
Property, plant and equipment	1,814	2,546
Intangible assets and goodwill	8,011	6,332
Deferred tax assets	7,297	9,801
Total non-current assets	20,678	30,622
Total assets	158,648	170,903
<u>Liabilities</u>		
Current		
Trade and other payables	40,866	43,414
Interest bearing liabilities	64,990	65,928
Provisions	7,422	9,191
Current tax liability	247	351
Total current liabilities	113,525	118,884
Non-current		
Trade and other payables	328	461
Interest bearing liabilities	253	1,114
Provisions	17,380	8,332
Total non-current liabilities	17,961	9,907
Total liabilities	131,486	128,791
Net assets	27,162	42,112
<u>Equity</u>		
Contributed equity	28,675	68,140
Reserves	(1,405)	(1,434)
Accumulated losses	-	(24,989)
Equity attributable to shareholders	27,270	41,717
Non-controlling interests	(108)	395
Total equity	27,162	42,112

Consolidated statement of comprehensive income

	Year Ended 30 Jun 2012 \$'000	Year Ended 30 Jun 2011 \$'000
<u>Revenue</u>		
Advice and financial product revenue (gross)	172,689	184,869
Advice and financial product fees	(131,975)	(141,609)
Advice and financial product revenue (net)	40,714	43,260
Interest income	14,201	9,075
Other revenue/income	7,175	5,983
	62,090	58,318
<u>Expenses</u>		
Borrowing expenses	(5,451)	(4,718)
Employee benefit expenses	(24,753)	(23,471)
Professional fees	(9,206)	(6,522)
Client claims	(16,736)	(11,936)
Insurances	(3,124)	(3,697)
Property costs	(4,216)	(5,121)
Impairment of assets	(1,760)	(3,839)
Other general and administration expenses	(11,369)	(11,295)
Loss before tax	(14,525)	(12,281)
Income tax expense	(2,774)	(844)
Net loss for the period	(17,299)	(13,125)
<u>Other comprehensive income/(loss)</u>		
Foreign currency translation	16	(587)
Change in fair value of investments	-	457
Total comprehensive loss for the period	(17,283)	(13,255)
Net loss attributable to:		
Owners of the parent	(17,881)	(13,484)
Non-controlling interests	582	359
Net loss for the period	(17,299)	(13,125)
Total comprehensive loss attributable to:		
Owners of the parent	(17,875)	(13,908)
Non-controlling interests	592	653
Total comprehensive loss for the period	(17,283)	(13,255)
Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the parent		
	Cents	Cents
Basic and diluted loss per share	(17.90)	(16.21)

2.7 Material changes to financial position since balance date

To the knowledge of the directors of the Company, there has been no matter or event which has arisen since 30 June 2012 which has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years except as noted below:

- (a) The Company entered into an agreement with Aviva Asia on 8 August 2012 to sell its interest in PAH in exchange for the transfer and subsequent cancellation of AOHL's shares in the Company in accordance with a buy-back agreement, as summarised in this explanatory statement.
- (b) On 14 August 2012 the National Australia Bank provided the Company with an offer to extend and enhance the existing banking facility arrangements. The board has approved the new facility arrangements and the relevant documents have been executed.

2.8 Share capital and recent sale prices

At the date of this explanatory statement, the Company has on issue 101,197,330 fully paid ordinary shares which are quoted on ASX. 17,562,301 of these shares (including 3,866,052 of AOHL's shares) are subject to voluntary escrow restrictions which expire on 20 June 2013. The Company also has on issue 428,572 partly paid ordinary shares and 2,250,000 options over ordinary shares, which are not quoted.

Set out below are some recent prices at which the Company's fully paid ordinary shares have traded on ASX:

- (a) The latest ASX recorded sale price of a fully paid ordinary share immediately before the buy back was announced by the Company to ASX on 8 August 2012 was \$0.19.
- (b) The highest and lowest ASX recorded sale prices of a fully paid ordinary share during the 3 month period ended on the day before the date of this announcement were \$0.37 on 11 May 2012 and \$0.14 on 8 August 2012 respectively.
- (c) The volume weighted average price of fully paid ordinary shares sold on ASX over the 3 month period ended on the day before the date of this announcement was \$0.1821.
- (d) The latest ASX recorded sale price of a fully paid ordinary share in the Company before the date of this explanatory statement was \$0.30 on 11 September 2012.
- (e) The highest and lowest ASX recorded sale prices of a fully paid ordinary share during the 3 months immediately before the date of this explanatory statement were \$0.30 on 11 September 2012 and \$0.14 on 8 August 2012 respectively.
- (f) The volume weighted average price of fully paid ordinary shares sold on ASX over the 3 month period ended on the day before the date of this explanatory statement was \$0.1865.

2.9 Value of buy-back consideration

The consideration for the buy-back of the 7,731,684 fully paid ordinary shares in the Company held by AOHL will be the transfer of Fifth Floor's entire shareholding in PAH.

The Company has engaged Lawler Corporate Finance Pty Ltd (**LCF**) to prepare a report on the value of the buy-back shares and the value of the consideration for them. A copy of the report is annexed to this explanatory statement. You are encouraged to read the report in its entirety, including the assumptions and qualifications set out on pages 3, 4 and 7 of the report. LCF has consented to a copy of the report being annexed to this explanatory statement.

Value of Fifth Floor's shareholding in PAH

LCF has valued the consideration for the buy-back, being Fifth Floor's shareholding in PAH, at between \$1.04 million and \$1.44 million, with a mid-point of \$1.23 million.

Value of AOHL's shareholding in the Company

LCF has valued the buy-back shares, being the 7,731,684 fully paid ordinary shares in the Company held by AOHL, at between \$1.23 million and \$1.29 million, with a mid-point of \$1.26 million.

Assessment of buy-back consideration

The mid-point of the valuation range of AOHL's shareholding in the Company of \$1.26 million falls within the valuation range of between \$1.04 million and \$1.44 million for Fifth Floor's shareholding in PAH as determined by LCF, and above the mid-point of that range – see page 2 of the valuation report annexed to this explanatory statement. Set out in the table below is a comparative summary of the valuation ranges for the buy-back shares and buy-back consideration:

	Low value	High value	Mid-point
Buy-back shares (A)	\$1.23 million	\$1.29 million	\$1.26 million
Buy-back consideration (B)	\$1.04 million	\$1.44 million	\$1.23 million
A - B	\$190,000	(\$150,000)	\$30,000

Based on the above mid-point values, the Company will provide consideration for the buy-back that is worth less than the shares to be bought back.

Accordingly, the directors of the Company believe that the buy-back consideration is a fair and reasonable exchange for the buy-back shares from the perspective of the Company and its shareholders (other than AOHL and its associates).

2.10 Effect of buy-back on Company

If completion of the buy-back occurs, and as a consequence the Company buys back from AOHL all of its 7,731,684 shares in the Company in exchange for the Company's entire interest in PAH, the principal effect of the buy-back on the Company will be to its equity structure.

Share capital structure

The effect of the buy-back on the issued shares in the Company will be as follows (assuming no shares in the Company or options or other rights to acquire shares are issued after the date of this explanatory statement until after completion of the buy-back):

	Number of shares	Percentage of total issued shares before buy-back
Total issued shares before buy-back	101,625,902	100%
Buy back shares	(7,731,684)	7.61%
Total issued shares after buy-back	93,894,218	92.39%

Pro-forma financial information

To illustrate the expected financial effect of the buy-back on the Group, a pro-forma consolidated statement of financial position and a pro-forma consolidated statement of comprehensive income are set out below which have been prepared using the Company's preliminary financial statements for the financial year ended 30 June 2012 and assumptions to adjust for the expected financial effect of the buy-back on the Group.

Pro-forma consolidated statement of financial position

	Actual 30-Jun-12 \$'000	Pro-forma 30-Jun-12 \$'000
Assets		
Current		
Cash and cash equivalents	14,621	12,513
Trade and other receivables	23,895	19,498
Interest bearing receivables	95,299	95,299
Other assets	4,155	3,752
Total current assets	137,970	131,062
Non-current		
Trade and other receivables	562	562
Interest bearing receivables	1,044	1,044
Other assets	1,784	1,784
Investments	166	166
Property, plant and equipment	1,814	1,687
Intangible assets and goodwill	8,011	8,011
Deferred tax assets	7,297	7,297
Total non-current assets	20,678	20,551
Total assets	158,648	151,613
Liabilities		
Current		
Trade and other payables	40,866	35,168
Interest bearing liabilities	64,990	64,990
Provisions	7,422	7,397
Current tax liability	247	247
Total current liabilities	113,525	107,802
Non-current		
Trade and other payables	328	328
Interest bearing liabilities	253	253
Provisions	17,380	17,380
Total non-current liabilities	17,961	17,961
Total liabilities	131,486	125,763
Net assets	27,162	25,850
Equity		
Contributed equity	28,675	26,742
Reserves	(1,405)	(941)
Accumulated losses	-	263
Equity attributable to shareholders	27,270	26,064
Non-controlling interests	(108)	(214)
Total equity	27,162	25,850

Pro-forma consolidated statement of comprehensive income

	Actual 30-Jun-12 \$'000	Pro-forma 30-Jun-12 \$'000
<u>Revenue</u>		
Advice and financial product revenue (gross)	172,689	145,753
Advice and financial product fees	(131,975)	(107,125)
Advice and financial product revenue (net)	40,714	38,628
Interest income	14,201	14,201
Other revenue/income	7,175	7,073
	62,090	59,902
<u>Expenses</u>		
Borrowing expenses	(5,451)	(5,449)
Employee benefit expenses	(24,753)	(22,282)
Professional fees	(9,206)	(9,174)
Client claims	(16,736)	(16,727)
Insurances	(3,124)	(2,957)
Property costs	(4,216)	(3,238)
Impairment of assets	(1,760)	(1,746)
Foreign exchange	-	-
Other general and administration expenses	(11,369)	(10,854)
Loss before tax	(14,525)	(12,525)
Income tax expense	(2,774)	(2,774)
Net loss for the period	(17,299)	(15,299)
<u>Other comprehensive income/(loss)</u>		
Foreign currency translation	16	16
Change in fair value of investments	-	-
Total comprehensive loss for the period	(17,283)	(15,283)
Net loss attributable to:		
Owners of the parent	(17,881)	(15,874)
Non-controlling interests	582	575
Net loss for the period	(17,299)	(15,299)
Total comprehensive loss attributable to:		
Owners of the parent	(17,875)	(15,868)
Non-controlling interests	592	585
Total comprehensive loss for the period	(17,283)	(15,283)

Basis of preparation of pro-forma financial information

The pro-forma financial information has been prepared on the following basis:

- (a) The consideration for the buy-back of the 7,731,684 fully paid ordinary shares in the Company held by AOHL will be the transfer of Fifth Floor's entire shareholding in PAH. The pro-forma financial information reflects the transfer of Fifth Floor's shareholding in PAH, and the buy back of AOHL's shares in the Company, at a value of \$0.25 for each of AOHL's shares. This equates to a total consideration of \$1,932,921.
- (b) Costs of \$100,000 are estimated to be incurred by the Company after 30 June 2012 in respect of the transaction.

Effect of buy-back on control of Company

As noted above, the buy-back will result in the total number of issued shares in the Company reducing by approximately 7.61% due to the cancellation of AOHL's shareholding of 7,731,684 shares. These shares represent voting power in the Company of approximately 7.63%. This reduction will result in every other holding of fully paid ordinary shares in the Company increasing in percentage of total issued shares by approximately 8.24%, representing an increase in voting power of approximately 8.30%. That proportional increase is not expected to have a material effect on the control of the Company.

For example, the voting power in the Company of the Company's largest substantial holder is currently approximately 19.99%. This substantial holding would increase to approximately 21.64% in consequence of completion of the buy-back. Further, if the voting power in the Company of a shareholder immediately before completion of the buy-back is up to the takeover threshold of 20% (based on holding fully paid ordinary shares), the shareholder's voting power would increase to approximately 21.66% immediately after completion of the buy-back.

The above is based on the substantial holder notifications received by the Company as at the date of this explanatory statement, and assumes there is no change to the total issued share capital of, or shareholdings, in the Company after the date of this explanatory statement until completion of the buy-back.

2.11 Voting by shareholders

Under section 257D(1) of the *Corporations Act*, the buy-back requires the shareholders of the Company to approve the terms of the buy-back agreement by a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by AOHL or by any of its associates.

Obtaining this approval is a condition of the buy-back agreement and related sale agreement for Fifth Floor's shares in PAH.

If resolution 1 is passed as a special resolution, the requisite shareholder approval will be obtained.

A special resolution requires at least 75% of the votes cast by shareholders entitled to vote on the resolution to be in favour of it.

2.12 Taxation considerations

The Australian and Singaporean taxation implications of the buy-back and related disposal of PAH are as follows:

- (a) There are not expected to be any material adverse Australian income tax consequences of the buy-back and cancellation of the Company's shares on the Group or the shareholders of the Company, other than AOHL.
- (b) There is not expected to be any effect on franking credits of the Company or on the ability to pay franked dividends out of future realised profits.
- (c) There are not expected to be any material adverse Australian income tax consequences to the Group as a result of the proposed disposal of the Singaporean subsidiary PAH.
- (d) There are not expected to be any material Singaporean income tax consequences of the proposed sale by Fifth Floor of its shares in Professional Advisory Holdings Ltd.

However, taxation laws are complex and there could be implications in addition to those generally described above. In particular, the above does not address the tax considerations applicable to shareholders that may be subject to special tax rules, nor does it address any foreign tax law ramifications resulting from the buy-back (other than Singaporean tax laws that directly impact the Group). The Company cannot, and does not, offer any advice to AOHL or any other shareholder on the tax implications of the buy-back on them. Shareholders should consult their own professional taxation advisers for advice applicable to their individual needs and circumstances. No responsibility is accepted for the tax implications of the buy-back on any shareholder.

The above is based on the Australian and Singaporean income tax legislation in force at the date of this explanatory statement.

2.13 Interests of directors in buy-back

Except as described elsewhere in this explanatory statement:

- (a) there is no agreement or arrangement made between any director of the Company and another person in connection with or conditional on the outcome of the buy-back or related sale of PAH; and
- (b) no director of the Company has any material personal interests where the effect of the buy-back or related sale of PAH on those interests is or will be different from the effect on the like interests of other persons.

2.14 Further particulars of transaction terms

Sale of Singaporean business in exchange for buy-back of Aviva's shareholding in the Company

A conditional agreement has been entered into with Aviva Asia for the sale by the Company's wholly-owned subsidiary, Fifth Floor, of its entire shareholding (representing approximately 81.1% of the total issued shares) in Singaporean subsidiary PAH to Aviva Asia.

The sale agreement required the Company and Aviva Asia's UK related company, AOHL, to enter into a separate buy-back agreement under which the Company must buy back from AOHL, and AOHL must sell and transfer to the Company, AOHL's entire shareholding of 7,731,684 fully paid ordinary shares (representing approximately 7.6% of the total issued shares) in the Company, contemporaneously with completion of the sale the PAH shares.

The buy-back agreement entered into and executed by AOHL and the Company is dated 10 September 2012.

Consideration

The consideration for the sale of Fifth Floor's shares in PAH is the transfer of AOHL's shares in the Company under the buy-back agreement plus a cash payment to the Company of SG\$282,480 in settlement of any net balance of inter-company loans owing by PAH and PIAS to the Company or any of its other subsidiaries. The transfer of AOHL's shares in the Company to the Company in accordance with the buy-back agreement will result in their cancellation.

The consideration for the buy-back is the sale and transfer of the PAH shares.

Pre-completion conditions

Completion of the transaction is subject to fulfilment of a number of conditions, including:

- (a) Aviva Asia being satisfied with the findings of an independent compliance audit of PIAS;
- (b) the Company's shareholders approving the terms of the buy-back agreement in accordance with section 257D of the *Corporations Act*;
- (c) the Monetary Authority of Singapore approving the transaction;
- (d) PAH and PIAS being released from any guarantee, indemnity, bond, letter of comfort, encumbrance or similar obligation in relation the indebtedness or other liabilities or obligations of another person outside the PAH group;
- (e) the share capital of PAH being restructured so that only A class ordinary shares are on issue; and
- (f) PIAS obtaining change of control consents required under various agreements to which it is a party.

Current status of pre-completion conditions

At the date of this explanatory statement, the directors of the Company are not aware that any of the pre-completion conditions has been satisfied. Nor are they aware that any is not able to be satisfied.

If any condition is not satisfied or waived within 5 months from the date of the sale agreement i.e. by 7 January 2013 (or such other date as the parties may agree) then the sale agreement will terminate and the transaction will not proceed.

Completion

The parties have agreed that completion of the transaction will occur 2 business days after all of the conditions have been satisfied or waived (to the extent any can be in accordance with the sale agreement).

Assuming resolution 1 is passed at the general meeting and all other conditions are satisfied or waived before that meeting, completion is expected to occur on or around 23 October 2012.

Following completion, Fifth Floor's shares in PAH are to be transferred to Aviva Asia and AOHL's shares in the Company are to be transferred to the Company (and upon registration of this transfer the shares will be cancelled).

Transitional IT services

The Company has agreed that its wholly-owned subsidiary, Centrepont Wealth Limited, will continue to provide to PIAS certain information technology services of a kind that it currently provides for a transitional period of 18 months from completion of the transaction. The monthly charge for the provision of these services has been agreed at a fixed amount of SG\$4,000.

Warranties and indemnity

The terms of the sale agreement and buy-back agreement also include various warranties by the parties, including warranties by Fifth Floor about the structure, operations, financial performance, financial position and taxation liabilities of PAH and PIAS, as well as an indemnity by Fifth Floor in favour of Aviva Asia in relation to breaches of any of the tax warranties.

Various limitations apply to the potential liability of Fifth Floor for breach of the warranties, including a maximum liability limit of SG\$2.5 million. Further, any liability of Fifth Floor for breach of warranty may be satisfied by the Company issuing shares to Aviva Asia with an equivalent market value, to the extent that the issue would not result in the Company breaching rule 7.1 of the ASX Listing Rules. This rule places a limit on the number of shares a listed company may issue in any 12 month period without shareholder approval.

Guarantee and indemnity

The Company has given in favour of Aviva Asia a guarantee and indemnity in relation to Fifth Floor's obligations under the sale agreement.

Non-compete

The Company has agreed not to carry on any business in Singapore the same as or substantially similar to PIAS's financial planning advisory business for up to 3 years from completion.

Exclusivity

During the period pending completion or termination, the Company has agreed not to seek out or negotiate with anyone else for the sale of its Singaporean subsidiaries or their assets. However, the Company will be relieved from these obligations in respect of a proposal that it did not solicit in circumstances where the board of directors of the Company, acting in good faith, has determined that:

- (a) the proposal, if completed substantially as proposed, would result in a transaction more favourable to the Company and its shareholders as a whole than the Aviva Asia transaction, after receiving written advice from the Company's external financial adviser in relation to the matter; and
- (b) failing to respond in any way to the proposal would be likely to cause the directors of the Company to breach their fiduciary or other legal duties, after receiving written advice from the Company's external lawyers in relation to the matter.

Break fee

The Company has agreed to pay to Aviva Asia a break fee of SG\$250,000 if:

- (a) the directors of the Company fail to recommend unanimously that shareholders vote in favour of approving the terms of the buy-back agreement or publicly change or withdraw that recommendation;
- (b) there is a competing proposal for PAH and/or PIAS or their assets which is publicly recommended, promoted or otherwise endorsed by any of the directors of the Company;
- (c) a competing proposal is announced or made before the agreement is terminated and is completed at any time within 9 months from termination; or
- (d) Aviva Asia terminates the agreement due to a breach of warranty or other default by the Company or Fifth Floor.

It is also a term of the agreement that Aviva Asia must pay the agreed break fee if it terminates the agreement in circumstances where Fifth Floor is not in default or if Fifth Floor terminates the agreement due to Aviva Asia's default.

Termination

The sale agreement will terminate if any pre-completion condition to the transaction is not satisfied or waived in accordance with the agreement.

The sale agreement may also be terminated by Aviva Asia or Fifth Floor in a number of other circumstances, including due to the un-remedied default of the other party.

Aviva Asia may also terminate the sale agreement if anything occurs which has, or would be likely to have after completion, a material adverse effect on PAH or PIAS.

Completion of the buy-back under the buy-back agreement is to occur simultaneously with completion under the sale agreement and, therefore, if the sale agreement is terminated, completion of the buy-back cannot occur.

2.15 Directors' recommendation

All of the directors of the Company recommend that shareholders vote in favour of resolution 1, in the absence of a superior proposal.

All directors who own or otherwise have a relevant interest in shares in the Company themselves, intend to vote, or procure the relevant shareholder to vote, in favour of resolution 1, in the absence of a superior proposal.

3. Resolution 2 — selective buy-back of Tony Robinson's partly paid shares in Company

3.1 Overview of the buy-back

The Company has entered into a share buy-back deed with the managing director of the Company, Tony Robinson, to buy back all of his 428,572 partly paid ordinary shares in the Company for nil consideration, subject to the approval of the shareholders of the Company in accordance with section 257D(1) of the *Corporations Act*.

The terms of the share buy-back deed were negotiated with Tony Robinson and authorised for execution by the other directors (**Independent Directors**) of the Company.

See section 3.10 for further particulars of the terms of the share buy-back deed.

The board of directors of the Company has determined that if the buy-back is approved by shareholders and completed, the Company will not pay Tony Robinson, and he has agreed to forego any entitlement he may have to, a discretionary bonus for the financial year ended 30 June 2012 that may otherwise have been paid to him. Tony was paid a discretionary bonus of \$150,000 for the financial year ended 30 June 2011.

3.2 Reasons for the buy-back

The partly paid ordinary shares were issued in December 2009, approximately 5 months after Tony Robinson became the managing director of the Company. The objective of the board of directors of the Company, in authorising the issue of these shares, was to incentivise Tony as the incoming managing director in a way that aligned his interests with the interests of the shareholders of the Company. It was intended that ownership of the shares would allow Tony to participate in the future success of the Company as a shareholder and thereby motivate him to add wealth for all shareholders.

The partly paid shares were issued at a price that reflected the market value of the Company's fully paid ordinary shares at that time on the basis that an initial payment would be made and the balance of the issue price would be payable during the course of the 3 years after issue. Since the shares were issued, the Company has undertaken a share capital reconstruction and a return of share capital. As a result, the issue price of each partly paid share has been adjusted to \$1.085, of which \$0.21 has been paid, leaving a balance of \$0.875 which is due and payable by 31 October 2012.

Recent prices at which the Company's fully paid ordinary shares have traded on ASX are considerably less than \$0.875. The latest ASX recorded sale price of a fully paid ordinary share in the Company before the date of this explanatory statement was \$0.30 on 11 September 2012. The volume weighted average price of fully paid ordinary shares sold on ASX over the 3 month period ended on the day before the date of this explanatory statement was \$0.1865. Based on this price, the partly paid shares would be worth \$79,928.68 in total once fully paid up, whereas the total amount remaining to pay them up is \$375,000.50. This is in addition to the amount of \$90,000.12 that has already been paid on the shares.

In the circumstances, the Independent Directors consider that the issue of the partly paid shares has not been an effective reward or incentive for the managing director. Furthermore, requiring the managing director to pay up the balance of the issue price of the partly paid shares having regard to their current market value, would result in an overall negative financial impact for the managing director and, in the view of the Independent Directors, may have an adverse effect on motivation and/or lead to disaffection, and would be entirely contrary to the original objective of issuing the shares.

The buy-back, and consequential cancellation, of the partly paid shares will relieve Tony from the obligation to pay up the balance of the issue price of the shares, thereby assisting to redress the above adverse ramifications of the shares.

3.3 Advantages of the buy-back

The buy-back will result in the cancellation of 428,572 shares for nil consideration. The Company has already received \$90,000.12 as part payment of the issue price of the shares which it will retain despite their cancellation.

In addition, by relieving Tony from the obligations to pay up the balance of the issue price of the shares, the buy-back will help address any negative impact the shares may have on retaining or motivating the managing director.

3.4 Disadvantages of the buy-back

The buy-back will result in the cancellation of the obligation to pay the balance of the issue price of the partly paid shares of \$375,000.50 and will mean that the Company will not receive this cash payment, but this will not result in any reduction in the net assets of the Company because only the amount paid to date has been brought to account as an asset.

However, the Independent Directors consider that foregoing this receipt is not material when compared to the consolidated net assets of the Company and its controlled entities

of \$27,162,000 as at 30 June 2012, and is outweighed by the advantages of the buy-back as noted in section 3.3.

3.5 Alternative courses of action for the Company

The directors of the Company consider that as far as the interests of the Company and its shareholders are concerned, the proposed buy-back is superior to any other possible alternatives that the Company could pursue.

Status quo

The Company could decide not to buy back Tony's shares and require him to pay them up in full. However, as noted above, the Independent Directors believe that this may have an adverse effect on motivation and/or lead to disaffection.

Other Proposals

The directors have considered alternative proposals to achieve a similar outcome as the buy-back, however all were either considered not viable, or involved excessive cost for the Company.

3.6 Effect of buy-back on Company

In consequence of the Company buying back from Tony Robinson all of his 428,572 partly paid ordinary shares in the Company, and those shares being cancelled, for nil consideration;

- (a) the total number of issued shares in the Company will reduce by 428,572 shares which represents approximately 0.4% of the total number of issued shares in the Company, and 0.08% of voting power in the Company and percentage entitlement to participate in dividends paid by the Company on its ordinary shares, at the date of this explanatory statement;
- (b) although every other percentage shareholding in the Company will increase slightly by the same proportion, that proportional increase is not expected to have a material effect on the control of the Company;
- (c) the value of issued share capital and net assets of the Company will not change; and
- (d) there will be no effect on the franking credits of the Company.

3.7 Voting by shareholders

Under section 257D(1) of the *Corporations Act*, the buy-back requires the shareholders of the Company to approve the terms of the buy-back agreement by a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by Tony Robinson or by any of his associates.

Obtaining this approval is a condition of the share buy-back deed between the Company and Tony Robinson.

If resolution 2 is passed as a special resolution, the requisite shareholder approval will be obtained.

A special resolution requires at least 75% of the votes cast by shareholders entitled to vote on the resolution to be in favour of it.

3.8 Taxation considerations

There are not expected to be any material adverse Australian taxation implications of the buy-back on the Company or its shareholders, other than Tony Robinson.

However, taxation laws are complex and there could be implications in addition to those generally described above. In particular, the above does not address the tax considerations applicable to shareholders that may be subject to special tax rules, nor does it address any foreign tax law ramifications resulting from the buy-back. The Company cannot, and does not, offer any advice to any shareholder on the tax implications of the buy-back on them. Shareholders should consult their own professional taxation advisers for advice applicable to their individual needs and circumstances. No responsibility is accepted for the tax implications of the buy-back on any shareholder.

The above is based on the Australian income tax legislation in force at the date of this explanatory statement.

3.9 Interests of directors in buy-back

Except as described elsewhere in this explanatory statement:

- (a) there is no agreement or arrangement made between any Independent Director and another person in connection with or conditional on the outcome of the buy-back of Tony Robinson's partly paid shares; and
- (b) no Independent Director has any material personal interests where the effect of the buy-back on those interests is or will be different from the effect on the like interests of other persons.

3.10 Further particulars of terms of share buy-back deed

The share buy-back deed was entered into and executed by Tony Robinson and the Company on 10 September 2012.

Consideration

No consideration is payable by the Company for the buy-back of Tony Robinson's 428,572 partly paid ordinary shares in the Company.

However, as the total unpaid issue price of the shares is \$375,000.50, Tony will effectively receive a financial benefit equivalent to the amount by which \$375,000.50 exceeds the market value of the Company's fully paid ordinary shares.

Pre-completion condition

Completion of the buy-back is subject to the Company's shareholders approving the terms of the buy-back agreement in accordance with section 257D of the *Corporations Act*.

If this condition is not met by 30 October 2012 (or such other date as the parties may agree) then the share buy-back deed will terminate and the buy-back will not proceed.

Completion

The parties have agreed that completion of the buy-back will occur 1 business day after the pre-completion condition has been met.

Assuming resolution 2 is passed at the general meeting, completion is expected to occur on or around 22 October 2012.

At or following completion, Tony Robinson's partly paid shares in the Company are to be transferred to the Company, and upon registration of this transfer the shares will be cancelled.

Warranties

The terms of the share buy-back deed also include various warranties by the parties, including warranties by Tony Robinson concerning clear title to the partly paid shares.

3.11 Directors' recommendation

All of the Independent Directors recommend that shareholders vote in favour of resolution 2. In view of Tony Robinson's personal interest in the buy-back of his partly paid shares, he does not consider it appropriate for him to make a recommendation in relation to voting on resolution 2 and does not do so.

All Independent Directors who own or otherwise have a relevant interest in shares in the Company themselves, intend to vote, or procure the relevant shareholder to vote, in favour of resolution 2.

4. Resolution 3 — acquisition of options by Tony Robinson

4.1 Background

In 2002, the directors established the Centrepont Alliance share option incentive plan 2002 (**Incentive Plan**). The Incentive Plan is designed to provide the Company's employees with an opportunity to acquire securities in the Company so that the interests of employees and shareholders are more closely aligned and to provide greater incentive for employees to focus on the Company's longer term goals.

Shareholder approval in connection with the Incentive Plan was sought at the 2007 annual general meeting of the Company and a summary of the key terms of the Incentive Plan was set out in the notice of that annual general meeting.

4.2 Proposed issue of options

As noted above, it is proposed to buy back the partly paid shares issued to the managing director of the Company as a long term incentive component of his remuneration package. The board now wishes to provide him with a new long term incentive by way of participation in the Incentive Plan. Accordingly, it is proposed that, subject to shareholder approval, Tony Robinson or his nominee will acquire 1,500,000 options under the terms of the Incentive Plan.

The key terms of the options proposed to be issued are as follows:

- (a) 1,500,000 options will be issued for nil consideration comprising:
 - (1) 500,000 options which vest on 30 June 2013;
 - (2) 500,000 options which vest on 30 June 2014; and
 - (3) 500,000 options which vest on 30 June 2015.
- (b) Each option entitles the holder to subscribe for 1 fully paid ordinary shares in the Company at an exercise price of \$0.40, subject to adjustment due to a pro rata rights offer, bonus issue or other capital reconstruction.
- (c) Once vested, an option can be exercised at any time before 30 November 2015 (unless the board restricts the exercising of options during the period of 30 days immediately following the date on which the Company announces its half year or annual financial results).
- (d) Any options which have not been exercised by 30 November 2015 will expire.
- (e) The options will not be quoted on the stock market operated by ASX and may not be assigned, transferred, sold or encumbered.
- (f) Any shares issued on exercise of the options will rank equally with the fully paid ordinary shares then on issue in the Company. Dealings in those shares by Tony Robinson or his nominee will be subject to the Company's securities trading policy.
- (g) If Tony Robinson's employment with the Group is terminated, any options which have not vested will lapse unless Tony's employment has terminated due to death, disability, illness, redundancy or substantial change to his role or responsibilities.
- (h) Any unvested options will immediately vest if:
 - (1) a takeover offer or takeover announcement for some or all of the Company's shares is made and the voting power in the Company of the bidder is or increases to more than 50%;
 - (2) a scheme of arrangement between the Company and its shareholders under part 5.1 of the Corporations Act for the merger of the Company with another entity or the acquisition of all of the issued shares in the Company

or the whole or a substantial part of the business or property of the Company by another entity is approved by the shareholders of the Company under section 411(4)(a)(ii) of the Corporations Act;

- (3) the Company disposes, or agrees to dispose, of the whole or a substantial part of its business or property; or
- (4) the voting power of a person in the Company increases after the options are issued from 50% or below to more than 50%.

4.3 Shareholder approval

Rule 10.14 of the ASX Listing Rules relevantly states that an entity must not permit a director to acquire securities under an employee incentive scheme (such as the Incentive Plan) without the approval of holders of ordinary shares.

Rule 10.14 also states that the notice of meeting to obtain shareholder approval must comply with either rule 10.15 or 10.15A of the ASX Listing Rules. The Company has elected to prepare the notice of meeting so that it complies with rule 10.15, and provides the following information for that purpose:

- (a) The maximum number of options which may be acquired by Tony Robinson or his nominee is 1,500,000. Assuming all of those options vest and are exercised and there is no capital reconstruction adjustment, 1,500,000 fully paid ordinary shares in the Company will be issued.
- (b) No consideration is payable for the options. The exercise price of each option is \$0.40, subject to adjustment for capital reconstructions.
- (c) In November 2007, the then managing director of the Company, Richard Cawsey, acquired 6,000,000 options for nil consideration, all of which subsequently expired. There have been no other options issued under the Incentive Plan and, accordingly, no ordinary shares issued on the exercise of any such options.
- (d) Each director of the Company (or an associated company) or his or her approved nominee may be invited to participate in the Incentive Plan. The other persons eligible to participate in the Incentive Plan are:
 - (1) company secretaries, permanent full-time employees and permanent part-time employees of the Company or an associated company; and
 - (2) persons on secondment and consultants to the Company or an associated company,or their approved nominees.
- (e) No loan has been given by the Company in relation to the acquisition of options (or shares issued on the exercise of options).
- (f) Assuming resolution 3 is passed, it is intended that the options will be issued within 30 days of the meeting, and in any event by no later than 18 October 2013.

4.4 Directors' recommendation

All of the directors of the Company (other than Tony Robinson) recommend that shareholders vote in favour of resolution 3. In view of Tony Robinson's personal interest in the issue of the options, he does not consider it appropriate for him to make a recommendation in relation to voting on resolution 3 and does not do so.

Annexure

Valuation report by Lawler Corporate Finance Pty Ltd



Professional
Investment
Advisory
Services



Centrepont Alliance Limited

and

**Professional Advisory
Holdings Limited**

Valuation as at 30 June 2012

11 September 2012

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11 September 2012

The Board of Directors
Centrepont Alliance Limited
Level 2, 6 Thelma Street
WEST PERTH WA 6005

Dear Sirs,

**CENTREPOINT ALLIANCE LIMITED AND PROFESSIONAL ADVISORY HOLDINGS LIMITED SHARES -
VALUATION AS AT 30 JUNE 2012**

1. Executive Summary

1.1. Purpose of the Report

This Report ("**Report**") has been prepared at the request of the Directors of Centrepont Alliance Limited ("**CAF**" or the "**Company**"), by Lawler Corporate Finance Pty Limited ("**LCF**" or "**we**" or "**us**" or "**our**" as appropriate).

We have been advised that CAF has entered into a conditional agreement dated 7 August 2012 (the "**Share Purchase Agreement**") with Aviva Asia Holdings Pte Ltd ("**Aviva**") for the sale of CAF's interest in the Singaporean financial advice business known as Professional Investment Advisory Services Pte Ltd ("**PIAS**"). CAF's interest in PIAS is held through Professional Advisory Holdings Limited ("**PAH**") and represents 81.1% of the issued capital of PAH.

The aggregate consideration for the sale of the shares shall be an amount equal to SGD\$2.2 million ("**Consideration Value**") which is to be satisfied in full by Aviva procuring the execution by Aviva Overseas Holdings Limited ("**AOHL**") of a buyback agreement to be entered into between AOHL and CAF ("**Buyback Agreement**") and the transfer of 7,731,684 ordinary shares in the capital of CAF held by AOHL ("**Consideration Shares**") from AOHL to CAF in accordance with the terms of the Buyback Agreement.

CAF has requested that LCF act as its financial advisor in relation to the sale of the shares in PAH to Aviva and the associated proposed selective CAF share buyback and cancellation ("**Proposed Transaction**"). In this regard, CAF has requested that LCF prepare a valuation of the Consideration Shares and CAF's interest in PAH/PIAS to assist the directors of CAF in meeting their statutory and fiduciary obligations with respect to CAF.

The businesses and associated assets which have been considered in this valuation are those which existed as at the valuation date being 30 June 2012 ("**Valuation Date**").

Our Report has been prepared for use by the Directors and shareholders of CAF. It is not to be reproduced or used for any purpose other than as outlined above, without LCF's prior written consent in each specific instance.

We do not assume any responsibility or liability for any losses suffered as a result of the circulation, publication or other use of this Report contrary to the provisions contained in the above paragraph.

1.2. Valuation Summary

Valuation of Consideration Shares

Based on the analysis set out in this Report, in our opinion, the fair market value of the Consideration Shares falls with the range of **A\$1.23 million** and **A\$1.29 million**, with a mid-point of **A\$1.26 million**.

Set out below is a summary of our determination of the fair market value of the Consideration Shares:

Table 1: Fair Market Value of the Consideration Shares

	Ref	Low	High	Average
1 Month VWAP of CAF's Shares to 30 June 2012	5.3	0.181	0.181	0.181
Marketability Discount	5.3	-12.0%	-8.0%	-10.0%
Fair Market Value Per Consideration Share		0.159	0.167	0.163
Number of Consideration Shares	1.1	7,731,684	7,731,684	7,731,684
Total Fair Market Value of Consideration Shares		1,232,685	1,288,716	1,260,701

Source: Capital IQ; LCF analysis

Valuation of PAH

Based on the analysis set out in this Report, in our opinion, the fair market value of the issued shares of PAH falls with the range of **A\$1.28 million** and **A\$1.77 million**, with a mid-point of **A\$1.52 million**.

We have assessed CAF's interest (i.e. 81.1%) in the issued shares of PAH to have a fair market value falling within the range of **A\$1.04 million** and **A\$1.44 million**, with a mid-point of **A\$1.23 million**.

Set out below is a summary of our determination of the fair market value of the issued shares of PAH:

Table 2: Fair Market Value of the Issued Shares of PAH

	Currency	Low	High	Average
Selected Future Maintainable Earnings	SGD	430,000	430,000	430,000
Multiplied by selected EV/EBITDA Multiple		3.60	4.40	4.00
Enterprise Value (Minority Basis)	SGD	1,548,000	1,892,000	1,720,000
Premium for Control		30.0%	40.0%	35.0%
Enterprise Value (Control Basis)	SGD	2,012,400	2,648,800	2,322,000
Add: Surplus Assets as at 30 June 2012				
Add: Excess Working Capital	SGD	-	-	-
Subtract: Surplus Liabilities as at 30 June 2012				
Related Party loans	SGD	(355,924)	(355,924)	(355,924)
Subtract: Short-Term CAPEX Requirements				
n/a	SGD	-	-	-
Equity Value - Singapore Dollars	SGD	1,656,476	2,292,876	1,966,076
Exchange Rate as at 30 June 2012		1.2940	1.2940	1.2940
Equity Value - Australian Dollars	AUD	1,280,121	1,771,929	1,519,379
CAF's Interest		81.10%	81.10%	81.10%
Fair Market Value of CAF's Interest	AUD	1,038,210	1,437,079	1,232,254

Source: LCF analysis

1.3. Basis of Report

This Report has been prepared on the basis of information made available to us up to the date of the Report by the management of CAF and PAH/PIAS. A list of specific documents referred to and relied upon in the preparation of this Report has been included at Appendix 1.

In addition, we note the following:

- LCF has been advised that on 18 July 2012, the shareholders of PAH resolved the following:
 - (i) that all preference shares on issues would be cancelled and ordinary shares were to be issued to those preference shareholders on a 1:1 basis; and
 - (ii) CAF will transfer 499,797 of the ordinary shares it holds in PAH to existing shareholders for a nominal amount.
- LCF has been advised as at the date of this Report, the above transactions had yet to be finalised.

Accordingly, LCF has prepared this Report on the basis that the above transactions have been completed.

We reserve the right to review and amend all calculations and opinions included or referred to in this Report and, if we consider it necessary, to revise our Report in light of any information which becomes known to us after the date of this Report or if additional sources of information not referred to in Appendix 1 are provided to us.

An important part of the information base used in forming our valuation opinion comprises the opinions and judgements of CAF's and PAH/PIAS's management. This type of information has been evaluated through analysis, enquiry and review to the extent practical. Often it is not possible, however, to externally verify or validate such information.

This engagement meets the definition of a "Valuation Engagement" under Accounting Professional and Ethical Standard ("APES") 225 – Valuation Services and is prepared in accordance with that standard.

A "Valuation Engagement" is a valuation where the valuer is free to employ the valuation approaches, valuation methods and valuation procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the engagement available to the valuer at that time.

LCF's procedures and enquiries did not include detailed verification work nor does it constitute an audit in accordance with Australian Auditing Standards, nor a review in accordance with ASRE 2410 - Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, applicable to review engagements or ASAE 3000 - Assurance Engagements Other than Audits or Reviews of Historical Financial Information. Consequently, we express no opinion on the reliability or completeness of the information supplied to us and upon which our opinions have been based.

1.4. Qualifications

This Report was prepared by Mr Vince Fayad B.Bus CA and Mr Peter Cornell B.Com, LLB with the assistance from staff working under their direction.

Mr Fayad has over 30 years experience in a number of specialist corporate advisory activities including company valuations, due diligence investigations, preparation and review of business feasibility studies, public company floats, accounting, advising on mergers and acquisitions, advising on independence expert reports, preparation of information memoranda and other corporate investigations.

Mr Cornell is a director of LCF and has over 30 years experience in law, business valuation, corporate planning and corporate advisory activities. He has had extensive experience in the areas of preparation and review of independent expert's reports, litigation support activities, business feasibility studies, financial investigations, business valuations and due diligence reviews.

Mr Nick Navarra B.Bus, CA is a Manager of LCF and was actively involved in the preparation of this Report. Mr Navarra has over 11 years experience in accounting, audit and corporate advisory activities including business, company and intangible asset valuations, the preparation of independent expert's reports, due diligence reviews, litigation support activities, capital raisings and the provision of advice in relation to merger, acquisition and divestment transactions.

Based on their experience, Messrs Fayad, Cornell and Navarra are considered to have the appropriate experience and professional qualifications to provide the advice offered.

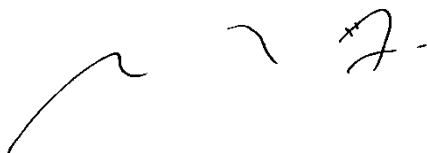
1.5. Conflicts of Interest

LCF has considered any conflicts of interest with respect to CAF, PAH, PAIS and their associates. LCF is not aware of any conflicts of interest.

LCF is entitled to receive a fee for the preparation of this Report. This fee is not contingent on the conclusion, content or future use of this Report. Our valuation has not been prepared based on the existence of a special purchaser that may be prepared to pay in excess of the fair market value. Any such premium represents the value to the potential acquirer of potential economies of scale, reduction in competition or other synergies arising from the acquisition of the business that would not be available to likely purchases generally. Special value is not normally considered in the assessment of fair market value as it relates to the individual circumstances of special purchases.

This section of the report sets out a summary only. We recommend that this Report be read in its entirety, which sets out in full the purpose, scope, basis of evaluation, details regarding the valuation methodologies adopted and the assumptions upon which the valuation calculations have been based, limitations, sources of information, analysis and our findings.

Yours sincerely,



Vince Fayad
Director



Peter Cornell
Director

2. Purpose, Scope and Limitations

2.1. Purpose of the Report

Our Report has been prepared at the request, and for the benefit, of the Directors of CAF, to assist them in complying with their duties in relation to the Proposed Transaction. We are advised that CAF intends to make the Report available to CAF shareholders.

We are advised that there are no regulatory requirements for the production of the Report and the Report does not purport to satisfy any particular regulatory requirement.

The Report was not prepared for any purpose other than that stated in this Report

LCF does not accept any responsibility to any person other than the Directors and shareholders of CAF for the use of our Report outside the stated purpose without the written consent of LCF. Except in accordance with the stated purpose, no extract, quote or copy of our Report, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

Apart from the Report, LCF is not responsible for the contents of any document or announcement associated with the Proposed Transaction.

2.2. Scope

LCF has undertaken its analysis and prepared our Report on the same basis that would apply (including adherence to regulatory guides issued by ASIC) as if our Report were to be provided to Non-associated Shareholders of CAF as an independent expert report in relation to the Proposed Transaction.

This Report was prepared in accordance with professional standard APES 225 Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited.

Fair market value

For the purposes of our opinion, the term “fair market value” is defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious purchaser, and a knowledgeable, willing, but not anxious vendor, acting at arm’s length.

Special value

We have not considered special value in forming our opinion. Special value is the amount that a potential acquirer may be prepared to pay for an asset in excess of the fair market value.

This premium represents the value to the particular potential acquirer of various factors that may include potential economies of scale, reduction in competition, other synergies and cost savings arising from the acquisition under consideration not available to likely purchasers generally. Special value is not normally considered in the assessment of fair market value as it relates to the individual circumstances of special purchasers.

By its very nature, the formulation of a valuation assessment necessarily contains significant uncertainties and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. There is therefore no indisputable value, and we normally express our opinion as falling within a likely range.

Current Market Conditions

Our opinion is based on economic, market and other conditions prevailing at the Valuation Date. Such conditions can change significantly over relatively short periods of time. Changes in those conditions may result in any valuation or other opinion becoming quickly out-dated and in need of revision. LCF reserves the right to revise any valuation or other opinion in the light of material information existing at the Valuation Date that subsequently becomes known to LCF.

2.3. Reliance on Information

This Report is based upon financial and other information provided by CAF and PIAS. LCF has considered and relied upon this information. LCF believes the information provided to be reliable, complete and not misleading, and we have no reason to believe that any material facts have been withheld.

The scope of the procedures we have undertaken in preparing our Report and forming our opinion has been limited to those procedures we believe were required in order to form our opinion. Our procedures in preparing this Report involved analysing financial information and accounting records. This did not include verification work nor constitute an audit or review in accordance with Australian Auditing and Assurance Standards and consequently does not enable us to become aware of all significant matters that might be identified in an audit or review. Accordingly, we do not express an audit or review opinion.

It was not our role to undertake, and we have not undertaken, any commercial, technical, financial, legal, taxation or other due diligence, other similar investigative activities or valuations in respect of the Proposed Transaction. LCF understands that the Directors of CAF have been advised by legal, accounting and other appropriate advisors in relation to such matters, as necessary. LCF does not provide any warranty or guarantee as to the existence, extent, adequacy, effectiveness and/ or completeness of any due diligence or other similar investigative activities by the Independent Directors and/or their advisors.

LCF does not provide any warranty or guarantee that its inquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. An opinion as to value is in the nature of an overall opinion, rather than an audit or detailed investigation and it is in this context that LCF advises that it is not in a position, nor is it practical for LCF, to undertake such an extensive verification exercise.

It is understood and assumed that, except where noted, the accounting information provided to LCF was prepared in accordance with generally accepted accounting principles (including adoption of equivalents to International Financial Reporting Standards) and prepared in a manner consistent with the method of accounting used by CAF in previous accounting periods.

2.4. Prospective Financial Information

In preparing the Report, LCF had regard to prospective financial information for the financial year ending 30 June 2013 in relation to PIAS (“**Prospective Financial Information**”). LCF understands that the Prospective Financial Information has been prepared as part of the ongoing management processes of PIAS.

For the purposes of our Report, LCF understands and has assumed that the Prospective Financial Information:

- has been prepared fairly and honestly, on a reasonable basis and is based on the best information available to the management and directors of CAF and PIAS and within the practical constraints and limitations of such information; and
- does not reflect any material bias either positive or negative.

We understand that the Prospective Financial Information has been based on assumptions concerning future events and market conditions and while prepared with due care and attention and the Directors consider the assumptions to be reasonable, future events and conditions are not accurately predictable and the assumptions and outcomes are subject to significant uncertainties. Actual results are likely to vary from the Prospective Financial Information and any variation may be materially positive or negative.

Accordingly, neither the Directors, CAF, PIAS, nor LCF guarantee that the Prospective Financial Information or any other prospective statement contained in the Report or otherwise relied upon will be achieved.

For present purposes, LCF has not been engaged to undertake an independent review of the Prospective Financial Information in accordance with Australian Auditing or Assurance standards, and has not undertaken such a review. However, in undertaking this engagement LCF has considered whether the Prospective Financial Information has a reasonable basis. As indicated previously, in preparing this Report, we have applied the same standards as would have been applicable if this Report were a publicly available independent expert report. Set out below are some of the factors that, in our opinion, support a conclusion that the Prospective Financial Information has a reasonable basis:

- a material portion of the Prospective Financial Information incorporates established trends in the businesses and current arrangements in place, for example:
 - Prospective Financial Information largely reflects an established history of operations, sales and profitability of the businesses; and/or
 - Prospective Financial Information reflects contractual or other forms of written arrangements in place to establish some surety as to future revenues;
- Prospective Financial Information is not based on business models that have yet to be proven and/or anticipated arrangements with customers, suppliers, or other parties that have yet to be confirmed;
- the reporting and budgeting processes of CAF and PIAS have been in place for some time and involve regular reporting of actual performance to budget variances, management follow up, input from senior management and that process itself is under continuous review;
- Prospective Financial Information is based on detailed models;
- Prospective Financial Information has been endorsed by the management and Directors of CAF and PIAS; and
- Prospective Financial Information makes appropriate allowance for known contingencies.

In order to ascertain the above, the scope of LCF's work in this regard has comprised the following:

- obtained details of the Prospective Financial Information and the process by which this information was prepared and determined the composition of the Prospective Financial Information;
- discussed with management the basis on which the Prospective Financial Information was formulated and where possible at a "desktop" level, evaluated such information by reference to past trading performance, and available evidence;
- reviewed any assumed growth over historical earnings, determining the source of growth and considered the relevant industry trends and the position of PIAS within the respective industry;
- enquired if the Prospective Financial Information has been adopted by the directors of CAF and PIAS;
- reviewed the most recently available monthly management accounts.

2.5. Assumptions

In forming our opinion, we have made certain assumptions as outlined below:

- that matters such as retention of key personnel, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed;
- any public information used in relation to CAF and PIAS and any other publicly available information relied on by us is accurate and up to date;
- information provided to us in relation to the Proposed Transaction, or any information issued by a statutory body is complete, accurate and fairly presented in all material respects;
- if the Proposed Transaction is implemented, it will be implemented in accordance with the terms disclosed to us; and
- the legal mechanisms to implement the Proposed Transaction are valid and effective.

3. Profile of Centrepont Alliance Limited

3.1. Business Overview

Centrepont Alliance Limited ("**CAF**" or the "**Company**") is an Australian public company listed on the Australian Securities Exchange ("**ASX**"). CAF is involved in the provision of a range of wealth management and insurance premium funding services.

CAF was established in 1991 by Martin Kane under the name Alliance Finance Corporation Limited and was based in Western Australia. The Company specialised in insurance premium funding and equipment finance.

In September 2005, the Company merged with Centrepont Finance Pty Limited, of which Rick Nelson was a co-founder. It was at this time that the Company changed its name to Centrepont Alliance Limited and specialised in finance broking, asset finance and insurance premium funding.

During the 2009 financial year, CAF disposed of its finance broking business and one of its two equipment finance operations. In December 2010, CAF acquired 100% of Centrepont Wealth Limited ("**Centrepont Wealth**") which owns Professional Investment Services ("**PIS**"), which is one of Australia's leading providers of financial advice and product solution distributed through one of the largest non-institutionally-owned finance advice networks in Australia.

Centrepont Wealth also provides fund management services, administration platform services and lending and financing services. Centrepont Wealth also holds investments in related operations in New Zealand, Singapore and Malaysia.

3.2. Board of Directors

Details regarding CAF's board of directors are set out below:

Mr Richard (Rick) John Nelson - Chairman

Mr Nelson began his career in finance with AGC in 1972. After reaching the position of regional credit manager, he joined Australia's largest Ford truck and car dealer, Denmac Ford, in the role of General Manager – Finance.

In 1982, Mr Nelson, with support from Denis McEniery, founded the Centrepont Finance group. The business is now 25 years old and has expanded nationwide. Before 2005, Centrepont Finance made two major acquisitions, resulting in the group becoming one of Australia's largest commercial finance brokers. Mr Nelson was Managing Director until he stepped aside to take on the Deputy Chairman's role in 2007.

Mr Tony Robinson - Managing Director

Mr Robinson joined CAF in July 2009 as Managing Director/CEO. Tony has experience in a number of industries but has most recently been involved in the financial services industry as Managing Director/CEO of IOOF Ltd for the period from 2007 to 2009 and prior to that as Managing Director/CEO of OAMPS Ltd for the period 2002 to 2007. Mr Robinson is also currently a Non-executive Director of Bendigo & Adelaide Bank Ltd.

Mr Noel Griffin - Non-Executive Director

Mr Griffin has been involved in the refrigerated transport industry since 1966. He has had extensive experience in management, operation and ownership of transport and agri-businesses. From 1982 to 1995, Mr Griffin was managing director of Refrigerated Roadways Pty Ltd which at one stage claimed status as the largest refrigerated carrier in Australia with assets of \$74 million, annual revenue of \$131 million, and 900 personnel. TNT acquired the company in 1995 and Noel served for two years on the executive council of TNT.

In addition to his interests in the transport industry, Mr Griffin was managing director and a shareholder of Table Grape Growers Pty Ltd from 1997 to 2001.

Mr Griffin is managing director of Prime Haulage Pty Ltd, a member of the Paccar Advisory Council and a life member of the World Presidents' Organisation.

Mr Christopher Castles - Non-Executive Director

Mr Castles established a financial planning practice in Ingham, North Queensland, in 1995. Prior to that he spent 13 years in the Royal Australian Air Force where his leadership qualities saw him rise to the rank of squadron leader.

Mr Castles is also a Certified Practicing Accountant and Certified Financial Planner, as well as a Fellow of the Australian Institute of Company Directors.

Mr Stephen Maitland - Non-Executive Director

Mr Maitland has over 30 years in the banking and finance industry, with a wide-ranging knowledge in areas such as strategic planning, businesses in transition, risk management and corporate governance. He is also a non-executive director of companies such as Australian Unity, Buderim Ginger Ltd, RACQ Ltd and various other private companies.

Mr Maitland's previous roles included CEO of the Queensland Office of Financial Supervision, a Statutory Authority that supervised Queensland's non-bank financial institutions.

In addition to his role as non-executive director on the CAF Board of Directors, Mr Maitland Chairs the Board Audit Committee and is a member of the Board Risk Committee.

Mr Maitland is also the Chairman of the Surf Life Saving Foundation and a member of CPA's Queensland Divisional Council.

Mr Matthew Kidman - Non-Executive Director

Mr Kidman specialises in corporate strategy, investor relations and capital markets, all key areas of focus for CAF as it builds its presence in the broad financial services market. Mr Kidman is also presently a director of:

- WAM Capital Limited;
- WAM Research Limited; and
- WAM Active Limited.

Mr Kidman is also a former director of Australian Leaders Fund Limited (formerly known as Wilson Leaders Fund Limited).

In addition to those roles, Mr Kidman has worked as a finance reporter for the Sydney Morning Herald between 1994 and 1998 and in 1997 he was appointed Investment Editor of that newspaper and was charged with the responsibility of company coverage for the newspaper. From the years 1998 to 2011, Mr Kidman worked at funds management group Wilson Asset Management, filling the roles of dealer, analyst, portfolio manager and chief executive officer. With 18 years experience in the finance industry Mr Kidman brings significant relevant experience to the Board. In addition to his role as a Non-Executive member of the CAF Board, Mr Kidman is a member of the Board Audit Committee and the Board Risk Committee.

Mr Ian Magee - Company Secretary & Chief Financial Officer

Mr Magee is a Chartered Accountant who began his career with Deloitte Touche Tohmatsu in London and was subsequently with PricewaterhouseCoopers in Australia. He has more than 20 years' experience in CFO and company secretary roles in ASX listed, public and private Australian companies in a variety of industries. He is a fellow of the Chartered Institute of Secretaries. Mr Magee was CFO and company secretary with Alliance for more than two years before the merger with Centrepont and has continued in the same role for the expanded group.

3.3. Share Structure & Trading History

As at the date of this Report, CAF had the following securities on issue:

Table 3: Securities on Issue

Class of Securities	Number of Issue	Note
Ordinary Shares	101,197,330	1
Partly Paid Shares	428,572	2
Options	2,500,000	3
Reserved Shares	(856,429)	4

Source: Annual report of CAF for the year ended 30 June 2011, half year report of CAF for the six months ended 31 December 2012, appendix 3B lodged by CAF with the ASX on 20 August 2012

Note 1: The top 20 holders of ordinary shares in CAF as at 23 August 2012 were as follows:

Table 4: Top 20 Ordinary Shareholders

Name of Shareholder	Ordinary Shares Held	% Held
Thorney Holdings Pty Ltd	10,397,161	10.27%
UBS Nominees Pty Ltd	9,845,446	9.73%
Aviva Overseas Holdings	7,731,684	7.64%
HSBC Custody Nominees (Australia) Limited	5,691,150	5.62%
RBC Investor Services Australia Nominees Pty Limited <BKCUST A/C>	5,582,371	5.52%
Bellglow Pty Ltd <BENNETTS FAMILY A/C>	3,399,872	3.36%
National Nominees Limited	2,028,763	2.00%
Soba Pty Ltd	1,932,360	1.91%
Ulton Financial Planning	1,685,170	1.67%
Griffen Fund Management Pty Ltd <NOEL GRIFFEN NO 2 S/F A/C>	1,319,239	1.30%
TOTAL TOP 10 SHAREHOLDERS	49,613,216	49.03%
Other Shareholders	51,584,114	50.97%
TOTAL SHAREHOLDERS	101,197,330	100.00%

Source: Share register of Centrepont Alliance Limited as at 23 August 2012

Note 2: On 21 December 2009, 3,000,000 ordinary shares were issued to Mr Tony Robinson (Managing Director) which are partly paid to \$0.21 of the total issue price of \$1.085 with the balance payable no later than 31 October 2012 subject to an earlier call by the Company. On 29 November 2010, these shares were consolidated on a 1:7 basis. Voting rights and dividend rights are proportional to the amount paid up on the shares.

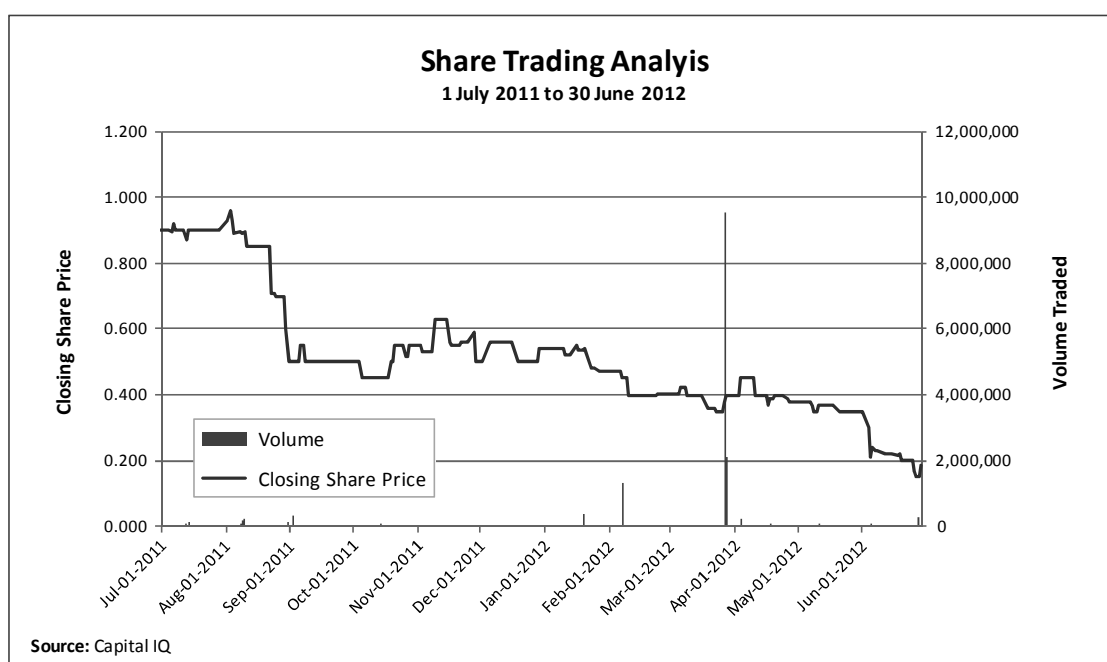
Note 3: On 17 August 2012, CAF issued the following options over ordinary shares of the Company as a performance incentive to a senior employee:

Description of Options	Number Issued	Exercise Price	Vesting Date	Expiry Date
Tranche 1	1,000,000	\$0.30	30/09/2014	31/12/2014
Tranche 2	400,000	\$0.40	30/09/2012	31/12/2016
Tranche 3	400,000	\$0.40	30/09/2013	31/12/2016
Tranche 4	450,000	\$0.40	30/09/2014	31/12/2016

Source: Appendix 3B lodged by CAF with the ASX on 20 August 2012

Set out below is a chart setting out movements in the share price and trading volumes pertaining to the ordinary shares of CAF during the period 1 July 2011 to 30 June 2012:

Figure 1: CAF Share Price & Trading Volumes



During the period 1 July 2011 to 30 June 2012, we note that the trading volumes of CAF shares have been low when compared to those of larger companies listed on the ASX.

For the period 1 June 2011 to 30 June 2012, the total number of CAF shares traded was 17,124,570, representing approximately 17.03% of the total average number of shares on issue by CAF during the period. We note that during the year to 30 June 2012, trading volumes on three days accounted for 12,944,316 (or 75.6%) of the total number of shares traded (i.e. 1.31 million shares on 7 February 2012, 9.53 million shares on 27 March 2012 and 2.11 million shares on 28 March 2012). The high volume of trading on 27 March 2012 was a result of TIGA Trading Pty Ltd and Thorney Holdings Pty Ltd purchasing a combined 7,552,749 shares in CAF on market.

Trading volumes in this range indicate that CAF's shares are not significantly liquid.

Set out below is a summary of the trading volumes, volume weighted average trading prices ("VWAP") and turnover of CAF's ordinary shares during the period 1 July 2011 to 30 June 2012:

Table 5: CAF Trading Analysis

Period	Volume	Value	VWAP	Average Shares On Issue	Turnover
1 Month	796,241	144,258	0.181	101,197,330	0.79%
2 Months	1,020,235	224,711	0.220	101,197,330	1.01%
3 Months	1,407,933	390,214	0.277	101,197,330	1.39%
6 Months	15,011,703	5,767,602	0.384	101,197,330	14.83%
12 Months	17,124,570	7,187,735	0.420	100,540,236	17.03%

Source: Capital IQ

We note that during the period 1 July 2012 to 7 August 2012 (i.e. the date before the announcement by CAF that it had entered into an agreement to dispose of PIAS), 4.53 million ordinary shares in CAF traded with a VWAP of \$0.176 per share.

We also note that during the period 1 July 2012 to 7 August 2012, trading volumes on two days accounted for 2.61 million (or 57.6%) of the total number of shares traded (i.e. 1.26 million shares on 31 July 2012 and 1.35 million shares on 3 August 2012).

Note 4: Reserved shares represent shares held by the CAF Employee Share Plan for awards made to CAF employees. These shares were issued or acquired by the CAF Employee Share Plan Trust in 2008 and 2009. All shares are now fully vested and may be acquired by the nominated senior employees by payment of agreed sums before expiry dates ranging from 31 December 2012 to 31 October 2014. Any shares not acquired will be disposed of by the CAF Employee Share Plan Trust.

3.4. Historical Income Statements

Set out below are the historical income statements of CAF for the years ended 30 June 2010, 30 June 2011 and 30 June 2012:

Table 6: Historical Income Statements of CAF

Australian Dollars	Year Ended 30 June		
	2010 (Audited)	2011 (Audited)	2012 (Preliminary)
Continuing Operations			
Advice & Product Margin Revenue	212,200,000	184,869,000	172,689,000
Advice & Product Commissions Paid	(163,664,000)	(141,609,000)	(131,975,000)
Gross Profit	48,536,000	43,260,000	40,714,000
Gross Profit Margin	22.87%	23.40%	23.58%
Interest Revenue	2,396,000	9,075,000	14,201,000
Other Revenue	8,412,000	5,983,000	7,175,000
Borrowing Expenses	3,609,000	4,718,000	5,451,000
Client Claims	5,537,000	11,936,000	16,736,000
Depreciation & Amortisation	1,646,000	1,685,000	2,106,000
Employee Benefits Expense	23,645,000	23,471,000	24,753,000
Impairment Expense	(3,703,000)	3,839,000	1,760,000
Other Expenses	13,365,000	13,307,000	12,371,000
Professional Consulting Fees	5,367,000	6,522,000	9,206,000
Property Costs	6,324,000	5,121,000	4,216,000
Total Expenses	55,790,000	70,599,000	76,599,000
Net Profit / (Loss) Before Income Tax	3,554,000	(12,281,000)	(14,509,000)
Income Tax Recovery / (Expense)	(2,239,000)	(844,000)	(2,774,000)
Net Profit / (Loss) After Income Tax	1,315,000	(13,125,000)	(17,283,000)

Source: Annual report for the year ended 30 June 2011 and preliminary financial report for the year ended 30 June 2012 of Centrepont Alliance Limited; LCF analysis

3.5. Historical Statements of Financial Position

Set out below are the historical statements of financial position of CAF as at 30 June 2010, 30 June 2011 and 30 June 2012:

Table 7: Historical Statements of Financial Position of CAF

Australian Dollars	As at 30 June		
	2010 (Audited)	2011 (Audited)	2012 (Preliminary)
ASSETS			
Current Assets			
Cash & Cash Equivalents	16,726,000	20,420,000	14,621,000
Trade & Other Receivables	29,310,000	26,184,000	23,895,000
Interest Bearing Receivables	3,629,000	88,562,000	95,299,000
Inventory	36,000,000	-	-
Other Assets	4,324,000	5,115,000	4,155,000
Total Current Assets	89,989,000	140,281,000	137,970,000
Non-Current Assets			
Trade & Other Receivables	2,948,000	655,000	562,000
Interest Bearing Receivables	11,832,000	8,053,000	1,044,000
Other Assets	1,832,000	1,810,000	1,784,000
Investments	2,831,000	1,425,000	166,000
Property, Plant & Equipment	2,406,000	2,546,000	1,814,000
Intangible Assets & Goodwill	9,087,000	6,332,000	8,011,000
Deferred Tax Assets	9,224,000	9,801,000	7,297,000
Total Non-Current Assets	40,160,000	30,622,000	20,678,000
TOTAL ASSETS	130,149,000	170,903,000	158,648,000
LIABILITIES			
Current Liabilities			
Trade & Other Payables	43,712,000	43,414,000	40,866,000
Interest Bearing Liabilities	36,850,000	65,928,000	64,990,000
Provisions	7,169,000	9,191,000	7,422,000
Current Tax Liability	284,000	351,000	247,000
Total Current Liabilities	88,015,000	118,884,000	113,525,000
Non-Current Liabilities			
Trade & Other Payables	2,409,000	461,000	328,000
Interest Bearing Liabilities	4,771,000	1,114,000	253,000
Provisions	3,799,000	8,332,000	17,380,000
Total Non-Current Liabilities	10,979,000	9,907,000	17,961,000
TOTAL LIABILITIES	98,994,000	128,791,000	131,486,000
NET ASSETS	31,155,000	42,112,000	27,162,000
Equity			
Contributed Equity	36,862,000	68,140,000	28,675,000
Reserves	(842,000)	(1,434,000)	(1,405,000)
Accumulated Losses	(11,662,000)	(24,989,000)	-
Equity Attributable to Shareholders	24,358,000	41,717,000	27,270,000
Non-Controlling Interests	6,797,000	395,000	(108,000)
TOTAL EQUITY	31,155,000	42,112,000	27,162,000

Source: Annual report for the year ended 30 June 2011 and preliminary financial report for the year ended 30 June 2012 of Centrepoint Alliance Limited; LCF analysis

3.6. Historical Statements of Cash Flows

Set out below are the historical statements of cash flows of CAF for the years ended 30 June 2010, 30 June 2011 and 30 June 2012:

Table 8: Historical Statements of Cash Flows of CAF

Australian Dollars	Year Ended 30 June		
	2010 (Audited)	2011 (Audited)	2012 (Preliminary)
Cash Flows from Operating Activities			
Cash Receipts from Customers	228,340,000	207,766,000	204,707,000
Cash Paid to Suppliers & Employees	(213,082,000)	(197,777,000)	(200,107,000)
Cash Provided by Operations	15,258,000	9,989,000	4,600,000
Claims & Litigation Settlements	(10,995,000)	(19,522,000)	(11,237,000)
Cash on Sale of Property Inventory	-	36,500,000	-
Income Tax Refunded / (Paid)	2,860,000	(653,000)	(1,528,000)
Net Cash Flows (Used In)/Provided by Operating Activities	7,123,000	26,314,000	(8,165,000)
Cash Flows from Investing Activities			
Interest Received	2,148,000	2,850,000	1,932,000
Proceeds from Sale of Investments	1,276,000	-	1,656,000
Cash Acquired on Acquisitions	-	18,927,000	3,542,000
Cash Disposed on Redesignation of Subsidiaries to Associates	-	(3,006,000)	-
Acquisition of Investments & Intangibles	(101,000)	-	(1,554,000)
Acquisition of Property, Plant & Equipment	(668,000)	(390,000)	(444,000)
Proceeds from Sale of Property, Plant & Equipment	366,000	-	-
Net Cash Flows (Used In)/Provided by Investing Activities	3,021,000	18,381,000	5,132,000
Cash Flows from Financing Activities			
Interest & Borrowing Expenses Paid	(3,082,000)	(4,874,000)	(518,000)
Net Increase / (Decrease) in Borrowings	(2,535,000)	(36,258,000)	4,702,000
Net (Increase) / Decrease in Loan Funds Advanced	440,000	(286,000)	(5,914,000)
Loans Recognised on Redesignation of Subsidiaries to Associates	-	-	-
Dividends Paid	-	-	(1,084,000)
Proceeds from Issuance of Share Capital	22,000	4,120,000	-
Return of Capital	-	(3,873,000)	-
Net Cash Flows (Used In)/Provided by Financing Activities	(5,155,000)	(41,171,000)	(2,814,000)
Net Increase / (Decrease) in Cash & Cash Equivalents	4,989,000	3,524,000	(5,847,000)
Cash & Cash Equivalents at the Beginning of the Period	11,676,000	16,726,000	20,420,000
Effect of Exchange Rate Fluctuations on Cash Held	61,000	170,000	48,000
Cash & Cash Equivalents at the End of the Period	16,726,000	20,420,000	14,621,000

Source: Annual report for the year ended 30 June 2011 and preliminary financial report for the year ended 30 June 2012 of Centrepont Alliance Limited; LCF analysis

3.7. Review of Historical and Forecast Financial Information

CAF has experienced an overall trend of deepening losses over the two years to 30 June 2012, with total advice and product margin revenue declining from \$212.20 million during the year ended 30 June 2010 to \$172.69 million during the year ended 30 June 2012, representing an annualised rate of decline of approximately 9.8%. CAF experienced a particularly significant revenue decline of 12.9% during the financial year ended 30 June 2011.

Revenue decline during the three years to 30 June 2012 may be attributable to the following:

- management's focus on historical compliance matters and the EU, which has drawn management resources away from business expansion of top line growth;
- loss of key advisors during the period; and
- reduction in funds under management as a consequence of investment market declines and an adverse economic climate.

Additionally, the revenue decline has taken place despite significant inorganic acquisition growth. During the year ended 30 June 2012 CAF completed the following transactions which, ceteris paribus, would be expected to expand CAF group revenue:

- acquisition of the remaining 83% of Ventura Investment Management Limited ("VIML") on 16 August 2011, for consideration of \$3.79 million;
- acquisition of 100% ownership of Mentor Investment Services Limited platform business on 30 December 2011; and
- acquisition of remaining 50% stake in Australian Loan Company Ltd for \$1.3 million on 10 November 2011.

The following table sets out a summary of our analysis regarding historical revenue and gross profits during the years ended 30 June 2010, 2011 and 2012.

Table 9: Revenue and Gross Profit Analysis

Australian Dollars	2010 (Audited)	2011 (Audited)	2012 (Preliminary)
Advice & Product Margin Revenue	212,200,000	184,869,000	172,689,000
Advice & Product Commissions Paid	(163,664,000)	(141,609,000)	(131,975,000)
Gross Profit	48,536,000	43,260,000	40,714,000
<i>Gross Profit Margin</i>	22.87%	23.40%	23.58%
Revenue Growth (\$)	n/a	(27,331,000)	(12,180,000)
Revenue Growth (%)	n/a	-12.88%	-6.59%
Gross Profit Growth (\$)	n/a	(5,276,000)	(2,546,000)
Gross Profit Growth (%)	n/a	-10.87%	-5.89%
Gross Profit Margin Improvement	n/a	0.53%	0.18%

Source: Annual report for the year ended 30 June 2011 and preliminary financial report for the year ended 30 June 2012 of Centrepont Alliance Limited; LCF analysis

In addition to the overall revenue decline trend, CAF experienced decreases in gross profit during the two years to 30 June 2012, representing an average annualised decrease of 8.41%. The gross profit margin of CAF appears to be reasonably stable across the three years to 30 June 2012, achieving a slight improvement of 0.7%.

Overall, net profit before income tax ("NPBT") declined from \$3.55 million for the year ended 30 June 2010 to a loss of \$14.51 million for the year ended 30 June 2012. The NPBT decline over the two years was a result of both declining revenue and increasing expenses, which increased by 26.5% in the year

to 30 June 2011 and 8.5% in the year to 30 June 2012. Table 10 presents an analysis of NPBT with significant legacy related expenses removed.

Table 10: NPBT Analysis

Australian Dollars	Year Ended 30 June		
	2010 (Audited)	2011 (Audited)	2012 (Audited)
Net Profit / (Loss) Before Income Tax ("NPBT")	3,554,000	(12,281,000)	(14,509,000)
Major Legacy related expenses			
Add: Legacy client claims	5,537,000	11,936,000	16,736,000
Add: Professional fees related to EU	-	530,000	3,663,000
Add: Asset impairments	(3,703,000)	3,839,000	1,760,000
NPBT excluding legacy related expenses	5,388,000	4,024,000	7,650,000

Source: Annual report for the year ended 30 June 2011 and Preliminary financial report for the year ended 30 June 2012 of Centrepont Alliance Limited; LCF analysis

CAF has been severely impacted by legacy issues relating to the PIS advisory services business, with which CAF merged in December 2010. The following PIS legacy issues have weighed heavily on CAF's operating results:

- CAF has been subject to client claims emanating from advice provided in 2008 and prior years. The client claims recorded through profit and loss include amounts in relation to claims settled, outstanding unsettled claims and a provision for unreported client claims;
- CAF has incurred substantial professional fees in relation to the EU with the ASIC. CAF has undertaken substantial remedial compliance policy and process redesign and implementation in response to the EU. In addition, CAF engaged an independent expert to provide independent evaluation of CAF's compliance with the EU. The final experts report was submitted to the ASIC in April 2012; and
- Asset impairments predominately relating goodwill recognised on acquisition of businesses, other intangible assets recognised on acquisitions and loans to related parties have been taken up by CAF.

NPBT excluding legacy related expenses improved from \$5.39 million in the year ended 30 June 2010 to \$7.65 million in the year ended 30 June 2012. This increase is likely due to the significant acquisition activity noted above; a concerted focus on cost management and reduction during the year ended 30 June 2012, as well as noteworthy growth in the insurance policy funding and financial products business segments.

We note that CAF's insurance policy funding and financial product business segments recorded positive results for the year ended 30 June 2012. Centrepont Alliance Premium Funding Pty Ltd ("CAPF"), which comprises CAF's insurance premium funding operations, recorded net profit of \$1.64 million in the year ended 30 June 2012, up from \$558,000 in the year ended 30 June 2011. CAF's financial products segment, CPW Group also recorded a profit of \$1.07 million during the year ended 30 June 2012, which increased from \$1.02 million in the year ended 30 June 2011.

The management of CAF are optimistic about the financial results outlook for the year ending 30 June 2013, stating the following in the CAF preliminary 30 June 2012 financial report:

"Considerable progress has been made across the Group and particularly in the Centrepont Wealth division to re-organise, reposition and strengthen the core business operations.

The insurance premium funding division is expected to continue its strong performance in the coming year.

Based on July 2012 results the business is on track to achieve budgeted profits for 2012/13." (CAF Financial Preliminary Report and Appendix 4E Report released 31 August 2012)

4. Profile of Professional Advisory Holdings Limited

4.1. Business Overview

Professional Advisory Holdings Limited ("**PAH**") is a Singaporean public company which was incorporated on 26 September 2001. PAH acts solely as a holding company for the investment in Professional Investment Advisory Services Pte Ltd ("**PIAS**").

PIAS is a private company based in Singapore which was incorporated on 26 September 2001. PIAS is involved in the provision of a range of financial advisory services and solutions and is one of the leading firms operating in its segment in Singapore.

PIAS' services include, but are not limited to, the following areas:

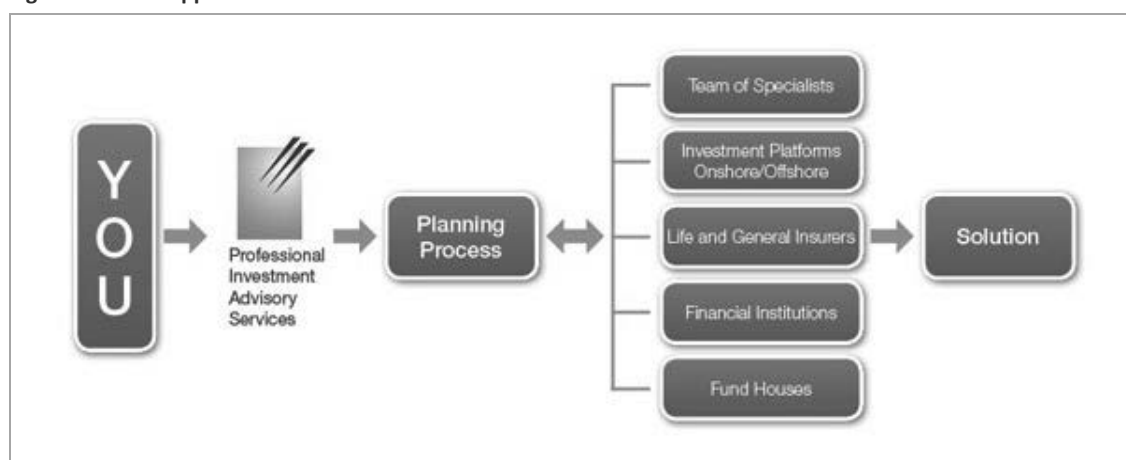
Table 11: PIAS' Services

For Individuals & Families	For Corporate & Business Owners
Investment Planning	Corporate Pension Plans
Risk Insurance Planning	Corporate Investment
Retirement Planning	Employee Benefits Schemes
General Insurance	Business Risk Management
Children's Educational Planning	Key Man Insurance
CPF Investment Strategies	Debtor's Insurance Planning
Taxation Planning (Referral Services)	Guarantor Insurance
Estate Planning (Referral Services)	

Source: PIAS Website www.proinvest.com.sg

PIAS operates through a network of over 330 financial advisors representatives, accountants and life insurance brokers in Singapore. Together, these advisors represent 18 branches within the Singapore market. PIAS's approach is represented in the following table:

Figure 2: PIAS's Approach



Source: PIAS Website www.proinvest.com.sg

4.2. Board of Directors

Details regarding PIAS's board of directors are set out below:

Mr Grahame Evans - Chairman

As Managing Director of PAH, Mr Evans is directly responsible for all Australian and overseas companies. He has been with PIAS for five years. Mr. Evans is a 35 year veteran of the financial services industry, having held senior management roles with various life insurance, superannuation and funds management businesses.

Mr David Bellingham - CEO, Director & Responsible Officer

Mr Bellingham, as Chief Executive Officer, Director and Responsible Officer is directly responsible for leading the Singapore business strategically and operationally. He has extensive financial services experience in senior executive and leadership positions across the Asia region, in Australia and delivered strategic input to companies in the UK and Europe. He commenced his financial services career as a financial adviser and owned and ran a successful practice in Sydney, Australia in the 1990s before moving into management. Mr Bellingham joined PIAS in 2010 to take on the CEO role and brings his experience, strategic focus and people management skills to the position. He also holds a Bachelor of Applied Science, a Masters of Business Administration and numerous Financial Services Diplomas.

Mr Patrick Cunningham - Director

Mr Cunningham has spent over three decades in the financial markets and financial services sectors. He spent 17 years with BT Funds Management in funds management and money market activities. For the past six years he has worked as a consultant to fund managers, financial advisers and accountants. Mr Cunningham has been a Director of PIAS since inception.

Mr Edy Hartono - Director

Mr. Edy Hartono has 11 years of experience in the financial services industry. Prior in setting up his practice with PIAS in 2005, he was with a major life insurance company and achieved the prestigious Million Dollar Round table from years 2000 to 2004. Mr. Edy Hartono was appointed as a Director of PIAS in February 2009. He has brought valuable insight and sound judgement from his considerable experience in commerce and financial advisory practice.

4.3. Corporate Structure

As at the date of this Report, PAH had the following shares on issues:

Table 12: Securities on Issue

Class of Securities	Total Number on Issue	Number Held by CAF	Percentage Held by CAF
Ordinary Shares	250,100	160,100	64.01%
Preference Shares	5,119,913	4,694,913	91.70%
TOTAL SHARES	5,370,013	4,855,013	90.41%

Source: Business profile report issued by the Accounting & Corporate Regulatory Authority of Singapore on 12 December 2011; LCF analysis

We have been advised by management of PAH, that at an extraordinary general meeting of shareholders of PAH held on 18 July 2012, it was resolved that:

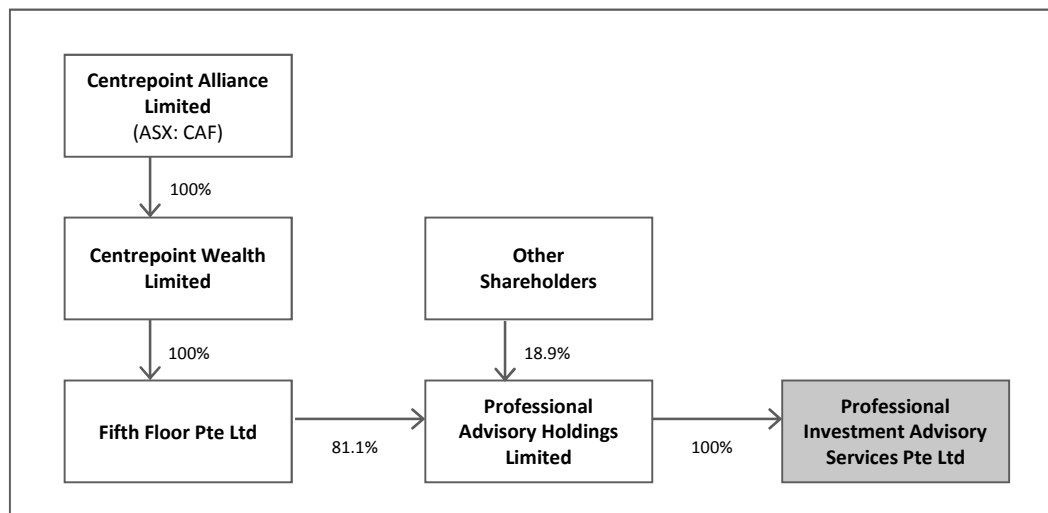
- all preference shares on issues would be cancelled and ordinary shares were to be issued to those preference shareholders on a 1:1 basis; and
- CAF will transfer 499,797 of the ordinary shares it holds in PAH to existing shareholders for a nominal amount.

LCF has been advised as at the date of this Report, the above transactions had yet to be finalised.

Nevertheless, this Report has been based on the basis that the above transactions have been completed. Accordingly, it is assumed that CAF interest in PAH as at the date of this Report amounts to 81.1%.

The corporate structure of PAH/PIAS, on the basis that the above mentioned transactions have been completed, is set out below:

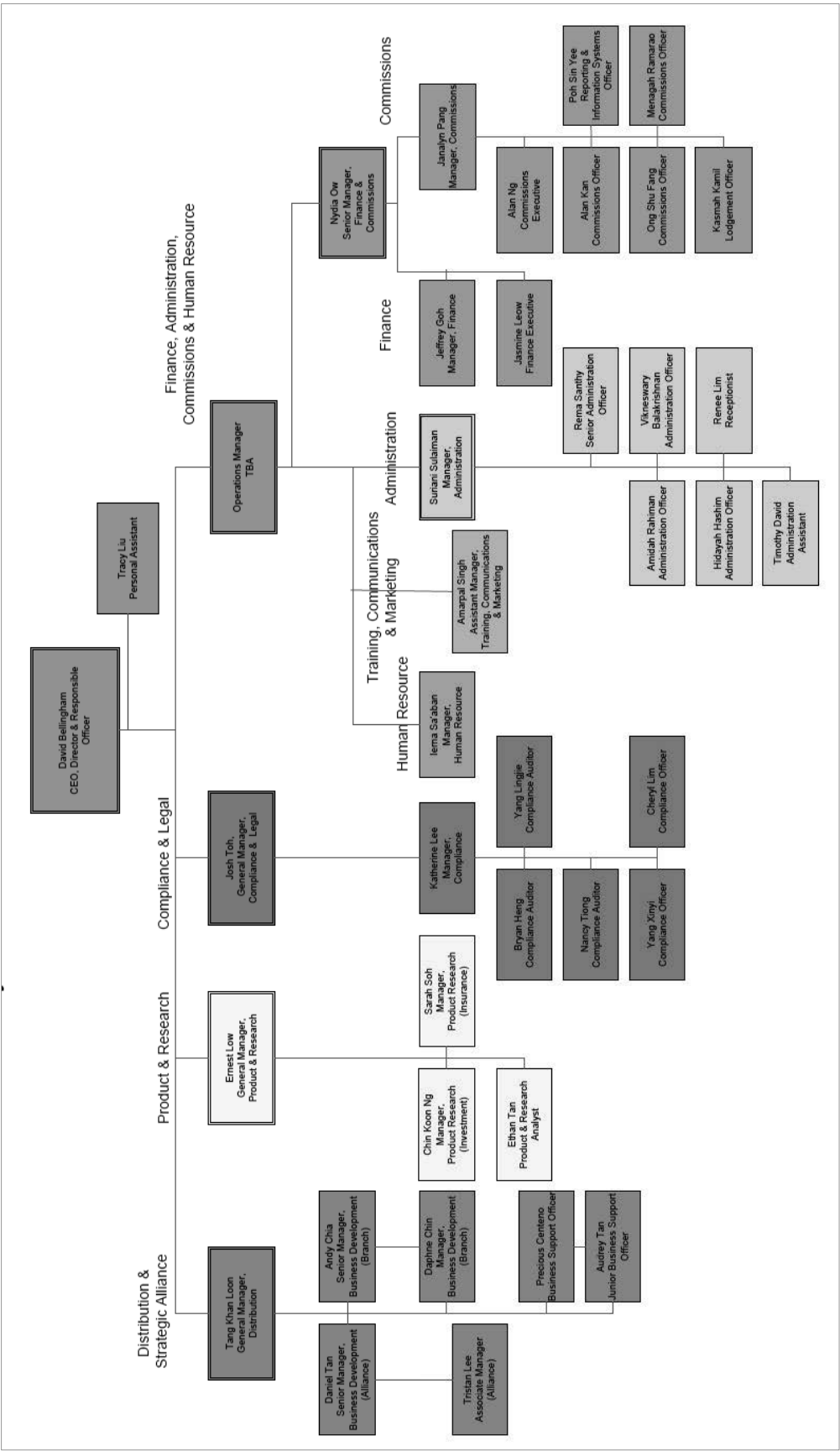
Figure 3: Corporate Structure of PIAS



4.4. Operating Structure

The following diagram sets out the operating structure of PIAS as at the date of this Report.

Figure 4: PIAS - Operating Structure



Source: Management of PIAS

4.5. Historical and Forecast Financial Performance

Set out below are the historical and budgeted income statements of PIAS for the years ended/ending 30 June 2010 to 20 June 2013:

Table 13: Historical and Budgeted Income Statements of PIAS

Singapore Dollars	Year Ended / Ending 30 June			
	2010 (Actual)	2011 (Actual)	2012 (Actual)	2013 (Budget)
Revenue	27,413,801	30,693,912	35,168,532	41,646,072
Cost of Revenue	(23,712,354)	(27,078,172)	(29,543,865)	(35,114,400)
Gross Profit	3,701,447	3,615,740	5,624,667	6,531,672
<i>Gross Profit Margin</i>	<i>13.50%</i>	<i>11.78%</i>	<i>15.99%</i>	<i>15.68%</i>
Other Income	9,894	3,625	(1,891)	3,500
Communications	76,192	72,759	80,838	82,773
Depreciation	275,843	271,252	262,481	270,267
Foreign Exchange Loss	20,581	61,005	(35,394)	-
Insurance	210,956	191,290	217,299	200,890
Marketing & Promotion	167,580	121,148	91,545	529,850
Other Expenses	207,979	216,292	290,491	292,543
Professional Fees	87,981	75,936	176,639	127,000
Rental	1,493,090	878,224	1,272,433	1,308,178
Salaries & Wages	2,513,298	2,959,265	3,173,542	3,147,743
Total Expenses	5,053,500	4,847,171	5,529,874	5,959,244
Net Profit / (Loss) Before Income Tax	(1,342,159)	(1,227,806)	92,902	575,928
Income Tax Recovery / (Expense)	23,786	30,537	-	-
Net Profit / (Loss) After Income Tax	(1,318,373)	(1,197,269)	92,902	575,928

Source: Audited financial statements for the year ended 30 June 2011, unaudited management accounts for the year ended 30 June 2012 and budget for the year ending 30 June 2013 of Professional Investment Advisory Services Pte Ltd; LCF analysis

4.6. Historical Statements of Financial Position

Set out below are the historical statements of financial position of PIAS as at 30 June 2010, 2011 and 2012:

Table 14: Historical Statements of Financial Position of PIAS

Singapore Dollars	As at 30 June		
	2010 (Actual)	2011 (Actual)	2012 (Actual)
ASSETS			
Current Assets			
Cash & Cash Equivalents	663,909	1,569,849	2,724,684
Trade & Other Receivables	4,514,537	5,597,831	6,453,850
Other Current Assets	-	-	46,102
Total Current Assets	5,178,446	7,167,680	9,224,636
Non-Current Assets			
Other Receivables	200,000	-	-
Property, Plant & Equipment	595,145	405,249	165,042
Intangible Assets	1,681,414	1,681,414	1,681,414
Total Non-Current Assets	2,476,559	2,086,663	1,846,456
TOTAL ASSETS	7,655,005	9,254,343	11,071,092
LIABILITIES			
Current Liabilities			
Trade & Other Creditors	3,734,258	5,942,598	7,874,815
Amounts Due to Related Party	430,097	208,364	-
Total Current Liabilities	4,164,355	6,150,962	7,874,815
Non-Current Liabilities			
-	-	-	-
Total Non-Current Liabilities	-	-	-
TOTAL LIABILITIES	4,164,355	6,150,962	7,874,815
NET ASSETS	3,490,650	3,103,381	3,196,277
Equity			
Share Capital	4,863,763	5,673,763	5,673,758
Preference Share Capital	2,300,000	2,300,000	2,300,000
Retained Earnings / (Accumulated Losses)	(3,673,113)	(4,870,382)	(4,777,481)
TOTAL EQUITY	3,490,650	3,103,381	3,196,277

Source: Audited financial statements for the year ended 30 June 2011 and unaudited management accounts for the year ended 30 June 2012 of Professional Investment Advisory Services Pte Ltd; LCF analysis

4.7. Review of Historical and Forecast Financial Information

Revenue & Gross Profit

Set out below is our high level analysis of PIAS' revenue and gross profit growth during the years ended 30 June 2010 to 30 June 2012 and the forecast year ending 30 June 2013:

Table 15: Revenue and Gross Profit Analysis

Singapore Dollars	Year Ended / Ending 30 June			
	2010 (Actual)	2011 (Actual)	2012 (Actual)	2013 (Budget)
Profit & Loss Analysis				
Revenue	27,413,801	30,693,912	35,168,532	41,646,072
Revenue Growth (\$)	n/a	3,280,111	4,474,620	6,477,540
Revenue Growth (%)	n/a	11.97%	14.58%	18.42%
Gross Profit	3,701,447	3,615,740	5,624,667	6,531,672
Gross Profit Growth (\$)	n/a	(85,707)	2,008,927	907,005
Gross Profit Growth (%)	n/a	-2.32%	55.56%	16.13%
Gross Profit Margin (%)	13.50%	11.78%	15.99%	15.68%
Gross Profit Margin Growth	n/a	-1.72%	4.21%	-0.31%

Source: Audited financial statements for the year ended 30 June 2011, unaudited management accounts for the year ended 30 June 2012 and budget for the year ending 30 June 2013 of Professional Investment Advisory Services Pte Ltd; LCF analysis

As can be seen from the above table, revenue generated by PIAS has shown strong growth over the last two years, increasing by 11.97% for the year ended 30 June 2011 and 14.58% for the year ended 30 June 2012. This level of growth has exceeded overall market trends during the same period.

Revenue is expected to continue to grow for the year ended 30 June 2013 to SGD\$41.6 million, representing growth of 18.42% over the year ended 30 June 2012. This growth is expected to be driven by:

- expected inflation in Singapore of 5%;
- active representation management focussing on representative productivity and activity;
- running of corporate level activities to generate new business opportunities;
- improved management of average productivity and restructuring of work force;
- partnering with new funds; and
- the recruitment of new representatives and opening of two new offices;
- assumption of acceptance by regulator of Stamford report, allowing for raising of cap from 360 reps to 390 representatives;
- per adviser productivity increasing;-assets under management net flat (inflows versus existing assets growth/decline) leading to consistent recurrent platform revenue;
- other income increased from maintenance of product provider sponsorships, and increase in product provider overrides; and
- continued industry trend away from tied agency and towards financial advisers and banks.

In addition to the overall revenue growth trend and despite a slight decline in gross profit for the year ended 30 June 2011, PIAS has experienced an overall increasing trend in gross profit in the two years ended 30 June 2012. Gross profit margin for the year ended 30 June 2011 decreased to 11.78% compared to 13.5% in the previous year, before increasing to 15.99% for the year ended 30 June 2012.

This increase in gross profit margin was driven by the implementation of a margin adjustment from 1 September 2011, in the form of a 2% change to representatives. We have been advised that this enhanced margin is to be retained at this level.

Overhead Expenses

Set out below is our high level analysis of PIAS' overhead expenses during the years ended 30 June 2010 to 30 June 2012 and the forecast year ending 30 June 2013:

Table 16: Overhead Expenses Analysis

Singapore Dollars	Year Ended / Ending 30 June			
	2010 (Actual)	2011 (Actual)	2012 (Actual)	2013 (Budget)
Communications	76,192	72,759	80,838	82,773
Movement (\$)	n/a	(3,433)	8,079	1,935
Movement (%)	n/a	-4.51%	11.10%	2.39%
Depreciation	275,843	271,252	262,481	270,267
Movement (\$)	n/a	(4,591)	(8,771)	7,786
Movement (%)	n/a	-1.66%	-3.23%	2.97%
Foreign Exchange Loss	20,581	61,005	(35,394)	-
Movement (\$)	n/a	40,424	(96,399)	35,394
Movement (%)	n/a	196.41%	-158.02%	-100.00%
Insurance	210,956	191,290	217,299	200,890
Movement (\$)	n/a	(19,666)	26,009	(16,409)
Movement (%)	n/a	-9.32%	13.60%	-7.55%
Marketing & Promotion	167,580	121,148	91,545	529,850
Movement (\$)	n/a	(46,432)	(29,603)	438,305
Movement (%)	n/a	-27.71%	-24.44%	478.79%
Other Expenses	207,979	216,292	290,491	292,543
Movement (\$)	n/a	8,313	74,199	2,052
Movement (%)	n/a	4.00%	34.31%	0.71%
Professional Fees	87,981	75,936	176,639	127,000
Movement (\$)	n/a	(12,045)	100,703	(49,639)
Movement (%)	n/a	-13.69%	132.62%	-28.10%
Rental	1,493,090	878,224	1,272,433	1,308,178
Movement (\$)	n/a	(614,866)	394,209	35,745
Movement (%)	n/a	-41.18%	44.89%	2.81%
Salaries & Wages	2,513,298	2,959,265	3,173,542	3,147,743
Movement (\$)	n/a	445,967	214,277	(25,799)
Movement (%)	n/a	17.74%	7.24%	-0.81%
Total Expenses	5,053,500	4,847,171	5,529,874	5,959,244
Total Expenses Growth (\$)	n/a	(206,329)	682,703	429,370
Total Expenses Growth (%)	n/a	-4.08%	14.08%	7.76%

Source: Audited financial statements for the year ended 30 June 2011, unaudited management accounts for the year ended 30 June 2012 and budget for the year ending 30 June 2013 of Professional Investment Advisory Services Pte Ltd; LCF analysis

As identified in the above table, total overhead expenses increased by approximately 9.4% from the year ended 30 June 2010 to the year ended 30 June 2012. Overhead expenses are expected to increase by a further 7.76% for the year ended 30 June 2013 substantially driven by an increase in marketing and promotion costs.

This increase in marketing and promotion costs is expected substantially as a result of returning all marketing functions from Australia to the local office.

Professional fees also contributed to the increase in expenses during the year ended 30 June 2012. Increased legal fees in the amount of approximately SGD\$82,000 during the year ended 30 June 2012 relating to a dispute with an ex-advisor contributed to this overall increase.

Rental expenses decreased substantially during the year ended 30 June 2011 from SGD\$1.49 million to SGD\$0.88 million. This decrease was a result of PIAS moving premises in July 2010 with more favourable lease terms. The subsequent increase during the year ended 30 June 2012 was a result of a ceasing rental holiday in September 2011. Rental expenses are expected to increase by 2.81% for the year ended 30 June 2013.

Employment expenses increased from SGD\$2.5 million for the year ended 30 June 2010 to SGD\$2.96 million for the year ended 30 June 2011, representing an increase of 17.74%. Employment expenses increased by a further 7.24% for the year ended 30 June 2012. These increases were driven by increasing staff numbers and the fact that PIAS only had a CEO for part of the 2010 year. A slight decrease in employment expenses of 0.81% is expected for the year ended 30 June 2013 due to a reduction in head count and changes to certain middle management positions.

5. Industry Overview – Financial Planning and Investment Advice in Singapore

As outlined in Section 3.1 of this report, PIAS is engaged in the Singaporean financial planning and investment advice industry. PIAS manages a network of financial planning and investment advisers in Singapore, providing clients with a range of wealth management, insurance and corporate advisory services. The company operates within the globalised, highly competitive and highly regulated financial services industry.

Set out below is an overview of the industry in which PIAS operates, being the Singaporean financial planning and investment advice industry.

5.1. Market Characteristics & Segmentation

The Singaporean financial services industry is mature, characterised by a high degree of industry competition and a low concentration of ownership amongst industry participants. In addition, the industry is highly regulated and participants contend with a significant compliance burden.

Having been severely impacted by the global financial crisis (“GFC”) in 2008, participants within the industry are recovering and growing. Within the Singaporean funds management industry, total assets under management (“AUM”) of asset managers that responded to the MAS industry survey at 31 December 2011 was SGD\$1.34 trillion (approximately A\$1.02 trillion), representing a five year average AUM growth rate of 11% per annum. In addition, the number of investment professionals within survey participants increased by 39% from 2,185 in 2007 to 3,052 in 2011. These indicators reflect a resilient and flexible local industry against the backdrop of an uncertain global economic climate.

Despite its client focused marketing approach, the industry has traditionally played a dual role; acting both to service consumers, as well as a distribution arm for providers of financial products. This dual role has come under increased scrutiny as consumers and regulators perceive fundamental conflict of interest issues underlying the industry.

Industry participants typically derive their revenue from a combination of fee-for-service compensation and commission-based structures. The Singaporean industry lags behind many other more developed industries in that participants continue to derive a significant proportion of their revenue from commission based structures (by comparison, the UK and Australia are moving towards fee-based models and have banned commission payments from product manufacturers to financial institutions except in the case of pure-protection products).

The Monetary Authority of Singapore (“MAS”) is Singapore’s central bank, as well as the primary financial services industry regulator and prudential regulation authority. The MAS enforces the Financial Advisors Act 2002 (“FAA”) to provide consistent regulation of financial advisory businesses, including advice arms of insurance companies, banks, stockbrokers and financial advisory firms.

On 26 March 2012, the MAS announced a comprehensive governmental review of the financial advice industry, called the “Financial Advisory Industry Review” (“FAIR”). According to the MAS, the FAIR review panel will review and propose recommendations to achieve the following main objectives:

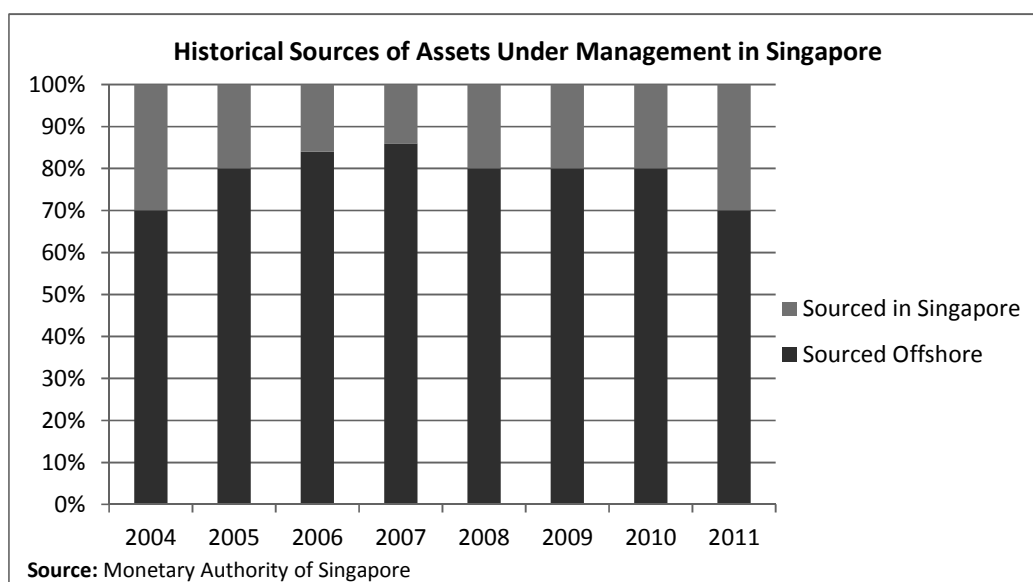
- Raise the competence of financial advisory representatives;
- Raise the quality of financial advisory firms;
- Make financial advisory a dedicated service;
- Lower distribution costs; and
- Promote a culture of fair dealing

More broadly, the MAS aims to address industry issues of conflicts of interest, transparency and duty to clients. The Singaporean financial advice industry has been historically focused on a commission based remuneration and distribution model. The MAS has flagged the possibility that the Singaporean government may regulate the industry to move away from the tiered commission revenue structure, towards a fee-for-service based model. The outcome of the FAIR is likely to have a significant impact on the Singaporean financial planning and investment advice industry.

Within the broader asset management industry, more than 70% of total AUM was sourced from outside Singapore in the year ended 31 December 2011, demonstrating Singapore's primary role in serving regional and international investors. This compares to 80% of total AUM being sourced from outside Singapore in the year ended 31 December 2010, reflecting a general growth in locally sourced AUM.

Figure 5 presents the source of AUM within the Singaporean asset management industry. The international financial community perceives Singapore as a politically stable, economically developed and favourably taxed financial gateway to the Asia Pacific investment landscape. This reputation assists Singapore to attract international funds for investment in the Asia Pacific region.

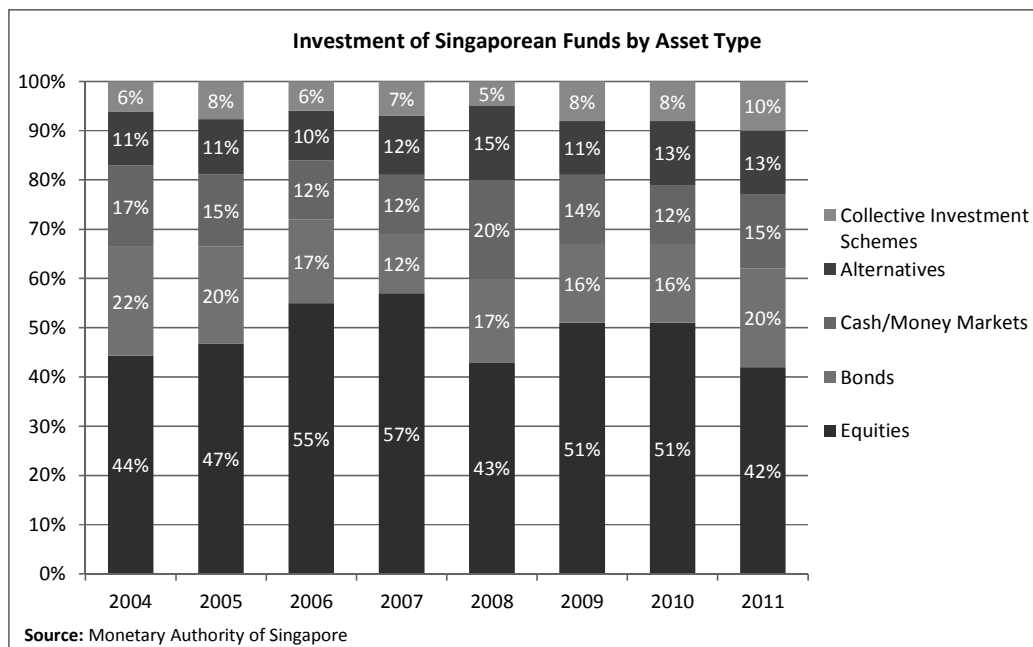
Figure 5: Historical Sources of Assets Under Management in Singapore



Investment by asset class within the funds management industry has also changed over the past decade. In the lead up to the GFC in 2008 the Singaporean investment industry developed a predilection for equities, while bonds and money market securities declined in prominence. However, with the onset of financial market uncertainty in 2008, demand for equities declined dramatically, with increased attraction to bonds and money market securities.

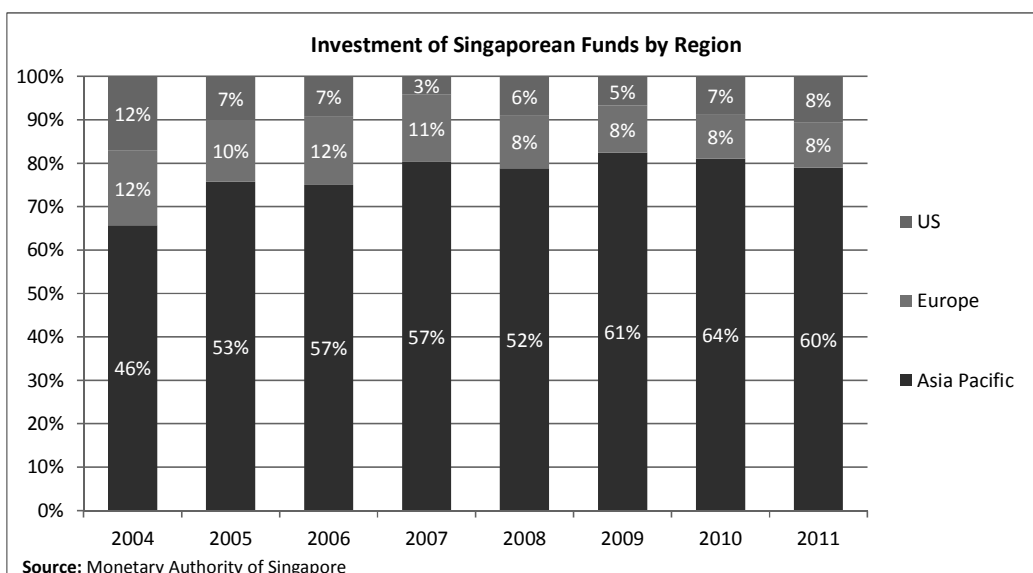
Figure 6 below presents the investment of Singaporean funds by asset class. Note, however, that the below percentages are impacted by both volume of investment and market movement in the underlying value of each asset class (for example, the FTSE Straits Times Index fell from 3,460 on 1 January 2008 to 1,760 on 31 December 2008, representing a 49% fall in the underlying Singapore equities market).

Figure 6: Historical Investment of Funds in Singapore by Asset Class



The majority of Singaporean funds tend to be invested within the Asia Pacific region, which is indicative of the Asia Pacific focus of the Singaporean financial services industry.

Figure 7: Historical Investment of Funds in Singapore by Region



The following key drivers impact the level of demand for financial planning and investment advice in Singapore:

- Age demographic of the population – Individuals approaching or planning for retirement are more likely to need the services of a financial planner. In addition, older age groups tend to have a greater share of wealth, accumulated over a longer working history. Individuals with dependents are also more likely to require comprehensive life insurance policies to financially safeguard their dependents in the event of their untimely death or incapacity;
- Financial investor and consumer sentiment – The level of investor confidence in economic and financial market conditions influences the level of demand for the industry's services; and
- Real household disposable income – The level of household disposable income influences investors' ability to invest, and therefore influences demand for the industry's services.

Figure 8 presents the change in the Singapore resident population since June 2000. According to the Singapore Department of Statistics, with increasing life expectancy and low fertility rates, the proportion of residents aged 65 and above has continued to rise. In addition, the proportion of residents aged 65 and above increased from 7.2% in 2000 to 9.3% in 2011. These demographic changes are indicative of a trend towards increasing demand for financial planning industry services.

Figure 8: Singaporean Resident Population by Age Group (%)

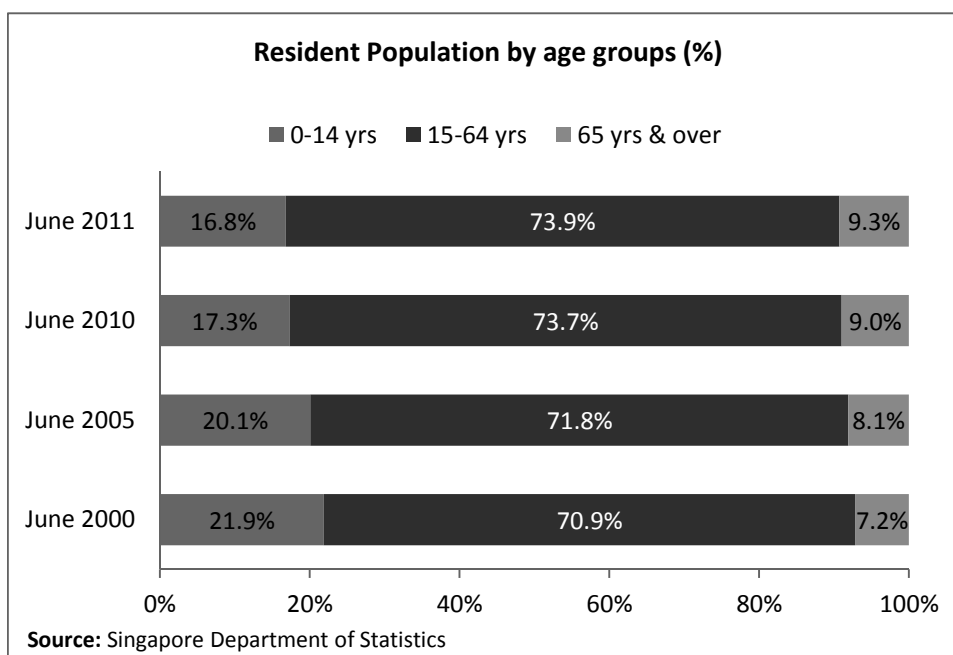
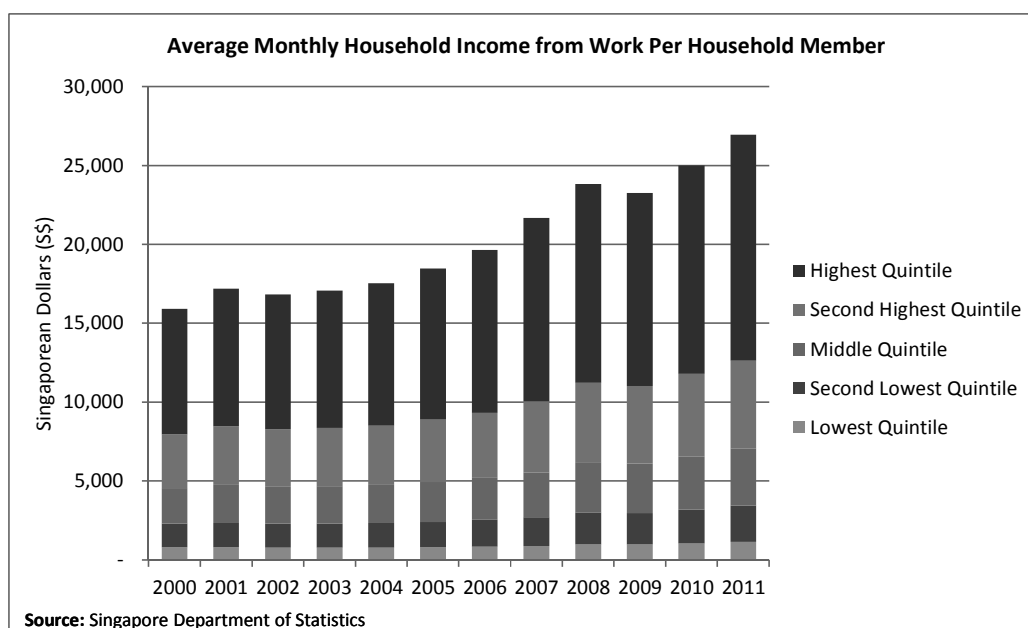


Figure 9 presents the change in average monthly household income per household member in Singapore. With the exception of 2002 and 2009, household income has increased in every year since 2000. The six years from 2005 to 2011 saw average monthly household income increase at a considerable annualised rate of 6.52% per annum.

Typically, rising household income leads to rising household disposable income. As mentioned above, disposable income tends to have a positive effect on the overall demand for financial planning and investment advice. Therefore, on the assumption that the below household income trends continue, there should be a positive demand side impact on the financial planning industry.

Figure 9: Average Monthly Household Income from Work per Household Member (incl. CPF contributions)



Barriers to entry in the financial planning and investment advice industry are considered to be moderate, predominantly attributable to licensing and achieving sufficient business scale to compete. To operate in the Singaporean industry an advisor must have a Financial Advisors Licence in accordance with the FAA (or otherwise exempted because they are already regulated as another type of financial services entity e.g. as a bank or insurer etc.). The findings of the FAIR review are likely to result in increased industry barriers to entry; with likely outcomes being greater licensing requirements for firms, higher educational prerequisites for advisers and more onerous regulatory obligations.

The industry is labour intensive and capital intensity is low. The use of platforms has reduced the administrative workload of financial advisers; however, these systems are capital intensive and require ongoing improvement and maintenance to accommodate new products, client services and regulatory changes. Smaller dealer groups tend to outsource their platform and other IT requirements to product and platform providers.

5.2. Industry Business Models and Competitors

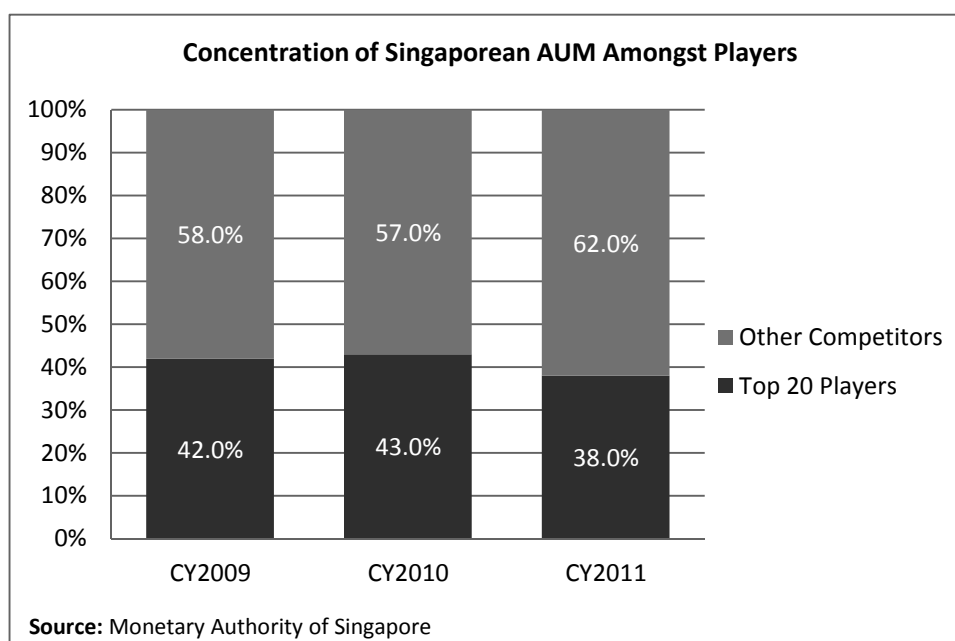
There are a variety of structures under which financial advisers operate. These arrangements typically involve different cost structures and methods of adviser remuneration. Industry participants tend to operate as one of the following structures:

- Self employed – Financial advisers may own and operate their own practice with no affiliation with any other organisations. In this structure, the adviser runs a stand-alone business.

- **Dealer group** – Financial advisers may operate a practice which is affiliated with a larger financial group, such as a dealer group. In a dealer group, the adviser (often running a quasi-sub practice) may receive a share of the revenue they generate or some other amount depending on their remuneration agreement. The adviser may also be provided with a variety of support services such as marketing, platform administration, training, recruitment, branding and building of the product suite that the adviser can offer clients. In turn, the adviser (or sub-practice) is responsible for some, or all of its own costs. The split of roles and responsibilities, revenues and costs, is determined by the dealer group and varies from group to group. The variety of possible dealer group structures and associated revenue and cost sharing agreements, makes benchmarking of financial adviser dealer groups impractical.
- **Employee** – A financial advisory firm may directly employ financial adviser staff and remunerate them with a fixed salary plus bonus. This structure is typically adopted by the largest diversified financial services companies, such as the investment management arms of banks, asset managers and insurance companies.

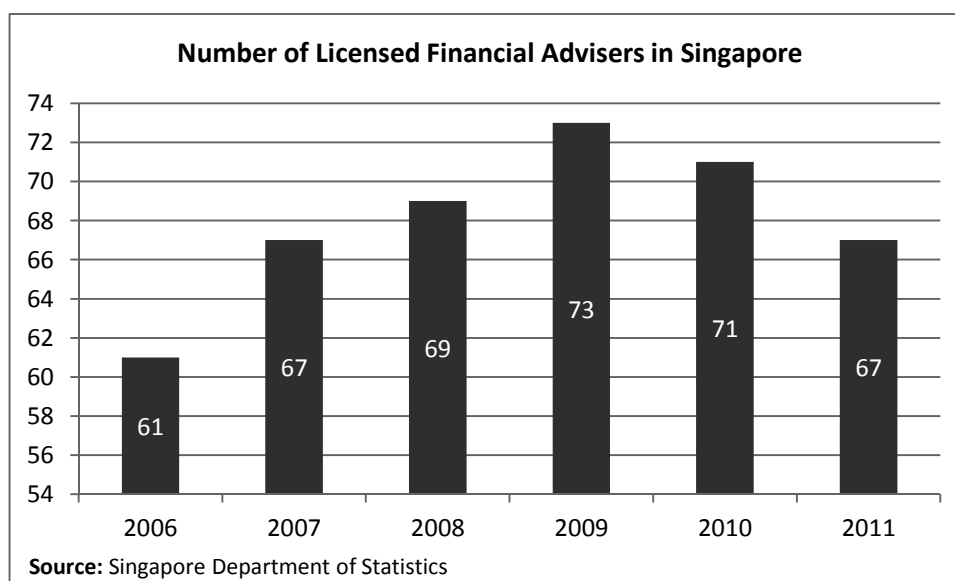
There is moderate competitor concentration within the industry and the majority of top-tier global asset management companies continue to maintain a presence in Singapore. Figure 10 presents the concentration of AUM amongst the largest asset management firms in Singapore. The combined AUM of the 20 largest asset management companies in Singapore has reduced marginally from previous years, accounting for 38% of total AUM in 2011.

Figure 10: Concentration of AUM Amongst the 20 Largest Asset Management Firms



Licensed financial advisers make up a small proportion of the total financial planning and investment advice industry in Singapore, with financial institutions such as banks, insurance companies and finance companies often having a wealth management/financial advice arm as a component of their distribution model. As presented in Figure 11, the number of licensed financial adviser firms (excluding exempted financial advisers) increased from 2006 through to 2009, and the industry has seen a decline in the number of players since.

Figure 11: Number of Licensed Financial Advisers in Singapore (Excl. Exempt Financial Advisers)

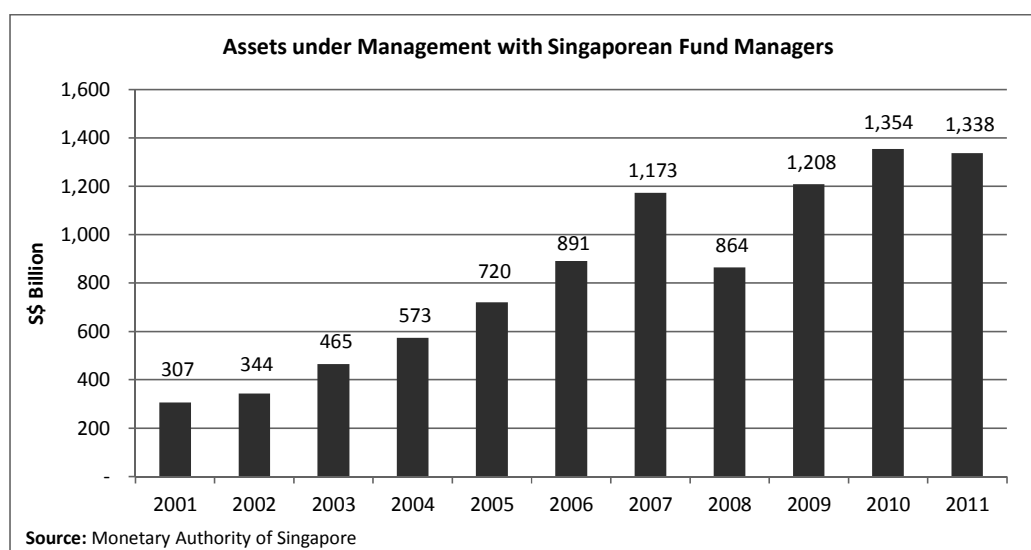


5.3. Historical Industry Performance

Broadly, the Singaporean financial planning and investment advice industry has experienced strong growth over the past decade. The global financial crisis depressed the industry in 2008 with reduced AUM, weak investor confidence and falling profitability. However, the industry appears to be recovering due to Singapore's position as a developed financial gateway to the Asia Pacific investment landscape. In 2009, total assets managed by Singapore-based asset managers that responded to the MAS industry survey exceeded pre-GFC levels, underscoring the resilience of the industry and its fortunate positioning within a geographic region of perceived financial growth.

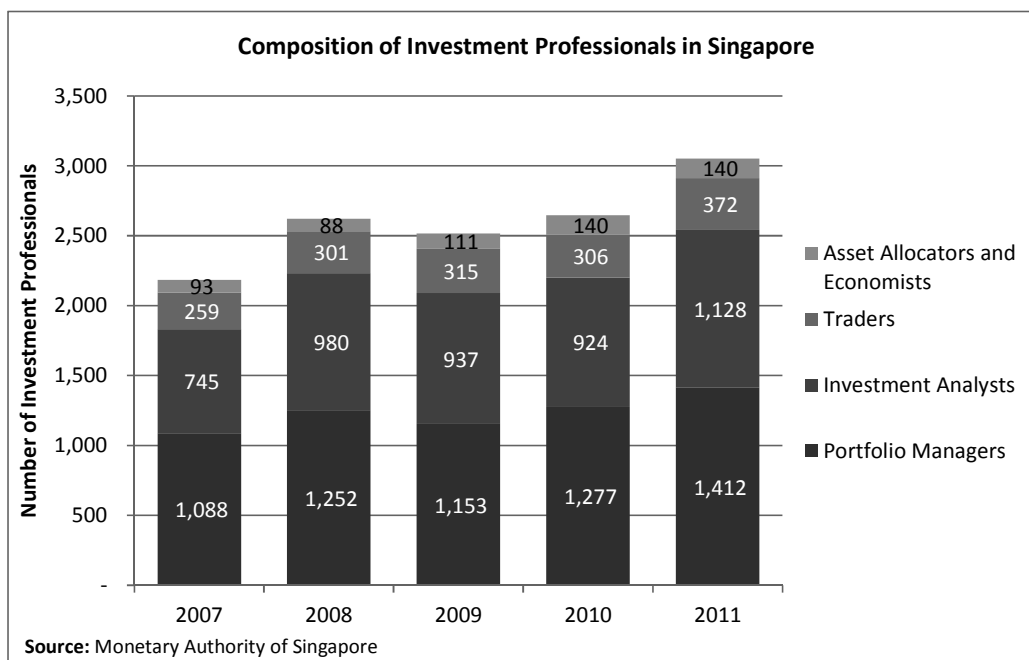
Figure 12 presents the total assets under management by Singapore-based asset managers that responded to the annual MAS industry survey. With the exception of 2008 and 2011, industry AUM has increased in every year during the past decade, representing average annualised growth of 15.9% per annum. During the five years to 2011, AUM increased at an average annualised growth rate of 2.7% per annum.

Figure 12: Assets under Management in Singapore



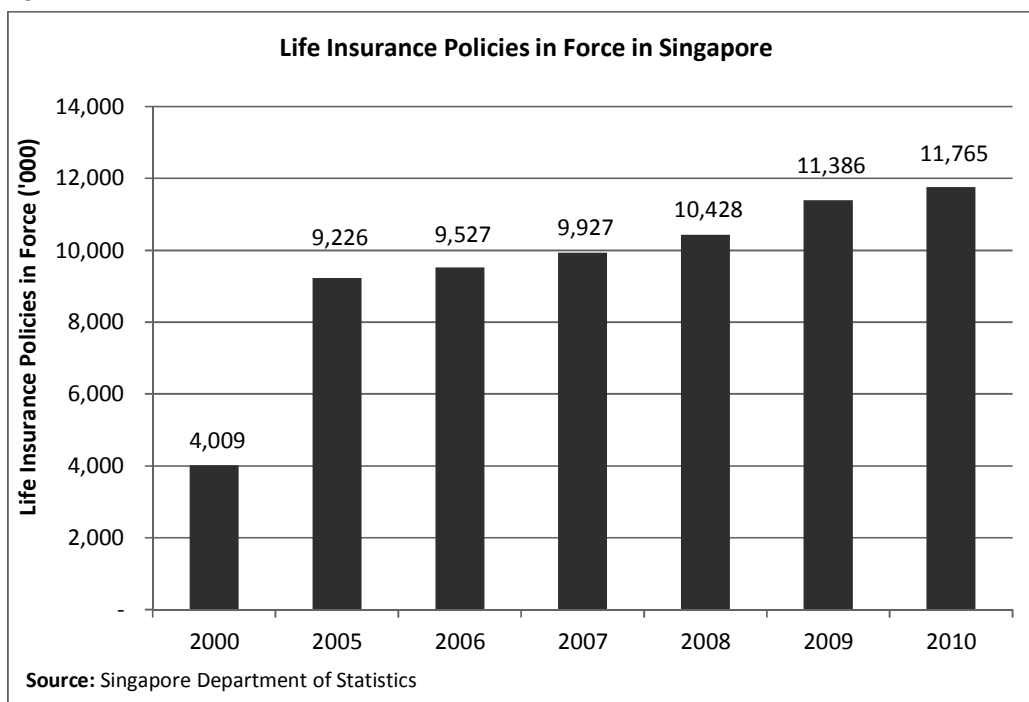
The number of investment professionals has also increased with the growth of the Singaporean financial services industry. Figure 13 presents the number of investment professionals employed by MAS industry survey respondents in the Singaporean asset management industry since 2007. The number of professionals declined in 2009, presumably as a result of industry contraction during the financial crisis.

Figure 13: Composition of Singaporean Investment Professionals



As PIAS provides life insurance brokerage services, it is also relevant to note the historical performance of the life insurance industry and, in particular, the growth in the number of policies in force over the past decade. Figure 14 presents the number of life insurance policies in force over the decade to 2010. There has been a remarkable growth in life insurance during the ten years to 2010, with total policies in force almost trebling since the year 2000.

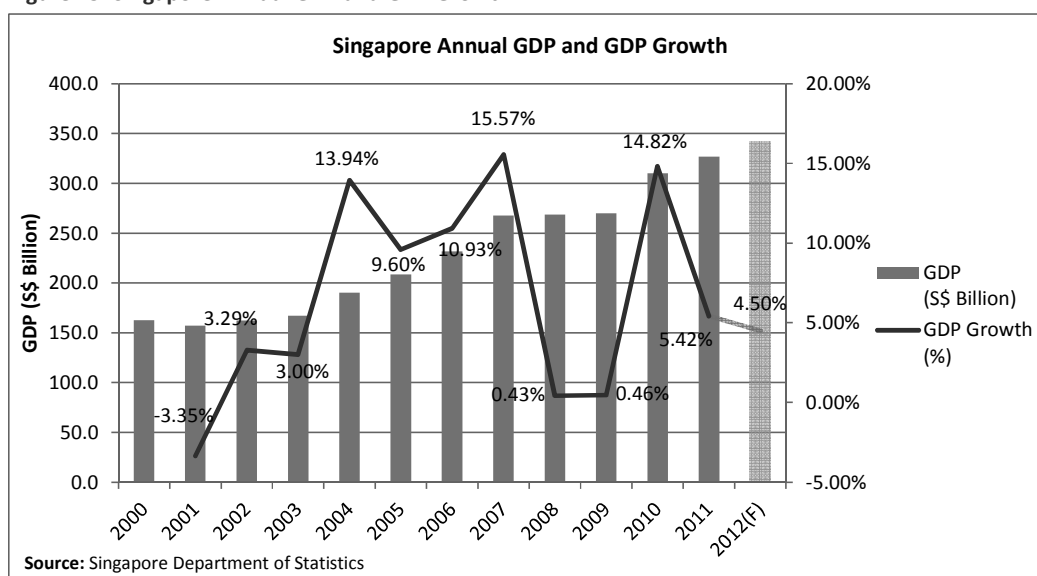
Figure 14: Number of Life Insurance Policies in Force 2001-2011



5.4. Industry Performance Outlook

The Singaporean financial planning and investment advice industry is highly sensitive to investor and consumer sentiment. Growth in the industry is also typically correlated with Singapore's overall economic growth. Figure 15 presents Singapore's annual GDP and GDP growth since the year 2000. Over the decade through 2011, Singapore's GDP grew at an average annualised rate of 7.3% per annum. Notably, Singapore experienced subdued growth in 2008 and 2009 during the height of the GFC, followed by expansive growth of 14.82% and 5.42% in 2010 and 2011 respectively.

Figure 15: Singapore Annual GDP and GDP Growth



The Singapore Ministry of Trade and Industry made the following predictions regarding economic growth during the remainder of 2012.

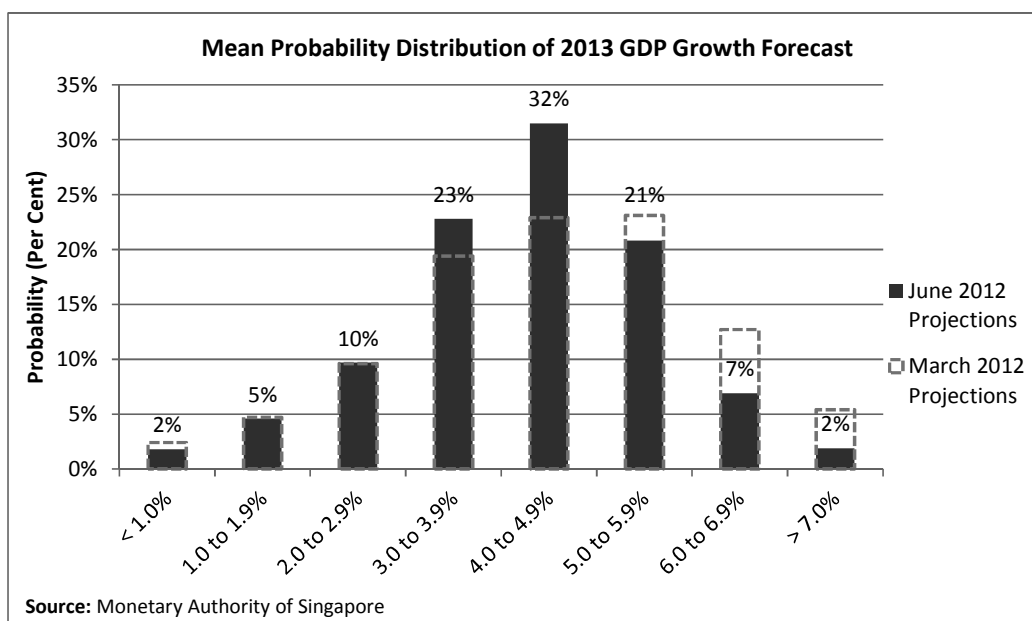
"The near-term macroeconomic outlook remains subdued. Growth in the advanced economies is expected to remain sub-par for the rest of 2012, as sluggish labour market conditions continue to weigh on consumer spending, while ongoing sovereign debt concerns dampen business sentiments and investments. Although domestic demand in emerging Asia is expected to be held up by accommodative policies, it will not fully offset the weakness in external demand."

"Given the challenging external environment, growth in the Singapore economy is expected to remain weak in the second half of 2012. Externally-oriented sectors will be affected by the slowdown in advanced economies. Continued economic and financial market uncertainties will curtail growth in sentiment-sensitive segments within the financial and insurance sector. Nonetheless, healthy expansion in the transport engineering cluster and construction sector will provide some modest support to growth. Barring unforeseen shocks to the global economy, the Singapore economy is expected to grow by between 1.5 to 2.5 per cent in 2012." (Singapore Ministry of Trade and Industry, "Economic Survey of Singapore, Second Quarter 2012")

Forecasts released by the MAS are more bullish for the 2013 financial year. According to a MAS survey of professional forecasters, Singapore is expected to record GDP growth of 4.5% in 2013. Figure 16 presents the mean probability distribution of 2013 GDP growth forecasts released by the MAS.

As reflected by the mean probability distribution, the most likely outcome is for the Singapore economy to grow by 4.0 to 4.9% next year.

Figure 16: Mean Probability Distribution of 2013 GDP Growth Forecasts



According to the same survey of professional forecasters, the average growth prediction for the Singaporean financial services industry is 2.1% year-on-year change in 2013, lagging slightly behind the moderate growth expectations for economy as a whole.

6. Valuation of the Consideration Shares

6.1. Valuation Summary

Based on the following analysis, in our opinion, the fair market value of the Consideration Shares as at 30 June 2012 falls within the range of **\$1.23 million to \$1.29 million**, with a mid-point of **\$1.26 million**.

Details regarding the valuation methodologies, assumptions and calculations adopted in arriving at the above conclusion are set out in the remainder of this section.

6.2. Valuation Methodology

In our selection of an appropriate methodology to estimate the fair market value of the Consideration Shares, we have considered common market practice and the widely accepted valuation methodologies which are summarised in Appendix 3.

Our estimate of the fair market value of all the Consideration Shares has been assessed based on the trading history of CAF's shares to 30 June 2012.

We are of the view that a valuation based on the trading history of CAF's shares is the most appropriate methodology to apply in the case of the Consideration Shares for the following reasons:

- an on-market sale of the parcel of shares is a viable option to realise the value of a share parcel of that size;
- the Consideration Shares represent 7.64% of the issued shares of CAF. A parcel of this size would usually be considered to represent a "portfolio interest" in a company, with the holder not in a position to exercise any control in relation to the operations of the company. Accordingly, an earnings base or discounted cash flow ("DCF") based valuation methodology may not be considered appropriate.
- while CAF's shares do not trade at volumes which we would usually consider liquid enough to be satisfied that a valuation based on a company's trading history would be appropriate, we consider that in the case of CAF, it is a more suitable methodology to apply than an assets-based methodology, especially given the "portfolio interest" considerations noted above;
- CAF has incurred significant losses during the last two years to 30 June 2012. Accordingly, historical financial information cannot be used to assist in the determination of an appropriate earnings base for use in an earnings-based valuation methodology;
- CAF has not provided adequate forecast financial information to assist in the determination of an appropriate earnings base for use in an earnings-based valuation methodology; and
- sufficiently detailed and supportable forecast financial information has not been made available to enable the application of the DCF valuation methodology.

We have crosschecked our estimate of the fair market value of the Consideration Shares derived on the basis of the trading history of CAF with an net tangible assets ("NTA") based method.

Our valuation has not been prepared based on the existence of a special purchaser that may be prepared to pay in excess of the fair market value. Any such premium represents the value to the potential acquirer of potential economies of scale, reduction in competition or other synergies arising from the acquisition of the business that would not be available to likely purchases generally. Special value is not normally considered in the assessment of fair market value as it relates to the individual circumstances of special purchases.

6.3. Valuation Calculation

As set out in Section 3.3 of this Report, set out below is an analysis of the trading in CAF's shares during the year ended 30 June 2012:

Table 17: CAF Trading Analysis

Period	Volume	Value	VWAP	Average Shares On Issue	Turnover
1 Month	796,241	144,258	0.181	101,197,330	0.79%
2 Months	1,020,235	224,711	0.220	101,197,330	1.01%
3 Months	1,407,933	390,214	0.277	101,197,330	1.39%
6 Months	15,011,703	5,767,602	0.384	101,197,330	14.83%
12 Months	17,124,570	7,187,735	0.420	100,540,236	17.03%

Source: Capital IQ

For the purpose of this Report, we have selected the one month VWAP of CAF's shares to 30 June 2013 as the basis for our assessment as to the fair market value of the Consideration Shares.

In addition, we are of the view that the Consideration Shares should be subject to a marketability discount over the selected VWAP. The application of a marketability discount reflects the fact that the Consideration Shares would not be readily marketable. We have reached this opinion after taking into account the following:

- while CAF's shares are listed on a public exchange, the Consideration Shares represent 7.64% of the ordinary shares of CAF. Further, we note that only 17.03% of CAF's ordinary shares traded during the 12 months to 30 June 2012 and a that 75.6% of these trades (in volume) can be attributable to three days of trading during the period. Accordingly, given the lack of liquidity in CAF's ordinary shares, we are of the view that should the holder of the Consideration Shares put their interest up for sale on the public market, they would attract a material discount to the trading prices of CAF's shares; and
- the Consideration Shares represent a "portfolio interest" which do not provide their holder with any control over the operations of CAF. Whilst we note that the observed VWAP is based on the trading of minority parcels of shares, we also note that these parcels are significantly smaller than the Consideration Shares. Accordingly, we are of the opinion that any purchaser of the Consideration Shares would demand a discount to the trading prices of the Company's shares.

For the purposes of this Report, we have selected a marketability discount of between 8% and 12% in the case of the Consideration Shares.

Based on the above, we have calculated the fair market value of the Consideration Shares as follows:

Table 18: Fair Market Value of Consideration Shares

	Low	High	Average
1 Month VWAP of CAF's Shares to 30 June 2012	0.181	0.181	0.181
Marketability Discount	-12.0%	-8.0%	-10.0%
Fair Market Value Per Consideration Share	0.159	0.167	0.163
Number of Consideration Shares	7,731,684	7,731,684	7,731,684
Total Fair Market Value of Consideration Shares	1,232,685	1,288,716	1,260,701

Source: Capital IQ; LCF analysis

6.4. Valuation Cross-Check Calculations

We have performed a valuation cross check based on the net tangible assets of CAF as at 30 June 2012. Our cross check is set out below.

Net Tangible Assets of CAF as at 30 June 2012

As set out in Section 3.5 of this Report, the net assets of CAF as at 30 June 2012 amounted to \$27,162,000.

Given that CAF has incurred significant losses over the two years to 30 June 2012, for the purpose of this cross-check we have prepared two scenarios with the first scenario reducing the net assets by the value of goodwill recorded in the balance sheet of CAF as at 30 June 2012 in the amount of \$8,011,000.

Accordingly, we have assessed the net tangible assets of CAF as at 30 June 2012 to be \$19,151,000 under scenario 1, and \$27,162,000 under scenario 2.

Minority Discount

As the implied fair market value of CAF's shares derived using the NTA valuation methodology represents a control basis, it is appropriate to apply a minority discount so as to allow us to compare the implied values with those adopted in our primary valuation method.

The application of a minority discount reflects the lack of control applicable to the holder of the Consideration Shares over the operations of CAF.

For the purposes of our analysis, we have adopted a minority discount in the range of 20% to 30%.

Implied Value of Consideration Shares

Based on our assessment of the net tangible assets of CAF as at 30 June 2012, we have assessed the implied value of the Consideration Shares as follows:

Table 19: Implied Fair Market Value of the Consideration Shares - NTA Cross Check

	Scenario 1: Excluding Goodwill		Scenario 2: Including Goodwill	
	Low	High	Low	High
Net Assets as at 30 June 2012	19,151,000	19,151,000	27,162,000	27,162,000
Ordinary Shares on Issue as at 30 June 2012	101,197,330	101,197,330	101,197,330	101,197,330
Partly Paid Shares on Issue (In Proportion to Paid up Amounts)	90,000	90,000	90,000	90,000
Total Shares on Issue	101,287,330	101,287,330	101,287,330	101,287,330
Implied Value Per Share (Control Basis)	0.189	0.189	0.268	0.268
Minority Discount	-30.0%	-20.0%	-30.0%	-20.0%
Implied Value Per Share (Minority Basis)	0.132	0.151	0.188	0.215

Source: Preliminary financial report of Centrepont Alliance Limited for the year ended 30 June 2012; LCF Analysis

As can be seen from the above table, the implied fair market value of the ordinary shares of CAF as at 30 June 2012 falls within the range of \$0.132 to \$0.215 per share. This compares to the observed one month VWAP of \$0.181 which was adopted in our primary valuation method set out in Section 6.3 above.

Having regard to the above, we consider that the implied fair market value of CAF's shares on an NTA basis, and thus the fair market value of CAF's shares under our primary valuation method, appear reasonable.

7. Valuation of Professional Advisory Holdings Limited

7.1. Valuation Summary

Based on the following analysis, in our opinion, the fair market value of 100% of the issued shares of PAH as at 30 June 2012 falls within the range of **A\$1.28 million to A\$1.77 million**, with a mid-point of **A\$1.52 million**.

We have assessed CAF's interest (i.e. 81.1%) in the issued shares of PAH to have a fair market value falling within the range of **A\$1.04 million and A\$1.44 million**, with a mid-point of **A\$1.23 million**.

The only asset of PAH is its 100% ownership interest in PIAS. Therefore, in valuing the shares of PAH, we have had regard to the value of the shares in PIAS. Details regarding the valuation methodologies, assumptions and calculations adopted in arriving at the above conclusion are set out in the remainder of this section.

7.2. Valuation Methodology

In our selection of an appropriate methodology to estimate the fair market value of the equity interests in PIAS, we have considered common market practice and the widely accepted valuation methodologies which are summarised in Appendix 3.

Our estimate of the fair market value of the equity interests of PIAS has been assessed using the capitalisation of future maintainable earning method.

Methodologies using capitalisation multiples of earnings or cash flows are commonly applied when valuing businesses where a future "maintainable" earnings stream can be established with a degree of confidence. Generally, this applies in circumstances where the business is relatively mature, has a proven track record and expectations of future profitability and has relatively steady growth prospects. Such a methodology is generally not applicable where a business is in start-up phase, has a finite life, or is likely to experience a significant change in growth prospects and risks in the future.

We are of the view that capitalisation of future maintainable earnings valuation methodology is the most appropriate to apply in the case of PIAS for the following reasons:

- PIAS has provided adequate financial information in order to determine appropriate historical and forecast normalised EBITDA results;
- sufficiently detailed and supportable forecast financial information is not available to enable the application of the discounted cash flow ("DCF") valuation methodology; and
- PIAS's shares are not traded on a public exchange nor has there been any recent off market trading in PIAS's shares. Accordingly, the determination of a fair market value of PIAS's shares based on recent trading is not possible.

Capitalisation multiples can be applied to either estimates of future maintainable operating cash flow; earnings before interest, tax, depreciation and amortisation ("EBITDA"); earnings before interest, tax and amortisation ("EBITA"); earnings before interest and tax ("EBIT"), or net profit after tax.

The appropriate multiple to be applied to such earnings is usually derived from stock market trading of shares in (more or less) broadly comparable companies which provide some guidance as to value, and from precedent transactions involving (more or less) broadly comparable companies within the relevant industry. The multiples derived from these sources need to be reviewed in the context of the differing profiles and growth prospects between the company being valued and those considered comparable.

When valuing controlling interests in a business an adjustment is also required to incorporate a premium for control. The earnings from any non-trading or surplus assets are excluded from the estimate of the maintainable earnings and the value of such assets is separately added to the value of the business in order to derive the total value of the company.

In the absence of adequate comparable company information, a “build up” model may be used to determine an appropriate capitalisation rate. A capitalisation rate derived from a “build-up” model is a product of a risk free rate, which is then adjusted for all the identified risks applicable to PIAS.

We have crosschecked our estimate of the fair market value of PIAS derived under the capitalisation of future maintainable earnings method using the multiple of revenue method.

Our valuation has not been prepared based on the existence of a special purchaser that may be prepared to pay in excess of the fair market value. Any such premium represents the value to the potential acquirer of potential economies of scale, reduction in competition or other synergies arising from the acquisition of the business that would not be available to likely purchases generally. Special value is not normally considered in the assessment of fair market value as it relates to the individual circumstances of special purchases.

7.3. Selection of Future Maintainable Earnings

Future maintainable earnings (“FME”) is the assessed level of sustainable earnings, in real terms, that can be expected to be derived by the existing operations of a business regardless of short term fluctuations and excludes any one off profits or losses.

In our opinion, the appropriate earnings to adopt in valuing most businesses and companies is EBITDA as it most accurately reflects the return generated by a business and ignores factors that may not be relevant to the earning capacity of a business such as the following:

- interest costs, which reflect the method of financing the business and which vary between businesses, and interest revenue, that reflects earnings on surplus assets;
- effective tax rates, that reflect both the tax regimes in different countries and different tax positions of, and the tax planning measures implemented by, businesses;
- historical costs of fixed assets at the time of their acquisition and different accounting policies, that will affect annual depreciation charges; and
- amortisation charges in respect of intangible assets that discriminate against companies that have accomplished business growth by acquisition of other companies as opposed to those that have organically grown their businesses.

Our estimate of FME for PIAS has been determined after consideration of the following:

- PIAS's normalised historical earnings, in particular, for the year ended 30 June 2012;
- PIAS's forecast normalised earnings for the year ending 30 June 2013; and
- growth prospects and the effect of changes and trends in the industry that may impact on future earnings.

Note that the forecast normalised earnings information is predominantly based on PIAS's own representations regarding management expectations of financial performance in the future. We have taken reasonable steps to consider the efficacy of the forecast information for use in our valuation assessment. However, we provide no opinion or assurance regarding the accuracy or completeness of PIAS's forecasts of future financial performance.

Table 13 in Section 4.5 above summarises the historical results for PIAS for the years ended 30 June 2010, 2011 and 2012 and the forecast results for the year ending 30 June 2013.

The following table summarises the normalisation adjustments and normalised EBITDA that have been identified for PIAS for the years ended 30 June 2010, 2011 and 2012 and forecast year ending 30 June 2013:

Table 20: Normalised Pro-Forma Results of PIAS

Singapore Dollars	Year Ended / Ending 30 June			
	2010 (Actual)	2011 (Actual)	2012 (Actual)	2013 (Budget)
Net Profit After Income Tax	(1,318,373)	(1,197,269)	92,902	575,928
EBITDA Adjustments:				
Less: Interest Income	-	-	-	-
Add: Finance Costs	-	-	-	-
Add: Depreciation & Amortisation	275,843	271,252	262,481	270,267
Add: Income Tax Expense	(23,786)	(30,537)	-	-
EBITDA	(1,066,316)	(956,554)	355,383	846,195
Normalisation Adjustments:				
Reversal of Bonus Provision	-	95,000	(95,000)	-
Reversal of Commission Payable	-	250,000	(250,000)	-
NORMALISED EBITDA	(1,066,316)	(611,554)	10,383	846,195

Source: Audited financial statements for the year ended 30 June 2011, unaudited management accounts for the year ended 30 June 2012 and budget for the year ending 30 June 2013 of Professional Investment Advisory Services Pte Ltd; LCF analysis

Note 1: These adjustments have been taken up to reflect the EBITDA position for the years ended 30 June 2010, 2011 and 2012 and forecast year ending 30 June 2013.

Note 2: We have been advised by management of PIAS that during the year ended 30 June 2011, PIAS took up a provision for bonuses in the amount of approximately \$95,000. We have been advised that this provision was subsequently reversed during the year ended 30 June 2012 resulting in the recognition of an additional \$95,000 of income for the year. Accordingly, we have taken up a normalisation adjustment to reverse the impact of the bonus provision during the years ended 30 June 2011 and 2012.

Note 3: We have been advised by management of PIAS that during the year ended 30 June 2011, PIAS took up a provision for commissions payable in the amount of approximately \$250,000. We have been advised that this provision was subsequently reversed during the year ended 30 June 2012 resulting in the recognition of an additional \$250,000 of income for the year. Accordingly, we have taken up a normalisation adjustment to reverse the impact of the provision for commissions payable during the years ended 30 June 2011 and 2012.

Adopted FME

In our selection of an appropriate FME, we have considered the following:

- we note that the business has no recent history of profits, however a profit is forecast for the year ending 30 June 2013; and
- we note that actual results for the month of July 2012 did not meet budget (i.e. actual loss of SGD\$41,753 compared to a budgeted profit of SGD\$30,747) while actual results for the month of August 2012 exceeded budget (i.e. actual profit SGD\$165,172 compared to a budgeted profit of SGD\$41865). Given the volatility of year to date results, we are of the opinion that it is not appropriate to place 100% reliance on forecast results.

Based on the above analysis, we have selected a FME based on an average of normalised actual EBITDA for the financial year ended 30 June 2012 and forecast normalised EBITDA for the financial year ending 30 June 2013. The averaging takes into account volatility and risk associated with the forecast results for the year ending 30 June 2013. On this basis, we have estimated FME normalised EBITDA of PIAS to be **\$430,000**.

7.4. Capitalisation Multiple

The selection of the appropriate EBITDA multiple to apply is a matter of judgement but normally involves consideration of a number of factors that may include, but not be limited to the following:

- the stability and quality of earnings;
- the quality of the management and the likely continuity of management;
- the nature and size of the business;
- the spread and financial standing of customers;
- the financial structure of the company and gearing level;
- the future prospects of the business, including the growth potential of the industry in which it is engaged, strength of competitors, barriers to entry, etc;
- the nature of the industry, such as whether it is cyclical;
- current and any expected changes in interest rates;
- the asset-backing of the underlying business of the company and the quality of the assets;
- the multiples attributed by share market investors to listed companies involved in similar activities or exposed to the same broad industry sectors;
- the multiples that have been paid in recent acquisitions of businesses involved in similar activities or exposed to the same broad industry sectors; and
- whether a premium of control is appropriate, and if so, the extent of the same.

The appropriate earnings multiple is usually assessed by collecting market evidence with respect to the earnings multiples of companies with operations that are broadly comparable to those of the entity being valued. Such multiples are derived from:

- share market prices of broadly comparable listed companies (usually reflecting a non-controlling interest status);
- prices achieved in mergers and acquisitions of broadly comparable companies (usually reflecting a controlling interest status); and
- initial public offering (“IPO”) prices of shares in broadly comparable companies (where available) (usually reflecting a non-controlling interest status).

In selecting appropriate comparable companies, we have had regard to listed companies within the Asia Pacific region that have similar operations to PIAS. Our review is set out in Section 7.5 of this Report.

7.5. Comparable Listed Companies

We have selected a range of broadly comparable listed companies that operate in the financial planning and investment management industries within the Asia Pacific region. Set out in **Appendix 4** are descriptions of the operations of the identified companies, as well as stock market trading parameters for those companies.

The capitalisation rate should reflect the growth prospects of the business, the quality of its earnings and the risks of the business. In order to ascertain the appropriate multiple range to apply to PIAS, we have undertaken a limited review of the characteristics of the companies that we consider most comparable. Section 7.7 below sets out our analysis of the risks and premiums applicable to PIAS.

A summary of the revenue, EBITDA and FUMA multiples implied from recent stock market trading prices is set out below:

Table 21: Summary of Comparable Company Trading Multiples

Entity Name	Enterprise Value (\$m)*	Revenue (\$m)**	EV/Revenue Multiple	EBITDA (\$m)**	EV / EBITDA Multiple	FUMA (\$m)	EV/FUMA
Singaporean Listed Companies							
Asiasons WFG Financial Ltd. (SGX:SEC)	16.85	5.94	2.84	2.04	8.28	n/a	n/a
UOB-Kay Hian Holdings Ltd. (SGX:U10)	1,390.82	273.06	5.09	124.38	11.18	n/a	n/a
Foreign Listed Companies							
Centrepont Alliance Ltd. (ASX:CAF)	96.14	264.87	0.36	12.23	7.86	14,288	0.007
ClearView Wealth Limited (ASX:CVW)	126.86	182.49	0.70	15.78	8.04	3,764	0.034
Countplus Limited (ASX:CUP)	178.16	132.76	1.34	26.77	6.65	n/a	n/a
Emperor Capital Group Limited (SEHK:717)	22.78	32.65	0.70	(1.56)	(14.65)	n/a	n/a
Equity Trustees Ltd. (ASX:EQT)	117.83	53.08	2.22	14.99	7.86	27,536	0.004
GreaterChina Professional Services Limited (SEHK:8193)	8.02	11.03	0.73	2.07	3.87	n/a	n/a
Plan B Group Holdings Ltd. (ASX:PLB)	40.04	50.24	0.80	7.67	5.22	2,673	0.015
Prime Financial Group Ltd. (ASX:PFG)	7.94	16.11	0.49	6.27	1.27	1,299	0.006
Pyne Gould Corporation Limited (NZSE:PGC)	21.43	30.97	0.69	(2.60)	(8.25)	n/a	n/a
Quam Limited (SEHK:952)	48.93	55.90	0.88	(1.19)	(41.07)	85	0.579
SFG Australia Limited (ASX:SFW)	291.48	141.00	2.07	38.40	7.59	31,147	0.009
Yellow Brick Road Holdings Limited (ASX:YBR)	34.88	17.16	2.03	(4.97)	(7.01)	597	0.058
Average	171.58	90.52	1.50	17.16	(0.23)	10,174	0.089
Average excluding Emperor, PFG, PGC, Quam & YBR	251.80	123.83	1.79	27.15	7.40	15,882	0.014

* As at 30 June 2012.

** For the 12 Months to 30 June 2012 (or most recent available reporting period).

Source: Capital IQ, publicly available information, LCF analysis

We have disregarded the observed trading multiples of the following entities for the reasons set out below:

- Emperor Capital Group Limited – despite recording a positive net income, the group recorded a negative EBITDA for the year ended 31 March 2012 due to a significant amount of the group's revenue being derived from interest on bank deposits and margin financing. On this basis, Emperor Capital Group Limited is less suitable for inclusion in the comparable analysis calculation;
- Prime Financial Group Limited – the group's enterprise value on EBITDA multiple has been treated as an outlier amongst comparable company data. PFG's share price has been depressed for a number of years due to consistently poor financial performance. PFG's normalised EBIT declined by 9% to \$5.02 million in FY2012 and NPAT declined 27% to \$2.81 million. In addition, the group's FUM decreased by \$54 million during the year ended 30 June 2012 to A\$1.001 billion as at 30 June 2012. On this basis, Prime Financial Group Limited has been excluded from our analysis of observed trading multiples;
- Pyne Gould Corporation Limited – PGC has recorded operating losses since the six months to 31 December 2010. In addition, the company recorded a negative EBITDA for the year ended 31 December 2011. On this basis, Pyne Gould Corporation has been excluded from our analysis of comparable company trading multiples;
- Quam Limited – Quam recorded negative operating income and negative EBITDA for the year to 31 March 2012, which makes it unsuitable for inclusion in our analysis of comparable company trading multiples;

- Yellow Brick Road – YBR has consistently recorded operating losses and negative EBITDA results since the company undertook a backdoor listing in December 2010, which makes it unsuitable for inclusion in our analysis of comparable trading multiples.

In relation to the remaining identified comparable companies, we note the following:

- revenue generated by PIAS of SGD\$35.17 million during the year ended 30 June 2012, was lower than the average observed for the comparable listed companies;
- trading multiples of comparable listed companies are based on trading of minority parcels of shares;
- the marketability of the comparable listed companies would be considered greater than that of PIAS, which is unlisted. However, we note that some of the comparable listed companies are thinly traded, and therefore their marketability, particularly in respect of large parcels of shares, is limited;
- the comparable listed companies have a greater diversity of operations. In addition to financial advice services, many of the comparable companies also conduct asset management, insurance, corporate finance and equity brokerage businesses. Some comparable companies also manage a proprietary trading and hold investment properties; and
- most of the comparable listed companies are listed in foreign jurisdictions, conduct business in other Asia Pacific economies and do not have significant operations in Singapore.

7.6. Merger, Acquisition & Transaction Multiples

We have reviewed a number of transactions relating to businesses within the Singaporean and overseas financial planning and investment management industries. Our review identified the following sufficiently comparable recent transactions:

Table 22: Summary of Comparable Transaction Multiples

Target	Acquirer	Effective Date	Enterprise Value (\$m)*	Operating Revenue (\$m)**	EV/Revenue Multiple	EBITDA (\$m)***	EV/EBITDA Multiple	FUMA (\$m)	EV/FUMA
KIM Eng Holdings Limited	Mayban IB Holdings Sdn. Bhd.	May 2011	1,811.18	399.70	4.53	139.44	12.99	n/a	n/a
Plan B Group Holdings Limited	IOOF Holdings Limited (ASX:IFL)	In progress	63.72	50.18	1.27	7.67	8.31	2,673.42	0.024
Pyne Gould Corporation Limited	Australiasian Equity Partners	Mar 2012	82.68	31.06	2.66	(2.60)	(31.75)	n/a	n/a
Count Financial Limited	Commonwealth Bank of Australia (ASX:CBA)	Dec 2011	491.68	166.07	2.96	54.59	9.01	17,795.47	0.028
DKN Financial Group	IOOF Holdings Limited (ASX:IFL)	Oct 2011	150.08	31.71	4.73	14.52	10.33	10,430.08	0.014
Shadforth Financial Group Holdings Limited	Snowball Group Limited (ASX:SNO)	Jul 2011	267.37	115.37	2.32	30.87	8.66	11,248.89	0.024
Officium Capital Limited	Snowball Group Limited (ASX:SNO)	Feb 2010	6.53	3.25	2.01	1.03	6.31	551.95	0.012
Average			410.46	113.91	2.93	35.07	3.41	8,540	0.020
Average excluding PGC			465.09	127.71	2.97	41.35	9.27	8,540	0.020

* Implied enterprise value according to detail included in transaction disclosure documents.

** Operating revenue for the latest available 12 Month period prior to transaction.

*** EBITDA per transaction disclosure documents (pro-forma if available).

Source: Capital IQ, publicly available information, LCF analysis

KIM Eng Holdings Limited ("KIM Eng")

Kim Eng Holdings Limited provides stockbroking, futures broking, and investment advisory services. It operates in Singapore, Thailand, Hong Kong, Indonesia, the United States, the United Kingdom, India, Malaysia, the Philippines, and Vietnam. The company is headquartered in Singapore. As of July 2011, 100% of Kim Eng Holdings Limited was acquired by Mayban IB Holdings Sdn. Bhd. for cash consideration of SGD\$890 million (287.29 million shares for SGD\$3.10 per share).

We have considered this comparable transaction in the course of our analysis of the valuation of PIAS. The KIM Eng transaction had implied revenue and implied EBITDA multiples of 4.53 and 12.99 times respectively (multiples based on enterprise value).

We note that the comparability of the KIM Eng transaction to PIAS is impacted by the following factors:

- KIM Eng's revenue, being SGD\$391.39 million, was significantly greater than that recorded by PIAS of SGD\$35.17 for the year ended 30 June 2012;
- profitability of KIM Eng was greater than PIAS for the year ended 30 June 2012 and preceding financial years. KIM Eng's EBITDA margin was 34.9% for the year ended 31 March 2011 compared to PIAS' EBITDA margin of 1% for the same period;
- KIM Eng's operations were geographically diversified around the Asia Pacific region, whereas PIAS operates exclusively within Singapore;
- KIM Eng operates using an employee structure rather than a broker network; and
- the market capitalisation of KIM Eng at the date of acquisition was significantly greater than the likely value of PIAS at 30 June 2012.

Plan B Group Holdings Limited ("Plan B")

Plan B Group Holdings Limited provides wealth management services in Australia and New Zealand. In July 2012 IOOF Holdings Limited ("**IOOF**") announced that it had entered into a bid implementation deed to acquire 100% of Plan B for approximately \$49.1 million. IOOF has offered cash consideration of \$0.60 per Plan B share. The offer commenced on 9 August 2012 and is expected to close (unless extended or withdrawn) on 11 September 2012.

We have considered this comparable transaction in the course of our analysis of the valuation of PIAS, but note that as at the date of this Report, it has not concluded. The Plan B transaction has implied revenue and implied EBITDA multiples of 1.27 and 8.31 times respectively (multiples based on enterprise value).

We note that the comparability of the Plan B transaction to PIAS is impacted by the following factors:

- Plan B's revenue, being A\$38.67 million for the year ended 30 June 2012, is greater than that recorded by PIAS of SGD\$35.17;
- Plan B adopts a predominantly fee based advice model for revenue generation, compared to PIAS, which generates revenue from a mix of commissions and fees.
- profitability of Plan B was greater than PIAS for the year ended 30 June 2012 and preceding financial years. Plan B's EBITDA margin was 15.3% for the year ended 30 June 2012 compared to PIAS' EBITDA margin of 1% for the same period;
- Plan B's operations are confined to Australia and New Zealand, whereas PIAS operates exclusively within Singapore;
- Plan B operates using an employee structure whereas PIAS uses a broker network; and
- the implied enterprise value of Plan B according to transaction documents is significantly greater than the likely value of PIAS at 30 June 2012.

Pyne Gould Corporation Limited ("Pyne Gould")

Pyne Gould Corporation Limited provides financial, trustee, and asset management services primarily in New Zealand. The company offers wealth management services, including financial advice, investment management, and trustee services to the mainstream clients, as well as institutional clients. Pyne Gould is based in Christchurch, New Zealand. On 10 October 2011 Australasian Equity Partners ("**AEP**") made an offer to a group of sellers with significant share parcels to acquire 100% of Pyne Gould, conditional upon AEP obtaining 90% control of voting rights in Pyne Gould. On 26 October 2011, AEP upwardly revised its offer to NZ\$0.37 per share. As of 30 March 2012, AEP had acquired approximately 165 million shares for NZ\$61.2 million, representing approximately 76.3% of Pyne Gould shares, at which point it waived the 90% minimum acceptance condition and concluded the 100% takeover pursuit.

While we have considered this comparable transaction in the course of our analysis we have excluded Pyne Gould from our calculation of transaction multiples. The Pyne Gould transaction had an implied revenue multiple of 2.66 times (based on enterprise value).

We note that the comparability of the Pyne Gould transaction to PIAS is impacted by the following factors:

- Pyne Gould's revenue, being A\$23.87 million for the year ended 31 December 2011, is roughly equivalent to that recorded by PIAS of SGD\$35.17 during the year ended 30 June 2012;
- Pyne Gould has recorded operating losses since the six months to 31 December 2010. In addition, the company recorded a negative EBITDA for the year ended 31 December 2011, which makes it unsuitable for inclusion in our analysis of comparable trading multiples;
- Pyne Gould recorded a significant net loss for the year ended 31 December 2011 and in preceding financial years;
- The operations of Pyne Gould are confined to New Zealand, whereas PIAS operates exclusively within Singapore;
- Pyne Gould operated using an employee structure whereas PIAS uses a broker network; and
- The implied total value of Pyne Gould during the transaction in March 2012 was NZ\$80.21, which is significantly greater than the likely value of PIAS at 30 June 2012.

Count Financial Limited ("Count")

Count Financial Limited provides financial planning services, investment reviews, and advisory services in Australia. The company offers advice on personal insurance, superannuation, home and investment loans, business loans, financial planning, wealth creation, wealth protection, and leasing through its network of franchisees. Count operates a franchised network of approximately 300 firms, as well as financial planning/wealth accountants and advisers. On 9 December 2011, Count was wholly acquired by the Commonwealth Bank of Australia ("CBA") for A\$373 million through a scheme of arrangement.

We have considered this comparable transaction in the course of our analysis of the valuation of PIAS. The Count transaction had implied revenue and implied EBITDA multiples of 2.96 and 9.01 times respectively (multiples based on enterprise value).

We note that the comparability of the Count transaction to PIAS is impacted by the following factors:

- Count revenue, being A\$125.99 million for the year ended 30 June 2011, was significantly greater than that recorded by PIAS of SGD\$35.17 for the year ended 30 June 2012;
- both Count and PIAS operate the majority of their business through a broker network. Count operates predominantly through accounting practices, whereas PIAS operates through a number of member practices;
- profitability of Count for the year ended 30 June 2011 was greater than PIAS for the year ended 30 June 2012 and preceding financial years. Count's EBITDA margin was 32.9% for the year ended 30 June 2011 compared to PIAS' EBITDA margin of 1% for the same period;
- Count's operations are confined to Australia, whereas PIAS operates exclusively within Singapore; and
- The implied transaction value of Count in December 2011 was A\$373 million, which is significantly greater than the likely value of PIAS at 30 June 2012.

DKN Financial Group ("DKN")

DKN Financial Group Ltd provides financial services solutions to financial wealth management practices in Australia. The company acts as a buying group to negotiate a range of products and services for financial advisers to run a wealth management practice. In October 2011 IOOF Holdings Limited acquired 100% of DKN shares for cash consideration of A\$0.80 per share, implying a total value of A\$115.40 million.

We have considered this comparable transaction in the course of our analysis of the valuation of PIAS. The DKN transaction had implied revenue and implied EBITDA multiples of 2.96 and 9.01 times respectively (multiples based on enterprise value).

We note that comparability of the DKN transaction to PIAS is impacted by the following factors:

- the DKN transaction consideration was based on an amount of 15.9 times underlying profit after tax;
- DKN's revenue of A\$24.38 million for the year ended 30 June 2011, is roughly equivalent to that recorded by PIAS of SGD\$35.17 during the year ended 30 June 2012;
- both DKN and PIAS operate as a buying group for financial advisors to negotiate a range of products and services for a broker network;
- profitability of DKN for the year ended 30 June 2011 was greater than PIAS for the year ended 30 June 2012 and preceding financial years. DKN's EBITDA margin was 45.8% for the year ended 30 June 2011 compared to PIAS' EBITDA margin of 1% for the same period;
- DKN's operations are confined to Australia, whereas PIAS operates exclusively within Singapore; and
- The implied transaction value of DKN of A\$115.40 million in October 2011 is significantly greater than the likely value of PIAS at 30 June 2012.

Shadforth Financial Group Limited ("Shadforth")

Shadforth Financial Group was an unlisted public company group that provided financial and wealth management advice to clients. Shadforth obtained listing on the ASX through a reverse acquisition by Snowball Group Limited in July 2011. Consideration consisted of 2.15 Snowball shares for every one Shadforth share. Following the transaction, former Shadforth shareholders collectively held approximately 71% of issued Snowball shares on the ASX. Following the merger, the combined group is listed on the ASX as SFG Australia Limited (ASX:SFW).

We have considered this comparable transaction in the course of our analysis of the valuation of PIAS. The Shadforth transaction had implied revenue and implied EBITDA multiples of 2.32 and 8.66 times respectively (multiples based on enterprise value).

We note that comparability of the Shadforth transaction to PIAS is impacted by the following factors:

- the Shadforth transaction was a reverse acquisition which resulted in a significantly expanded ASX listed merged entity;
- the value of Shadforth shares in the merger were on a minority interest basis;
- Shadforth's revenue of A\$88.20 million for the year ended 30 June 2011, is significantly greater than that recorded by PIAS of SGD\$35.17 during the year ended 30 June 2012;
- Shadforth operated using an employee structure whereas PIAS uses a broker network;
- Profitability of Shadforth in the year ended 30 June 2011 was greater than PIAS in the year ended 30 June 2012 and preceding financial years. Shadforth's EBITDA margin was 11.5% in the year ended 30 June 2011, which compares to PIAS' EBITDA margin of 1% in the year ended 30 June 2012;
- PIAS operates exclusively within Singapore, whereas Shadforth operated within Australia;
- The implied transaction value of Shadforth of A\$204.41 million in June 2011 is significantly greater than the likely value of PIAS at 30 June 2012.

Officium Capital Limited ("Officium")

Officium Capital Limited is a portfolio construction and fund-of-funds manager. Officium Capital also provides responsible entity services to managed investment schemes and acts as manager of funds directly and together with other specialist fund managers. In February 2010, Snowball Group acquired 100% of Officium shares for cash consideration of \$6.5 million, subject to a maximum potential 'claw-back' payment of \$2.5 million if certain conditions regarding future performance of Officium were not met.

We have considered this comparable transaction in the course of our analysis of the valuation of PIAS. The Officium transaction had implied revenue and implied EBITDA multiples of 2.96 and 9.01 times respectively (multiples based on enterprise value).

We note that the comparability of the Officium transaction to PIAS is impacted by the following factors:

- Officium is a fund manager that specialises in investments in public equity and fixed income, therefore Officium's operations and structure are markedly different from PIAS, which is a financial planning and investment advisory group;
- Officium's revenue drivers are based on investment management fees and performance fees which may be contrasted to the trailing commission revenue that PIAS derives;
- Officium's pro-forma revenue of A\$2.59 million in 2009, is significantly less than that recorded by PIAS of SGD\$35.17 during the year ended 30 June 2012;
- Pro-forma profitability of Officium in the year ended 30 June 2009 was greater than PIAS in the year ended 30 June 2012 and preceding financial years. Officium's pro-forma EBITDA margin was 31.7% in 2009, which compares to PIAS' EBITDA margin of 1% in the year ended 30 June 2012;
- Prior to its acquisition, Officium operated within Australia, whereas PIAS operates within Singapore.

7.7. Risks/Premiums Applicable to PIAS

The capitalisation rate should reflect the growth prospects of the business, the quality of its earnings and the risks of the business. For the purposes of the comparable company and transaction analysis we have considered the following risks and premiums applicable to PIAS:

Table 23: Risks Applicable to PIAS

Factor	Explanation	Impact on PAH's Capitalisation Multiple
Size Risk	Larger companies are generally valued at higher earnings multiples than smaller companies, which reflect the benefits of size, particularly in relation to market power, control over prices and costs, depth of management, diversity of customers and general operational and financial robustness. In addition, larger listed companies may trade at higher earnings multiples because of the liquidity of their shares and the likelihood of greater interest in the shares from a wider base of investors (e.g. institutions or foreign investors). We note that the revenues of the comparable listed companies and transactions fall within the range of approximately SGD\$3.25 million to SGD\$399.70million, with an average of SGD\$125.38 million. On the basis that annual revenue derived by PIAS is significantly lower than that of the comparable listed companies and transactions, we have taken up a size risk adjustment in the case of PIAS.	Decrease
Marketability Limitations	A discount for marketability is generally applied to private companies as minority shares in unlisted companies are valued at a discount to minority parcels of shares in comparable listed companies. An unlisted share of a closely-held company in which trading is infrequent (and which therefore lacks negotiability) is less attractive than a similar listed stock which has ready negotiability of shares and therefore liquidity. On the basis that the marketability of PIAS' shares would be lower than those of the comparable listed companies, we have taken up a small marketability discount in the case of PIAS.	Decrease
Earnings Risk	Where this a risk that forecast results are not going to be achieved, the valuation multiple applicable to that company will be negatively affected.	Neutral

Factor	Explanation	Impact on PAH's Capitalisation Multiple
	In the case of PIAS, we have considered this risk and have adjusted our selected FME accordingly. As such, no adjustment is required to the capitalisation multiple as a result of earnings risk.	
Growth Opportunities	A company which is expected to grow more strongly will tend to have a higher earnings multiple for a given level of earnings than one which is expected to experience slower growth. We are of the view that the growth opportunities specifically available to PIAS are constrained by its history of unprofitable trading, its costly broker network commission structure and uncertainty regarding the regulatory changes in Singapore. In addition, we note, that comparable listed companies have a growth advantage in respect of their access to greater funding options to finance such growth and greater access to resources generally. On this basis, we have taken up a growth opportunity discount in the case of PIAS.	Decrease
Diversity	A company which has a greater diversity in its operations and in the products and services it offers will tend to have a higher earnings multiple for a given level of earnings which reflects the lower operational and revenue risk of having more than a single product or service offering. We note that the operations of the comparable listed companies are more diverse than those of PIAS, both in terms of operations and geographic locations. Accordingly, we have taken up a diversity discount in the case of PIAS.	Decrease
Customer Risk	PIAS's customer base is well diversified and the different brokers have a multitude of client relationships that undergo regular churn. In addition, PIAS does not have any particular concentration of revenue around a small group of clients. On the basis that comparable companies have a similarly low degree of customer risk we have not taken up a customer risk premium or discount for PIAS.	Neutral
Key Person Risk	Where there are only a small number of key personnel, key person risk is increased and may have a negative impact on the earnings multiple applied to a company. PIAS' operational management is well diversified and we do not believe that an element of key person risk applies to any one director or executive. On the basis that comparable listed companies have a similarly low degree of key person risk, we have not taken up a key person risk premium or discount in the case of PIAS.	Neutral
Gearing	A company which has a greater level of debt in relation to its total capital will usually have a lower earnings multiple for a given level of earnings as compared with a company that has a lower level, or industry average level of debt. This tendency to apply a lower earnings multiple reflects the higher risk associated with higher levels of debt funding. The selected comparable companies appear to have a sustainable level of debt, which does not significantly impact gearing risk. As PIAS has a similarly low level of gearing risk, we have neither taken a risk premium nor discount in the case of PIAS.	Neutral

Factor	Explanation	Impact on PAH's Capitalisation Multiple
Regulatory	The risk that a change in laws and regulations will materially impact a security, business, sector or market. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape. PIAS operates in an industry regulated by the Financial Advisors Act 2002 ("FAA"). The industry is highly regulated and subject to political and regulatory scrutiny. In addition, in March 2012 the MAS announced a comprehensive governmental review of the financial advice industry, called FAIR. The outcome of this review is uncertain, but it is likely to result in change, if not an increase, in regulation and compliance of Singaporean financial advisors. We are of the view that regulatory risks affecting PIAS may have a negative impact on the capitalisation multiple applicable to PIAS.	Decrease

Source: LCF analysis

7.8. Multiple Applicable to PIAS

Based on our analysis above, we have arrived at an EBITDA multiple range applicable to PIAS' EBITDA FME of **3.6 to 4.4 times**.

7.9. Premium for Control

Our assessment of the earnings multiple range applicable to PIAS has been derived predominately from the multiples observable from trades of minority parcels of shares in listed entities. Accordingly, the trading prices reflect a non-controlling interest value. The interest being valued represents a controlling interest in PIAS. When valuing a controlling interest, an appropriate allowance should be made for a premium for control.

Earnings multiples derived from market trading share prices do not reflect the market value for control of a company as they are for minority parcels of shares. The difference in the market value of a controlling interest and a minority interest is referred to as the premium for control.

The justification for applying a premium for control is that as the owner of a controlling interest, that shareholder will have the ability to do many things that the owner of a minority interest cannot. These elements of control include the rights to:

- control the cash flows of the company, such as dividends, capital expenditure and compensation for personnel, including directors;
- determine the strategy and policy of the company;
- make acquisitions, or divest operations; and
- control the composition of the board of directors.

Other factors that are relevant to our consideration of an appropriate control premium include:

- takeover premiums observed from the market transactions reflect, amongst other things, the level of debt of the target companies. Higher debt, implying greater financial risk, may lower the equity premium payable upon a takeover.
- premiums would be less in respect of enterprise values where gearing exists. The level of gearing impacts on the premium on EBITDA multiples based on equity trading prices reflecting a non-controlling interest value, which are usually less than control premiums paid in respect of non-controlling interest trading price value in respect of equity values; and

- the level of control premium applied to the value of a minority interest in order to derive the value of a controlling interest is somewhat subjective.

Having regard to the above considerations, we have applied to the equity value a premium for control in the case of PIAS in the range of 30% to 40%.

7.10. Surplus Assets & Liabilities

Surplus assets are assets which form part of an entity but do not contribute to the business earnings or cash flow generation capacity of that entity. These are assets that if sold, would not impact on the revenue or profit generating capacity of the active business undertaken.

Assets and liabilities that do not form part of the business undertaken must be valued separately. Such assets and liabilities are considered "surplus" to the business undertaken, but nevertheless represent value that should be reflected in the overall value of the entity as they could be realised separately and the cash added to the value of the business.

In determining the value of the surplus assets and liabilities in the case of PAH/PIAS, we have taken into consideration the following:

- the value of working capital on hand as at 30 June 2012 fell within a "normal" range for PIAS, according, we have not made any adjustment for a surplus or deficiency in working capital as at 30 June 2012;
- the net value of loans payable to related parties as at 30 June 2012 in the amount of SGD\$355,924; and
- we have been advised by management that PIAS does not have any immediate capital expenditure requirements, accordingly, we have not made any adjustments to take up such requirements.

7.11. Valuation Calculation

Based on the above analysis, the enterprise value of PIAS as at 30 June 2012 has been determined as follows:

Table 24: Valuation Calculation at 30 June 2012

	Currency	Ref	Low	High	Average
Selected Future Maintainable Earnings	SGD	7.3	430,000	430,000	430,000
Multiplied by selected EV/EBITDA Multiple		7.8	3.60	4.40	4.00
Enterprise Value (Minority Basis)	SGD		1,548,000	1,892,000	1,720,000
Premium for Control		7.9	30.0%	40.0%	35.0%
Enterprise Value (Control Basis)	SGD		2,012,400	2,648,800	2,322,000
Add: Surplus Assets as at 30 June 2012					
Add: Excess Working Capital	SGD	7.10	-	-	-
Subtract: Surplus Liabilities as at 30 June 2012					
Related Party loans	SGD	7.10	(355,924)	(355,924)	(355,924)
Subtract: Short-Term CAPEX Requirements					
n/a	SGD	7.10	-	-	-
Equity Value - Singapore Dollars	SGD		1,656,476	2,292,876	1,966,076
Exchange Rate as at 30 June 2012			1.2940	1.2940	1.2940
Equity Value - Australian Dollars	AUD		1,280,121	1,771,929	1,519,379
CAF's Interest		4.3	81.10%	81.10%	81.10%
Fair Market Value of CAF's Interest	AUD		1,038,210	1,437,079	1,232,254

Source: LCF analysis

7.12. Valuation Cross-Check Calculations

We have performed a valuation cross check based on the implied revenue and implied funds under advice ("FUA") multiples of PIAS inherent in the valuation.

Implied Revenue & FUA Multiples of PIAS

Our estimate of the implied multiples of PIAS has been determined after consideration of:

- PIAS' FY2012 revenue;
- PIAS' FY2013 (budget) revenue;
- PIAS's funds under advice as at 30 June 2012.

Set out below is our assessment of the implied multiples of PIAS:

Table 25: Implied Multiples Analysis

	Currency	Low	High	Average
<u>Implied Revenue Multiples</u>				
Net Revenue (FY2012)	SGD	5,624,667	5,624,667	5,624,667
EV (Minority Basis)/Revenue Multiple (FY2012)		0.28	0.34	0.31
Net Revenue (FY2013)	SGD	6,531,672	6,531,672	6,531,672
EV (Minority Basis)/Revenue Multiple (FY2013)		0.24	0.29	0.26
<u>Implied FUA Multiples</u>				
Funds Under Advice as at 30 June 2012	SGD	638,656,557	638,656,557	638,656,557
EV (Minority Basis)/Funds Under Advice Multiple		0.0024	0.0030	0.0027

Source: LCF analysis

The implied revenue and FUA multiples above compare with averages of 1.79 and 0.014 respectively (excluding outliers) as set out in **Appendix 4**. We note that the multiples in **Appendix 4** are based on companies who have operations which are on average, substantially larger, more diverse and more profitable to that of PIAS.

Having regard to the above, we consider that the implied revenue multiples appear reasonable.

Appendix 1 Sources of Information

In preparing this report we have had access to and relied upon the following principal sources of information:

- Audited annual report of Centrepont Alliance Limited for the year ended 30 June 2011;
- Preliminary financial report of Centrepont Alliance Limited for the year ended 30 June 2012;
- Audited financial report of Professional Investment Advisory Services Pte Ltd for the year ended 30 June 2011;
- Monthly management reports of Professional Investment Advisory Services Pte Ltd for the years ended 30 June 2011 and 30 June 2012;
- Budget prepared by Professional Investment Advisory Services Pte Ltd for the year ending 30 June 2013;
- Information available on the website of Centrepont Alliance Limited, www.centrepontalliance.com.au;
- Information available on the website of Professional Investment Advisory Services Pte Ltd, www.profinvest.com.sg;
- Publicly available information regarding comparable listed companies, including various ASX announcements and ASIC company extracts;
- IBISWorld Industry Report, “Financial Planning and Investment Advice in Australia”, May 2012;
- Singapore Department of Statistics, “Key Household Characteristics and Household Income Trends, 2011”;
- Singapore Department of Statistics, “Population in Brief, 2011”, September 2011;
- Singapore Department of Statistics, “Yearbook of Statistics Singapore, 2012”, 2012;
- Monetary Authority of Singapore, “Keynote Address at Life Insurance Association 50th Anniversary Gala Dinner”, 26 March 2012;
- Monetary Authority of Singapore, “2011 Singapore Asset Management Industry Survey”, July 2012;
- Monetary Authority of Singapore, “2010 Singapore Asset Management Industry Survey”, August 2011;
- Monetary Authority of Singapore, “2009 Singapore Asset Management Industry Survey”, July 2010;
- Monetary Authority of Singapore, “2008 Singapore Asset Management Industry Survey”, September 2009;
- Monetary Authority of Singapore, “2007 Singapore Asset Management Industry Survey”, July 2008;
- Monetary Authority of Singapore, “2006 Singapore Asset Management Industry Survey”, July 2007;
- Monetary Authority of Singapore, “2005 Singapore Asset Management Industry Survey”, July 2006;
- Singapore Department of Statistics, “Time Series on Annual GDP at Current Market Prices”, Updated 16 Feb 2012;
- Information available from S&P Capital IQ; and
- other publicly available information.

In addition to the above, LCF has had various discussions with the management of Centrepont Alliance Limited and Professional Investment Advisory Services Pte Ltd regarding the nature and prospects of their business and financial position.

Appendix 2 Glossary of terms

Set out below is a glossary of terms used in this Report.

Table 26: Glossary

Term	Definition
A\$	Australian dollars
AOHL	Aviva Overseas Holdings Pte Ltd (Singapore Registration Number 03292605)
APES	Australian Professional Ethical Standards
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUM	Assets Under Management
Aviva	Aviva Asia Holdings Pte Ltd (Singapore Registration Number 201020946G)
Buyback Agreement	The proposed buyback agreement between Aviva Overseas Holdings Pte Ltd and Centrepoint Alliance Limited for the transfer of 7,731,684 ordinary shares held by Aviva Overseas Holdings Pte Ltd in Centrepoint Alliance Limited
CAF or the Company	Centrepoint Alliance Limited (Australian Company Number 052 507 507)
Centrepoint Wealth	Centrepoint Wealth Limited (Australian Company Number 074 949 429)
Consideration Shares	7,731,684 ordinary shares in Centrepoint Alliance Limited held by Aviva Overseas Holdings Pte Ltd to be transferred back to Centrepoint Alliance Limited in consideration of the disposal of Centrepoint Alliance Limited's interest in Professional Investment Advisory Services Pte Ltd
Consideration Value	The consideration value as stated in the Share Purchase Agreement being SGD\$2.2 million
CPF	Singapore Central Provident Fund
DCF	Discounted cash flow
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FAA	Singapore Financial Advisors Act 2002
FAIR	Financial Advisory Industry Review
FME	Future maintainable earnings
GDP	Gross Domestic Product
GFC	Global Financial Crisis
GP	Gross Profit
IOOF	IOOF Holdings Limited
IPO	Initial Public Offering
LCF	Lawler Corporate Finance
MAS	Monetary Authority of Singapore
NA	Net assets
NPBT	Net Profit Before Income Tax
NPV	Net present value

Term	Definition
NTA	Net tangible assets
NZ\$	New Zealand dollars
PAH	Professional Advisory Holdings Ltd (Singapore Registration Number 200106345H)
PIAS	Professional Investment Advisory Services Pte Ltd
PIS	Professional Investment Services
Report	This Equity Value Report prepared by LCF and dated 11 September 2012
SGD\$	Singaporean dollars
SGX	Singapore Exchange
Share Purchase Agreement	The share purchase agreement between Aviva Asia Holdings Pte Ltd and Centrepont Alliance Limited for the sale of Centrepont Alliance Limited's interest in Professional Investment Advisory Services Pte Ltd date 7 August 2012
Valuation Date	30 June 2012
VWAP	Volume weight average price

Source: LCF

Appendix 3 Valuation Methods

In conducting our assessment of the fair market value of CAF and PIAS, the following commonly used business valuation methods have been considered:

Discounted Cash Flow Method

The discounted cash flow (“DCF”) method is based on the premise that the value of a business or any asset is represented by the present value of its future cash flows. It requires two essential elements:

- the forecast of future cash flows of the business asset for a number of years (usually five to 10 years); and
- the discount rate that reflects the riskiness of those cash flows used to discount the forecast cash flows back to net present value (“NPV”).

DCF is appropriate where:

- the businesses’ earnings are capable of being forecast for a reasonable period (preferably five to 10 years) with reasonable accuracy;
- earnings or cash flows are expected to fluctuate significantly from year to year;
- the business or asset has a finite life;
- the business is in a 'start up' or in early stages of development;
- the business has irregular capital expenditure requirements;
- the business involves infrastructure projects with major capital expenditure requirements; or
- the business is currently making losses but is expected to recover.

Capitalisation of Future Maintainable Earnings Method

This method involves the capitalisation of estimated future maintainable earnings by an appropriate multiple. Maintainable earnings are the assessed sustainable profits that can be derived by the business and excludes any one off profits or losses. An appropriate earnings multiple is assessed by reference to market evidence as to the earnings multiples of comparable companies.

This method is suitable for the valuation of businesses with indefinite trading lives and where earnings are relatively stable or a reliable trend in earnings is evident.

Net Realisable Value of Assets

Asset based valuations involve the determination of the fair market value of a business based on the net realisable value of the assets used in the business.

Valuation of net realisable assets involves:

- separating the business or entity into components which can be readily sold, such as individual business units or collection of individual items of plant and equipment and other net assets; and
- ascribing a value to each based on the net amount that could be obtained for this asset if sold.

The net realisable value of the assets can be determined on the basis of:

- orderly realisation: this method estimates fair market value by determining the net assets of the underlying business including an allowance for the reasonable costs of carrying out the sale of assets, taxation charges and the time value of money assuming the business is wound up in an orderly manner. This is not a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value;
- liquidation: this is a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value; or
- going concern: the net assets on a going concern basis estimates the market value of the net assets but does not take into account any realisation costs. This method is often considered appropriate for the valuation of an investment or property holding company. Adjustments may need to be made to the book value of assets and liabilities to reflect their going concern value.

The net realisable value of a trading company's assets will generally provide the lowest possible value for the business. The difference between the value of the company's identifiable net assets (including identifiable intangibles) and the value obtained by capitalising earnings is attributable to goodwill.

The net realisable value of assets is relevant where a company is making sustained losses or profits but at a level less than the required rate of return, where it is close to liquidation, where it is a holding company, or where all its assets are liquid. It is also relevant to businesses that are being segmented and divested and to value assets that are surplus to the core operating business. The net realisable assets methodology is also used as a check for the value derived using other methods.

These approaches ignore the possibility that the company's value could exceed the realisable value of its assets.

Security Market Trading History

The application of the price that a company's shares trade on a public exchange, such as the Australian Securities Exchange ("ASX"), is an appropriate basis for valuation where:

- the shares trade in an efficient market place where 'willing' buyers and sellers readily trade the company's shares; and
- the market for the company's shares is active and liquid.

Constant Growth Dividend Discount Model

The dividend discount model works best for:

- firms with stable growth rates;
- firms which pay out dividends that are high and approximate free cash flow to equity;
- firms with stable leverage; and
- firms where there are significant or unusual limitations to the rights of investors.

Special Value

Special value is the amount that a potential acquirer may be prepared to pay for a business in excess of the fair market value. This premium represents the value to the potential acquirer of potential economies of scale, reduction in competition or other synergies arising from the acquisition of the asset not available to likely purchases generally. Special value is not normally considered in the assessment of fair market value as it relates to the individual circumstances of special purchases.

Appendix 4 Comparable Listed Company Analysis

Set out below is a summary of the comparable listed companies identified together with corresponding financial data and multiples analysis:

Company	Code	Description	Currency	Market Cap as at 30 June 2012 (\$\$m)	Enterprise Value as at 30 June 2012 (\$\$m)	Debt to Capital Ratio	Operating Revenue (\$\$m)	EV / Revenue Multiple	EBITDA (\$\$m)	EV / EBITDA Multiple	EBITDA Margin	Working capital (Cash-Add-in-vCAP)	Net Working Capital/ Revenue	FUWA (\$\$m)	EV/FUWA
Singaporean Listed Companies															
Aiasons WFG Financial Ltd. (SGX:5EC)	SGX:5EC	Aiasons WFG Financial Ltd, an investment holding company, provides a range of capital market advisory and other related services. It primarily serves customers in Singapore, Hong Kong, Mainland China, Australia, New Zealand, and the United Kingdom. The company was formerly known as Westcomb Financial Group Limited and changed its name to Aiasons WFG Financial Ltd. in June 2010. Aiasons WFG Financial Ltd. was founded in 2000 and is based in Singapore.	SGD	25.14	16.65	-	5.94	2.84	2.04	8.28	34%	5.41	0.91	n/a	n/a
UOB-Kay Han Holdings Ltd. (SGX:U10)	SGX:U10	UOB-Kay Han Holdings Limited, an investment holding company, operates as a broker and corporate finance services company. The company provides its services to corporations, institutions, and investors in Singapore, Hong Kong, and internationally. UOB-Kay Han Holdings Limited is headquartered in Singapore.	SGD	1,137.79	1,390.82	0.30	273.06	5.09	124.38	11.18	46%	1,582.73	5.80	n/a	n/a
Foreign Listed Companies															
Centrepont Alliance Ltd. (ASX:CAF)	ASX:CAF	Centrepont Alliance Limited provides funding of venture capital ventures to corporations and domestic clients in Australia and internationally. It also offers financial advice, funds management, investment administration platform, trustee services, finance broking, mortgage broking and other lending services.	AUD	24.32	96.14	0.80	264.87	0.36	12.23	7.86	5%	2.17	0.01	14,288.50	0.0067
ClearView Wealth Limited (ASX:CVW)	ASX:CVW	ClearView Wealth Limited, a financial services company, focuses on the life insurance and wealth management industry in Australia. The company specialises in providing financial advice to help its clients grow assets and protect their families. The company is headquartered in Sydney, Australia.	AUD	262.93	126.86	0.85	182.49	0.70	15.78	8.04	9%	259.86	1.42	3,765.55	0.0337
Counplus Limited (ASX:CLP)	ASX:CLP	Counplus Limited provides accounting and wealth advisory services. Counplus Limited was founded in 2007 and is headquartered in Sydney, Australia.	AUD	181.50	178.16	0.03	132.76	1.34	26.77	6.65	20%	21.67	0.16	n/a	n/a
Engcor Capital Group Limited (SEHK:717)	SEHK:717	Engcor Capital Group Limited, an investment holding company, provides various financial services in Hong Kong. The company provides brokerage services for securities, options, futures, insurance, and other wealth management products traded on the exchanges in Hong Kong, the United States, Japan, and the United Kingdom. The company is headquartered in Wanchai, Hong Kong. Engcor Capital Group Limited operates as a subsidiary of The Abert Hong Discretionary Trust.	HKD	125.24	22.78	-	32.65	0.70	(1.56)	(14.65)	-5%	113.68	3.48	n/a	n/a
Equity Trustees Ltd. (ASX:EQT)	ASX:EQT	Equity Trustees Limited, together with its subsidiaries, provides various financial products and services in Australia. It operates in two segments, Wealth Services, and Corporate Fiduciary and Financial Services. The company was founded in 2008 and is headquartered in Melbourne, Australia.	AUD	127.86	117.83	-	53.08	2.22	14.99	7.86	28%	10.70	0.20	27,536.18	0.0043
GreaterChina Professional Services Limited (SEHK:893)	SEHK:893	GreaterChina Professional Services Limited is an investment holding company, provides integrated professional services to public and private companies, and individual investors primarily in Hong Kong and the Peoples Republic of China. The company was incorporated in 2010 and is headquartered in Wanchai, Hong Kong. GreaceChina Professional Services Limited is a subsidiary of Brilliant One Holdings Limited.	HKD	17.98	8.02	0.00	11.03	0.73	2.07	3.87	19%	11.13	1.01	n/a	n/a
Plan B Group Holdings Ltd. (ASX:PLB)	ASX:PLB	Plan B Group Holdings Limited provides wealth management services in Australia and New Zealand. The company was founded in 1986 and is headquartered in Perth, Australia.	AUD	50.94	40.04	0.02	50.24	0.80	7.67	5.22	15%	8.91	0.18	2,673.42	0.0150
Prime Financial Group Ltd. (ASX:PIG)	ASX:PIG	Prime Financial Group Limited, through its subsidiaries, provides a range of wealth management services in Australia. Prime Financial Group Limited is based in South Australia.	AUD	23.00	7.94	0.34	16.11	0.49	6.27	1.27	39%	7.61	0.47	1,299.07	0.0061
Pyne Gould Corporation Limited (NZSE:PGC)	NZSE:PGC	Pyne Gould Corporation Limited provides financial, trustee, and asset management services primarily in New Zealand. The company offers wealth management services, including financial advice, investment management, and trustee services to the mainstream clients, as well as institutional clients. The company is based in Christchurch, New Zealand.	NZD	61.77	21.43	0.27	30.97	0.69	(2.60)	(8.25)	-8%	26.97	0.87	n/a	n/a
Quam Limited (SEHK:952)	SEHK:952	Quam Limited, an investment holding company, provides various financial services primarily in Hong Kong. The company, formerly known as Wah Fu International Holdings Limited, is headquartered in Central, Hong Kong.	HKD	34.91	48.93	0.13	55.90	0.88	(1.19)	(41.07)	-2%	(17.16)	(0.31)	84.51	0.5790
SFG Australia Limited (ASX:SPW)	ASX:SPW	SFG Australia Limited engages in the provision of financial advice and wealth management services in Australia. The company is based in Sydney, Australia.	AUD	317.14	291.48	0.01	141.00	2.07	38.40	7.59	27%	12.96	0.09	31,146.58	0.0094
Yellow Brick Road Holdings Limited (ASX:YBR)	ASX:YBR	Yellow Brick Road Holdings Limited operates as an integrated wealth management and professional services company in Australia. It serves individuals, small and medium sized businesses, and professional practices. The company was formerly known as YBR Capital Resources Limited and changed its name to Yellow Brick Road Holdings Limited in May 2011. Yellow Brick Road Holdings Limited was founded in 2007 and is headquartered in Sydney, Australia.	AUD	50.69	34.88	0.13	17.16	2.03	(4.97)	(7.01)	-29%	13.89	0.81	596.98	0.0584
Average				174.37	171.58	0.21	90.52	1.50	17.16	(0.23)	1.4%	147.18	1.08	10,174	0.089
Average excluding Emporor, PFG, PGC, Quam & YBR				238.40	251.80	0.22	123.83	1.79	27.15	7.40	2.3%	212.84	1.09	15,882	0.014

Source: Capital IQ, publicly available information, LCF analysis

Appendix 5 Comparable Transaction Analysis

Set out below is a summary of the comparable listed companies identified together with corresponding financial data and multiples analysis:

Target	Quote Symbol	Description	Transaction Type	Date	Acquirer	Implied Enterprise Value (\$m)	Revenue (\$m)	Implied Revenue Multiple	EBITDA (\$m)	Implied EBITDA Multiple	FUMA (\$m)	EV/FUMA
KIM Eng Holdings Limited	SGX:K50	Kim Eng Holdings Limited provides stockbroking, futures broking, and investment advisory services. It operates in Singapore, Thailand, Hong Kong, Indonesia, the United States, the United Kingdom, India, Malaysia, the Philippines, and Vietnam. The company is headquartered in Singapore. As of July 2011, Kim Eng Holdings Limited was 100% acquired by Maybank IB Holdings Sdn. Bhd. for cash consideration of \$8890 million (287.29 million shares for \$33.10 per share).	Acquisition	May 2011	Maybank IB Holdings Sdn. Bhd.	1,811.18	399.70	4.53	139.44	12.99	n/a	n/a
Plan B Group Holdings Limited	ASX:PLB	Plan B Group Holdings Limited provides wealth management services in Australia and New Zealand. In July 2012 IOOF announced that it had entered into a bid implementation deed to acquire 100% of Plan B for approximately \$49.1 million. IOOF has offered cash consideration of \$0.60 per Plan B share. The offer commenced on 9 August 2012 and is expected to close (unless extended or withdrawn) on 11 September 2012.	Acquisition	In progress	IOOF Holdings Limited (ASX:IFL)	63.72	50.18	1.27	7.67	8.31	2,673.42	0.0238
Pyne Gould Corporation Limited	NZSE:PGC	Pyne Gould Corporation Limited provides financial, trustee, and asset management services primarily in New Zealand. The company offers wealth management services, including financial advice, investment management, and trustee services to the mainstream clients, as well as institutional clients. The company is based in Christchurch, New Zealand. On 10 October 2011 Australasian Equity Partners ("AEP") made an offer to a group of seller's with significant share parcels to acquire 100% of Pyne Gould, conditional upon AEP obtaining 90% control of voting rights in Pyne Gould. On 26 October 2011, AEP upwardly revised its offer to NZ\$0.37 per share. As of 30 March 2012, AEP had acquired 76.3% of Pyne Gould shares and waived the 90% minimum acceptance condition. AEP had acquired approximately 165 million shares for NZ\$61.2 million.	Acquisition	Mar 2012	Australasian Equity Partners	82.68	31.06	2.66	(2.60)	(31.75)	n/a	n/a
Count Financial Limited	ASX:COU	Count Financial Limited provides financial planning services, investment reviews, and advisory services in Australia. The company offers advice on personal insurance, superannuation, home and investment loans, business loans, financial planning, wealth creation, wealth protection, and leasing through its network of franchisees. It also provides loan broking and leasing services to other non-franchisee intermediaries; provides accounting, tax, and audit services, as well as broking services for home and investment loans, business loans, and leasing/hire purchase. The company operates a franchised network of approximately 300 firms, as well as financial planning/wealth accountants and advisers. Count Financial Limited was founded in 1980 and is headquartered in Sydney, Australia. As of December 9, 2011, Count Financial Ltd. was taken private.	Acquisition	Dec 2011	Commonwealth Bank of Australia (ASX:CBA)	491.68	166.07	2.96	54.59	9.01	17,795.47	0.0276
DKN Financial Group	Unlisted Public Co.	DKN Financial Group Ltd provides financial services solutions to financial wealth management practices in Australia. The company acts as a buying group to negotiate a range of products and services for financial advisers to run a wealth management practice. In October 2011 IOOF acquired 100% of DKN Financial Group shares for cash consideration of A\$0.80 per share.	Acquisition	Oct 2011	IOOF Holdings Limited (ASX:IFL)	150.08	31.71	4.73	14.52	10.33	10,430.08	0.0144
Shadforth Financial Group Holdings Limited	Unlisted Public Co.	Shadforth Financial Group was an unlisted public company group that provided financial and wealth management advice to clients. Shadforth Financial Group was acquired by Snowball Group Limited in July 2011 as part of a friendly merger between the businesses. Consideration consisted of 2.15 Snowball shares for every one Shadforth share. Following the transaction, former Shadforth shareholder's collectively held approximately 71% of issued Snowball shares on the ASX.	Acquisition	Jul 2011	Snowball Group Limited (ASX:SNO)	267.37	115.37	2.32	30.87	8.66	11,248.89	0.0238
Officium Capital Limited	Unlisted Public Co.	Officium Capital Limited is a portfolio construction and fund-of-funds manager. Officium Capital also provides responsible entity services to managed investment schemes and acts as manager of funds directly and together with other specialist fund managers. In February 2010, Snowball Group acquired 100% of Officium shares for cash consideration of \$6.5 million, subject to a maximum potential 'clawback' payment of \$2.5 million if certain conditions regarding future performance of Officium were not met.	Acquisition	Feb 2010	Snowball Group Limited (ASX:SNO)	6.53	3.25	2.01	1.03	6.31	551.95	0.0118
Average Average excluding PGC						410.46 465.09	113.91 127.71	2.93 2.97	35.07 41.35	3.41 9.27	8,540 8,540	0.020 0.020

Source: Capital IQ, publicly available information, LCF analysis

000001 000 CAF
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

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Proxy Form



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Cast your proxy vote



Review and update your securityholding

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Control Number: 999999

SRN/HIN: 1999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10:30am (AEST) Wednesday 17 October 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Centrepont Alliance Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Centrepont Alliance Limited to be held at the offices of Norton Gledhill at Level 23, 459 Collins Street, Melbourne, Victoria 3000 on Friday 19 October 2012 at 10:30am (AEST) and at any adjournment of that meeting.

Important for Item 3: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Item 3 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 3 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 3 of business.

☐ I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Selective buy-back of Aviva's 7.6% shareholding in Company	☐	☐	☐
2 Selective buy-back of Tony Robinson's partly paid shares in Company	☐	☐	☐
3 Acquisition of options by Tony Robinson	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /