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KCA ADVANTAGE FUND, LIMITED PARTNERSHIP

(A CAYMAN ISLANDS EXEMPTED LIMITED PARTNERSHIP)

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM OCTOBER 21, 2016 (DATE OF INCORPORATION) TO DECEMBER 31, 2017

KCA ADVANTAGE FUND, LIMITED PARTNERSHIP
(A Cayman Islands exempted limited partnership)

REPORT AND FINANCIAL STATEMENTS

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KCA ADVANTAGE FUND, LIMITED PARTNERSHIP

STATEMENT BY GENERAL PARTNER

In the opinion of the directors of KCA Capital Partners GP (the "General Partner"), the financial statements and the notes thereon are drawn up in accordance with International Financial Reporting Standards so as to give a true and fair view of the financial position of KCA Advantage Fund, Limited Partnership (the "Partnership") as at December 31, 2017 and the financial performance of the Partnership's operations, changes in partners' capital and cash flows from such operations for the period ended on that date, and at the date of this statement, there are reasonable grounds to believe that the Partnership will be able to pay its debts as and when they fall due.

FOR AND ON BEHALF OF THE GENERAL PARTNER:

....

Cheng Lu
Director

April 20, 2018

Deloitte.

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INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF

KCA ADVANTAGE FUND, LIMITED PARTNERSHIP
(A Cayman Islands exempted limited partnership)

Opinion

We have audited the financial statements of KCA Advantage Fund, Limited Partnership (the "Partnership"), which comprise the statement of financial position of the Partnership as at December 31, 2017, and the statement of comprehensive income, statement of changes in partners' capital, and statement of cash flows for the period from October 21, 2016 (date of incorporation) to December 31, 2017, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 28.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2017, and of the financial performance, changes in partners' capital and cash flows for the period from October 21, 2016 (date of incorporation) to December 31, 2017 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Partnership in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report Thereon

The General Partner is responsible for the other information. The other information comprises the statement of General Partner set out on page 1.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF

KCA ADVANTAGE FUND, LIMITED PARTNERSHIP
(A Cayman Islands exempted limited partnership)

Responsibilities of the General Partner for the Financial Statements

The General Partner is responsible for the preparation and fair presentation of financial statements in accordance with the IFRSs, and for such internal control as the General Partner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the General Partner is responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Partner either intends to liquidate the Partnership or to cease operations, or has no realistic alternative but to do so.

The General Partner's responsibilities include overseeing the Partnership's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Partner.

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INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF

KCA ADVANTAGE FUND, LIMITED PARTNERSHIP
(A Cayman Islands exempted limited partnership)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

(d) Conclude on the appropriateness of the General Partner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the General Partner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

April 20, 2018

KCA ADVANTAGE FUND, LIMITED PARTNERSHIP
(A Cayman Islands exempted limited partnership)

STATEMENT OF COMPREHENSIVE INCOME
Period from October 21, 2016 (date of incorporation) to December 31, 2017

	Note	October 21, 2016 (date of incorporation) to December 31, 2017
		US$
Changes in fair value of investments, as at fair value through profit and loss		6,947,881
Interest income		1,923
Total income		6,949,804
Management fees	5	(1,508,000)
Organisational expenses		(675,744)
Investment expenses		(530,489)
Administration fees		(86,579)
Other expenses		(17,407)
Total expenses		(2,818,219)
Profit before taxation		4,131,585
Less: Taxation	9	-
Profit for the period		4,131,585
Other comprehensive income		-
Total comprehensive income for the period		4,131,585

See accompanying notes to the financial statements

KCA ADVANTAGE FUND, LIMITED PARTNERSHIP
(A Cayman Islands exempted limited partnership)

STATEMENT OF FINANCIAL POSITION
December 31, 2017

	Note	2017
		US$
ASSETS		
Current assets		
Cash and bank balances	6	2,074,002
Due from related parties	5	141,288
Other receivables		3,762
		2,219,052
Non-current assets		
Investments, at fair value through profit or loss	7	38,300,308
		38,300,308
Total assets		40,519,360
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities		
Accrued expenses	8	130,804
Due to a related party	5	28,971
Total liabilities		159,775
Partners' capital	10	40,359,585
Total liabilities and partners' capital		40,519,360

See accompanying notes to the financial statements.

KCA ADVANTAGE FUND, LIMITED PARTNERSHIP
(A Cayman Islands exempted limited partnership)

STATEMENT OF CHANGES IN PARTNERS' CAPITAL
Period from October 21, 2016 (date of incorporation) to December 31, 2017

	General Partner	Limited Partners	Total
	US$	US$	US$
At October 21, 2016 (date of incorporation)	-	-	-
Transactions with owners, recognised directly in equity capital contributions	-	36,228,000	36,228,000
Profit for the period, representing total comprehensive income for the period	-	4,131,585	4,131,585
At December 31, 2017	-	40,359,585	40,359,585

See accompanying notes to the financial statements

KCA ADVANTAGE FUND, LIMITED PARTNERSHIP
(A Cayman Islands exempted limited partnership)

STATEMENT OF CASH FLOWS
Period from October 21, 2016 (date of incorporation) to December 31, 2017

	October 21, 2016 (date of) incorporation) to December 31, 2017
	US$
Cash flows from operating activities	
Profit before taxation	4,131,585
Adjustments for:	
Unrealised gain on investments, at fair value through profit or loss	(6,947,881)
Operating cash flows before movements in working capital	(2,816,296)
Changes in working capital:	
Increase in due from related parties	(141,288)
Increase in other receivable	(3,762)
Increase in accrued expenses	130,804
Increase in due to related party	28,971
Net cash used in operating activities	(2,801,571)
Investing activities	
Purchase of investments	(31,352,427)
Net cash used in investing activities	(31,352,427)
Cash flows from financing activities	
Capital contributions	36,228,000
Net cash flows generated from financing activities	36,228,000
Net increase in cash and cash equivalents	2,074,002
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	2,074,002

See accompanying notes to the financial statements

1 GENERAL INFORMATION

The KCA Advantage Fund, Limited Partnership (the "Partnership") is registered as an Exempted Limited Partnership formed under the laws of the Cayman Islands. The address of its registered office is at c/o Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 – 1205, Cayman Islands. The financial statements are expressed in United States Dollars ("USD").

The principal activity of the Partnership is that of investment holding. The Partnership is expected to pursue minority stakes and control stakes, directly or indirectly, in small to medium growth private and listed companies and may invest in investment funds or other strategic investment platforms that are targeting investments in small to medium growth private and/or listed companies.

The General Partner of the Partnership is KCA General Partners GP (the "General Partner"), a Cayman Islands exempted limited company. The General Partner is responsible for the management, control and operation of and determination of policy with respect to the Partnership and its investment and other activities.

The Manager of the Partnership is KCA Investment Management Pte Ltd (the "Manager"), a private company incorporated in Singapore. The Manager shall provide investment management services to the Partnership and to assist the General Partner to manage the day-to-day activities and operation of the Partnership.

The Special Limited Partner is Aurum Partnership L.P., a Cayman Islands exempted limited partnership.

The Partnership's administrator is Vistra Alternative Investments (Singapore) Pte. Ltd.

The financial statements of the Partnership for the period from the date of incorporation on October 21, 2016 to December 31, 2017 were authorised for issue by the General Partner on April 20, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Partnership takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) – On October 21, 2016, the Partnership adopted all the new and revised IFRS and IFRIC that are effective on October 21, 2016 and are relevant to its operations.

The Partnership has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments[1]

[1] Effective for annual periods beginning on or after 1 January 2018, with early application permitted.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non—financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship ". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Based on an analysis of the Partnership's financial assets and financial liabilities as at December 31, 2017 on the basis of the facts and circumstances that exists at that date, the General Partner has assessed the impact of IFRS 9 to the Partnership's financial statements as follows:

Classification and measurement

All financial assets and financial liabilities will continue to be measured on the same basis as is currently adopted under IAS 39.

Impairment

Financial assets measured at amortised cost will be subjected to the impairment provisions of IFRS 9. In general, the General Partner anticipates that the application of the expected credit loss model of IFRS 9 will result in earlier recognition of credit losses.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Partnership's statement of financial position when the Partnership becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL) and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The Partnership does not have any financial assets classified as "held to maturity investments" and "available-for-sale financial assets".

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate for debt instruments other than those financial assets classified as at FVTPL.

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

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- It has been incurred principally for the purpose of selling in the near future; or
- On initial recognition, it is a part of an identified portfolio of financial instruments that the Partnership manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Partnership's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. Fair value is determined in the manner described in Note 4.

Investment in subsidiaries

Investment in subsidiaries are measured at fair value through profit or loss in accordance with IFRS 10 *Consolidated Financial Statements* and IAS 39 *Financial Instruments: Preparation and Measurement*.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loan and receivables (including cash and cash equivalents, other receivables and due from related parties) are measured at amortised cost using the effective interest method less impairment. Interest income is recognised by applying the effective interest rate method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of other receivables where the carrying amount is reduced through the use of an allowance account. When other receivables are uncollectible, it is written off against the allowance account. Subsequent recovery of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derecognition of financial assets

The Partnership derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Partnership neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Partnership recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Partnership retains substantially all the risks and rewards of ownership of a transferred financial asset, the Partnership continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Partnership are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Partnership after deducting all of its liabilities. Equity instruments issued by the Partnership are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

Other payables and accrued expenses are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term balances where the recognition of interest would be immaterial.

Derecognition of financial liabilities

The Partnership derecognises financial liabilities when, and only when, the Partnership's obligations are discharged, cancelled or they expire.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

PROVISIONS - Provisions are recognised when the Partnership has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Partnership will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Partnership and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income

Dividend income from investments is recognised when the Partnership's right to receive payment has been established.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The financial statements are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Partnership are expressed in United States dollars, which is the functional currency of the Partnership, and the presentation currency for the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Transactions in currencies other than the Partnership's functional currency (foreign currencies) are recorded at the rate of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise of cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Partnership's accounting policies, which are described in Note 2, the General Partner is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgments in applying the Partnership's accounting policies

The following are the critical judgements, apart for those involving estimations (see below), that the General Partner has made in the process of applying the Partnership's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Investment entity status

An investment entity is an entity that:

- obtains funds from one or more investors for the purpose of providing those investors with investment management services;

- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- measures and evaluates the performance of substantially all of its investments on a fair value basis.

In accordance with IFRS 10 *Consolidated Financial Statements*, in assessing whether it meets the definition of an investment entity, an entity shall consider whether it displays the following typical characteristics:

- Holding more than one investment;
- Having more than one investor;
- Having investors that are not the entity's related parties; and
- Having ownership interests in the form of equity or similar interests.

The absence of one or more of these characteristics does not prevent the entity from qualifying as an investment entity but indicates that additional judgement is required in determining why it is an investment entity.

In accordance with the IFRS 10, an entity will not be disqualified from being an investment entity where it also carries out any of the following activities:

- Providing investment-related services to third parties and to its investors, even if these activities are substantial to the entity; or

- Providing management services and financial support to its investors, but only when these do not represent a separate substantial business activity and are carried out with the objective of maximising the investment returns from the entity's investees.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

The Partnership holds more than one investment as disclosed in Note 8, and has more than one investor. The investors who have invested in the Partnership are generally unrelated to each other. The Partnership is investing solely for capital appreciation, dividend income, or both, and the Partnership does not obtain other benefits from the investments.

The Partnership is not involved with the day to day operations of managing the various investee companies but obtain periodic financial information and performance reports from the investee companies that manage the operations.

Based on the above, the General Partner has assessed that the Partnership qualifies as an investment entity.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

<u>Determining fair value of investments, as at fair value through profit or loss (FVTPL)</u>

Determination of fair value of unquoted investments designated as at FVTPL requires the Partnership to estimate the returns expected to arise from the underlying investments and a suitable computation method, the determination of which requires judgment. In order to ascertain the fair value of the investments, the General Partner has made assumptions underlying the market multiplier factor used in the valuation.

The General Partner will closely monitor the assumptions and adjustments will be made to the valuation in future periods, if the market activity indicates that such adjustments are appropriate. The significant assumptions made in determining the fair value of financial assets and liabilities are disclosed in Note 4(d)(ii). The carrying value of investments designated as at FVTPL is disclosed in Note 7 to the financial statements.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2017
	US$
Financial assets	
Fair value through profit or loss (FVTPL):	
Investments, at FVTPL	38,300,308
Loans and receivables (including cash and cash equivalents)	2,219,052
Financial liabilities	
Payables, at amortised cost	159,775

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Partnership does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting agreements in 2017.

(c) Financial risk management policies and objectives

The General Partner monitors and manages the financial risks relating to the operations of the Partnership to ensure appropriate measures are implemented in a timely and effective manner. These risks include credit risk, market risk (including currency risk, equity price risk, and interest rate risk) and liquidity risk.

(i) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Partnership.

The Partnership does not have any significant credit exposure to any single counterparty or any company of counterparties having similar characteristics except for certain balances due from related parties. The General Partner does not consider this as an undue exposure.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the statement of financial position.

Cash is held with creditworthy financial institutions.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

(ii) Foreign exchange risk management

The Partnership's exposure to foreign exchange risk primarily relates to investments made in foreign currencies. The Partnership does not hedge its foreign currency investments exposure as the nature of its business makes it difficult to forecast the timing and quantum related to the realisation of the investments. Foreign currency exposure is regarded as an integral part of its investments risks and any gain or loss forms part of its investment returns.

The Partnership has other receivables, and other payables and accruals denominated in foreign currencies of Korean won ("KRW") and Singapore dollar ("S$"). The Partnership's foreign currency exposure arises mainly from the exchange rate movement of the relevant currencies against the United States dollars, which is the Partnership's functional currency.

The currency exposure of financial assets and liabilities are as follows:

	2017	
	Assets	Liabilities
	$	$
Singapore dollar	-	11,224
Korean won	-	28,971
	-	40,195

Sensitivity analysis for currency risk

If the relevant foreign currency strengthens against US$ by 5% with all other variables held constant, profit or loss will (decrease) increase by:

	2017
	US$
Profit or loss	(2,010)

If the relevant foreign currency weakens against US$ by 5% with all other variables held constant, profit or loss will increase (decrease) by:

	2017
	US$
Profit or loss	2,010

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

(iii) Equity price risk management

The Partnership is exposed to equity risks arising from investments designated as at fair value through profit or loss. These investments are held for long term investment rather than trading purposes.

Further details of these investments are disclosed in Notes 4(d)(ii) and 7 to the financial statements.

(iv) Interest rate risk management

Interest rate risk refers to the risk faced by the Partnership as a result of fluctuation in interest rates. The Partnership is not exposed to interest rate risks as the Partnership's interest-bearing financial assets and liabilities comprise of cash and bank balances which are subjected to insignificant risk of changes in value as they are short-term in nature. Accordingly, no interest rate sensitivity analysis is disclosed.

(v) Liquidity risk management

Liquidity risk refers to the risk that the Partnership has difficulties in meeting its short-term obligations. The Partnership maintains sufficient cash and cash equivalents to finance their activities.

All financial assets excluding investments and liabilities are repayable on demand or due within one year from end of the reporting period. The Partnership strategically invests in privately held companies with long term returns. The Partnership's investors are committed for the life of the Partnership and their interests are not transferable.

(vi) Capital risk management policies and objectives

The Partnership manages its capital to ensure that entities in the Partnership will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the capital structure. The capital structure of the Partnership consists only of partners' capital and accumulated profits.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) Fair value of financial assets and financial liabilities

The carrying amounts of financial assets and liabilities other than investments at fair value through profit or loss approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair values of investments at fair value through profit or loss are determined in accordance with generally accepted pricing models. The Partnership uses a market standard methods and makes assumptions that are based on market conditions existing at the end of the reporting period. Valuation techniques are used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Financial assets/ liabilities	Fair value as at 31 December 2017		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	Assets	Liabilities				
Investments, at FVTPL (see Note 7)						
Unquoted equities	38,300,308	-	Level 3	Market standard valuation methodology including: latest round transactions, and market comparable company analysis.	Not applicable.	Not applicable.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial year.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) Fair value of financial assets and financial liabilities (cont'd)

(i) Reconciliation of Level 3 financial assets measured at fair value

	2017
	US$
Opening balance (at October 21, 2016)	-
Addition (Note 7)	31,352,427
Disposal (Note 7)	-
Total gains or losses	
(including exchange gain or loss):	
- in profit or loss (unrealised)	6,947,881
- in profit or loss (realised)	-
Closing balance	38,300,308

(ii) Significant assumption in determining fair value of financial assets and liabilities

The fair value of investments in unquoted equity securities designated as at fair value through profit or loss as at December 31, 2017 have been determined on the basis of valuations carried out by internal valuers having appropriate professional qualification and relevant experience in conducting such valuations. The valuations were arrived at by using market standard valuation methodology with cross checks made to estimated future maintainable earnings over average multiples of comparative companies. The valuations have included some assumptions that are not supportable by observable market prices or rates and is therefore classified as Level 3 instrument in the fair value hierarchy as defined by the IFRS 7 *Financial Instruments: Disclosure*.

5. RELATED PARTY TRANSACTION

For the purpose of these financial statements, parties are considered to be related to the Partnership, if the Partnership has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Partnership and the party are subjected to common control or common significant influence. Related parties may be individuals or other entities.

	2017 US$
Receivable from related parties:	-
Due from General Partner	92,479
Due from other related party	10,839
Due from Manager	37,970
	141,288
Payable to related party:	
Due to Manager	28,971
	28,971

The amounts are unsecured, interest-free and payable on demand.

Management fee

The General Partner is entitled to receive a management fee equal to 2% of the aggregate capital commitment during the commitment period (60 months from initial closing date, December 21, 2016). Thereafter, the annual management fee shall be an aggregate amount, equal to 2.0% per annum of the capital contributions that were used to fund the cost of investments less any return of distributions and less the amount of any write-downs or write-offs.

For its services as General Partner, KCA Capital Partners GP received a management fee for the period ended December 31, 2017 of US$1,508,000.

Other related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place during the financial period:

	2017 US$
Settlement of liabilities on behalf of related parties	214,076
Settlement of liabilities on behalf by related parties	600,825

6. CASH AND BANK BALANCES

	2017
	US$
Cash at bank	2,074,002

7. INVESTMENTS, AS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017
	US$
Unquoted, at fair value at beginning of year	-
Add: Addition during the year	31,352,427
Net changes in fair value during the year	6,947,881
At fair value at end of year	38,300,308

Details of the investments are as follows:

Name of investee company	**Principal place of incorporation / business**	**Principal of ownership interest and voting power held**	**Principal activity**	**2017 Fair Market Value**
				US$
Light Saber Limited	Malta	100%	Investment Holding	17,536,308
New Star Education Limited	Cayman	100%	Investment Holding	20,764,000
				38,300,308

The Company, being an investment entity, is required to apply the exception to consolidation under the Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interest in Other Entities*, and IAS 27 *Separate Financial Statements: Investment Entities* and has accounted for its investments at fair value through profit or loss.

Light Saber Limited owns a 25.1% interest in an unquoted company where the principal place of business is in Korea and its principal activity is in display manufacturing.

New Star Education Limited owns a 87% interest in an unquoted entity which owns a convertible note of an education company where the principal place of business is in China.

There are no significant restrictions on the transfer of funds from the investments to the Partnership.

The Partnership has no contractual commitment or current intentions to provide any other financial or other support to its unconsolidated entities.

8. ACCRUED EXPENSES

	2017
	US$
Other accrued expenses	130,804

9. INCOME TAX EXPENSE

Partnership

There is no income tax expense as the individual partners, rather than the Partnership, are liable to income tax.

10. PARTNERS' CAPITAL

Committed Capital

The Partnership was registered on October 21, 2016, and received aggregate capital commitments from the General Partner and the Limited Partners (collectively the "Partners") of US$74,000,002 (the "Committed Capital").

As of period end, US$36,228,000 has been drawn, equating to 48.96% of the Committed Capital. The partners had remaining capital commitment of US$37,772,002.

	Capital commitment
	2017
	US$
KCA Capital Partners GP	1
Limited Partners	74,000,001
Total contribution	74,000,002

10. PARTNERS' CAPITAL (cont'd)

Allocation of Profits and Losses

Profits and losses are allocated to the Partners in accordance with the Limited Partnership Agreement ("LPA").

Distribution

The General Partner shall distribute the net cash proceeds of the Partnership in accordance with the LPA.

Distributions arising out of profits shall be made to all Partners in accordance with their respective shares based on the allocations defined in the LPA. The General Partner may withhold on a pro rata basis, any distributions, amounts necessary for appropriate reserves for expenses and liabilities, contingent or otherwise, of the Partnership.

For the period ended December 31, 2017, the General Partner has not distributed any profits to the Limited Partners.

11. COMPARATIVE FIGURES

The financial statements cover the financial period from October 21, 2016 (date of incorporation) to December 31, 2017. This being the first set of financial statements, there are no comparative figures.