



FAQ: Board of advisor meeting, 3rd February 2015

1. Question: What if WDA stop funding for Colour Face?

The Singapore government is committed to lifelong learning. WDA is established with the intention to increase productivity and to breach job transition.

The government committed a lot of money with WDA .

They have build 3 buildings: Marina Boulevard, Paya Lebar, Jurong.

The only reason why WDA will cease funding is when there's a change of government.

The management perspective of the political stability in Singapore is that there will be no government change within the next 5 years. Hence, the WDA funding policy for past 15 years will continue to be a foreseeable future.

View of WDA on training

Funding for productivity and enterprises has been on going since 1980s, and there are no signs that the funding will stop.

Currently Singapore is facing structural unemployment and aging group.

There's also interestingly a minimum floor cap for number of students each class needs to have, but no maximum cap for number of students an Authorized Training Organization can take in.

2. Question: What do you mean by mark to market valuation

Company seek for a valuation of at least 300 millions in order to satisfy SGX criteria of listing under section 2 part (c) in SGX listing rulebook. Company can list in mainboard with 300 millions market capitalization and 1 year of full audited accounts. Based on valuation model accepted by all professional valuers, 10% of One Thousand Dollars will be given a valuation (market capitalization) of Ten Thousand Dollars. We are applying the same to Colour Face valuation.

3. Question: How to improve the experience of shareholders

Our key to success will depend a lot on how stakeholders view the company.

We are committed to develop our proficiency where our officers are members who can develop, manage, optimize, and envision how colour face group various functions can interact with their customers.

These stakeholders must be able to have excellent customer experience within each of our companies and have us as vendors who can support our customer/shareholders/investors/auditors/regulators experience.



We supports the professional development of our officers and advances the field by providing avenues where board of directors, board of advisors and social media can help us educate, research, develop standards, offering better networking opportunities and creating a better understanding of the discipline of the overall stakeholder interaction with the group.

Concrete steps that we are taking includes:

- Prospectors marketing material and other company relevant information
- We only trust funds.
- SGX and MAS are very concerned about this.
- We will pass out the marketing materials.
- Series B we will only pass out the marketing materials to our current investors and potential investors.

4. Question: How am I ensured professional experience happens to current and potential investors

These are the steps that we will take to ensure the excellent investor relations.

- The management will be allocating an officer who will be the direct liaison for all our investor and/or shareholders
- The management will be serving all notices via phone calls, whatsapp or sms
- After that, we will be serving an official notice via registered post (this is only for current shareholders)
- For documents that requires signature, we will invite the shareholders (current/potential) to come down to our office to sign them.
- We will duplicate a copy for their references (provision of PDPA and NDC will be included if necessary) and let them know who is the officer in charge of these issues.
- The officer in charge shall provide you with his/her name, email and mobile number.

5. Question: What are the risks involved?

There are several risk associates to the company.

Colour Face Academy Pte Ltd:

- WDA stop funding
- PIC stop
- Customer stop learning make up



- Bigger company set up same model and compete with us
- Our CIBTAC, ITEC and WDA ATO status are revoked
- Our key, lead trainers go out and start-up company and compete with us

Colour Face Capital Pte Ltd:

- MAS clamp down on us
- SGX disagree with our business model
- Bonds are defaulted
- High legal cost in recovering debt

Colour Face Cosmetics Supplies Pte Ltd:

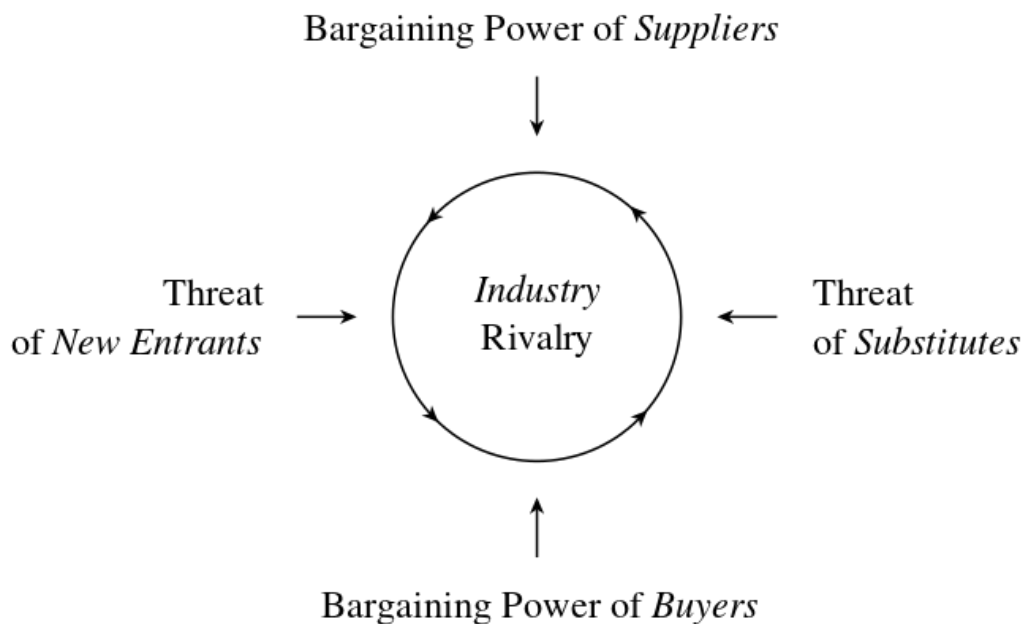
- Products toxic
- Natural Disasters affecting shipment of products
- Change of suppliers
- Evolving consumers choices

All companies are subjected to internal company risks and external risks from regulators, government and political risks.

6. Question: How can you set up barriers to entry for Colour Face Group?

- WDA ATO – 6 months – 1 year
- CIBTAC – 6 months
- ITEC – 6 months
- Credit facility – anyone with money lending license or bonds trading company

- E.g.: Super rich company with all the resources available. Non-profitable company that depends on members of the public.
- Microsoft online encyclopedia projects have been ceased.
- Wikipedia is still going on strong.
- At the end of the day we know who won.
- We can ring fence for our business to prevent competitors from entering our industry.



- Industry Rivalry – We currently have no clear Rivalry as this is a relatively new mode of operandi. Its not the money involved, it is the special operating mode and our task force
- Power of Suppliers – We are able to control the supply as we are the creator and supplier of programs. The other forms of suppliers are our institution working in current. We have a wide spread of institutions and is continuously in progress with many other institutions and funding as this form of suppliers.
- New Entrants – it will take time to reach our scale and therefore it the threat is low. We will continue to sharpen our operation in a scalable manner
- Substitution – the business model is a unique and specially constructed. Substitution exists but we will continue to monitor.
- Power of Buyers – The buyers are in within the ECO system and we are in full constant contact with. We will also be building new source of buyers.



FAQ: Board of advisor meeting, 4th February 2015

1. Question: Opinions on revenue development

We are moving using a two prong approach: Both local development and regional development.

Currently, we are about 25% capacity with 100 students, and all students are local students.

Revenue Model:

We will justify our revenue and revenue will need to be conservative.

2. Question: Have you considered to expand the cosmetics supplies line?

We want to focus our growth in the academy and credit facility line. Cosmetic currently accounts for about 12 – 17% of our group's revenue and it is sold only to in house students.

Based on our exponential growth format on both academy and credit facility, going retail might require considerable efforts and resource.

3. Question: Do we consider Reverse Takeover or Catalyst?

Key Issue – Currently, only asset heavy enterprises list using SGX section 2 part (c) quantitative criteria to do their listing prospectus. This means that we will be the first company to fulfill the 300m market capitalization and one year full audited accounts (other than technological companies) to list without a high NTA.

Hence, back door listing will cost the company considerable resources with little benefits.

We will consider taking up catalyst if our auditors agree to delay listing.

4. Question: What are the measures in place, given that we want have foreign students?

Currently, our PE ratio is 7.4. All the listed education firms in Singapore have a PE ratio between 8 – 18.

Scenario: With foreigners (50 million market capitalization)

PE ratio will decrease over the period to 2.77

Scenario: Without foreigners (300 million market capitalization)

PE ratio will increase over the period to 16 – 20.



Scenario: With Foreigners (80-20 rule) (50 million market capitalization)
PE ratio will decrease over the period to 0.55

Scenario: With foreigners (80-20 rule) (300 million market capitalization)
PE ratio will decrease over the period to 3.33



FAQ: Board of advisor meeting, 5th February 2015

1. Question: Menu for actual Board of advisors meeting:

Requested by Roy Lai, we will eat together. It would probably be steamboat after the meeting.

2. Question: If Colour Face is going to do share split, the PE ratio is going to increase.

Yes, PE ratio will increase if we do share split.

We will list and hit a minimum market capitalization of at least 300million (this is statutory requirement, based on the 2 (C) SGX rulebook, under quantitative criteria)

This listing requirement has no precedence, which will be challenging, but potentially huge upside, which makes the challenge worth while.

3. Question: Is the splitting of shares necessary?

It is not mandatory.

4: Question: How long Colour Face Group will take to list?

We will try to list (submit documents to the exchange) within this year end (means next year Jan 2016).

However, within the 2 years we will definitely list if they clear us on the listing criteria.

If they decide to change their market capitalization from 300million to any other market capitalization requirement for listing, we might delay the listing or go for catalyst first.

5. Question: How are we going to keep the momentum for our expansion plan?

We will be replicating the current system for our expansion plan.



FAQ: Board of advisor meeting, 6th February 2015

1.Question: If we operating money lending in other countries, ..

...If our business were to go venture into other country, the political and regulatory might be different. The financial stability of getting money-lending license overseas depends on the government infrastruture.

If we are to do it in various countries, the business might be a little fragile.

A: We agree and we are aware. If we would to enter the other markets on money lending, it will be a full operation with all areas looked at. Nonetheless, we will take this advice as a concern.

2.Question: How can we enforce the regulations in overseas?

People in other country might not be as promising. How to ensure that they follow according the regulations and pay up on time.

Yes we foresee this and as of point 1, all avenues of running a full fledge financial instrument organisation will be in tight control and managed with extreme care.

3. Question: What is the agenda for the actual meeting?

We will do some brain storming session together. It will be on Series B fund raising that we are going to discuss about.