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PLATO CAPITAL LIMITED
ANNUAL REPORT 2016

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This Annual Report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Annual Report.

This Annual Report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Annual Report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

Corporate Information

Directors

Lim Kian Onn	*Chairman/Non-Independent/Non-Executive Director*
Gareth Lim Tze Xiang	*Alternate Director to Lim Kian Onn/Chief Executive Officer*
Michael Kan Yuet Yun PBM	*Independent Director*
Chong Huai Seng	*Independent Director*
Oh Teik Khim	*Executive Director/Chief Operating Officer/Chief Financial Officer*

Secretary

Low Geok Eng Susie

Audit Committee

Michael Kan Yuet Yun PBM *(Chairman)*
Chong Huai Seng
Lim Kian Onn

Remuneration Committee

Chong Huai Seng *(Chairman)*
Michael Kan Yuet Yun PBM
Lim Kian Onn

Registered Office

50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
Telephone : (65) 6536 5355
Facsimile : (65) 6536 1360

Business Office

Ground Floor, Bangunan ECM Libra
8 Jalan Damansara Endah, Damansara Heights
50490 Kuala Lumpur
Malaysia
Telephone : (603) 2092 2823
Facsimile : (603) 2092 2829

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

Auditor

Ernst & Young LLP
Public Accountants and Chartered Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner-In-Charge
Low Bek Teng
(Date of appointment: since financial year ended 31 December 2013)

Company Sponsor

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

Chairman's Statement

Dear Shareholders

On behalf of the Board of Directors, it gives me great pleasure to present to you the Annual Report of Plato and its group of companies ("**the Group**") for the financial year ended 31 December 2016 ("**FY2016**").

Despite significant economic headwinds, the Group has performed admirably in 2016, resulting in the Group registering a profit before tax of S$5.99 million for FY2016.

PERFORMANCE OF THE GROUP'S HOSPITALITY INVESTMENTS VIDE TP REAL ESTATE HOLDINGS PTE LTD ("TPRE") AND MONTECO HOLDINGS LIMITED ("MONTECO")

TPRE group contributed significantly towards the Group's performance for FY2016. The Group's share of profit from TPRE is S$8.82 million, primarily due to the sharing of 50% of a gain after tax of S$15.52 million arising from the disposal of TPRE's Tune @ Melbourne Hotel. The sale price of A$52.0 million (A$231,000 per key) represents an internal rate of return of 19.4% on TPRE's equity invested and proceeds from the divestment have since been redeployed into the purchase of a central business district site on Flinders Lane in Melbourne with plans being finalised to redevelop it into another hospitality based asset.

Independent of the asset sale outlined above, TPRE reported operational profit after tax of S$2.12 million, with the Group recognising S$1.06 million from its 50% stake in TPRE. This strong performance was driven predominantly by improved revenue management at the remaining operational TPRE properties, i.e. Tune Hotel @ Edinburgh and Tune Hotel @ KLIA2 which saw revenue growth of 13.8% and 15.9%, EBITDA margins of 44.1% and 57.6%, and net profits of GBP0.68 million (equivalent to approximately S$1.21 million) and RM5.9 million (equivalent to approximately S$1.90 million) respectively. In light of sustained demand and attractive yields, both Edinburgh and KLIA2 properties are being expanded with the addition of 10 and 45 rooms respectively, with renovations expected to be completed in the second quarter of 2017.

With respect to the former Ormond Hotel in Dublin, Ireland which the Group originally purchased in 2013 under Monteco, the Group is presently pursuing the relevant planning approvals to redevelop the site into a 120-room hotel. The Group is currently evaluating third party brands and operators which best complement the attractive riverside location opposite Temple Bar and anticipates redevelopment work to commence in the fourth quarter of 2017.

PERFORMANCE OF THE GROUP'S INVESTMENT IN THE EDUCATION SECTOR VIDE EDUC8 GROUP SDN BHD ("EDUC8")

EDUC8's subsidiary Epsom College in Malaysia ("**Epsom**") commenced its second full year of operations in FY2016 and has made encouraging strides towards establishing itself as a premier international school. The school has achieved this performance despite increasing competition from new international schools in the Klang Valley and the challenging economic climate. Epsom has been able to increase its student count to 390 predominantly made up of nationals from 20 countries. The focus going forward remains on achieving sufficient student numbers through more targeted marketing and an enhanced curriculum to achieve economies of scale and ultimately, profitability. As a result of the sub-optimal scale in operations presently, the Group's share of loss from EDUC8 in FY2016 was S$4.32 million.

As part of its wider mandate to invest in the education sector, EDUC8 has recently announced a 50/50 joint venture with Spanish Sporting Ventures (Asia) Pte. Ltd. to establish a regular series of football clinics in collaboration with the Real Madrid Foundation. The venture will have the benefit of utilising Epsom's world-class sporting facilities in conjunction with international coaching education in Malaysia. In turn, such clinics aim to enhance the visibility and awareness of Epsom across the region. EDUC8 is also currently evaluating suitable locations for a K-6 elementary school in the Klang Valley catering to younger students who may not be ready for the boarding environment offered at Epsom.

The Group currently holds a direct 44.1% stake in EDUC8.

PERFORMANCE OF THE GROUP'S INVESTMENT IN THE MANUFACTURING SECTOR VIDE TYK CAPITAL SDN BHD ("TYKC")

The Group's share of profit from TYKC is S$1.63 million in FY2016. During the year, TYKC has successfully broadened its revenue base away from the traditional Hard Disk Drive ("HDD") sector and increased its revenue contribution from non HDD customers. These non HDD customers typically provide a higher profit margin as compared to the HDD segment with lesser volatility in its production cycles. Through this expansion in customer base and improved cost of quality and process efficiency, TYKC reported an EBITDA of S$17.8 million, profit of S$6.0 million and a strong net cash position of S$20.9 million at the end of FY2016.

The Group currently holds a 20.5% stake in TYKC.

PERFORMANCE OF THE GROUP'S INVESTMENT IN ECM LIBRA FINANCIAL GROUP BERHAD ("ECMLIB")

In May 2016, the Group purchased a 25.9% stake in ECMLIB which was subsequently pared down to 19.8% in December 2016 through market trades on Bursa Malaysia. The Group's share of profit from ECMLIB amounted to S$3.33 million in FY2016 primarily due to the gain of S$3.267 million recognised, being the excess of the Group's share of the provisional net fair value of the identifiable assets and liabilities of ECMLIB as at the date of acquisition over the allocated cost of investment in ECMLIB.

PERFORMANCE OF THE GROUP'S INFORMATION TECHNOLOGY ("IT") DIVISION

The IT division of the Group experienced a drop in revenue in FY2016 from S$1.42 million in FY2015 to S$1.11 million as a result of lower implementation services.

On behalf of the Board, I would like to thank our shareholders, partners, and clients for their continued support.

Our appreciation is also extended to the Management and employees for their invaluable commitment and contributions to the Group.

Lim Kian Onn
Chairman
Plato Capital Limited

Corporate Governance Report

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2012 AND CATALIST RULES

The Board of Directors (the "**Board**") of Plato Capital Limited (the "**Company**" together with its subsidiaries, associated companies and joint venture, (the "**Group**") are committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company's corporate governance practices that were in place during the financial year ended 31 December 2016 ("**FY2016**"), with specific reference made to the principles of the Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 (the "**Guide**").

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code	The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and the Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2016.

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3">BOARD MATTERS</td></tr>
<tr><td colspan="3"><u>The Board's Conduct of Affairs</u></td></tr>
<tr><td>1.1</td><td>What is the role of the Board?</td><td>The Board has 4 members and comprises the following:
<table>
<tr><th colspan="2">Composition of the Board</th><th colspan="2">Composition of the Board Committees
• C – Chairman
• M - Member</th></tr>
<tr><th>Name of Director</th><th>Designation</th><th>Audit Committee(2)</th><th>Remuneration Committee(3)</th></tr>
<tr><td>Lim Kian Onn(1)</td><td>Chairman/Non-Independent/Non-Executive Director ("Chairman")</td><td>M</td><td>M</td></tr>
<tr><td>Michael Kan Yuet Yun PBM</td><td>Independent Director</td><td>C</td><td>M</td></tr>
<tr><td>Chong Huai Seng</td><td>Independent Director</td><td>M</td><td>C</td></tr>
<tr><td>Oh Teik Khim</td><td>Executive Director/Chief Operating Officer ("COO")/ Chief Financial Officer ("CFO")</td><td>-</td><td>-</td></tr>
</table>
(1) Gareth Lim Tze Xiang, the Chief Executive Officer ("CEO") of the Company, is an Alternate Director to Lim Kian Onn.
(2) The Audit Committee ("AC") comprises 3 members, the majority of whom, including the Chairman, is independent. All the members of the AC are non-executive Directors.
(3) The Remuneration Committee ("RC") comprises 3 members, the majority of whom, including the Chairman, is independent. All the members of the RC are non-executive Directors.

The Board is entrusted to lead and oversee the Group, with the fundamental principle to act in the best interests of the Group. In addition to its statutory duties, the Board's principal functions are, inter alia, as follows:

• Providing entrepreneurial leadership;
• Monitoring Management's performance;
• Establishing a framework for prudent and effective control risk management;
• Safeguarding shareholders' interests and the Group's assets; and
• Responsible for the appointment and removal of the members of Board Committees.

The Board's conduct in its dealings with the Company is primarily guided by the provisions of the Constitution of the Company ("Constitution") which contain provisions which aim to avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of the Company. Notwithstanding that a Director may contract with the Company, he must immediately declare his interest at a meeting of Directors, and recuse himself from participating in any discussion and decision on the matter. In addition, the interested Director shall not be counted towards a quorum of the Directors present at the meeting.</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or
Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1.3</td><td>Has the Board delegated certain responsibilities to committees? If yes, please provide details.</td><td>The Board has delegated certain responsibilities to the AC and RC (collectively, the "Board Committees").

The compositions of the Board Committees have been set out in Section 1.1 of this report.

The composition of the RC is established with the principle that its composition is made up of a majority of Independent Directors.</td></tr>
<tr><td>1.4</td><td>Have the Board and Board Committees met in the last financial year?</td><td>The Board meets on a quarterly basis, and as and when circumstances require.

In FY2016, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below:

<table>
<tr><th></th><th>Board</th><th>AC</th><th>RC</th></tr>
<tr><td>Number of Meetings Held</td><td>5</td><td>3</td><td>2</td></tr>
<tr><td>Name of Director</td><td colspan="3">Number of Meetings Attended</td></tr>
<tr><td>Lim Kian Onn
(Alternate Director: Gareth Lim Tze Xiang)</td><td>5</td><td>3</td><td>2</td></tr>
<tr><td>Michael Kan Yuet Yun PBM</td><td>5</td><td>3</td><td>2</td></tr>
<tr><td>Chong Huai Seng</td><td>5</td><td>3</td><td>2</td></tr>
<tr><td>Oh Teik Khim</td><td>5</td><td>N/A</td><td>N/A</td></tr>
</table>

The Constitution allows for meetings to be held through telephone and/or video-conference.</td></tr>
<tr><td>1.5</td><td>What are the types of material transactions which require approval from the Board?</td><td>The Board has ultimate oversight and approval rights for material transactions in the Company. The Board has not delegated approval authorisation for such transactions to any committee(s) due to the size of the Company and the business needs of the organisation. Specifically, matters and transactions that require the Board's approval include all matters prescribed by law and amongst others the following:

• Overall Group business and budget strategy;
• Capital expenditures;
• Material investments, acquisitions and/or disposals;
• Capital borrowings and financial commitments;
• All capital-related matters including capital issuance and redemption;
• Significant policies governing the operations of the Company;
• Corporate strategic development and restructuring;
• Material interested person transactions; and
• Risk management strategies.

To optimise operational efficiency and enhance transparency, the Board has approved the delegation of authority for the establishment and operation of bank accounts and funds disbursement to key management personnel, based on approved authority matrix.</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or
Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td rowspan="2">1.6</td><td>(a) Are new Directors given formal training? If not, please explain why.</td><td>There was no appointment of new directors during FY2016.

For future appointments, newly appointed Directors will be fully briefed on the business activities and organisational structure of the Group and its strategic plans and objectives. Each newly appointed Director will receive an induction covering the Company's business operations, policies and procedures as well as the statutory and regulatory obligations of being a Director to ensure that he/she has a proper understanding of the Group and is fully aware of his/her responsibilities and obligations of being a director of the Company. In addition, the Company will also provide each newly appointed Director with a formal letter of appointment.</td></tr>
<tr><td>(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?</td><td>The Board values on-going professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on and contribute to the Board. The Board continually assesses the training requisites for Directors in line with the business demands of the Company and the marketplace and will establish specific policies for continuous professional development for Directors if the need arises.

To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in the Company's environment, market or operations which may be provided by accredited training providers such as the Singapore Institute of Directors.

Directors are encouraged to consult the Chairman if they consider that they personally, or the Board as a whole, would benefit from specific education or training regarding matters that fall within the responsibility of the Board or relate to the Company's business. Such trainings costs are borne by the Company.

The table below shows the training attended by Directors in FY2016:

<table>
<tr><th>Name of Director</th><th>Course attended</th><th>Training Provider</th></tr>
<tr><td>Michael Kan Yuet Yun PBM</td><td>ACRA: SGX – SID Audit Committee Seminar</td><td>Singapore Institute of Directors</td></tr>
<tr><td>Chong Huai Seng</td><td>ACRA: SGX – SID Audit Committee Seminar</td><td>Singapore Institute of Directors</td></tr>
<tr><td>Oh Teik Khim</td><td>ACRA: SGX – SID Audit Committee Seminar</td><td>Singapore Institute of Directors</td></tr>
</table>
In addition, briefings and updates for the Directors in FY2016 include:
• The external auditors ("EA") briefed the AC on changes or amendments to accounting standards; and
• The Company Secretary briefed the Board on changes in Companies Act, Chapter 50 of Singapore (the "Companies Act") notify/update the board of new Legislations, Rules and Regulations.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Board Composition and Guidance		
2.1 2.2 3.3	Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	The Company is cognisant that due to the origin of the Company: a) there is an immediate family member relationship between the Chairman and the CEO; and b) the Chairman is not an independent director. Notwithstanding the foregoing observations, the Board is of the view taking into consideration the size of the Board, the past performance of the Directors, and the nature of the business of the Company, there are sufficient safeguards and checks in place against an imbalanced concentration of power and authority in them and there is presently no requirement for a lead Independent Director as, • There exists a clear division of responsibilities between the Board and the key employees responsible for managing the day to day affairs of the Company; • Two Independent Directors make up half of the Board (complying with Guideline 2.2 of the Code); • All major decisions are made in consultation with the Board; • The process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising considerable concentration of power or influence; and • Grievances of a shareholder may be directed to the Chairman of the Audit Committee whose name is fully disclosed. The Board will appoint a lead Independent Director as and when deemed appropriate.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	The Board takes into account the existence of relationships or circumstances, including those identified by the Code, that are relevant in its determination as to whether a Director is independent. In addition, the Board reviews the individual directors' declaration in their assessment of independence. The Board has reviewed and confirmed the independence of the Independent Directors in accordance with the Code. The Independent Directors confirmed their independence in accordance with the Code on a yearly basis.
	(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.	There is no Director who is deemed independent by the Board notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
2.4	Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	Notwithstanding Mr Michael Kan Yuet Yun PBM ("**Mr Michael Kan**") having served beyond nine years since the date of his first appointment, the Board is of the view that Mr Michael Kan is independent as he has: • contributed constructively throughout his term in the Company; • sought clarification and amplification as he deemed necessary, including through direct access to key management personnel, company secretary, internal and external auditors; and • provided impartial advice and insights, and has exercised his independent judgement in doing so. The following assessments were conducted and deliberated by the Board before arriving at the conclusion • Mr Michael Kan's declaration and individual evaluation; and • performance assessment done by the other Directors. For the foregoing reasons, the Board concluded that it is confident that Mr Michael Kan has the ability to continue exercising strong independent judgment in the discharge of his duties and has requested that he continues as independent director of the Company for the ensuing year. Mr Michael Kan has acceded to the Board's request.

<table>
<tr><th>Guideline</th><th>Code and/or
Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>2.5</td><td>What are the steps taken by the Board to progressively renew the Board composition?</td><td>The Board is of the opinion that it would be most effective to draw on the wealth of experience from the longer serving directors while concurrently taking progressive steps to review and consider opportunities to refresh the Board as and when deemed necessary.

To meet the changing challenges in the industry and countries which the Group operates in, such reviews, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies, would be done on an annual basis to ensure that the Board dynamics remain optimal.</td></tr>
<tr><td rowspan="3">2.6</td><td>(a) What is the Board's policy with regard to diversity in identifying director nominees?</td><td>The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender.</td></tr>
<tr><td>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</td><td>The current Board composition provides a diversity of skills, experience, gender and knowledge to the Company as follows:

<table>
<tr><th colspan="3">Table 2.6 – Balance and Diversity of the Board</th></tr>
<tr><th colspan="2"></th><th>Number of Directors</th><th>Proportion of Board</th></tr>
<tr><td colspan="2">Core Competencies</td><td></td><td></td></tr>
<tr><td>-</td><td>Accounting or finance</td><td>3</td><td>75%</td></tr>
<tr><td>-</td><td>Business management</td><td>3</td><td>75%</td></tr>
<tr><td>-</td><td>Relevant industry knowledge or experience</td><td>4</td><td>100%</td></tr>
<tr><td>-</td><td>Strategic planning experience</td><td>4</td><td>100%</td></tr>
<tr><td>-</td><td>Customer based experience or knowledge</td><td>4</td><td>100%</td></tr>
<tr><td colspan="2">Gender</td><td></td><td></td></tr>
<tr><td>-</td><td>Male</td><td>4</td><td>100%</td></tr>
<tr><td>-</td><td>Female</td><td>0</td><td>0%</td></tr>
</table>
</td></tr>
<tr><td>(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?</td><td>The Board has taken the following steps to maintain or enhance its balance and diversity:

• Annual review by the Board to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
• Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The Board will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.</td></tr>
<tr><td>2.8</td><td>Have the Non-Executive Directors met in the absence of key management personnel in the last financial year?</td><td>The Non-Executive Directors are scheduled to meet regularly, or as warranted, in the absence of key management personnel to discuss concerns or matters such as the effectiveness of Management.

The Non-Executive Directors have met once in the absence of key management personnel in FY2016.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Chairman and Chief Executive Officer		
3.1	Are the duties between Chairman and CEO segregated?	The Chairman plays a vital role in setting up the Group's vision and objectives and providing guidance to the Group. He leads the Board discussions and ensures that Board meetings are convened when necessary. He sets the Board's meeting agenda in consultation with the CEO and ensures the quality, quantity and timeliness of the flow of information between the Board and key management personnel to facilitate efficient decision making. The CEO is primarily responsible for overseeing the overall management and strategic development of the Group. His responsibilities include: • Determining and developing the Group's strategies; • Promoting high standards of corporate governance; • Executing the Group's strategies and business objectives; • Reporting to the Board on all aspects of the Group's operations and performance; and • Providing quality leadership and guidance to employees of the Group. Notwithstanding that the Chairman and CEO are father and son, the Board is satisfied that there is sufficient transparency and accountability in view of the distinction of responsibilities and the strong independent element on the Board.
3.4	Have the Independent Directors met in the absence of key management personnel?	The Independent Directors have met once in the absence of key management personnel in FY2016.
Board Membership		
4.1	What are the duties of the NC?	The Board is of the view that the current size of the Board does not warrant a nominating committee.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	The Board has not capped the maximum number of listed company board representations each Director may hold.
	(b) If a maximum has not been determined, what are the reasons?	The Board is of the view that the effectiveness of each of the Directors is best determined by a qualitative assessment of the Director's contributions, after taking into account his other listed company board directorships and other principal commitments, not guided by a numerical limit. The Board also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The Board does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board.
	(c) What are the specific considerations in deciding on the capacity of directors?	The considerations in assessing the capacity of Directors include the following: • Expected and/or competing time commitments* of Directors, including whether such commitment is a full-time or part-time employment capacity; • Geographical location of Directors; • Size and composition of the Board; • Nature and scope of the Group's operations and size; • Capacity, complexity and expectations of the other listed directorships and principal commitments held; and • Assessment of individual performance. **Competing time commitments of the Directors comprise a consideration of (i) Declarations by individual Directors of their other listed company board directorships and principal commitments; (ii) Annual confirmations by each Director on his ability to devote sufficient time and attention to the Company's affairs, having regard to* ***Table 5*** *of this report.*
	(d) Have the Directors adequately discharged their duties?	The Board has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties adequately for FY2016.
4.5	Are there alternate Directors?	The Chairman has appointed the CEO as his alternate on the Board of Directors of the Company. The Board is of the view that the CEO is appropriately qualified to bear the duties and responsibilities for the role and has considerable familiarity with the Company's affairs. The Alternate Director bears all the similar responsibilities of a Director.

<table>
<tr><th>Guideline</th><th>Code and/or
Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>4.6</td><td>Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.</td><td>The Board assesses and evaluates whether new Directors and/or retiring Directors to be re-appointed are properly qualified for appointment by virtue of their skills, experience and contributions, in line with the following processes.

<table>
<tr><th colspan="3">Table 4.6(i) – Process for the Selection and Appointment of New Directors</th></tr>
<tr><td>1.</td><td>Determination of selection criteria</td><td>• The Board would identify the current needs of the Board in terms of skills/experience/knowledge to complement and strengthen the Board and increase its diversity.</td></tr>
<tr><td>2.</td><td>Search for suitable candidates</td><td>• The Board would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</td></tr>
<tr><td>3.</td><td>Assessment of shortlisted candidates</td><td>• The Board would meet and interview the shortlisted candidates to assess their suitability.</td></tr>
<tr><td>4.</td><td>Appointment of director</td><td>• The Board considers and approves the selected candidate for his/her appointment to the Board.</td></tr>
</table>

<table>
<tr><th colspan="3">Table 4.6(ii) – Process for the Re-electing Incumbent Directors</th></tr>
<tr><td>1.</td><td>Assessment of director</td><td>• The Board assesses the performance of the director in accordance with the performance criteria set by the Board; and
• The Board considers the current needs of the Board.</td></tr>
<tr><td>2.</td><td>Re-appointment of director</td><td>• Subject to the Board's satisfactory assessment and consideration, the Board would approve the proposed re-appointment of the director.</td></tr>
</table>

All existing directors are subject to retirement according to the provisions of Article 107 of the Constitution. Article 107 states that at each annual general meeting ("AGM"), one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third, shall retire from office provided always that all Directors shall retire from office at least once every three years. In the case of the Company, there are four Directors thus the number of Directors to be retired based on the number nearest to but not less than one-third shall be two Directors.

Pursuant to Article 107 and premised on considerations of the Directors' overall contributions and performance, the Board recommended that two Directors, Mr Chong Huai Seng and Mr Oh Teik Khim be retired and nominated for re-election at the forthcoming AGM. Mr Chong Huai Seng will, upon being re-elected as a Director of the Company, remain as Chairman of the Remuneration Committee and a member of the Audit Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules of the SGX-ST ("Catalist Rules"). Mr Oh Teik Khim, will upon being re-elected as a Director of the Company, remain as an Executive Director of the Company.</td></tr>
<tr><td>4.7</td><td>Please provide Directors' key information.</td><td>The key information of the Directors, including their principal commitment(s), appointment dates and current directorships and directorships held in the past 3 years, are set out on page 35 of this annual report.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Board Performance		
5.1 5.2 5.3	What is the performance criteria set to evaluate the effectiveness of the Board as a whole and its board committees, and for assessing the contribution by each Director to the effectiveness of the Board?	The performance of the Directors is formally evaluated on an annual basis. The evaluation is undertaken on the basis that there is a structured approach to assessing how the directors have individually performed in his role and overall how he/they have contributed and added value to the Company achieving its objective for the year. **Table 5** below sets out the performance criteria, as approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole. The evaluations are designed to assess the Board's effectiveness to enable the Board to identify the areas of improvement or enhancement which can be made to the Board. ***Table 5 - Performance Criteria for Board Evaluation*** 1. Size and composition 2. Access to information 3. Board processes 4. Strategic planning 5. Board accountability 6. Risk management 7. Succession planning Given the relatively small size of the Board, the Board is of the view that there is no need at present to conduct a formal assessment of the board committees and contribution of each individual Director to the effectiveness of the Board. The Board would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval. The Board did not propose any changes to the performance criteria for FY2016 as compared to the previous financial year as the economic climate, Board composition and the Group's principal business activities remained the same since FY2015. No external facilitator was used in the evaluation process.
	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	The review of the performance of the Board is conducted by the Board annually. For FY2016, the review process was as follows: 1. All Directors individually completed a board evaluation questionnaire on the effectiveness of the Board based on criteria disclosed in Table 5 above; 2. The Company Secretary collated and submitted the questionnaire results to the Board Chairman in the form of a summary; and 3. The Board discussed the summary and concluded the performance results during the Board meeting.
	(b) Has the Board met its performance objectives?	Yes, the Board has met its performance objectives.

<table>
<tr><th>Guideline</th><th>Code and/or
Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3"><u>Access to Information</u></td></tr>
<tr><td>6.1
10.3</td><td>What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?</td><td>All Directors have access to the key managers of the Company if they seek information on its business affairs and shall be provided with such information if requested to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

Table 6 – Types of information provided by key management personnel to Independent Directors
<table>
<tr><th></th><th>Information</th><th>Frequency</th></tr>
<tr><td>1.</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>Quarterly</td></tr>
<tr><td>2.</td><td>Updates to the Group's operations and the markets in which the Group operates in</td><td>Quarterly</td></tr>
<tr><td>3.</td><td>Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and EA's report(s)</td><td>Management Accounts – quarterly

Others - annually</td></tr>
<tr><td>4.</td><td>Reports on on-going or planned corporate actions</td><td>As and when required</td></tr>
<tr><td>5.</td><td>Enterprise risk framework and internal auditors' ("IA") report(s)</td><td>Half-yearly</td></tr>
<tr><td>6.</td><td>Research report(s)</td><td>Not applicable</td></tr>
<tr><td>7</td><td>Shareholding statistics</td><td>As and when required</td></tr>
</table>

Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information for the Board meetings at least three (3) days prior to the meetings to allow sufficient time for the Directors' review.

Management will also on best endeavours, encrypt documents which bear material price sensitive information when circulating documents electronically.

The Board is satisfied with its access to information and information that was provided is complete, adequate and timely.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
6.3	What is the role of the Company Secretary?	The roles of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, are as follows: • Ensuring that Board procedures are observed and that the Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act and the Catalist Rules, are complied with; • Assists the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhancing long-term shareholder value; • Assists the Chairman to ensure good information flows within the Board and its committees and key management personnel; • Keeps the Board apprised on new Legislations, Rules and Regulations; • Training, designing and implementing a framework for key management personnel's compliance with the Catalist Rules, including timely disclosure of material information; • Attends and prepares minutes for all Board meetings; • As secretary to all the other Board Committees, the Company Secretary assists to ensure coordination and liaison between the Board, the Board Committees and key management personnel; and • Assists the Chairman, the Chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings. To undertake these roles effectively the Directors have separate and independent access to the Company Secretary. If required, the Directors (individual or collectively) are able to obtain independent professional advice at the Company's expenses in relation to the Company's affairs.
REMUNERATION MATTERS		
Developing Remuneration Policies		
7.1	What is the role of the RC?	The RC is guided by key terms of reference as follows: (a) Reviews and recommends to the Board a framework of remuneration for the Board and key management personnel to ensure that the structure is competitive and sufficient to attract, retain and motivate senior management to run the Company successfully in order to maximise shareholder value; and (b) Reviews the fairness and reasonableness of the termination clauses of the service agreements of the executive directors and key management personnel. The RC members are familiar with executive compensation matters as they manage their own businesses and/or are holding directorships in the boards of other listed companies. In addition, the members of the RC do not participate in any decisions concerning their own remuneration.
7.3	Were remuneration consultants engaged in the last financial year?	No remuneration consultants were engaged by the Company in FY2016 as the Company is of the view that the annual review by the RC, is currently sufficient to ensure the continued relevance of its remuneration packages to the Group's strategic business objectives and alignment with market practices. Nevertheless, the RC may have access to appropriate external expert advice in the field of executive compensation, if necessary and may obtain advice from external consultants for benchmarking, where necessary.

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>8.4</td><td>Are "claw-back" provisions provided for in the service agreements of Executive Directors and key management personnel?</td><td>The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Director, CEO (being an Alternate Director to the Chairman) and key management personnel in certain circumstances. The Board is of the view that as the Group pays performance bonuses and share-based incentives and awards based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the current results and performance of its Executive Director, CEO and key management personnel, "claw-back" provisions in the service agreements may not be relevant or appropriate.</td></tr>
<tr><td colspan="3">Disclosure on Remuneration</td></tr>
<tr><td>9</td><td>What is the Company's remuneration policy?</td><td>The Company's remuneration policy which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards, is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff the link that total compensation has bearing to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market.</td></tr>
<tr><td>9.1
9.2</td><td>Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/ fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>The breakdown for the remuneration of the Directors and the CEO for FY2016 is as follows:

I. Fixed/Variable Remuneration:
<table>
<tr><th></th><th colspan="5">Cash-based remuneration</th><th colspan="3"></th></tr>
<tr><th>Name</th><th>Salary (%)</th><th>Bonus (%)</th><th>Directors Fees (%)</th><th>Benefits-in-kind (%)</th><th>Total[2] (%)</th><th>Number of Plato ESOS 2016 Granted</th><th>Number of Plato PSP 2016 Granted</th><th>Fair value of ESOS and PSP (S$'000)[3]</th></tr>
<tr><td>Lim Kian Onn</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td><td>1,378,761</td><td>689,381</td><td>52</td></tr>
<tr><td>Gareth Lim Tze Xiang[1] (CEO and Alternate Director to Lim Kian Onn)</td><td>100</td><td>–</td><td>–</td><td>–</td><td>100</td><td>1,378,761</td><td>689,381</td><td>52</td></tr>
<tr><td>Michael Kan Yuet Yun PBM</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td><td>1,240,885</td><td>620,443</td><td>47</td></tr>
<tr><td>Chong Huai Seng</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td><td>1,240,885</td><td>620,443</td><td>47</td></tr>
<tr><td>Oh Teik Khim</td><td>84</td><td>–</td><td>14</td><td>2</td><td>100</td><td>1,378,761</td><td>689,381</td><td>52</td></tr>
</table>
Notes:
(1) Mr Gareth Lim Tze Xiang is the son of Mr Lim Kian Onn.
(2) Excluding share options and awards.
(3) The fair value of share options granted under the ESOS is estimated at the date of grant, using a Black-Scholes simulation model, taking into account the terms and conditions upon which the options were granted. The fair value of the share awards granted under the PSP is estimated at the date of the grant, based on the prevailing share price of the Company of S$0.085 at the date when the grant was accepted by the directors and eligible employees, taking into consideration the terms and conditions upon which the share awards were granted and the assessment of the probability of the performance conditions set being met by the directors and eligible employee. Further details can be found in Note 6 to the financial statements, page 70 of this annual report.

II. Share based Incentives and Awards:
The Company has also established incentive schemes, namely the Plato ESOS 2016 (as defined in Section 9.5 of this report) and Plato PSP 2016 (as defined in Section 9.5 of this report) (collectively, the "Schemes") to remunerate Directors and the CEO for their contributions to the Company. The details of the Schemes and details on the grant of stock options and share awards under the respective Schemes to Directors and the CEO during FY2016 can be found in Section 9.5 of this report. The final number of shares released under the Plato PSP 2016 will depend on the achievement of pre-determined performance conditions as determined by the RC.</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>9.1
9.2</td><td>Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/ fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so? (cont'd)</td><td>III. Directors Fees:
It will be proposed to the Shareholders that the Board be compensated for their services as directors of the Company in FY2016 with a fee in the aggregate amount of S$178,000.

The remuneration of the Directors and the CEO individually for FY2016 was less than S$250,000.

A disclosure of the individual remuneration details would involve revealing internal confidential information and possibly, trade secrets of the Company. Therefore after reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director and key management personnel, the Company is of the view that such disclosure would be prejudicial to its business interest given the foregoing reasons.

There are no termination, retirement or post–employment benefits that may be granted to the Directors, the CEO and the 4 key management personnel listed below.</td></tr>
<tr><td>9.3</td><td>(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/ fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>The Company has only 4 key management personnel.

The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) for FY2016 is as follows:

Table 9.3 – Remuneration of Key Management Personnel
<table>
<tr><th></th><th colspan="5">Cash-based remuneration</th><th colspan="3"></th></tr>
<tr><th>Name</th><th>Salary (%)</th><th>Bonus (%)</th><th>Benefits-in-kind (%)</th><th>Others[1] (%)</th><th>Total[2] (%)</th><th>Number of Plato ESOS 2016 Granted</th><th>Number of Plato PSP 2016 Granted</th><th>Fair value of ESOS and PSP[3] (S$'000)</th></tr>
<tr><td colspan="9">Below S$250,000</td></tr>
<tr><td>Choo Seng Lai</td><td>60</td><td>–</td><td>–</td><td>40</td><td>100</td><td>1,240,885</td><td>620,443</td><td>47</td></tr>
<tr><td>Lim Kian Fah</td><td>100</td><td>–</td><td>–</td><td>–</td><td>100</td><td>1,378,761</td><td>689,381</td><td>52</td></tr>
<tr><td>Chin Jon Wei</td><td>100</td><td>–</td><td>–</td><td>–</td><td>100</td><td>1,240,885</td><td>620,443</td><td>47</td></tr>
<tr><td>Philippe Staatz</td><td>100</td><td>–</td><td>–</td><td>–</td><td>100</td><td>–</td><td>–</td><td>–</td></tr>
</table>
Notes:
(1) Comprise of sales commissions.
(2) Excluding share options and awards.
(3) The fair value of share options granted under the ESOS is estimated at the date of grant, using a Black-Scholes simulation model, taking into account the terms and conditions upon which the options were granted. The fair value of the share awards granted under the PSP is estimated at the date of the grant, based on the prevailing share price of the Company of S$0.085 at the date when the grant was accepted by the directors and eligible employees, taking into consideration the terms and conditions upon which the share awards were granted and the assessment of the probability of the performance conditions set being met by the directors and eligible employee. Further details can be found in Note 6 to the financial statements, page 70 of this annual report.

The Company has also granted options and awards pursuant to the respective Schemes to key management personnel during FY2016, details of which can be found in Section 9.5 of this report. The final number of shares released under the Plato PSP 2016 will depend on the achievement of pre-determined performance conditions as determined by the RC.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
9.3	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).	The total remuneration paid to the 4 key management personnel for FY2016 was S$360,565.
9.4	Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S$50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.	Save for the CEO and Ms Lim Kian Fah, who is the son of and sister of the Chairman respectively, there is no other employee of the Group who is an immediate family of a Director or the CEO and whose remuneration exceeded S$50,000 in FY2016. The CEO's and Ms Lim Kian Fah's cash-based remuneration in FY2016 was within the bands of S$150,000 to S$200,000 and S$50,000 to S$100,000 respectively.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
9.5	Please provide details of the employee share scheme(s).	The Company had adopted the Plato Employee Share Option Scheme 2016 ("**Plato ESOS 2016**") and the Plato Performance Share Plan 2016 ("**Plato PSP 2016**") following the approval of shareholders of the Company ("**Shareholders**") at an extraordinary general meeting ("**EGM**") on 20 May 2016. The RC, comprising Mr Michael Kan Yuet Yun PBM, Mr Chong Huai Seng and Mr Lim Kian Onn, has been duly authorised by the Board to administer the Plato ESOS 2016 and the Plato PSP 2016. The duration of each of the Plato ESOS 2016 and Plato PSP 2016 is 5 years commencing 20 May 2016, which may continue beyond the period above with the approval of the Shareholders at a general meeting by way of ordinary resolution and the relevant authorities. Employees, Group Executive Directors and Group Non-Executive Directors (including independent Directors) who have attained the age of 21 years on or before the date of grant of an option under the Plato ESOS 2016 ("**Option**") and/or awards under the Plato PSP 2016 ("**Awards**"), provided that none of them is a discharged bankrupt and must not have entered into a composition with creditors, and Controlling Shareholders or Associates of Controlling Shareholders who meet the aforesaid criteria but are subject to Shareholders' approval based on the rules of the Plato ESOS 2016 and/or the Plato PSP 2016, are eligible to participate in the Plato ESOS 2016 and/or the Plato PSP 2016. The aggregate number of shares in the capital of the Company ("**Shares**") which may be issued or transferred pursuant to any options and/or awards granted, when added to (i) the number of Shares issued and issuable and/or transferred or transferable in respect of all options and/or awards granted; and (ii) all Shares issued and issuable and/or transferred or transferable in respect of all options and/or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force, including the Options granted under the Plato ESOS 2016 and/or the Awards under the Plato PSP2016, shall not exceed 15% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the date preceding the grant of the Awards or Options. Further details on the Plato ESOS 2016 and Plato PSP 2016 can be found in the circular to Shareholders dated 5 May 2016. Details on the of the Options and Awards granted are as set out below: **Plato ESOS 2016** The Plato ESOS 2016 is to provide an opportunity for Directors (including Group Non-Executive Directors and independent Directors) and employees of the Group to participate in the equity performance of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Group. As at 31 December 2016, details of the options granted under the ESOS on the unissued ordinary shares of the Company, are as follows:

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
9.5	Please provide details of the employee share scheme(s). *(cont'd)*	

Date of Grant of Options	Exercise Price of Options	Options Outstanding as at 1 Jan 2016	Options Granted during FY2016	Options Exercised during FY2016	Options Forfeited/ Expired during FY2016	Options Outstanding as at 31 Dec 2016	Number of Option Holders as at 31 Dec 2016	Validity Period of the Options
17 June 2016 (1)	S$0.10 (2)	–	6,618,053	–	–	6,618,053	5	17 June 2016 to 16 June 2026 (3)
17 June 2016 (1), (3)	S$0.10 (2)	–	3,860,531	–	–	3,860,531	3	17 June 2016 to 16 June 2021 (3)
Total			10,478,584			10,478,584	8	

Notes:

(1) The Options are only exercisable as follows:
   a. 1/3 of the Options shall be exercisable at any time after the 1st anniversary of the date of grant.
   b. 1/3 of the Options shall be exercisable at any time after the 2nd anniversary of the date of grant; and
   c. 1/3 of the Options shall be exercisable at any time after the 3rd anniversary of the date of grant.

(2) Equivalent to the market price of the Company's shares based on the average last dealt price for the Company's Shares on the Catalist of the Singapore Exchange Securities Trading Limited, for the five (5) consecutive trading days immediately preceding the date of grant of the Options.

(3) Options granted to Lim Kian Onn, Mr Michael Kan and Chong Huai Seng will expire 5 years from the date of grant.

Details of Options granted under the Plato ESOS 2016 to directors, controlling shareholders and their associates, and participants who have received 5% or more of the total Options and Awards available under the Schemes are as follows:

Name	Position Held	Options granted during FY2016	Aggregate Options granted since commencement of Plato ESOS 2016 to 31 December 2016	Aggregate options exercised since commencement of Plato ESOS 2016 to 31 December 2016	Aggregate options outstanding as at 31 December 2016
Lim Kian Onn (1)	Non-Executive Chairman	1,378,761	1,378,761	Nil	1,378,761
Gareth Lim Tze Xiang (1)	CEO/Alternate Director to Lim Kian Onn	1,378,761	1,378,761	Nil	1,378,761
Michael Kan Yuet Yun PBM	Independent Director	1,240,885	1,240,885	Nil	1,240,885
Chong Huai Seng	Independent Director	1,240,885	1,240,885	Nil	1,240,885
Oh Teik Khim	Executive Director/ CFO/COO	1,378,761	1,378,761	Nil	1,378,761
Lim Kian Fah (1)	Head of Legal & Corporate Affairs	1,378,761	1,378,761	Nil	1,378,761
Choo Seng Lai (2)	Head of Business Enterprise Division, Plato Solutions Sdn Bhd	1,240,885	1,240,885	Nil	1,240,885
Chin Jon Wei (2)	Vice President, Investments	1,240,885	1,240,885	Nil	1,240,885

Note:

(1) Lim Kian Onn is the Controlling Shareholder of the Company. His son, Gareth Lim Tze Xiang and his sister, Lim Kian Fah are therefore Associates of Lim Kian Onn. Each of their participation in the Plato ESOS 2016 and grant of Options as set out in the table, had been approved by Shareholders at the EGM held on 20 May 2016.

(2) Participants other than directors, controlling shareholders and their associates who have received 5% or more of the total Options and Awards available under the Schemes.

During FY2016, other than Options granted above, there were no participants of the Group who have been granted more than 5% of the total Options and Awards available under the Schemes.

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>9.5</td><td>Please provide details of the employee share scheme(s). (cont'd)</td><td>

Plato PSP 2016

The objectives of the Plato PSP 2016 are to (i) foster a culture of ownership within the Group which aligns the interests of the Employees and Group Executive Directors and Group Non-Executive Directors with the interests of Shareholders; (ii) motivate participants to achieve key financial and operational goals of the Group and/or its respective business units and encourage greater dedication and loyalty to the Group; and (iii) make total Employee, Group Executive Directors and Group Non-Executive Directors remuneration sufficiently competitive to recruit new participants and/or retain existing participants whose contributions are important to the long term growth and profitability of the Group.

Details of the Awards granted in FY2016 are as follows:

<table>
<tr><th>Date of Grant of Awards</th><th>Number of Shares which are the subject of Awards granted as at 1 Jan 2016</th><th>Number of Shares which are the subject of Awards granted during FY2016</th><th>Number of Shares which are the subject of Awards which had lapsed/were cancelled during FY2016</th><th>Number of Shares which are the subject of Awards granted as at 31 Dec 2016</th><th>Number of holders</th></tr>
<tr><td>17 June 2016 (1)</td><td>–</td><td>5,239,296</td><td>–</td><td>5,239,296</td><td>8</td></tr>
</table>

Note:

(1) The release and vesting of the Awards for each recipient is as follows:

(a) 1/3 within three (3) months after the issuance of the Group's audited financial statements for financial year ended ("FYE") 31 December 2017.

(b) 1/3 within three (3) months after the issuance of the Group's audited financial statements for FYE 31 December 2018.

(c) 1/3 within three (3) months after the issuance of the Group's audited financial statements for FYE 31 December 2019.

Shares comprised under the Awards will be allotted and issued or transferred to a recipient if certain predetermined performance conditions as determined by the RC are achieved or otherwise in accordance with the rules of the Plato PSP 2016.

</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>9.5</td><td>Please provide details of the employee share scheme(s). (cont'd)</td><td>
Details of Awards granted under the Plato PSP 2016 to directors, controlling shareholders and their associates, and participants who have received 5% or more of the total Options and Awards available under the Schemes are as follows:
<table>
<tr><th>Name of Participant</th><th>Position held</th><th>Number of Awards granted during FY2016</th><th>Aggregate Awards granted since commencement of PSP to 31 December 2016</th><th>Aggregate Awards released since commencement of PSP to 31 December 2016</th><th>Aggregate Awards outstanding as at 31 December 2016</th></tr>
<tr><td>Lim Kian Onn(1)</td><td>Non-Executive Chairman</td><td>689,381</td><td>689,381</td><td>-</td><td>689,381</td></tr>
<tr><td>Gareth Lim Tze Xiang(1)</td><td>CEO/Alternate Director to Lim Kian Onn</td><td>689,381</td><td>689,381</td><td>-</td><td>689,381</td></tr>
<tr><td>Michael Kan Yuet Yun PBM</td><td>Independent Director</td><td>620,443</td><td>620,443</td><td>-</td><td>620,443</td></tr>
<tr><td>Chong Huai Seng</td><td>Independent Director</td><td>620,443</td><td>620,443</td><td>-</td><td>620,443</td></tr>
<tr><td>Oh Teik Khim</td><td>Executive Director/CFO/ COO</td><td>689,381</td><td>689,381</td><td>-</td><td>689,381</td></tr>
<tr><td>Lim Kian Fah(1)</td><td>Head of Legal & Corporate Affairs</td><td>689,381</td><td>689,381</td><td>-</td><td>689,381</td></tr>
<tr><td>Choo Seng Lai(2)</td><td>Head of Business Enterprise Division, Plato Solutions Sdn Bhd</td><td>620,443</td><td>620,443</td><td>-</td><td>620,443</td></tr>
<tr><td>Chin Jon Wei(2)</td><td>Vice President, Investments</td><td>620,443</td><td>620,443</td><td>-</td><td>620,443</td></tr>
</table>
Note:
(1) Lim Kian Onn is the Controlling Shareholder of the Company. His son, Gareth Lim Tze Xiang and his sister, Lim Kian Fah are therefore Associates of Lim Kian Onn. Their participation in the Plato PSP 2016 and grant of Awards as set out in the table had been approved by Shareholders at the EGM held on 20 May 2016.
(2) Participants other than directors, controlling shareholders and their associates who have received 5% or more of the total Options and Awards available under the Scheme.

During FY2016, other than Awards granted above, there were no participants of the Group who have been granted more than 5% of the total Options and Awards available under the Schemes.
</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or
Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td rowspan="3">9.6</td><td>(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</td><td>The remuneration received by the Executive Director and key management personnel take into consideration his or her individual, performance and contribution towards the overall performance of the Group for FY2016. Their remuneration were made up of fixed and variable compensations. The fixed compensation consists of an annual base salary and fixed allowances. The variable compensation was determined based on the level of achievement of individual performance objectives. In FY2016, the Company has adopted Plato ESOS 2016 and Plato PSP 2016, details of which can be found in Section 9.5 of this report.</td></tr>
<tr><td>(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</td><td>The following performance conditions are used by the Group to remain competitive and to motivate the Executive Director and key management personnel to work in alignment with the goals of all stakeholders:

Table 9.6(b)- Performance Conditions for:
Short-term incentives (such as performance bonus) and Long-term incentives (Plato ESOS 2016 and Plato PSP 2016)
1. Leadership
2. People development
3. Commitment
4. Teamwork
5. Current market and industry practices
6. Macro-economic factors</td></tr>
<tr><td>(c) Were all of these performance conditions met? If not, what were the reasons?</td><td>Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2016.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
ACCOUNTABILITY AND AUDIT		
Risk Management and Internal Controls		
11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	The Board is responsible for the overall risk governance, risk management and internal control framework of the Group and is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks. The Board also oversees management in the design, implementation and monitoring of the risk management and internal control systems and is responsible for determining the Company's risk policies and levels of risk tolerance. The Board works closely with the CEO and key management personnel to assess the adequacy and effectiveness of the framework and the need for any extension or adjustments to such structure taking into consideration the overall business of the Company including the risk profile, risk tolerance and risk strategy. The CEO meets with key management personnel on a monthly basis to discuss operational, business and strategic matters. During these meetings, key projects and operational risks are identified and discussed, along with proposed mitigating measures to address these risks to ensure residual risks are mitigated to an acceptable level. Follow-ups are then performed in subsequent meetings to ensure mitigating actions are executed. Any significant issues identified from these meetings are brought to the attention of the AC and/or Board as appropriate. The Group has in place a structured and systematic approach to risk management, and aims to mitigate the exposures through appropriate risk management strategies and internal controls. Risk management in the Group is a continuous, iterative and integrated process which has been incorporated into various planning, approval, execution, monitoring, review and reporting systems. The Group adopts a top-down as well as bottom-up approach on risk management to ensure strategic, business, operational, financial, reporting, compliance and information technology risk exposures are identified and appropriately managed. The Board and the AC are of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to address the financial, operational, and compliance risks which the Company considered relevant and material for its business and environment in FY2016. The bases for the Board's view are as follows: 1. Assurance has been received from the CEO and CFO (refer to Section 11.3(b) below); 2. An internal audit was done by the IA over one of the Company's major investments and significant matters highlighted to the AC and key management personnel were appropriately addressed; 3. Key management personnel regularly evaluates, monitors and reports to the AC on material risks; and 4. Discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns. The Company acknowledges that it is important to have sustainability and would implement appropriate policies and programmes in line with the requirements of SGX and good practice.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Yes, the Board has obtained such assurance from the CEO and CFO in respect of FY2016. The Board has additionally relied on (i) its interaction with the EA to verify the assurances provided by the CEO and CFO in its meeting in the absence of management and (ii) the report issued by the IA published in respect of the Company's investment in arriving at the foregoing conclusion.
Audit Committee		
12.1 12.4	What is the composition and the role of the AC?	The Audit Committee comprises three members, the majority of whom, including the Chairman, is independent. All the members of the AC are non-executive Directors. None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the EA's firm. The AC is guided by the following key terms of reference: (a) review the audit plans and reports of the Company's internal and external auditors; (b) review the financial statements before submission to the Board for approval; (c) review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance; (d) review and report to the Board at least annually on the effectiveness and adequacy of the Company's internal controls, including financial, operational, compliance and information technology controls; (e) review the interested person transactions (within the definition of the Catalist Rules) involving the Group in accordance with the Catalist Rules; and (f) generally undertake such other functions and other duties as may be required by the Catalist Rules.
12.2	Are the members of the AC appropriately qualified to discharge their responsibilities?	Yes. The Board considers Mr Michael Kan, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC. The other AC members are also trained in accounting and financial management and/or possess finance related working experiences.
12.5	Has the AC met with the auditors in the absence of key management personnel?	Yes, the AC has met with the EA once in the absence of key management personnel in FY2016.

<table>
<tr><th>Guideline</th><th>Code and/or
Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td rowspan="3">12.6</td><td>Has the AC reviewed the independence of the EA?</td><td>The AC reviewed and is satisfied with the independence and objectivity of the EA, and has recommended the re-appointment of the EA at the forthcoming AGM.</td></tr>
<tr><td>(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.</td><td>The fees paid/payable by the Company to the EA for audit and non-audit services for FY2016 amount to S$158,317 and S$6,960 respectively.</td></tr>
<tr><td>(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.</td><td>Not applicable.</td></tr>
<tr><td>12.7</td><td>Does the Company have a whistle-blowing policy?</td><td>Yes. The AC has put in place a whistle-blowing policy that serves to provide a channel to employees to report in good faith and in confidence, without fear of reprisals and concerns about any improper conduct within the Group. In relation to whistle blowing by anyone else other than employees, the whistle blower may report any impropriety and/or concern in writing to the Company Secretary at the registered address of the Company. The Company Secretary has been tasked to forward any such report to the Chairman of the AC.</td></tr>
<tr><td>12.8</td><td>What are the AC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?</td><td>In FY2016, the AC:-
• Attended director courses as follows:
<table><tr><th>Name of Director</th><th>Course attended</th></tr><tr><td>Mr Michael Kan Yuet Yun PBM</td><td>ACRA : SGX – SID Audit Committee Seminar</td></tr><tr><td>Mr Chong Huai Seng</td><td>ACRA : SGX – SID Audit Committee Seminar</td></tr></table>• Was kept abreast by the EA of changes to accounting standards and issues which have direct impact on financial statements.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Internal Audit		
13.1 13.2 13.3 13.4 13.5	Please provide details of the Company's internal audit function, if any.	The Board is of the view that the current size and scope of the Group's operations does not warrant having a separate internal audit function. In the absence of a separate function, the AC works closely with the CEO and the CFO to maintain the system of controls which includes internal audit oversight. This includes appointing a qualified firm to undertake an internal audit on a case to case basis, on all or parts of the business of the Company. In the FY2016, the Company appointed Boardroom Corporate Services (KL) Sdn Bhd ("**IA**") to undertake the internal audit function for one of the principal investments of the Company. The IA reported directly to the AC Chairman and administratively to the CFO. The AC reviewed and approved the internal audit plan to ensure the adequacy of the scope of audit and thereafter, the results of the audit. The AC is satisfied that the appointed IA was able to discharge its duties effectively as the staff assigned to the said internal audit assignment are members of the Institute of Internal Auditors, adhere to standards set by nationally recognised professional bodies, and has unfettered access to documents, records, properties and personnel, including direct access to the AC.
SHAREHOLDER RIGHTS AND RESPONSIBILITIES		
Shareholder Rights		
14.2	Are shareholders informed of the rules, including voting procedures, that govern general meetings of shareholders?	Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures, that govern the general meetings of shareholders.
14.3	Are corporations which provide nominee or custodial services allowed to appoint more than two proxies?	The Constitution allows a shareholder to appoint up to two proxies to attend and vote in the shareholder's place at the general meetings of shareholders. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold the Company's shares through a nominee company or custodian bank or through a Central Provident Fund agent bank may attend and vote at general meetings.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Communication with Shareholders		
15.1	Does the Company have an investor relations policy?	The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arises.
15.2 15.3 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	In line with the continuous disclosure obligations under the relevant rules, the Board informs shareholders promptly of all major developments that may have a material impact on the Group. The Board embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. Information is disseminated to shareholders and investors on a timely basis through: a) SGXNET announcements; b) Annual Reports and Notices of AGM issued to all shareholders; and c) The Company's AGMs. In addition, if the need arises, the Company may organise media/analyst briefings to enable a better appreciation of the Group's performance and developments, which will also act as platforms to solicit and understand the views of shareholders and investors. The Company's CEO and COO are responsible for the Company's communication with shareholders and serve as the dedicated contact point for investor relations.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Apart from the SGXNET announcements and its annual report, the Company may, if it considers necessary and appropriate, release press releases or organise media/analyst briefings to keep shareholders informed of corporate developments.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
15.5	Does the Company have a dividend policy?	The Company currently does not have a formal dividend policy. Generally, the Board looks into factors such as the Group's earnings, financial position, results of operations, capital needs, plans for expansion and other factors before determining whether any dividend is to be declared and/or paid.
	Is the Company paying dividends for the financial year? If not, please explain why.	The Board has not declared or recommended any dividends for FY2016. The Board made this decision with the aim of balancing returns to shareholders with investment to support future growth while at the same time preserving a strong capital base. The turnaround of the profitability of the Group is at a relatively early stage and a number of economic and regulatory uncertainties remain. Therefore, until there is stability in its profitability and sustainability in its financial returns, the Board will keep the matter under close review.
CONDUCT OF SHAREHOLDER MEETINGS		
16.1 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	The Constitution does not allow for abstentia voting at general meetings of shareholders as authentication of shareholder identity information and other related security issues continue to be a concern. The Company requests the following person to be present at all general meetings of the shareholders unless there are exigencies: • all Directors; • respective chairman of the Board Committees; and • the EA, whose presence is to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. Voting by shareholders in all annual general meetings and extraordinary general meetings of the Company shall be by poll and their detailed results will be announced via SGXNET after the conclusion of the general meeting. The Board has taken into consideration the factors encouraging electronic poll voting. After consideration, it has decided that the scale of the voting taking place at general meetings does not warrant the implementation of an electronic system. Minutes for general meetings (including questions raised by shareholders in relation to the meeting agenda and the responses from, *inter alia*, the Board and/or Management) are prepared at the conclusion of each meeting. A copy of minutes can be made available to a shareholder upon request in writing. Ordinarily, the minutes shall be sent to the shareholders last known address within 14 days of the Company's receipt of their request.

Catalist Rule	Rule Description	Company's Compliance or Explanation
COMPLIANCE WITH APPLICABLE CATALIST RULES		
712, 715 or 716	Appointment of Auditors	The Company confirms its compliance to the Catalist Rules 712 and 715.
1204(8)	Material Contracts	At the end of FY2016, the following material contract entered into by the Group (involving the interest of the CEO, any Director, or controlling shareholder) was subsisting: On 27 May 2016, the Company had issued to Mr Lim Kian Onn, a director and controlling shareholder of the Company ("**Mr LKO**") 0.5% redeemable convertible unsecured loan stocks due 2021 ("**RCULS**"), each with a principal amount of S$100,000 and amounting in aggregate to a principal amount of S$10,000,000 in accordance with the terms and conditions of the RCULS Subscription Agreement dated 19 April 2016 and Supplemental Agreement dated 29 April 2016, both between the Company and Mr LKO ("**RCULS Subscription Agreement**"). RCULS • The RCULS may be converted into, validly allotted and issued, fully-paid and unencumbered ordinary shares in the share capital of the Company, at the option of Mr LKO, at any time, from and including the respective dates on which they are issued and registered in accordance with the RCULS Subscription Agreement up to the close of business on the day falling one month prior to the Maturity Date ("**Conversion Period**"). "**Maturity Date**" means 60 months from the date of issue of the RCULS. • The RCULS bears interest at the rate of 0.5% per annum on the principal amount of the RCULS ("**Interest**"). Interest shall accrue on a daily basis (without compounding) and is payable on the Maturity Date. Each RCULS shall cease to bear Interest (a) on conversion into Shares (without prejudice to Interest accrued prior to the conversion date), or (b) from the due date for redemption hereof. • The Interest may, at the discretion of Mr LKO, be satisfied fully either in (i) cash or (ii) through the issue and allotment of Shares ("**Interest Shares**") by the Company at the discretion of Mr LKO. • If Mr LKO elects to receive cash in satisfaction of the Interest, the Interest (including interest on converted and unconverted RCULS) shall only be payable on the Maturity Date. • If Mr LKO elects to receive Shares in lieu of cash in satisfaction of the Interest accrued on any RCULS (i) in the case of any RCULS which is to be converted prior to the Maturity Date, such election must be notified to the Company in a conversion notice and (ii) in all other cases, such election shall be notified to the Company by no later than the expiry of the Conversion Period. • The price at which each Share shall be issued upon conversion of the RCULS or the Interest is S$0.13 ("**Conversion Price**"). The Conversion Price will be subject to adjustments under certain circumstances in accordance with the terms and conditions of the RCULS. • The number of Shares to which Mr LKO is entitled on conversion of any RCULS ("**Conversion Shares**") or Interest shall be determined by dividing the aggregate principal amount of the RCULS or Interest (as the case may be) to be converted by the Conversion Price. Further details of the RCULS issued to Mr LKO can be found in the Circular to Shareholders dated 5 May 2016. Mr LKO has elected to convert 38 RCULS valued at S$3,800,000 and accrued interest of S$2,499 into Shares. An aggregate of 29,249,989 new Shares have been allocated and issued pursuant to this conversion of RCULS on 15 July 2016. Following the conversion, there are 62 RCULS outstanding, convertible into 47,692,307 Shares as at 31 December 2016.

<table>
<tr><th>Catalist Rule</th><th>Rule Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1204(10)</td><td>Confirmation of adequacy of internal controls</td><td>The Board and the AC are of the opinion that the internal controls are adequate to address the financial, operational, compliance and information technology risks which the Group considers relevant and material to its current business scope and environment based on the following:

• internal controls and the risk management system established by the Company;
• work performed by the IA and EA;
• assurance from the CEO and CFO; and
• reviews done by the various Board Committees and key management personnel.</td></tr>
<tr><td>1204(17)</td><td>Interested Persons Transaction ("IPT")</td><td>The Group does not have a general mandate for recurrent interested person transactions.

IPT with value more than S$100,000 transacted during FY2016 is as follows:

<table><tr><th>Name of interested person</th><th>Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</th><th>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)</th></tr><tr><td>Lim Kian Onn</td><td>S$10,250,000</td><td>–</td></tr></table>
Note:
Pursuant to shareholders' approval obtained at the extraordinary general meeting held on 20 May 2016, the Company has issued 0.5% RCULS due 2021 of an aggregate principal amount of S$10 million to Mr LKO to inter alia, fund the acquisition of shares in ECM Libra Financial Group Berhad ("ECMLIB"). The maximum interest that may accrue under the RCULS is S$250,000.

Save as disclosed, there were no interested person transactions of S$100,000 or more during FY2016.</td></tr>
<tr><td>1204(19)</td><td>Dealing in Securities</td><td>The Company has adopted and implemented an Internal Code of Conduct on Dealing in Securities which prohibits dealings in the Company's securities by directors and officers while in possession of price-sensitive information. The Company, its directors and officers are prohibited from dealing in the Company's shares during one month prior to the announcement of half and full year results. The directors and officers are discouraged from dealing in the Company's securities on short-term considerations.

Directors and executives are also expected to observe insider trading laws at all times even when dealing in securities within permitted trading periods. The implications of insider trading are clearly set out in the procedures and guidelines.</td></tr>
<tr><td>1204(21)</td><td>Non-sponsor fees</td><td>There were no non-sponsor fees paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. during FY2016.</td></tr>
</table>

<table>
<tr><th>Catalist Rule</th><th>Rule Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1204(22)</td><td>Use of RCULS Proceeds</td><td>
As the Company has completed the issuance of the RCULS and the acquisition of 25.89% of ECM Libra Financial Group Berhad ("ECMLIB Acquisition"), the remaining proceeds from the RCULS of (i) S$0.239 million initially allocated for "To pay the Purchase Consideration for the ECMLIB Acquisition"; and (ii) S$0.246 million initially allocated for "Expenses in connection with the ECMLIB Acquisition and RCULS Issue and general working capital purposes", being an aggregate of S$0.485 million, was re-allocated to "General Working Purposes" ("First Re-allocation"). Pursuant thereto, S$11,000 from "General Working Purposes" was re-allocated to "Expenses in connection with the ECMLIB Acquisition and RCULS Issue" ("Second Re-allocation").

The utilisation of the RCULS Proceeds as at 31 December 2016 is as follows:

<table>
<tr><th>Intended Use</th><th>Amount initially allocated as set out in the circular dated 5 May 2016 S$'000</th><th>Amount allocated pursuant to First Re-allocation S$'000</th><th>Amount allocated pursuant to Second Re-allocation S$'000</th><th>Amount utilised S$'000</th><th>Amount unutilised S$'000</th></tr>
<tr><td>To pay the Purchase Consideration for the ECMLIB Acquisition*</td><td>9,510</td><td>9,271</td><td>9,271</td><td>9,271</td><td>–</td></tr>
<tr><td>Expenses in connection with the ECMLIB Acquisition and RCULS Issue</td><td>490</td><td>244</td><td>255</td><td>255</td><td>–</td></tr>
<tr><td>General working capital purposes**</td><td>–</td><td>485</td><td>474</td><td>–</td><td>474</td></tr>
<tr><td>Total</td><td>10,000</td><td>10,000</td><td>10,000</td><td>9,526</td><td>474</td></tr>
</table>
Notes:

* The difference between the amount initially allocated and utilised represents foreign currency exchange fluctuations between Singapore Dollar and Ringgit Malaysia. Notwithstanding, the amount utilised for the Purchase Consideration is RM27,452,140.

** None of the proceeds had been used for general working capital expenses as at 31 December 2016.

This aforementioned utilisation is in accordance with the intended use of proceeds stated in the Company's announcement dated 25 February 2016, the Circular to shareholders dated 5 May 2016 and the Second Re-allocation.
</td></tr>
</table>

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Profile of Board of Directors

MICHAEL KAN YUET YUN PBM
Independent Director
Appointed on 29 November 2002, last re-appointed on 28 April 2016; Age 77

Mr Michael Kan Yuet Yun was the Finance Director of BAT (Singapore) Ltd and Singapore Tobacco Co (Private) Ltd ("BAT group") from 1969 to 1999. Prior to joining the BAT group, Mr Kan was a practising accountant with Peat Marwick Mitchell & Company (now KPMG) in Singapore from 1967. Mr Kan had been an independent director of Singapore Exchange-listed Vibropower Corporation Ltd and OSIM International Ltd before he resigned in 2015 and 2010 respectively.

Mr Kan graduated with a Bachelor of Economics (Honours) degree from the University of Sydney. He is a Fellow of the Institute of Chartered Accountants in England and Wales and is a member of the Institute of Singapore Chartered Accountants. Mr Kan is also a member of the Singapore Institute of Directors.

Mr Kan has been actively involved in community and charity work. He served as Chairman of the Management Committee of Tanjong Pagar Community Club from 1996 to 2004 and as the Chairman of The Children's Aid Society (Melrose), a home for disadvantaged children from 2003 to 2014. In recognition of his contributions to the community, Mr Kan was conferred the Pingat Bakti Masyarakat (PBM – Public Service Medal) in the 1998 National Day Awards.

CHONG HUAI SENG
Independent Director
Appointed on 12 September 2008, last re-elected on 25 April 2014; Age 66

Mr Chong Huai Seng is a director of The Artling Pte Ltd, an online art advisory and e-commerce company specialising in Asian contemporary art.

Mr Chong previously served as senior investment officer with the Economic Development Board of Singapore for two years, before joining the financial services sector in 1979. Mr Chong was the Managing Director of Vickers Da Costa Securities and John Govett Asia from 1984 to 1994. Between 1994 and 1997, he was the Managing Director of Sesdaq-listed Pan Pacific Public Company Ltd, and was the Vice Chairman and substantial shareholder of Panpac Media Limited from 1998 to 2003.

Mr Chong graduated from the University of Manchester with a Degree in Polymer Physics (First Class Honours).

LIM KIAN ONN
Chairman, Non-Independent & Non-Executive Director
Appointed on 28 December 1999, last re-elected on 28 April 2016; Age 60

Mr Lim Kian Onn is a member of the Institute of Chartered Accountants in England and Wales and the Malaysian Institute of Accountants. He served his articleship with KMG Thomson McLintock in London and was a consultant with Andersen Consulting from 1981 to 1984. Between 1984 and 1993, Mr Lim was with Hong Leong Group, Malaysia as Executive Director in the stockbroking arm responsible for corporate finance, research and institutional sales.

Mr Lim founded the Libra Capital Group in 1994 and co-founded the ECM Libra Group in 2002. The holding company of the ECM Libra Group, ECM Libra Financial Group Berhad ("ECMFG") is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa"). Mr Lim is the Managing Director and substantial shareholder of ECMFG, a Director of Air Asia X Berhad, a company listed on the Main Market of Bursa and a trustee of ECM Libra Foundation.

OH TEIK KHIM
Executive Director
Appointed on 31 October 2003, last re-elected on 23 April 2015; Age 62

Mr Oh Teik Khim has more than 30 years of experience in finance and general management and has been the Chief Operating Officer/ Chief Financial Officer of the Plato Group since 2001. Prior to joining the Group, Mr Oh has served in various senior positions in the Hong Leong Group Malaysia.

Mr Oh is an Associate of the Institute of Chartered Accountants in England and Wales.

Profile Of Key Management

GARETH LIM TZE XIANG

Mr Gareth Lim Tze Xiang joined the Group in September 2009 as Head of Investments, responsible for the formulation and implementation of the Group's overall investment strategy. Mr Lim became the Chief Executive Officer of the Group in November 2010.

Mr Lim began his career as part of Morgan Stanley's mergers and acquisitions practice in Singapore. Prior to joining the Group, Mr Lim was a pioneer member of the management teams at Tune Hotels, Southeast Asia's leading chain of limited service hotels, and AirAsia X, the world's then only low cost, long haul carrier, where he was responsible for the establishment and development of each company.

Mr Lim holds a Bachelor of Arts Degree in Economics from St. Catharine's College at the University of Cambridge.

CHIN JON WEI

Mr Chin Jon Wei joined the investment division of the Group in 2011.

Mr Chin served his articleship in the audit department of a mid-tier accounting firm in Kuala Lumpur where he led teams of junior executives in the financial statement audits of both listed and owner-managed companies. Prior to joining the Group, Mr Chin was an equity analyst at UOB Kay Hian covering mid to large cap listed plantation companies within the South East Asian region.

Mr Chin is a CFA Charterholder, a member of the Institute of Chartered Accountants in England & Wales and a member of the Malaysian Institute of Accountants.

PHILIPPE STAATZ

Mr Philippe Staatz serves as the Head of Strategy and Corporate Development and joined the investment division of the Group in 2016.

Prior to joining the Group, Mr Staatz was a Director in Credit Suisse's investment banking division in Singapore where he was responsible for covering capital markets across South East Asia.

Before moving to Asia, Mr Staatz spent 10 years with Credit Suisse in London advising corporate clients across Emerging Markets in EMEA. Prior to joining Credit Suisse, Mr Staatz worked in investment banking at HSBC.

Mr Staatz holds a degree in Accounting and Finance from the London School of Economics.

CHOO SENG LAI

Mr Choo Seng Lai is currently Head of the Business Enterprise Division of the Group's subsidiary, Plato Solutions Sdn Bhd.

Mr Choo has over 20 years' experience in implementing Ross' ERP software products in the areas of financial, distribution, manufacturing and maintenance management in Malaysia and other countries such as Thailand, Germany, Brazil, India, Singapore, Hong Kong, Japan, China, Australia and the Philippines. Mr Choo also has more than 25 years of experience in the information technology industry.

LIM KIAN FAH

Ms Lim Kian Fah has been with the Group since October 2004 as Head of Legal & Corporate Affairs.

Prior to joining the Group, Ms Lim had about eight years' experience practising law in Malaysia primarily undertaking banking and corporate advisory work. She also served four years as an Executive Director of an Exchange Participant of the Stock Exchange of Hong Kong, with responsibilities that include securities trading control, credit control and ensuring compliance with regulatory requirements.

Directors' Statement

The directors hereby present their statement to the members together with the audited consolidated financial statements of Plato Capital Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2016.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Lim Kian Onn
Gareth Lim Tze Xiang (Alternate Director to Lim Kian Onn)
Michael Kan Yuet Yun, PBM
Chong Huai Seng
Oh Teik Khim

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interest in shares or debentures

According to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the particulars of interests of the directors, who held office at the end of the financial year in shares, share options and share awards of the Company are as follows:

Name of Director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the Company				
Lim Kian Onn	–	–	68,415,627	97,978,516
Share options of the Company				
Lim Kian Onn	–	1,378,761	–	–
Gareth Lim Tze Xiang	–	1,378,761	–	–
Michael Kan Yuet Yun, PBM	–	1,240,885	–	–
Chong Huai Seng	–	1,240,885	–	–
Oh Teik Khim	–	1,378,761	–	–
Share awards pursuant to the Performance Share Plan ("PSP") of the Company				
Lim Kian Onn	–	689,381	–	–
Gareth Lim Tze Xiang	–	689,381	–	–
Michael Kan Yuet Yun, PBM	–	620,443	–	–
Chong Huai Seng	–	620,443	–	–
Oh Teik Khim	–	689,381	–	–

By virtue of Section 7 of the Act, Lim Kian Onn is deemed to have an interest in 97,978,516 shares (69,978,516 shares are held vide Citibank Nominees Singapore Pte. Ltd. for Bank Julius Baer (Singapore) Ltd for Lim Kian Onn and 28,000,000 shares are held vide DBSN Services Pte Ltd for A/c JP Morgan Bank Luxembourg SA re JP Morgan Private Bank). Pursuant to the same section of the Act, Lim Kian Onn is also deemed to have interest in all shares held by the Company in its subsidiaries. In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the directors of the Company state that, according to the Register of the Directors' Shareholdings, the directors' interests as at 21 January 2017 in the shares of the Company have not changed from those disclosed as at 31 December 2016.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Share options and share awards

At an Extraordinary General Meeting held on 20 May 2016, shareholders approved the Plato Employee Share Option Scheme 2016 ("ESOS") and the Plato Performance Share Plan 2016 ("PSP") for the granting of non-transferable options and share awards that are settled by physical delivery of the ordinary shares of the Company, to directors and eligible employees of the Group.

The ESOS and PSP are administered by the remuneration committee (the "Committee") of the Company. During the financial year:

- The Company has granted 10,478,584 share options under the ESOS. These options expire 10 years from 17 June 2016, being the date of grant, save for options granted to Lim Kian Onn, Michael Kan Yuet Yun and Chong Huai Seng which expire 5 years from the date of grant. The vesting period of the options granted, provided that the directors and eligible employees remain in the service of the Group is as follows:

  - 1/3 of the options shall be exercisable at any time after the 1st anniversary of the date of grant;
  - 1/3 of the options shall be exercisable at any time after the 2nd anniversary of the date of grant; and
  - 1/3 of the options shall be exercisable at any time after the 3rd anniversary of the date of grant.

Share options and share awards *(cont'd)*

- The Company has also granted 5,239,296 share awards under the PSP. The shares comprised under the awards will be allocated and issued or transferred to a recipient if certain predetermined performance conditions as determined by the Committee of the PSP are achieved or otherwise in accordance with the Rules of the PSP. The awards for each recipient are released and vest proportionately (1/3) each year from 2017 to 2019, provided that the directors and eligible employees remain in the service of the Group.

The grant of the share options and share awards were accepted by the directors and eligible employees of the Group in July 2016.

Details of all the options to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 December 2016 are as follows:

Expiry date	Exercise price (S$)	Number of options
17 June 2021	0.10	3,860,531
17 June 2026	0.10	6,618,053
Total		10,478,584

Details of the options to subscribe for ordinary shares of the Company and share awards granted to directors of the Company pursuant to the ESOS and PSP are as disclosed above. There were no options exercised by the directors during the financial year.

Included in the share options and share awards granted during the year are 1,378,761 share options and 689,381 of share awards granted to Lim Kian Fah, an associate of Lim Kian Onn pursuant to the ESOS and PSP.

Other than the share options and share awards granted to the directors of the Company, Lim Kian Fah and 2 key management personnel, there were no other employees of the Group who have been granted more than 5% of the total share options and share awards available under the ESOS and PSP.

Since the commencement of the ESOS till the end of the financial year:

- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted
- No options have been granted at a discount

Audit committee

The audit committee of the Company is chaired by Michael Kan Yuet Yun, PBM, an independent director, and includes Chong Huai Seng, an independent director and Lim Kian Onn, a non-independent and non-executive director. The audit committee ("AC") performed its functions in accordance with section 201B(5) of the Singapore Companies Act, Cap. 50 as follows:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, the internal auditor's evaluation of the adequacy and effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management and the assistance given by the Group and the Company's management to the external and internal auditors;
- Reviewed the half-yearly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Recommended to the board of directors the nomination and compensation of the external auditor and reviewed the scope and results of the external audit;
- Reported actions and minutes of the AC to the board of directors with such recommendations;
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual; and
- Reviewed all non-audit services provided by the external auditor to the Group to ascertain that the nature and extent of such services would not affect the independence of the external auditor.

The AC convened three meetings during the year with full attendance from all members. The AC has also met with external auditor, without the presence of the Company's management, at least once a year.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Lim Kian Onn
Director

Oh Teik Khim
Director

23 March 2017

Independent Auditor's Report for the financial year ended 31 December 2016

Independent Auditor's Report to the Members of Plato Capital Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Plato Capital Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2016, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore (the FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSA"). 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 Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Equity accounting for investment in associates and joint venture

The Group's investment in associates and joint venture represents 47% and 37% respectively of the Group's total assets as at 31 December 2016. The Group accounts for its investments in associates and joint venture using the equity method. This was a key audit area due to the significant carrying amount of the investments in associates and joint venture as at 31 December 2016.

We performed our audit procedures and determined the extent of our involvement in the audit of the equity accounted investments and co-ordination with the component auditors in accordance with the requirements of SSA 600, Special Considerations – Audits of Group Financial Statements (including the Work of Component Auditors). Amongst other audit procedures, we discussed with component auditors the identified significant risks of misstatements and the nature, timing and extent of audit procedures to address these risks. We have also assessed the equity accounting adjustments prepared by management in respect of these equity accounted investments. This includes reviewing the adjustments made to reflect the effects of the transactions of the joint venture for the period from 1 October 2016 to 31 December 2016 as the joint venture financial year end is 30 September 2016 as well as the accounting for the additional investment in Educ8 Group Sdn Bhd. We have also evaluated the significant accounting policies of the associates and joint venture to ensure alignment

Equity accounting for investment in associates and joint venture (cont'd)

with group accounting policy. In addition, we have also evaluated management's assessment and the disclosures made in Note 14 and Note 15 to the financial statements to ascertain that the disclosures made are in accordance with FRS 112 Disclosure of Interests in Other Entities.

Acquisition of an associate

On 31 May 2016, the Group acquired 25.89% of the total issued and paid-up capital of ECM Libra Financial Group Berhad ("ECMLIB") and its subsidiaries (collectively, "ECMLIB Group") for a total cash consideration of approximately $9.3 million (equivalent to RM27.5 million). On 20 December 2016, the Group disposed of 6.11% of its interest in ECMLIB for a total consideration of approximately $2.1 million (equivalent to RM6.5 million). Management has assessed that it continues to have significant influence over ECMLIB by virtue of being represented on the board of directors of ECMLIB.

As at 31 December 2016, the net carrying amount of the investment amounted to $9.2 million. Included in the net carrying amount are equity accounted results of the associate and adjustment for provisional fair value which relates to the identifiable assets and liabilities, based on the preliminary purchase price allocation ("PPA") exercise. Given the materiality of this acquisition and the significant management's judgements required in the measurement of the fair value of the acquired identifiable assets and liabilities, we considered the accounting for the acquisition of ECMLIB Group to be a key audit matter.

In auditing the accounting of the acquisition, we performed inquiries with management on the identification of identifiable assets and liabilities including customer relationships, trademark, brand name, and contingent liabilities. We have reviewed and assessed the reasonableness of the assumptions used by the management in the estimation of the fair values of the acquired identifiable assets and liabilities based on the nature of the assets and liabilities. We also reviewed and assessed the reasonableness of the assumptions used by the management in determining that there are no incremental intangible assets to be recognised. In addition, we reviewed the determination of the excess of the fair value of the identifiable net assets over the purchase consideration, which was included in the share of the results of the associate. We also assessed the adequacy and appropriateness of the disclosures in the financial statements in Note 15 to the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group'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 SSA 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 SSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.

- 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management'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 Group'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 Group to cease to continue as a going concern.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Low Bek Teng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
23 March 2017

Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2016

	Note	2016	2015
		$	$
Revenue	4	1,200,300	1,480,069
Other income	5	32,213	26,132
		1,232,513	1,506,201
Other items of income/(expense)			
Gain on disposal of a subsidiary	13	–	1,982,753
Loss on disposal of partial interests in an associate	15	(898,611)	–
Purchase of software and services		(544,015)	(644,013)
Property management cost	12	–	(198,990)
Employee benefits expenses	6	(1,725,505)	(1,418,362)
Depreciation of property, plant and equipment	11	(25,777)	(36,116)
Foreign exchange gain/(loss), net		1,992	(387,586)
Loss on disposal of available-for-sale financial assets		–	(11,348)
Impairment of available-for-sale financial assets	16	(77,037)	(36,911)
Other operating expenses		(783,808)	(645,102)
Bank charges		(4,571)	(3,853)
Finance costs	7	(640,519)	(690,900)
Share of profit from joint venture		8,819,800	1,145,476
Share of profit/(loss) from associates		634,462	(4,517,521)
Profit/(loss) before tax	8	5,988,924	(3,956,272)
Income tax credit/(expense)	9	39,013	(126,489)
Profit/(loss) for the year		6,027,937	(4,082,761)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	2016	2015
		$	$
Profit/(loss) for the year		6,027,937	(4,082,761)
Other comprehensive loss:			
Item that will not be reclassified to profit or loss			
Share of other comprehensive loss on re-measurement of the defined benefits obligations of an associate		(26,132)	(36,465)
Items that may be reclassified subsequently to profit or loss			
Net change in fair value reserve for available-for-sale financial assets:			
- Loss on fair value changes of available-for-sale financial assets		–	(68,026)
- Share of fair value reserve for available-for-sale financial assets of an associate		55,329	–
Share of foreign currency translation reserve of joint venture		(390,970)	(1,237,918)
Share of foreign currency translation reserve of associates		(2,126,575)	(45,787)
Realisation of foreign currency translation reserve to profit or loss upon disposal of subsidiary	13	–	29,522
Foreign currency translation		18,173	1,456,126
		(2,444,043)	133,917
Other comprehensive (loss)/income for the year, net of tax		(2,470,175)	97,452
Total comprehensive income/(loss) for the year		3,557,762	(3,985,309)
Profit/(loss) for the year attributable to:			
Owners of the Company		5,730,822	(3,267,565)
Non-controlling interests		297,115	(815,196)
		6,027,937	(4,082,761)
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		3,481,939	(3,701,659)
Non-controlling interests		75,823	(283,650)
		3,557,762	(3,985,309)
Earnings/(loss) per share (cents) attributable to owners of the Company	10		
Basic		3.20	(1.97)
Diluted		2.83	(1.97)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets as at 31 December 2016

	Note	Group		Company	
		2016	2015	2016	2015
		$	$	$	$
Non-current assets					
Property, plant and equipment	11	4,429,218	4,341,357	–	–
Investment in subsidiaries	13	–	–	3,126,130	3,830,657
Investment in joint venture	14	23,717,825	15,288,995	15,515,050	15,515,050
Investment in associates	15	30,468,563	17,940,266	–	–
Available-for-sale financial assets	16	266,057	336,164	–	–
		58,881,663	37,906,782	18,641,180	19,345,707
Current assets					
Trade receivables	17	1,056,621	298,661	–	–
Other receivables and deposits	18	25,184	45,252	–	–
Prepaid operating expenses		35,509	33,544	12,050	11,004
Deferred maintenance cost		178,159	257,312	–	–
Tax recoverable		51,888	62,259	–	–
Amounts due from subsidiaries	19	–	–	19,644,820	2,649,162
Cash and cash equivalents	20	4,130,030	5,974,555	1,057,981	4,937,831
		5,477,391	6,671,583	20,714,851	7,597,997
Total assets		64,359,054	44,578,365	39,356,031	26,943,704
Current liabilities					
Trade payables	21	147,707	147,920	–	–
Other payables and accruals	22	1,098,353	1,044,832	194,510	181,612
Deferred revenue		260,706	391,056	–	–
Amounts due to subsidiaries	19	–	–	1,598,379	4,421,459
Amount due to joint venture	23	9,172,181	–	9,172,181	–
Income tax payable		–	–	–	44,615
Loans and borrowings	24	6,135,670	6,587,000	–	–
		16,814,617	8,170,808	10,965,070	4,647,686
Net current (liabilities)/assets		(11,337,226)	(1,499,225)	9,749,781	2,950,311
Non-current liabilities					
Deferred tax liabilities	25	244,411	–	244,411	–
RCULS – liability component	24	4,762,285	–	4,762,285	–
Amounts due to related parties	26	2,321,921	5,079,555	–	850,007
		7,328,617	5,079,555	5,006,696	850,007
Total liabilities		24,143,234	13,250,363	15,971,766	5,497,693
Net assets		40,215,820	31,328,002	23,384,265	21,446,011
Equity					
Share capital	27	40,875,023	37,148,948	40,875,023	37,148,948
Fair value and other reserves	28	1,659,310	–	1,560,822	–
Foreign currency translation reserve	29	(7,475,806)	(5,352,559)	–	–
Retained earnings/(accumulated losses)		2,893,121	(2,817,859)	(19,051,580)	(15,702,937)
Equity attributable to owners of the Company		37,951,648	28,978,530	23,384,265	21,446,011
Non-controlling interests		2,264,172	2,349,472	–	–
Total equity		40,215,820	31,328,002	23,384,265	21,446,011
Total equity and liabilities		64,359,054	44,578,365	39,356,031	26,943,704

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity for the financial year ended 31 December 2016

	Attributable to owners of the Company						
	Share capital	Fair value and other reserves	Foreign currency translation reserve	(Accumulated losses)/ retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	$	$	$	$	$	$	$
Group							
At 1 January 2016	37,148,948	–	(5,352,559)	(2,817,859)	28,978,530	2,349,472	31,328,002
Profit for the year	–	–	–	5,730,822	5,730,822	297,115	6,027,937
Other comprehensive income:							
Share of other comprehensive loss on re-measurement of the defined benefits obligations of an associate	–	–	–	(19,842)	(19,842)	(6,290)	(26,132)
Share of fair value reserve for available-for-sale financial assets of an associate	–	55,329	–	–	55,329	–	55,329
Share of foreign currency translation reserve of joint venture	–	–	(390,970)	–	(390,970)	–	(390,970)
Share of foreign currency translation reserve of associates	–	–	(1,901,538)	–	(1,901,538)	(225,037)	(2,126,575)
Foreign currency translation	–	–	8,138	–	8,138	10,035	18,173
Other comprehensive loss for the year, net of tax	–	55,329	(2,284,370)	(19,842)	(2,248,883)	(221,292)	(2,470,175)
Total comprehensive income for the year	–	55,329	(2,284,370)	5,710,980	3,481,939	75,823	3,557,762
Transactions with owners							
Issuance of Redeemable Convertible Unsecured Loan Stocks ("RCULS")	–	2,119,222	–	–	2,119,222	–	2,119,222
RCULS issuance expenses	–	(61,563)	–	–	(61,563)	–	(61,563)
Conversion of RCULS	3,726,075	(893,339)	–	–	2,832,736	–	2,832,736
Issuance of share options and share awards	–	396,502	–	–	396,502	–	396,502
Accretion of interest in the non-controlling interest of a subsidiary via the acquisition of an associate	–	43,159	161,123	–	204,282	(161,123)	43,159
Total transactions with owners	3,726,075	1,603,981	161,123	–	5,491,179	(161,123)	5,330,056
At 31 December 2016	40,875,023	1,659,310	(7,475,806)	2,893,121	37,951,648	2,264,172	40,215,820

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Attributable to owners of the Company						
	Share capital	Fair value and other reserves	Foreign currency translation reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	$	$	$	$	$	$	$
Group							
At 1 January 2015	37,148,948	68,026	(5,012,018)	475,233	32,680,189	1,937,188	34,617,377
Loss for the year	–	–	–	(3,267,565)	(3,267,565)	(815,196)	(4,082,761)
Other comprehensive income:							
Share of other comprehensive loss on re-measurement of the defined benefits obligations of an associate	–	–	–	(25,527)	(25,527)	(10,938)	(36,465)
Net change in fair value reserve for available-for-sale financial assets	–	(68,026)	–	–	(68,026)	–	(68,026)
Share of foreign currency translation reserve of joint venture	–	–	(1,237,918)	–	(1,237,918)	–	(1,237,918)
Share of foreign currency translation reserve of associates	–	–	(320,819)	–	(320,819)	275,032	(45,787)
Realisation of foreign currency translation reserve to profit or loss upon disposal of subsidiary	–	–	20,665	–	20,665	8,857	29,522
Foreign currency translation	–	–	1,197,531	–	1,197,531	258,595	1,456,126
Other comprehensive income for the year, net of tax	–	(68,026)	(340,541)	(25,527)	(434,094)	531,546	97,452
Total comprehensive loss for the year	–	(68,026)	(340,541)	(3,293,092)	(3,701,659)	(283,650)	(3,985,309)
Transactions with owners							
Derecognition of non-controlling interests upon disposal of subsidiary	–	–	–	–	–	(135,050)	(135,050)
Waiver of debt taken into equity upon disposal of subsidiary	–	–	–	–	–	830,984	830,984
Total transactions with owners	–	–	–	–	–	695,934	695,934
At 31 December 2015	37,148,948	–	(5,352,559)	(2,817,859)	28,978,530	2,349,472	31,328,002

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Share capital	Other reserves	Accumulated losses	Total equity
	$	$	$	$
Company				
2016				
At 1 January 2016	37,148,948	–	(15,702,937)	21,446,011
Loss for the year, representing total comprehensive loss for the year	–	–	(3,348,643)	(3,348,643)
Issuance of RCULS	–	2,119,222	–	2,119,222
RCULS issuance expenses	–	(61,563)	–	(61,563)
Conversion of RCULS	3,726,075	(893,339)	–	2,832,736
Issuance of share options and share awards	–	396,502	–	396,502
At 31 December 2016	40,875,023	1,560,822	(19,051,580)	23,384,265
2015				
At 1 January 2015	37,148,948	–	(14,410,640)	22,738,308
Loss for the year, representing total comprehensive loss for the year	–	–	(1,292,297)	(1,292,297)
At 31 December 2015	37,148,948	–	(15,702,937)	21,446,011

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement for the financial year ended 31 December 2016

	2016	2015
	$	$
Cash flows from operating activities:		
Profit/(loss) before tax	5,988,924	(3,956,272)
Adjustments for:		
Interest income from bank deposits	(26,491)	(26,132)
Interest income from provision of credit facilities	(71,209)	–
Gain on disposal of a subsidiary	–	(1,982,753)
Interest expenses	640,519	690,900
Depreciation of property, plant and equipment	25,777	36,116
Loss on disposal of available-for-sale financial assets	–	11,348
Loss on disposal of partial interests of an associate	898,611	–
Impairment of available-for-sale financial assets	77,037	36,911
Share-based payments expense	396,502	–
Share of profit from joint venture	(8,819,800)	(1,145,476)
Dividend income from investment securities	(20)	(14,470)
Share of (profit)/loss from associates	(634,462)	4,517,521
Unrealised foreign exchange (gain)/loss, net	(171,982)	365,147
Operating loss before working capital changes	(1,696,594)	(1,467,160)
Receivables	(671,446)	(58,004)
Amount due from joint venture	–	630,179
Payables	(218,803)	(376,975)
Cash flows used in operations	(2,586,843)	(1,271,960)
Interest received from provision of credit facilities	71,209	–
Income tax paid	(2,871)	(156,255)
Net cash flows used in operating activities	(2,518,505)	(1,428,215)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(175,859)	(83,073)
Proceeds from disposal of available-for-sale financial assets	–	227,859
Proceeds from disposal of shares of an associate	2,122,021	–
Advances from a joint venture	9,172,181	–
Net cash inflow from disposal of a subsidiary	–	2,291,763
Investment in associates	(17,011,845)	(4,025,598)
Redemption of preference shares in a joint venture	–	4,875,000
Dividends received from investment securities	20	14,470
Net cash (used in)/from investing activities	(5,893,482)	3,300,421

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	2016	2015
	$	$
Cash flows from financing activities		
Interest paid	(622,615)	(488,034)
Interest received from bank deposits	26,491	26,132
Repayment of amount due to a substantial shareholder	(1,662,549)	–
Repayment of amount due to a company controlled by a substantial shareholder	(726,948)	–
Issuance of RCULS	10,000,000	–
RCULS issuance expenses	(255,190)	–
Proceeds from bank borrowings	–	1,317,400
Repayment of bank borrowings	(322,410)	–
Net cash from financing activities	6,436,779	855,498
Net (decrease)/ increase in cash and cash equivalents	(1,975,208)	2,727,704
Effect of exchange rate changes on cash and cash equivalents	130,683	346,510
Cash and cash equivalents at 1 January	5,974,555	2,900,341
Cash and cash equivalents at 31 December (Note 20)	4,130,030	5,974,555

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements for the financial year ended 31 December 2016

1. Corporate information

Plato Capital Limited (the "Company") is a limited liability company incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The principal place of business of the Group is located at Ground Floor, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 13.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("$").

Fundamental accounting concept

The consolidated financial statements have been prepared on a going concern basis notwithstanding the excess of current liabilities over current assets of $11,337,226 (2015: $1,499,225) as the Directors are of the view that the Group will continue to operate as a going concern. The Directors' view is based on the ability of the Group to continue to have access to banking facilities available to the Group with the support of Mr Lim Kian Onn ("Mr LKO") as guarantor to those facilities as well as the ability of the Group to generate sufficient net cash inflows from investing activities based on the forecast prepared by management. As at the date of these financial statements, Mr LKO has provided a commitment to the Group to continue to provide and not withdraw such personal guarantee so as to enable the Group to have continuous access to these banking facilities. The Directors are also of the view that the Group will be able to secure additional borrowings by securing its long-term assets which are currently unencumbered.

2.2 Changes in accounting policies

The Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standards. The Group will adopt the new financial reporting framework on 1 January 2018.

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards that are effective for annual financial periods beginning on or after 1 January 2016. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 7 *Disclosure Initiative*	1 January 2017
Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
Amendments to FRS 115: *Clarifications to FRS 115 Revenue from Contracts with Customers*	1 January 2018
Amendments to FRS 109 *Financial Instruments*	1 January 2018
FRS 116 *Leases*	1 January 2019

Except for FRS 109, FRS 115 and FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

Classification and measurement

For equity securities, the Group will continue to measure its currently available-for-sale quoted equity securities at fair value through other comprehensive income (FVOCI). The Group does not expect any significant impact arising from these changes. The Group will elect to measure its currently held available-for-sale unquoted equity securities at fair value through other comprehensive income (FVOCI). In addition, the Group currently measures its investments in unquoted equity securities at cost less impairment. Under FRS 109, the Group will be required to measure the investment at fair value. Any difference between the previous carrying amount under FRS 39 and the fair value would be recognised in the opening retained earnings when the Group applies FRS 109.

Impairment

FRS 109 requires the Group to measure the loss allowance at an amount equal to the lifetime expected credit losses. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. The Group does not expect any significant impact on the Group's financial results, but it will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of impact.

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under FRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

During the current financial year, the Group performed a preliminary assessment of FRS 115 which is subject to changes arising from a more detailed ongoing analysis. The Group is in a business of providing credit facilities as well as Information Technology ("IT") related services. The revenue contracts that the Group entered into typically only has one performance obligation per contract with no variable consideration nor right of returns. Certain services such as facilitation services, service maintenance and license fees and services are for a specified contract period and all the specified criteria will only be met at the end of the contract period. FRS 115 requires revenue to be recognised over time instead of at a point of time, similar to the Group's current revenue recognition policy. Accordingly, based on management's preliminary assessment, management does not expect the adoption of FRS 115 to have a material impact on the Group's revenue recognition policy.

The Group plans to adopt the new standard on the required effective date.

FRS 116 *Leases*

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities, earnings before interest, taxes, depreciation and amortisation ("EBITDA") and gearing ratio.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(a) Basis of consolidation (cont'd)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on acquisition date.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2. Summary of significant accounting policies (cont'd)

2.6 Foreign currencies

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into Singapore Dollars at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to the non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful life of the asset as follows:

Computer equipment	–	3 years
Motor vehicles	–	5 years
Furniture and fittings	–	5 years
Office renovation	–	5 years
Office equipment	–	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. Summary of significant accounting policies (cont'd)

2.7 Property, plant and equipment (cont'd)

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.10 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.11.

2. Summary of significant accounting policies (cont'd)

2.11 Associates and joint venture

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates and joint venture using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint venture are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from associates or joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates or joint venture are eliminated to the extent of the interest in the associates or joint venture.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associates or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates or joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates or joint venture are prepared as of the same reporting date as the Company unless it is impracticable to do so. When the financial statements of an associate or joint venture used in applying the equity method are prepared as of a different reporting date from that of the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company. In any case, the difference between the end of the reporting period of the associate or joint venture and that of the investor shall be no more than three months. The length of the reporting periods and any difference between the ends of the reporting periods shall be the same from period to period.

When the financial statements of an associate or joint venture used in applying the equity method are as of a reporting date or for a period that is different from that of the Company, the reporting date of the financial statements of the associates or joint venture and the reason for using a different reporting date or different period shall be disclosed.

Upon loss of significant influence or joint control over the associates or joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

If the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2. Summary of significant accounting policies (cont'd)

2.12 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) *Available-for-sale financial assets*

Available-for-sale financial assets include equity securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments which are unquoted are measured at cost less impairment loss.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of financial assets

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2. Summary of significant accounting policies (cont'd)

2.12 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.13 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as 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. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.13 Impairment of financial assets (cont'd)

(a) *Financial assets carried at amortised cost (cont'd)*

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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 was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) *Available-for-sale financial assets*

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2. Summary of significant accounting policies (cont'd)

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.18 Redeemable convertible unsecured loan stocks ("RCULS")

RCULS are separated into liability and equity components based on the terms of the contract.

On issuance of the RCULS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption in accordance with the accounting policy set out in Note 2.12(b).

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the RCULS based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

2. Summary of significant accounting policies (cont'd)

2.19 Employee benefits

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore and the Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, which are defined contribution pension schemes. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled beyond twelve months from the end of the reporting period is determined using the projected unit credit method. The net total of service costs, net interest on the liability and remeasurement of the liability are recognised in profit or loss

(c) *Defined benefit plans*

The costs of providing benefits under defined benefit plans of certain subsidiaries of an associate are determined separately for each plan using the projected unit credit actuarial valuation method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the balance sheets with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the associate recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The associate recognises the following changes in the net defined benefit obligation in the consolidated statement of profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

(d) *Employee share options and share awards*

Employees of the Group receive remuneration in the form of share options and share awards as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options and share awards at the date on which the options and share awards are granted which takes into account performance and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the share-based payments reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The share-based payments reserve is transferred to retained earnings upon expiry of the share option.

2. Summary of significant accounting policies (cont'd)

2.20 Leases

(a) *As lessee*

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) *As lessor*

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.21(f). Contingent rents are recognised as revenue in the period in which they are earned.

2.21 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) *Sale of goods*

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) *Rendering of services*

Revenue from license fees and services are recognised based on milestone billings measured by reference to the stage of completion of the projects.

Revenue from service maintenance is recognised evenly over the term of the contract and unrecognised amount is deferred and classified as deferred revenue.

Revenue from facilitation services is recognised when the services are rendered.

(c) *Interest income from provision of credit facilities*

Interest income from provision of credit facilities is recognised by using effective interest method and is accounted for monthly by reference to periods that are stipulated in the financing agreement.

(d) *Interest income from bank deposits*

Interest income is recognised using the effective interest method.

2. Summary of significant accounting policies (cont'd)

2.21 Revenue (cont'd)

(e) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

(f) *Rental income*

Revenue arising from rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

2.22 Taxes

(a) *Current tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. Summary of significant accounting policies (cont'd)

2.22 Taxes (cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.23 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.24 Contingencies

A contingent liability is:

(a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) A present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts recognised in the consolidated financial statements.

3.2 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 are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Preliminary purchase price allocation of ECM Libra Financial Group Berhad ("ECMLIB")

On 31 May 2016, the Group acquired 25.89% of the total issued and paid-up capital of ECMLIB for a total cash consideration of $9,263,284. On 20 December 2016, the Group disposed of 6.11% of its interest in ECMLIB for a total consideration of $2,122,021. Management has assessed that it continues to have significant influence over ECMLIB by virtue of being represented on the board of directors of ECMLIB. As at 31 December 2016, the net carrying amount of the investment amounted to $9,209,730. Included in the net carrying amount is an amount of $3,267,392 which relates to the excess of the Group's 25.89% share of the provisional net fair value of the identifiable assets and liabilities of ECMLIB as at the date of acquisition over the allocated cost of the investment in ECMLIB, based on the preliminary purchase price allocation exercise perform by management. Should the provisional net fair value of the identifiable assets and liabilities of ECMLIB be 5% higher than management's estimate, the excess of the Group's share of the provisional net fair value of identifiable assets and liabilities over the allocated cost of investment of ECMLIB would have been approximately $589,000 higher.

4. Revenue

	Group	
	2016	**2015**
	$	$
Revenue from:		
- sale of goods	560	–
- license fees and services	567,900	891,260
- service maintenance	528,801	528,337
- facilitation services	12,896	–
Interest income from provision of credit facilities	71,209	–
Dividend income	20	14,470
Rental income	18,914	46,002
	1,200,300	1,480,069

5. Other income

	Group	
	2016	2015
	$	$
Interest income from bank deposits	26,491	26,132
Miscellaneous income	5,722	–
	32,213	26,132

6. Employee benefits expenses

	Group	
	2016	2015
	$	$
Salaries and wages	1,172,162	1,256,910
Defined contribution plans	110,181	113,506
Share-based payments	396,502	–
Other employee benefits	46,660	47,946
	1,725,505	1,418,362

Employee benefits expenses include the amounts shown as Directors' remuneration in Note 30.

Share options and share awards

At an Extraordinary General Meeting ("EGM") held on 20 May 2016, shareholders approved the Plato Employee Share Option Scheme 2016 ("ESOS") and the Plato Performance Share Plan 2016 ("PSP") for the granting of non-transferable options and share awards that are settled by physical delivery of the ordinary shares of the Company, to the directors and eligible employees of the Group.

The ESOS and PSP are administered by the remuneration committee (the "Committee") of the Company.

- The Company has granted 10,478,584 share options under the ESOS. These options expire 10 years from 17 June 2016, being the date of grant, save for options granted to Lim Kian Onn, Michael Kan Yuet Yun and Chong Huai Seng which expire 5 years from the date of grant. The vesting period of the options granted, provided that the directors and eligible employees remain in the service of the Group is as follows:
  - 1/3 of the options shall be exercisable at any time after the 1st anniversary of the date of grant;
  - 1/3 of the options shall be exercisable at any time after the 2nd anniversary of the date of grant; and
  - 1/3 of the options shall be exercisable at any time after the 3rd anniversary of the date of grant.

- The Company has also granted 5,239,296 share awards under the PSP. The shares comprised under the awards will be allocated and issued or transferred to a recipient if certain predetermined performance conditions as determined by the Committee of the PSP are achieved or otherwise in accordance with the Rules of the PSP. The awards for each recipient are released and vest proportionately (1/3) each year from 2017 to 2019, provided that the directors and eligible employees remain in the service of the Group.

  The grant of the share options and share awards were accepted by the directors and eligible employees of the Group in July 2016.

6. Employee benefits expenses (cont'd)

Share options and share awards (cont'd)

Details of all the options to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 December 2016 are as follows:

Expiry date	Exercise price ($)	Number of options
17 June 2021	0.10	3,860,531
17 June 2026	0.10	6,618,053
Total		10,478,584

As the share options and share awards were only granted during the year and there were no options or share awards which were vested, exercised or released, a separate reconciliation of the movement of the share options and share awards has not been presented.

The weighted average fair values of options and share awards granted during the financial year were $0.076 (2015: $Nil) and $0.085 (2015: $Nil) respectively.

The weighted average remaining contractual life for these options is 8.7 (2015: Nil) years.

Fair value of share options granted

The fair value of share options granted under the ESOS is estimated at the date of the grant, using a Black-Scholes simulation model, taking into account the terms and conditions upon which the options were granted. It takes into account historic dividends, share price fluctuation covariance of the Company to predict the distribution of relative share performance.

The following table lists the inputs to the option pricing model for the year ended 31 December 2016:

Dividend yield (%)	–
Expected volatility (%)	129 to 162
Risk-free interest rate (% p.a.)	1.63 to 2.25
Expected life of option (years)	3.5 to 7
Weighted average share price ($)	0.085

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Fair value of share awards granted

The fair value of the share awards granted under the PSP is estimated at the date of the grant, based on the prevailing share price of the Company of $0.085 at the date when the grant was accepted by the directors and eligible employees, taking into consideration the terms and conditions upon which the share awards were granted and the assessment of the probability of the performance conditions set being met by the directors and eligible employees. Due to the nature of these share awards, the estimation of the dividend yield is not applicable and there were no other significant inputs used for estimating the fair value of these share awards.

7. Finance costs

	Group	
	2016	2015
	$	$
Interest expense on:		
- finance lease	–	172,360
- bank borrowings	390,848	405,089
- RCULS	201,103	–
- borrowings from related parties	48,568	113,451
	640,519	690,900

8. Profit/(loss) before tax

The following items have been included in arriving at profit/(loss) before tax:

	Group	
	2016	2015
	$	$
Audit fees:		
- auditors of the Company	131,967	102,429
- other auditors	26,350	25,449
Non-audit fees:		
- other auditors	6,960	3,067
Operating lease expenses	51,470	52,616

There were no non-audit fees paid to the auditor of the Company for the financial years ended 31 December 2016 and 2015.

9. Income tax (credit)/expense

Major components of income tax (credit)/expense

The major components of income tax (credit)/expense for the years ended 31 December 2016 and 2015 are:

	Group	
	2016	2015
	$	$
Consolidated income statement:		
Current income tax		
- Current income taxation	7,605	121,835
- Under provision in respect of previous years	2,204	4,654
	9,809	126,489
Deferred tax (Note 25)		
- Reversal of temporary differences	(48,822)	–
Income tax (credit)/expense recognised in profit or loss	(39,013)	126,489

9. Income tax (credit)/expense (cont'd)

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Statement of changes in equity				
Deferred tax expense charged directly to equity - RCULS	293,233	–	293,233	–

Relationship between tax (credit)/expense and accounting profit/(loss)

A reconciliation between tax (credit)/expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December 2016 and 2015 are as follows:

	Group	
	2016	2015
	$	$
Accounting profit/(loss) before tax	5,988,924	(3,956,272)
Tax at the domestic rates applicable to profit/(loss) in the countries where the Group operates	797,359	(806,804)
Adjustments:		
Non-deductible expenses	492,220	134,631
Effects of disposal of subsidiary subject to real property gains tax	–	121,835
Deferred tax assets not recognised	276,429	106,563
Utilisation of previously unabsorbed capital allowances	–	(7,638)
Under provision of income tax in respect of previous years	2,204	4,654
Share of (profit)/loss of joint venture and associates	(1,607,225)	573,248
Income tax (credit)/expense recognised in profit or loss	(39,013)	126,489

10. Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing profit/(loss) net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings/(loss) per share is calculated by dividing profit/(loss) net of tax, attributable to owners of the Company (after adjusting for interest expense on RCULS, net of tax) by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit/(loss) and share data used in the computation of basic and diluted earnings/(loss) per share for the years ended 31 December:

	Group	
	2016	**2015**
Profit/(loss) attributable to owners of the Company ($)	5,730,822	(3,267,565)
Add: Interest expense on RCULS, net of tax ($)	152,281	–
Profit net of tax attributable to owners of the Company used in the computation of diluted earnings per share ($)	5,883,103	(3,267,565)
Weighted average number of ordinary shares for basic earnings per share computation	178,994,489	165,451,344
Effects of dilution		
- Share options	231,034	–
- RCULS	28,570,174	–
Weighted average number of ordinary shares for diluted earnings per share computation	207,795,697	165,451,344
Basic earnings/(loss) per share (cents)	3.20	(1.97)
Diluted earnings/(loss) per share (cents)	2.83	(1.97)

The share awards granted pursuant to the PSP have not been included in the calculation of the earnings per share because the conditions attached to the share awards have not been fulfilled as at 31 December 2016.

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date or before the completion of these financial statements.

11. Property, plant and equipment

Group	Freehold land	Computer equipment	Motor vehicles	Furniture and fittings	Office renovation	Office equipment	Total
	$	$	$	$	$	$	$
Cost							
At 1 January 2015	4,388,466	181,404	55,936	6,810	82,703	32,533	4,747,852
Additions	73,757	9,316	–	–	–	–	83,073
Exchange differences	(178,028)	(23,731)	(7,247)	(883)	(10,715)	(4,215)	(224,819)
At 31 December 2015 and 1 January 2016	4,284,195	166,989	48,689	5,927	71,988	28,318	4,606,106
Additions	168,197	7,226	–	436	–	–	175,859
Exchange differences	(61,061)	(3,277)	(949)	(116)	(1,403)	(552)	(67,358)
At 31 December 2016	4,391,331	170,938	47,740	6,247	70,585	27,766	4,714,607
Accumulated depreciation							
At 1 January 2015	–	162,058	3,730	5,673	60,774	30,493	262,728
Depreciation charge for the year	–	12,171	9,745	119	13,510	571	36,116
Exchange differences	–	(21,034)	(491)	(735)	(7,884)	(3,951)	(34,095)
At 31 December 2015 and 1 January 2016	–	153,195	12,984	5,057	66,400	27,113	264,749
Depreciation charge for the year	–	10,117	9,533	174	5,470	483	25,777
Exchange differences	–	(2,987)	(238)	(99)	(1,286)	(527)	(5,137)
At 31 December 2016	–	160,325	22,279	5,132	70,584	27,069	285,389
Net carrying amount							
At 31 December 2015	4,284,195	13,794	35,705	870	5,588	1,205	4,341,357
At 31 December 2016	4,391,331	10,613	25,461	1,115	1	697	4,429,218

The freehold land of the Group consists of the cost of acquisition of certain properties in Ireland by a subsidiary. The entire acquisition cost has been allocated to the cost of freehold land, as the current intention of the Group is to re-develop the properties into an integrated hotel. As at 31 December 2016, the Group is currently pursuing planning approvals from the relevant authorities.

12. Investment property

	Group	
	2016	2015
	$	$
Balance sheet:		
At 1 January	–	4,048,559
Disposal of subsidiary (Note 13)	–	(3,432,774)
Exchange differences	–	(615,785)
At 31 December	–	–

	2016	2015
	$	$
Income statement:		
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating property	–	198,990

In prior year, the Company and the non-controlling interest shareholders had entered into a conditional share sale agreement with two independent third parties to dispose of the entire share capital of a subsidiary, Plato-Straits Heritage Sdn. Bhd ("PSHSB"), which holds the registered lease of the investment property, for a total cash consideration of RM9,918,830 (equivalent to approximately S$3,323,204). This transaction was completed in September 2015.

13. Investment in subsidiaries

	Company	
	2016	2015
	$	$
Unquoted shares, at cost:		
At 1 January	11,208,114	10,879,900
Add: Increase in investment in subsidiaries	668,877	358,270
Options and share awards granted to directors and employees of subsidiaries pursuant to the ESOS and PSP of the Company	251,232	–
	12,128,223	11,238,170
Less: Disposal of a subsidiary	–	(30,056)
	12,128,223	11,208,114
Less: Accumulated impairment losses	(9,002,093)	(7,377,457)
At 31 December	3,126,130	3,830,657

13. Investment in subsidiaries (cont'd)

(a) Composition of the Group

The Group has the following investment in subsidiaries:

	Name of subsidiaries	Country of incorporation	Principal activities	Percentage of interest held by the Group	
				2016	2015
				%	%
	Held by the Company:				
+	Plato Private Limited	Singapore	Investment holding	100	100
+	Positive Carry Pte. Ltd.	Singapore	Investment holding	100	100
+	Truesource Pte. Ltd.	Singapore	Investment holding	100	–
#	Plato Capital Sdn Bhd	Malaysia	Provision of credit facilities	100	100
#	Plato-Straits Heritage Properties Sdn Bhd	Malaysia	Dormant	100	100
#	Truesource Sdn Bhd	Malaysia	Investment holding	100	–
*	Plato Aviation Holdings Limited	British Virgin Islands	Aviation and investment holding	100	100
*	Monteco Holdings Limited ("Monteco")	British Virgin Islands	Development and operation of hotel	60	60
*	Asian Strategic Investments Group Limited	British Virgin Islands	Investment holding	100	100
@	Plato Hong Kong Limited	Hong Kong	Investment holding	100	100
##	PKTech India Private Limited	India	Dormant	99.99	99.99
##	PT PKTech Indonesia	Indonesia	Dormant	100	100

13. Investment in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

	Name of subsidiaries	Country of incorporation	Principal activities	Percentage of interest held by the Group	
				2016	2015
				%	%
	Held through the subsidiaries:				
#	Plato Solutions Sdn Bhd	Malaysia	Provision of systems integration related activities and eCommerce systems and services	100	100
#	Plato Management Sdn Bhd	Malaysia	Provision of management services	100	100
*	Positive Carry Limited ("Positive Carry")	British Virgin Islands	Investment holding	75.93	70
#	Positive Carry Sdn Bhd	Malaysia	Investment holding	75.93	70
*	Plato Capital Investment Fund	Cayman Islands	Investment fund	100	100

Notes:

+ Audited by Ernst & Young LLP, Singapore.
# Audited by member firm of EY Global in Malaysia.
@ Audited by RSM Nelson Wheeler, Hong Kong.
* Not required to be audited under laws of the countries of incorporation.
No auditors were appointed.

13. Investment in subsidiaries (cont'd)

(b) *Interest in subsidiaries with material non-controlling interest ("NCI")*

The Group has the following subsidiaries that have NCI that are material to the Group:

Name of subsidiaries	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit/(loss) allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period
		%	$	$
31 December 2016:				
Monteco	British Virgin Islands	40	(26,851)	1,485,256
Positive Carry	British Virgin Islands	24.07*	323,966	778,916
			297,115	2,264,172
31 December 2015:				
Plato-Straits Heritage Sdn Bhd** ("PSHSB")	Malaysia	30	(124,478)	–
Monteco	British Virgin Islands	40	(4,070)	1,534,348
Positive Carry	British Virgin Islands	30	(686,648)	815,124
			(815,196)	2,349,472

* The effective interest of 24.07% considers the effects of the accretion of interest in the NCI via the acquisition of an associate, ECMLIB, as disclosed in Note 15.

** Disposed in the previous financial year.

(c) *Summarised financial information about subsidiaries with material NCI*

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised balance sheets

	Monteco		Positive Carry	
	2016 $	2015 $	2016 $	2015 $
Current				
Assets	237,698	45,466	2,323,198	2,371,597
Liabilities	(924,187)	(502,090)	(9,593,058)	(9,446,847)
Net current liabilities	(686,489)	(456,624)	(7,269,860)	(7,075,250)
Non-current				
Assets	4,399,631	4,292,495	12,827,832	12,162,652
Liabilities	–	–	(2,321,921)	(2,370,317)
Net non-current assets	4,399,631	4,292,495	10,505,911	9,792,335
Net assets	3,713,142	3,835,871	3,236,051	2,717,085

13. Investment in subsidiaries (cont'd)

(c) *Summarised financial information about subsidiaries with material NCI (cont'd)*

	PSHSB		Monteco		Positive Carry	
	2016 $	2015 $	2016 $	2015 $	2016 $	2015 $
Summarised statements of comprehensive income						
Revenue	–	–	18,914	46,002	–	–
(Loss)/profit before tax	–	(414,928)	(59,522)	(5,521)	1,345,932	(2,288,827)
Income tax expense	–	–	(7,605)	(4,654)	–	–
(Loss)/profit after tax	–	(414,928)	(67,127)	(10,175)	1,345,932	(2,288,827)
Other comprehensive income/(loss)	–	2,589,851	(55,602)	(162,759)	(826,966)	2,168,937
Total comprehensive income/(loss)	–	2,174,923	(122,729)	(172,934)	518,966	(119,890)
Other summarised information						
Net cash flows used in operations	–	(414,928)	(59,522)	(5,521)	(87,915)	(547,909)

(d) *Impairment testing of investment in subsidiaries*

During the financial year, management performed an impairment test on the investments in Plato Capital Sdn Bhd ("PCSB") and Plato Private Limited ("PPL"). These subsidiaries are wholly-owned by the Company. The Company has written down the investments in PCSB and PPL to their recoverable amount based on their respective fair value less cost to sell which approximates the extent of the net assets of the subsidiaries at the end of the reporting period. Accordingly, an impairment loss of $1,624,636 (2015: $918,468) was recognised for the year ended 31 December 2016.

(e) *Additional investment in an existing subsidiary*

During the financial year, the Company has subscribed for an additional 2,000,000 ordinary shares of RM1 (equivalent to $0.33) each in Plato Capital Sdn Bhd by way of capitalisation of outstanding advances of RM2,000,000 (equivalent to $668,875) due from Plato Capital Sdn Bhd.

13. Investment in subsidiaries (cont'd)

(f) *Acquisition and incorporation of new subsidiaries*

On 22 February 2016, the Group acquired a wholly-owned subsidiary incorporated in Malaysia known as Truesource Sdn Bhd ("TSSB") with an issued and paid up capital of RM2 for a total consideration of RM2 ($0.67). The purpose of the acquisition of TSSB is to establish a special purpose vehicle for the proposed shares acquisition of ECMLIB.

TSSB entered into a conditional share sale agreement (the "SSA") with independent third parties to acquire 25.89% of the total issued and paid-up capital of ECMLIB, a public company with core business segments including fund management and investment holding for a total purchase consideration of RM27,452,140 (equivalent to approximately $9,263,284).

On 7 March 2016, the Group incorporated a wholly-owned subsidiary known as Truesource Pte.Ltd ("TSPL") in Singapore with an issued and paid up capital of $1. TSPL had assumed all rights and obligations of TSSB under the SSA for the proposed shares acquisition to be undertaken by the Group.

The Group funded the purchase consideration using monies raised from the issuance of RCULS of an aggregate value up to $10,000,000 to Mr. LKO, a director and controlling shareholder of the Group, as well as a director and substantial shareholder of ECMLIB. The transactions, which were subject to shareholders' approval, fulfilment of the principal terms and conditions set out within the SSA was completed on 31 May 2016. The details of the acquisition and subsequent changes in the equity interest in ECMLIB are disclosed in Note 15.

(g) *Disposal of a subsidiary*

As disclosed in Note 12, the Company and non-controlling interest shareholders of PSHSB had completed the disposal of PSHSB in September 2015 for a total cash consideration of RM9,918,830 (equivalent to approximately $3,323,204). The Company's share of the net disposal proceeds amounted to $2,297,870.

The disposal had the following effects on the financial position of the Group as at the prior year end:

	$
Investment property (Note 12)	3,432,774
Other receivables	82,700
Cash and cash equivalents	6,107
Other payables	(7,592)
Lease payable	(3,093,344)
Derecognition of non-controlling interests	(135,050)
	285,595
Realisation of foreign exchange translation reserve	29,522
Total disposal proceeds	(2,297,870)
Gain on disposal	(1,982,753)

Cash inflow arising from disposal:	
Cash consideration	2,297,870
Cash and cash equivalents of subsidiary disposed	(6,107)
Net cash disposal inflow on disposal	2,291,763

14. Investment in joint venture

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Equity shares, at cost	50	50	50	50
Redeemable preference shares	15,515,000	15,515,000	15,515,000	15,515,000
Share of post-acquisition results	11,811,592	2,991,792	–	–
Share of other comprehensive income	(3,608,817)	(3,217,847)	–	–
Carrying amount	23,717,825	15,288,995	15,515,050	15,515,050

In prior year, the Company has redeemed preference shares amounting to $4,875,000.

The details of the joint venture are as follows:

	Name of joint venture	Country of incorporation	Principal activities	Effective percentage of interest held by the Group	
				2016	2015
				%	%
	Held by the Company:				
*	TP Real Estate Holdings Pte Ltd ("TPRE")	Singapore	Investment holding	50	50
	Held by TPRE and/or its subsidiaries:				
	TP Melbourne Sdn Bhd	Malaysia	Investment holding	50	50
	TP Hotel (Melbourne) Trust	Australia	Dormant	50	50
	TP Melbourne Pty Limited	Australia	Dormant	50	50
	TP Services (Melbourne) Pty Limited	Australia	Hotel operation	50	50
	TP Edinburgh (BVI) Limited	British Virgin Islands	Investment holding	50	50
	TP Hotel (Edinburgh) Limited	British Virgin Islands	Investment holding	50	50
	Yummy Kitchen Sdn Bhd	Malaysia	Food catering services	50	–
	TP Hotel (Flinders) Trust	Australia	Property holding	50	–
	TP International Pty Limited	Australia	Trustee of TP Hotel (Flinders) Trust	50	–
	TP London (BVI) Limited	British Virgin Islands	Dormant	50	50
	TP Ipoh Sdn Bhd	Malaysia	Members' voluntary winding up	50	50
	TP Services (Edinburgh) Limited	United Kingdom	Hotel operation	50	50
	TP Sepang Sdn Bhd	Malaysia	Hotel operation	50	50

* Audited by Ernst & Young LLP, Singapore.

14. Investment in joint venture (cont'd)

The statutory financial statements of TPRE are made up to 30 September each year. For the purpose of applying the equity method of accounting, management accounts made up to 31 December were used.

The Group's commitments in respect of its interest in TPRE are disclosed in Note 32.

The Group's contingent liabilities in respect of its investment in joint venture are disclosed in Note 33.

On 11 March 2016, TPRE, through its wholly-owned subsidiaries, TP Hotel Melbourne Trust and TP Services (Melbourne) Pty Limited, completed the sale of:

(i) Property known as 609 Swanston Street, Melbourne, Victoria for a total cash consideration of AUD51.7 million (equivalent to approximately $52.1 million); and

(ii) Hotel business for a total cash consideration of AUD0.3 million (equivalent to approximately $0.3 million).

Summarised financial information in respect of the Group's joint venture and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheets

	2016 $	2015 $
Cash and cash equivalents	7,552,461	8,584,753
Other current assets	14,364,190	2,358,213
Total current assets	21,916,651	10,942,966
Non-current assets	59,986,200	79,222,882
Total assets	81,902,851	90,165,848
Trade and other payables and provisions	(2,895,455)	(4,849,322)
Other current financial liabilities	(16,747,374)	–
Total current liabilities	(19,642,829)	(4,849,322)
Other non-current financial liabilities	(14,824,372)	(54,738,536)
Total non-current liabilities	(14,824,372)	(54,738,536)
Total liabilities	(34,467,201)	(59,587,858)
Net assets	47,435,650	30,577,990
Proportion of the Group's ownership	50%	50%
Group's share of net assets, representing the carrying amount of the investment	23,717,825	15,288,995

14. Investment in joint venture (cont'd)

Summarised statement of comprehensive income

	2016	2015
	$	$
Revenue	17,176,277	20,415,652
Gain on disposal of property and business in Melbourne	18,644,734	–
Depreciation expense	(2,475,887)	(4,012,974)
Other operating expenses, net	(9,593,299)	(9,680,371)
Interest expense	(2,027,005)	(3,205,466)
Profit before tax	21,724,820	3,516,841
Income tax expense	(4,085,220)	(1,225,889)
Profit after tax	17,639,600	2,290,952
Other comprehensive loss	(781,940)	(2,475,836)
Total comprehensive income/(loss)	16,857,660	(184,884)

15. Investment in associates

	Group	
	2016	2015
	$	$
Shares, at cost	37,387,770	22,555,075
Share of post-acquisition loss	(5,034,256)	(4,786,425)
Share of other comprehensive (loss)/income	(1,884,951)	171,616
	30,468,563	17,940,266
This consists of:		
Investment in a quoted associate	9,209,819	–
Investment in unquoted associates	21,258,744	17,940,256
	30,468,563	17,940,266
Fair value of investment in an associate for which there is a published price quotation	6,224,893	–

15. Investment in associates (cont'd)

The details of the associates are as follows:

	Name of associate	Country of incorporation	Principal activities	Effective percentage of interest held by the Group	
				2016	2015
				%	%
	Held through Positive Carry Sdn Bhd:				
*	TYK Capital Sdn Bhd ("TYKC")	Malaysia	Investment holding and provision of management services	20.5	18.9
	Held through TYKC:				
	Eng Teknologi Holdings Sdn. Bhd.	Malaysia	Dormant	20.5	18.9
	Eng Hardware Engineering Sdn. Bhd.	Malaysia	Renting of properties	20.5	18.9
	Eng Teknologi Sdn. Bhd.	Malaysia	Manufacture and sale of precision mechanical components, automation system for computer peripherals and semiconductor industries	20.5	18.9
	Selekta Inovatif (M) Sdn. Bhd.	Malaysia	Renting of properties	20.5	18.9
	Micro Tooling Sdn. Bhd.	Malaysia	Dormant	20.5	18.9
	Engtek R & D Sdn. Bhd.	Malaysia	Dormant	20.5	18.9
	Engtek Philippines, Inc. ("ETPI")	Philippines	Facility provider	20.5	18.9
	Engtek International Limited ("ETIL")	Hong Kong	Trading and marketing of precision engineering components	–	17.0
	Altum Precision Pte. Ltd. ("APS")	Singapore	Trading and marketing of precision engineering components	20.5	18.9
	Engtek (Thailand) Co., Ltd.	Thailand	Dormant	20.5	18.9
	Held through ETPI:				
	Engtek Precision Philippines, Inc.	Philippines	Manufacture of precision engineering components and assemblies, precision tools, fixtures, jigs, moulds and dies	20.5	18.9

15. Investment in associates (cont'd)

	Name of associate	Country of incorporation	Principal activities	Effective percentage of interest held by the Group	
				2016	2015
				%	%
	Held through ETIL:				
	Engtek Dongguan Electronics Limited	China	Manufacture and sale of hard disk drive and high precision electronic components	–	17.0
	Held through APS:				
	Altum Precision Co., Ltd.	Thailand	Manufacture and sale of electronic and computer parts and equipment	20.5	18.9
	Altum Precision Sdn. Bhd.	Malaysia	Automated die-casting and precision machining	20.5	18.9
	Held through Asian Strategic Investments Group Limited/Plato Capital Sdn Bhd:				
*	Educ8 Group Sdn Bhd ("Educ8")	Malaysia	Investment holding	44.10	31.99
	Held through Educ8				
	Epsom College Malaysia Sdn Bhd	Malaysia	Operator of preparatory and senior boarding schools	44.10	31.99
	Held through TSPL				
*	ECM Libra Financial Group Berhad	Malaysia	Investment holding	19.78	–
	Held through ECMLIB				
	Libra Invest Berhad	Malaysia	Provision of unit trust and asset management services	19.78	–
	ECM Libra Holdings Limited ("ECMHL")	British Virgin Islands	Investment holding	19.78	–
	ECM Libra Capital Sdn. Bhd.	Malaysia	In Member's Voluntary Liquidation	19.78	–
	ECM Libra Partners Sdn. Bhd.	Malaysia	Provision of credit services	19.78	–
	ECM Libra Capital Markets Sdn. Bhd.	Malaysia	In Member's Voluntary Liquidation	19.78	–
	Libra Strategic Opportunity Fund	Malaysia	Investment activities	19.78	–

* Audited by member firm of EY Global in Malaysia.

15. Investment in associates (cont'd)

Summarised financial information in respect of the Group's associates, adjusted for entries to facilitate the equity accounting by the Group is set out as follows:

Summarised balance sheets

	TYKC		Educ8		ECMLIB	
	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$
Cash and cash equivalents	20,934,965	15,602,903	4,225,653	2,620,020	7,109,304	–
Other current assets	31,531,483	49,926,048	4,084,451	2,557,891	20,191,521	–
Total current assets	52,466,448	65,528,951	8,310,104	5,177,911	27,300,825	–
Non-current assets	28,762,894	37,889,083	54,081,145	56,960,856	20,900,998	–
Total assets	81,229,342	103,418,034	62,391,249	62,138,767	48,201,823	–
Trade and other payables and provisions	(18,295,880)	(29,313,191)	(5,656,381)	(9,391,176)	(1,556,200)	–
Other current liabilities	(6,673,498)	(13,053,901)	(37,616,952)	(34,686,813)	(69,626)	–
Total current liabilities	(24,969,378)	(42,367,092)	(43,273,333)	(44,077,989)	(1,625,826)	–
Total non-current liabilities	(8,749,473)	(16,004,190)	–	–	(15,178)	–
Total liabilities	(33,718,851)	(58,371,282)	(43,273,333)	(44,077,989)	(1,641,004)	–
Net assets	47,510,491	45,046,752	19,117,916	18,060,778	46,560,819	–
Group's share of net assets, representing the carrying amount of the investment	12,827,832	12,162,623	8,431,001	5,777,643	9,209,730	–

15. *Investment in associates (cont'd)*

Summarised statement of comprehensive income

	TYKC		Educ8		ECMLIB	
	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$
Revenue	122,825,447	155,480,880	10,491,806	6,179,087	5,224,652	–
Interest income	3,961	69,843	–	22,531	–	–
Depreciation expense	(8,285,840)	(9,715,089)	(1,269,968)	(1,231,412)	(308,371)	–
Other operating expenses, net	(105,021,957)	(137,384,320)	(12,051,438)	(12,520,432)	(4,438,728)	–
Interest expense	(1,291,064)	(8,928,094)	(1,828,566)	(1,842,406)	–	–
Profit/(loss) before tax	8,230,547	(476,780)	(4,658,166)	(9,392,632)	477,553	–
Income tax expense	(2,207,446)	(5,126,249)	–	–	(235,039)	–
Profit/(loss) after tax	6,023,101	(5,603,029)	(4,658,166)	(9,392,632)	242,514	–
Other comprehensive (loss)/income	(3,559,362)	3,260,411	(1,753,333)	(3,008,949)	(1,402,476)	–
Total comprehensive income/(loss)	2,463,739	(2,342,618)	(6,411,499)	(12,401,581)	(1,159,962)	–

The summarised statement of comprehensive income above reflects the post-acquisition comprehensive income and excludes the following consolidation adjustments. Included in the share of the results of Educ8 during the year is an amount of $2,267,703 representing the impairment of the notional goodwill arising from the acquisition of the incremental interest of 12.11% during the year, on the basis that the share of the net assets of Educ8 would approximate the recoverable amount in this investment. In the case of ECMLIB, the amounts reflected are for the period from 1 June 2016 to 31 December 2016 and does not include the effects of the income of $3,267,392 recognised by the Group, being the excess of the Group's 25.89% share of the provisional net fair value of the identifiable assets and liabilities of ECMLIB as at the date of acquisition over the allocated cost of the investment in ECMLIB.

Investment in TYKC

In 2012, a 70% owned subsidiary of the Group, Positive Carry Sdn Bhd, subscribed for Redeemable Convertible Preference Shares ("RCPS") issued by TYKC with the option to convert the RCPS into a fixed 27% equity interest in TYKC at any time. Positive Carry Sdn Bhd is represented on the board of directors as provided by the shareholders' agreement. Accordingly, the Group has classified the investment in TYKC as an investment in associates. The effective interest of the Group in TYKC after accounting for the share of non-controlling interest is 20.5% (2015: 18.9%).

Investment in Educ8

The Group's cost of investment in Educ8 increased by $7,748,561 from $13,118,275 to $20,866,836 as at 31 December 2016, following the subscription of rights issued by this associate. Consequently, the Group's effective interest in this associate increased from 31.99% to 44.10% in the current year.

15. Investment in associates (cont'd)

Investment in ECMLIB

As disclosed in Note 13, the Group had in May 2016, through TSPL completed the acquisition of 74,194,973 ordinary shares ("Subject Shares") equivalent to 25.89% of the total issued and paid-up capital of ECMLIB for a total consideration of $9,263,284.

On 20 December 2016, TSPL had disposed of 17,500,000 of the Subject Shares equivalent to 6.11% of the interest in ECMLIB to a third party on a willing-buyer willing seller basis, for a consideration of RM0.37 (equivalent to $0.1194) per share with an aggregate consideration of RM6,475,000 (equivalent to $2,122,021). Following this, the Group's interest in ECMLIB has decreased from 25.89% to 19.78%.

The Group has assessed that it continues to have significant influence in ECMLIB, considering amongst others the fact that the Group continues to be represented on the board of directors of ECMLIB by certain directors and key management personnel of the Group. As at 31 December 2016, management is still in the process of evaluating the net fair value of the identifiable assets and liabilities as at the date of the acquisition of the 25.89% interest in ECMLIB and consequently, the fair value of the identifiable assets and liabilities has only been determined on a provisional basis. This assessment is expected to be finalised within 12 months from the date of acquisition of the interest in ECMLIB.

The excess of the Group's 25.89% share of the provisional net fair value of the identifiable assets and liabilities of ECMLIB as at the date of acquisition over the allocated cost of the investment in ECMLIB amounting to $3,267,392 has been initially included as income in the determination of the Group's share of the profit of ECMLIB.

The Group has provisionally assessed that the carrying amounts of the assets and liabilities of ECMLIB approximate their fair values as at the date of acquisition. In addition, the Group has assessed that there were no incremental intangible assets to be recognised arising from this acquisition.

ECMLIB is the existing 30% non-controlling interest in a subsidiary of the Group, Positive Carry Limited ("Positive Carry"), which in turn, indirectly holds 8.1% interest in TYKC. Accordingly, a portion of the cost of acquisition of the shares in ECMLIB has been attributed to the acquisition of the incremental interest in the non-controlling interest of Positive Carry. The resulting difference between the allocated cost of acquisition of the non-controlling interest of Positive Carry amounting to S$56,400 has been accounted for as an equity transaction and has been reflected as a capital reserve (Note 28).

The proportionate equity accounted carrying amount of the investment in ECMLIB has been used in determining the loss arising from the disposal of the 6.11% interest in this associate amounting to $898,611. The portion initially attributed to the acquisition of the non-controlling interest of Positive Carry and included as part of the capital reserve amounting to $13,241 has been de-recognised upon the disposal of this 6.11% interest. Consequently, the residual amount retained in the capital reserve as at 31 December 2016 is $43,159.

Certain associates have entered into term loan agreements with licensed banks in Malaysia which contain covenants that restrict the ability of these associates to declare dividends prior to the full settlement of the term loans.

The Group's contingent liabilities in respect of its investment in associates are disclosed in Note 33.

16. Available-for-sale financial assets

	Group	
	2016	2015
	$	$
Unquoted equity securities, at cost	648,285	648,285
Accumulated impairment loss	(648,284)	(648,284)
	1	1
Quoted equity securities, at fair value	266,056	336,163
Total	266,057	336,164

The investment in unquoted equity securities is stated at cost less accumulated impairment as its fair value cannot be determined reliably. In the prior financial year, the Group had performed an impairment assessment and had recognised an impairment loss of $648,284.

The fair values of the quoted equity securities are based on closing quoted market prices on the last market day of the financial year (Level 1 of the fair value hierarchy) (Note 34).

During the current financial year, the Group recognised an impairment loss of $77,037 (2015: $36,911) of its investment in quoted equity securities due to significant or prolonged decline in the fair value of these investments.

The currency profiles of the Group's available-for-sale financial assets are as follows:

	Group	
	2016	2015
	$	$
Malaysian Ringgit	266,056	336,163
United States Dollar	1	1
	266,057	336,164

17. Trade receivables

	Group	
	2016	2015
	$	$
Trade receivables	410,761	298,661
Loan to a customer	645,860	–
	1,056,621	298,661

Trade receivables are generally on 30 to 90 (2015: 30 to 90) days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The loan to a customer is secured by quoted investment and is expected to be repaid by 15 February 2017. The interest is charged at 9.62% per annum.

17. Trade receivables (cont'd)

Trade receivables denominated in foreign currencies at 31 December are as follows:

	Group	
	2016	2015
	$	$
Malaysian Ringgit	1,010,047	280,219
United States Dollar	42,975	16,015

Receivables that are past due but not impaired

The Group has trade receivables amounting to $32,941 (2015: $47,375) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group	
	2016	2015
	$	$
Past due 3 to 6 months	24,781	41,707
More than 6 months	8,160	5,668
	32,941	47,375

Receivables that are impaired

There were no receivables that are impaired. Consequently, no movement in the allowance accounts has been presented.

18. Other receivables and deposits

	Group	
	2016	2015
	$	$
Sundry deposits	22,216	24,509
Interest income accrued	1,322	1,325
Sundry receivables	1,646	19,418
	25,184	45,252

Other receivables and deposits denominated in foreign currencies at 31 December are as follows:

	Group	
	2016	2015
	$	$
Malaysian Ringgit	22,973	33,520
Euro	1,868	11,389
Others	343	343

19. Amounts due from/(to) subsidiaries

The amounts due from/(to) subsidiaries are non-trade related, unsecured, interest-free, repayable on demand and are expected to be settled in cash.

20. Cash and cash equivalents

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Cash at banks and on hand	1,133,154	997,935	302,239	290,560
Short-term deposits	2,996,876	4,976,620	755,742	4,647,271
	4,130,030	5,974,555	1,057,981	4,937,831

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 1 day and 14 days (2015: between 1 day and 30 days), depending on the immediate cash requirements of the Group and the Company, and earn interest at the respective short-term deposit rates. The range of effective interest rates as at 31 December 2016 for the Group was 0.40% to 3.20% (2015: 0.09% to 3.70%) per annum.

Cash and cash equivalents denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Malaysian Ringgit	2,738,490	621,580	–	–
United States Dollar	810,657	124,618	756,244	–
Hong Kong Dollar	9,612	225,178	–	–
Euro	242,451	46,178	11,403	–
British Pound	7	4,647,271	–	4,647,271
Others	35,047	18,900	5,019	57

21. Trade payables

Trade payables are non-interest bearing and are normally settled on a 60 (2015: 60) days term.

Trade payables denominated in foreign currencies at 31 December are as follows:

	Group	
	2016	2015
	$	$
United States Dollar	147,707	147,920

22. Other payables and accruals

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Sundry payables	52,639	151,759	3,884	23,576
Amount due to a substantial shareholder	221,466	224,712	–	–
Amount due to a non-controlling interest of a subsidiary controlled by a substantial shareholder	181,248	–	–	–
Deposits received from customers	11,372	5,306	–	–
Accrued staff expenses, bonuses and benefits	138,061	170,094	147	–
Accruals for directors' fees	89,000	76,000	89,000	76,000
Other accrued expenses	404,567	416,961	101,479	82,036
	1,098,353	1,044,832	194,510	181,612

The amounts due to a substantial shareholder and a non-controlling interest of a subsidiary are unsecured, interest-free and repayable on demand.

Other payables and accruals denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Malaysian Ringgit	453,282	520,691	2,113	48,728
Euro	407,128	265,747	–	–
Others	22,596	21,580	–	–

23. Amount due to joint venture

The amount due to joint venture is non-trade related, unsecured, interest-free and repayable on demand.

24. Loans and borrowings

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Revolving credits (current)	6,135,670	6,587,000	–	–
RCULS (non-current)	4,762,285	–	4,762,285	–
	10,897,955	6,587,000	4,762,285	–

Revolving credits

The effective interest rates range from 5.61% to 6.51% (2015: 5.98% to 6.62%) per annum and are rolled over for periods ranging from 6 to 12 months (2015: 6 to 12 months). The effective interest rates are determined based on ranges between 1.50% to 2.25% (2015: 1.50% to 2.25%) plus cost of funds.

Revolving credits are obtained by subsidiaries of the Company, secured by corporate guarantee by the Company and personal guarantee by Mr LKO.

The revolving credit loans are denominated in Malaysian Ringgit.

As at 31 December 2016, a subsidiary of the Company has short-term borrowings consisting of a revolving credit facility of RM9 million (equivalent to approximately $2.9 million). The terms and conditions of the revolving credit facility stipulates that the subsidiary is required to have a net assets position through the subsistence of the approved banking facility. As at 31 December 2016, this subsidiary has a net liabilities position, mainly due to the effects of the revaluation and impairment of certain inter-company balances. The subsidiary has rectified this non-compliance subsequent to the year end by increasing its paid-up share capital.

RCULS

The purchase consideration for the acquisition of ECMLIB (Note 15) was financed via the issuance of 100 0.5% RCULS each with a principal amount of $100,000, amounting to $10,000,000 due in 2021 to Mr LKO, a director and controlling shareholder of the Group, as well as a director and substantial shareholder of ECMLIB. The issuance of the RCULS was approved by the shareholders of the Company via an EGM held on 20 May 2016 and issued to Mr LKO on 27 May 2016 ("Date of Issue").

The RCULS may be converted into, validly allotted and issued, fully-paid and unencumbered ordinary shares in the share capital of the Company at the conversion price of $0.13 price per ordinary share to be issued, at the option of Mr LKO at any time up to one month prior to the Maturity Date (defined as 60 months from the Date of Issue).

The interest on the RCULS of 0.5% per annum on the principal amount is payable on the Maturity Date. The interest may, at the discretion of Mr LKO be satisfied fully either in cash or through the allotment of shares by the Company at the discretion of Mr. LKO.

The RCULS which are not converted by Mr LKO on or prior to the Maturity Date shall be redeemed by the Company at 100% of the principal amount of the RCULS together with the interest.

Mr LKO has elected to convert 38 RCULS valued at $3,800,000 and accrued interest of $2,499 into ordinary share in the capital of the Company ("New Shares"). An aggregate of 29,249,989 New Shares have been allocated and issued pursuant to the conversion of RCULS on 15 July 2016 ("Conversion").

Following the Conversion, there are 62 RCULS outstanding, convertible into 47,692,307 ordinary shares of the Company.

24. Loans and borrowings (cont'd)

RCULS *(cont'd)*

The carrying amount of the liability component of RCULS at the end of the reporting period is arrived at as follows:

	Group and Company	
	2016	2015
	$	$
Face value of RCULS	10,000,000	–
Transaction costs incurred	(255,190)	–
	9,744,810	–
Equity component	(2,350,892)	–
Liability component of RCULS at initial recognition	7,393,918	–
Conversion to ordinary shares	(2,832,736)	–
	4,561,182	–
Interest expense	201,103	–
Closing balance at 31 December	4,762,285	–

Included in transaction costs incurred is an amount of $61,563 (2015: $Nil) that has been charged against equity as "RCULS issuance expenses" and the remaining amount of $193,627 (2015: $Nil) charged to profit or loss.

25. Deferred tax liabilities

Deferred tax as at 31 December relates to the following:

	Group			
	Consolidated balance sheet		Consolidated statement of comprehensive income	
	2016	2015	2016	2015
	$	$	$	$
Deferred tax liabilities:				
RCULS	244,411	–	(48,822)	–
	244,411	–		
Deferred tax credit (Note 9)			(48,822)	–

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately $4,161,000 (2015: $2,957,000) and unabsorbed capital allowances of approximately $87,000 (2015: $70,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses and capital allowances are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

26. Amounts due to related parties

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Non-current:				
Amount due to a substantial shareholder	–	1,859,230	–	–
Amount due to a company controlled by a substantial shareholder	–	850,007	–	850,007
Amount due to a non-controlling interest of a subsidiary	–	2,370,318	–	–
Amount due to an associate	2,321,921	–	–	–
	2,321,921	5,079,555	–	850,007

The amount due to a substantial shareholder relates to an unsecured RM5 million (equivalent to approximately $1.6 million) loan given by Mr LKO to the Group vide a subsidiary, Plato Management Sdn Bhd. Interest is charged at 5.6% per annum on the outstanding amount.

The amount due to a company controlled by a substantial shareholder relates to the unsecured amount due to Vindelta Limited ("Vindelta") arising from the Company's acquisition of shares in Monteco from Vindelta. Interest is charged at 2.6% (2015: 2.6%) per annum on the outstanding amount due to Vindelta.

The repayment dates of both the amounts due to a substantial shareholder and a company controlled by a substantial shareholder were extended from 28 February 2015 to 28 February 2017 in the prior financial year. These amounts were fully repaid during the financial year.

The amount due to an associate is unsecured, non-interest bearing, has no fixed term of repayment and is not expected to be repaid within the next twelve months. The amount was classified as "amount due to a non-controlling interest of a subsidiary" in previous years, prior to the acquisition of ECMLIB in the current year.

Amounts due to related parties denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Euro	–	850,007	–	850,007
Malaysian Ringgit	2,321,921	4,229,548	–	–

27. Share capital

	Group and Company			
	2016		2015	
	Number of shares	$	Number of shares	$
Issued and fully paid ordinary shares				
At 1 January	165,451,344	37,148,948	165,451,344	37,148,948
Issue of ordinary shares arising from the RCULS conversion (Note 24)	29,249,989	3,726,075	–	–
At 31 December	194,701,333	40,875,023	165,451,344	37,148,948

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

The New Shares issued arising from the RCULS conversion rank pari passu in all respects with the other ordinary shares in issue, except for any dividends, rights, allotments or other distributions, the record date of which is prior to the issue and allotment of the New Shares.

28. Fair value and other reserves

	Fair value reserve	Capital reserve	Share-based payments reserve	Equity component of RCULS	Total of fair value and other reserves
	$	$	$	$	$
Group					
At 1 January 2016	–	–	–	–	–
Other comprehensive income:					
Share of fair value reserve of an associate	55,329	–	–	–	55,329
Transactions with owners					
Equity component of RCULS issued	–	–	–	2,119,222	2,119,222
RCULS issuance expenses	–	–	–	(61,563)	(61,563)
Conversion of RCULS	–	–	–	(893,339)	(893,339)
Grant of equity-settled share options and share awards	–	–	396,502	–	396,502
Accretion of interest in the non-controlling interest of a subsidiary via the acquisition of an associate	–	43,159	–	–	43,159
At 31 December 2016	55,329	43,159	396,502	1,164,320	1,659,310
Company					
At 1 January 2016	–	–	–	–	–
Transactions with owners					
Equity component of RCULS issued	–	–	–	2,119,222	2,119,222
RCULS issuance expenses	–	–	–	(61,563)	(61,563)
Conversion of RCULS	–	–	–	(893,339)	(893,339)
Grant of equity-settled share options and share awards	–	–	396,502	–	396,502
At 31 December 2016	–	–	396,502	1,164,320	1,560,822

28. Fair value and other reserves (cont'd)

In the prior year, this caption consisted only of the fair value reserve as reflected in the statement of changes in equity. Consequently, a reconciliation of the movements of the fair value and other reserves for the prior year from 1 January 2015 to 31 December 2015 has not been separately presented.

a) Fair value reserve

The fair value reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

b) Capital reserve

This reserve arose from the acquisition of non-controlling interest of subsidiaries which are accounted as equity transactions as disclosed in Note 15.

c) Share-based payments reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to the directors and eligible employees as part of their remuneration as further disclosed in Note 6.

d) Equity component of RCULS

This represents the residual amount of the RCULS after deducting the fair value of the liability component. This amount is presented net of transaction costs and deferred tax liability arising from the RCULS.

29. Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations in which the functional currencies are different from that of the Group's presentation currency.

30. Related party transactions

(a) *Significant transactions between the Group and related parties*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place with terms agreed between the parties during the financial year:

	Group	
	2016	2015
	$	$
Rental expenses paid to ECMLIB	43,790	44,765
Interest payable on loan from Mr LKO	–	92,285
Interest payable to Vindelta	–	21,166
Loan repayment to Mr LKO	1,662,549	–
Interest paid on loan to Mr LKO	255,220	–
Loan repayment to Vindelta	726,948	–
Interest payable to Vindelta	51,032	–
Issuance of RCULS to Mr LKO	10,000,000	–
Conversion of RCULS into 29,230,769 shares to Mr LKO	3,800,000	–
RCULS interest converted into 19,220 shares to Mr LKO	2,499	–
RCULS interest payable to Mr LKO	18,600	–

(b) *Compensation of key management personnel*

	2016	2015
	$	$
Directors' fees	178,000	152,000
Short-term employee benefits	591,266	519,289
Defined contribution plans	49,744	48,184
Professional services rendered	–	29,400
Total compensation paid to key management personnel	819,010	748,873
Comprise amounts paid to:		
- Directors of the Company	458,445	459,616
- Other key management personnel	360,565	289,257
	819,010	748,873

In addition to the amounts paid to the directors of the Company and key management personnel above, the share-based payments expense in relation to the share options and share awards granted to the directors of the Company and other key management personnel amounted to $250,166 (2015: $Nil) and $146,336 (2015: $Nil) respectively.

The remuneration of key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

31. Operating lease commitments - as lessee

Future minimum lease payments payable under non-cancellable operating leases of the Group at the end of the reporting period are as follows:

	Group	
	2016	2015
	$	$
Not later than one year	51,553	52,578
Later than one year but not later than five years	25,776	71,021
	77,329	123,599

The operating lease commitment is based on existing rates. The lease agreement provides a periodic revision of such rates in the future.

Rentals are fixed for an average of 1 to 3 years with no provision for contingent rent and an option to renew the lease after the expiry of the current lease period.

32. Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2016	2015
	$	$
Capital commitment in respect of property, plant and equipment of the joint venture	2,408,597	–

33. Contingent liabilities

Proportionate guarantee

The Company has provided the following guarantees at the end of the reporting period:

- a proportionate guarantee for a principal sum of up to $9.3 million (2015: $9.5 million) in relation to a term loan facility granted by a licensed bank to Epsom College Malaysia Sdn Bhd ("Epsom"), a subsidiary of an associate.

- a proportionate guarantee for a principal sum of up to $8.4 million (2015: $8.6 million) in relation to a term loan facility and a bank guarantee facility of up to $0.44 million (2015: $0.44 million) granted by a licensed bank to TP Sepang Sdn Bhd, a subsidiary of joint venture.

As at 31 December 2016, Epsom has not been able to comply with a covenant of the term loan which requires certain financial debt ratios to be maintained. The Group has assessed and concluded that there is no indication that the proportionate guarantee would be called given that the term loan is also secured over the freehold land and buildings of Epsom which have been valued by a professional valuer to be higher than the loan amount.

33. Contingent liabilities (cont'd)

Continuing financial support

As at the end of the financial year, the Company has given undertakings to provide continuing financial support to certain subsidiaries to enable them to operate on a going concern basis and to meet their obligations as and when they fall due for at least 12 months from the end of financial year.

At the end of the financial year, these subsidiaries had capital deficiencies totalling $14,692,318 (2015: $8,155,411) including amounts due from the subsidiaries to the Company totalling $19,644,820 (2015: $2,649,162).

In the opinion of the directors, no loss is anticipated from these contingent liabilities.

34. Fair value of assets and liabilities

(a) ***Fair value hierarchy***

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

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

Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

34. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group 2016 $			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Recurring fair value measurements				
Assets				
Financial assets:				
Available-for-sale financial assets (Note 16)				
Quoted equity securities, at fair value	266,056	–	–	266,056
Total equity securities	266,056	–	–	266,056
Financial assets as at 31 December 2016	266,056	–	–	266,056

	Group 2015 $			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Recurring fair value measurements				
Assets				
Financial assets:				
Available-for-sale financial assets (Note 16)				
Quoted equity securities, at fair value	336,163	–	–	336,163
Total equity securities	336,163	–	–	336,163
Financial assets as at 31 December 2015	336,163	–	–	336,163

34. Fair value of assets and liabilities (cont'd)

(c) *Level 3 fair value measurements*

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

None of the financial assets and liabilities of the Group was measured using significant unobservable inputs (Level 3) as at 31 December 2016.

(d) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value*

		Group			
	Note	2016		2015	
		$		$	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:					
Available-for-sale financial assets, unquoted equity securities	16	1	N.A.[1]	1	N.A.[1]
Financial liabilities:					
Amount due to a non-controlling interest of a subsidiary	26	–	–	2,370,318	N.A.[2]
Amount due to an associate		2,321,921	N.A.[2]	–	–

Determination of fair value

[1] *Investment in unquoted equity securities carried at cost*

Fair value information has not been disclosed for the Group's investments in unquoted equity securities that are carried at cost less accumulated impairment loss because fair value cannot be measured reliably. These equity securities represent ordinary shares in an entity in the aviation industry that is not quoted on any market and does not have any comparable industry peer that is listed. Except for a nominal amount of $1, these unquoted securities were fully impaired by the Group during the prior financial year, based on an assessment conducted by the directors.

[2] *Amount due to a non-controlling interest of a subsidiary and amount due to an associate*

This relates to the amount advanced to Positive Carry by ECMLIB based on ECMLIB's proportionate equity interest in Positive Carry for the subscription of the RCPS issued by an associate in the prior period (Note 15). Fair value information has not been disclosed for this amount and is carried at cost because fair value cannot be measured reliably as the timing of the repayment cannot be estimated reliably without incurring excessive cost.

34. Fair value of assets and liabilities (cont'd)

(e) *Financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

The following are classes of financial assets and financial liabilities that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value:

	Note
Trade and other receivables	17 & 18
Amounts due from/(to) subsidiaries	19
Cash and cash equivalents	20
Trade and other payables	21 & 22
Loans and borrowings	24
Amounts due to related parties	26

The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Included in loans and borrowings is the carrying amount of the liability portion of the RCULS carried at amortised cost, which fair value at inception was initially estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing. As there has been no significant changes in the discount rate used as at inception as compared to the prevailing borrowing rates at year end, it has been assessed that the carrying amount of the RCULS liability portion would be a reasonable approximation of its fair value.

The carrying amounts of due from/(to) subsidiaries and due from joint venture, loans and borrowings and amounts due to related parties (excluding amount due to a non-controlling interest of a subsidiary – Note 34(d) are a reasonable approximation of fair values due to the insignificant impact of discounting.

34. Fair value of assets and liabilities (cont'd)

Classification of financial instruments

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Financial assets				
Unquoted equity securities, at cost	1	1	–	–
Quoted equity securities, at fair value	266,056	336,163	–	–
Total available-for-sale financial assets	266,057	336,164	–	–
Trade receivables	1,056,621	298,661	–	–
Other receivables and deposits	25,184	45,252	–	–
Amounts due from subsidiaries	–	–	19,644,820	2,649,162
Cash and cash equivalents	4,130,030	5,974,555	1,057,981	4,937,831
Total loans and receivables	5,211,835	6,318,468	20,702,801	7,586,993
Financial liabilities				
Trade payables	147,707	147,920	–	–
Other payables and accruals	1,098,353	1,044,832	194,510	181,612
Amounts due to subsidiaries	–	–	1,598,379	4,421,459
Loans and borrowings	10,897,955	6,587,000	4,762,285	–
Amount due to a joint venture	9,172,181	–	9,172,181	–
Amounts due to related parties	2,321,921	5,079,555	–	850,007
Total financial liabilities carried at amortised cost	23,638,117	12,859,307	15,727,355	5,453,078

35. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Management. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

35. Financial risk management objectives and policies (cont'd)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables (including amounts due from subsidiaries and joint venture). For other financial assets (including available-for-sale financial assets and cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

It is the Group's policy to enter into transactions with creditworthy parties to mitigate any significant concentration of credit risk. The Group ensures that the goods sold and services rendered are to customers with appropriate credit history and has internal mechanisms to monitor the granting of credit and management of credit exposures. The trade and other receivables represent the Group's maximum exposure to credit risk in the event the counter parties fail to perform their obligations.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

- A nominal amount of up to RM28.7 million (equivalent to approximately $9.3 million) (2015: RM28.7 million (equivalent to approximately $9.5 million)) relating to a corporate guarantee provided by the Group to the banks on an associate's term loan facility.

- A nominal amount of up to RM26.0 million (equivalent to approximately $8.4 million) (2015: RM26.0 million (equivalent to approximately $8.6 million)) and up to RM1.4 million (equivalent to approximately $0.44 million) (2015: RM1.4 million (equivalent to approximately $0.55 million)) relating to a corporate guarantee provided by the Group to the banks on its joint venture's term loan facility and bank guarantee facility respectively.

- A nominal amount of RM19.0 million (equivalent to approximately $6.1 million) (2015: RM20.0 million (equivalent to approximately $6.1 million)) relating to a corporate guarantee provided by the Company to a bank on its subsidiaries' revolving credits.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

35. Financial risk management objectives and policies (cont'd)

	Group			
	2016		2015	
	$	% of total	$	% of total
By country:				
Malaysia	1,010,048	96	280,220	94
Singapore	3,598	–	10,390	3
Other countries	42,975	4	8,051	3
	1,056,621	100	298,661	100

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents and available-for-sale financial assets that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17 (Trade receivables) and Note 16 (Available-for-sale financial assets).

(b) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and operational flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with different banks. The Group has RM19.0 million (equivalent to approximately $6.1 million) of credit facilities, which is fully utilised as at the end of the reporting period. Mr LKO has provided a commitment to the Group to continue to provide and not withdraw his personal guarantee to the banks for at least a one year period from the date of the financial statements so as to enable the Group to have continuous access to these facilities to meet liquidity needs. The Directors are also of the view that the Group will be able to secure additional borrowings by securing its long-term assets which are currently unencumbered.

In addition, the Directors are also of the view that the Group is in a position to raise funds from capital markets and financial institutions and balance its portfolio with some short term funding. The Group ensures availability of funds through an adequate amount of cash and marketable securities and where necessary, fund raising exercises can be considered via rights issues, private placements, or equity-related exercises.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability of sufficient balance of cash and marketable securities.

Management monitors expected cash flow based on a rolling forecast of the Group's liquidity reserve which comprises of cash and cash equivalents and marketable securities.

35. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Analysis of financial instruments by remaining contractual maturities (cont'd)

	One year or less	One to five years	Over five years	Total
	$	$	$	$
Group				
2016				
Financial assets:				
Trade receivables	1,056,621	–	–	1,056,621
Other receivables and deposits	25,184	–	–	25,184
Cash and cash equivalents	4,130,030	–	–	4,130,030
Total undiscounted financial assets	5,211,835	–	–	5,211,835
Financial liabilities:				
Financial guarantees**	(18,140,000)	–	–	(18,140,000)
Trade payables	(147,707)	–	–	(147,707)
Other payables and accruals	(1,098,353)	–	–	(1,098,353)
Amount due to joint venture	(9,172,181)	–	–	(9,172,181)
Loans and borrowings	(6,506,345)	(6,355,000)	–	(12,861,345)
Amounts due to related parties	–	–	(2,321,921)*	(2,321,921)
Total undiscounted financial liabilities	(35,064,586)	(6,355,000)	(2,321,921)	(43,741,507)
Total net undiscounted financial liabilities	(29,852,751)	(6,355,000)	(2,321,921)	(38,529,672)

* Not expected to be repaid in the near future and timing of repayment cannot be estimated reliably (Note 26).

** This represents the maximum amount of the proportionate guarantee in relation to term loan facilities granted by licensed banks to an associate and joint venture, in the event the bank calls for repayment, as disclosed in Note 33.

35. Financial risk management objectives and policies (cont'd)

(b) Liquidity risks (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	One year or less	One to five years	Over five years	Total
	$	$	$	$
Group				
2015				
Financial assets:				
Trade receivables	298,661	–	–	298,661
Other receivables and deposits	45,252	–	–	45,252
Cash and cash equivalents	5,974,555	–	–	5,974,555
Total undiscounted financial assets	6,318,468	–	–	6,318,468
Financial liabilities:				
Financial guarantees**	(18,540,000)	–	–	(18,540,000)
Trade payables	(147,920)	–	–	(147,920)
Other payables and accruals	(1,044,832)	–	–	(1,044,832)
Loans and borrowings	(7,003,842)	–	–	(7,003,842)
Amounts due to related parties	–	(2,840,950)	(2,370,317)*	(5,211,267)
Total undiscounted financial liabilities	(26,736,594)	(2,840,950)	(2,370,317)	(31,947,861)
Total net undiscounted financial liabilities	(20,418,126)	(2,840,950)	(2,370,317)	(25,629,393)

* Not expected to be repaid in the near future and timing of repayment cannot be estimated reliably (Note 27).

** This represents the maximum amount of the proportionate guarantee in relation to term loan facilities granted by licensed banks to an associate and joint venture, in the event the bank calls for repayment, as disclosed in Note 33.

35. Financial risk management objectives and policies (cont'd)

(b) Liquidity risks (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	One year or less	One to five years	Over five years	Total
	$	$	$	$
Company				
2016				
Financial assets:				
Amounts due from subsidiaries	19,644,820	–	–	19,644,820
Cash and cash equivalents	1,057,981	–	–	1,057,981
Total undiscounted financial assets	20,702,801	–	–	20,702,801
Financial liabilities:				
Financial guarantees*	(24,275,670)	–	–	(24,275,670)
Other payables and accruals	(194,510)	–	–	(194,510)
Amounts due to subsidiaries	(1,598,379)	–	–	(1,598,379)
Amount due to joint venture	(9,172,181)	–	–	(9,172,181)
Loans and borrowings	–	(6,355,000)	–	(6,355,000)
Total undiscounted financial liabilities	(35,240,740)	(6,355,000)	–	(41,595,740)
Total net undiscounted financial liabilities	(14,537,939)	(6,355,000)	–	(20,892,939)
2015				
Financial assets:				
Amounts due from subsidiaries	2,649,162	–	–	2,649,162
Cash and cash equivalents	4,937,831	–	–	4,937,831
Total undiscounted financial assets	7,586,993	–	–	7,586,993
Financial liabilities:				
Financial guarantees*	(25,127,000)	–	–	(25,127,000)
Other payables and accruals	(226,227)	–	–	(226,227)
Amounts due to subsidiaries	(4,421,459)	–	–	(4,421,459)
Total undiscounted financial liabilities	(29,774,686)	–	–	(29,774,686)
Total net undiscounted financial liabilities	(22,187,693)	–	–	(22,187,693)

* At the reporting date, the counterparties to the financial guarantees do not have a right to demand payment of cash as there is no default on the borrowings obtained by the subsidiaries, associates and joint venture, other than as disclosed in Note 33. In the analysis above, the maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

35. Financial risk management objectives and policies (cont'd)

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2015: less than 6 months) from the end of the reporting period.

The Group's policy is to manage interest cost using floating rate loans and borrowings, depending on the liquidity needs of the Group, with the objective of ensuring that there is sufficient net cash for the Group's operations at reasonable interest rates. The Group's revolving credit facilities provide the Group with the flexibility to roll its loans and borrowings over a period of 1 to 12 months. The interest rates are determined based on ranges between 1.50% to 2.25% (2015: 1.50% to 2.25%) plus cost of funds.

Sensitivity analysis for interest rate risk

The sensitivity analysis below was determined based on the exposure to interest rate risks for short-term deposits, bank borrowings and finance lease payables at the end of the financial year. The sensitivity analysis assumes an instantaneous 0.50% change in the interest rate from the end of the financial year, with all variables held constant.

	Group	
	Profit before tax	Loss before tax
	(Decrease)/Increase	
	2016	2015
	$	$
Short-term deposits		
Increase in interest rate	14,984	(24,883)
Decrease in interest rate	(14,984)	24,883
Bank borrowings		
Increase in interest rate	(30,678)	32,935
Decrease in interest rate	30,678	(32,935)

(d) *Foreign currency risk*

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily Malaysian Ringgit ("RM"). The foreign currencies in which these transactions are denominated are mainly RM. The Group's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are disclosed in Note 20.

The Group's policy is to manage all its foreign financial assets and liabilities using the best available foreign currency exchange rates through natural hedges arising from a matching sale, purchase or a matching of assets and liabilities of the same currency and amount. The Group does not use any derivative financial instruments to hedge these exposures.

35. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table details the Group's sensitivity to a 10% change in Singapore Dollar ("SGD"), Malaysian Ringgit ("RM"), Hong Kong Dollar ("HKD"), United States Dollar ("USD") and EURO ("EUR") and against the respective functional currencies of the Group entities. The sensitivity analysis assumes an instantaneous 10% change in the foreign currency exchange rates from the end of financial year, with all variables held constant.

	Group	
	Profit before tax	Loss before tax
	(Decrease)/Increase	
	2016	2015
	$	$
SGD		
Strengthens against USD	(1,036,915)	300,343
Weakens against USD	1,036,915	(300,343)
Strengthens against RM	44,372	(304,488)
Weakens against RM	(44,372)	304,488
Strengthens against EUR	(51,532)	23,456
Weakens against EUR	51,532	(23,456)
RM		
Strengthens against USD	(343,995)	354,017
Weakens against USD	343,995	(354,017)
HKD		
Strengthens against USD	30,230	(29,574)
Weakens against USD	(30,230)	29,574
USD		
Strengthens against RM	(491,767)	485,244
Weakens against RM	491,767	(485,244)
EUR		
Strengthens against SGD	(476,228)	85,001
Weakens against SGD	476,228	(85,001)

35. Financial risk management objectives and policies (cont'd)

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity securities. These securities are quoted on the Bursa Securities Malaysia Berhad in Malaysia and are classified as available-for-sale financial assets. The Group does not have exposure to commodity price risk.

The Group is exposed to equity risks arising from financial assets classified as available-for-sale. Available-for-sale financial assets are held for strategic rather than trading purposes. The Group does not actively trade available-for-sale financial assets. Further details of these marketable financial assets can be found in Note 16.

The Group's policy is to invest in a mix of quoted securities from various industries, with the objective of managing market price risk and to derive potential returns from capital appreciation and dividend income streams. Management monitors a rolling forecast of the Group's liquidity reserve which comprises of cash and cash equivalents and marketable securities.

Sensitivity analysis for equity price risk

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of financial year. The sensitivity analysis assumes an instantaneous 10% change in the equity prices from the end of financial year, with all variables held constant.

	Group	
	Equity	
	2016	2015
	$	$
Available-for-sale financial assets	26,606	33,616

As the quoted equity investments have been impaired entirely in the previous financial year, any subsequent decline in the fair values of these investments would be charged to profit or loss. Any increase in the fair values of these investments would be expected to result in an increase in fair value reserve in equity.

36. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2016 and 2015.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 50%. The Group includes within net debt, loans and borrowings, trade and other payables, amount owing to a joint venture and amounts due to related parties less cash and cash equivalents. Capital includes equity attributable to the owners of the Company.

36. Capital management (cont'd)

	Group	
	2016	2015
	$	$
Trade payables	147,707	147,920
Other payables and accruals	1,098,353	1,044,832
Loans and borrowings	10,897,955	6,587,000
Amount owing to a joint venture	9,172,181	–
Amounts due to related parties	2,321,921	5,079,555
Less: Cash and cash equivalents	(4,130,030)	(5,974,555)
Net debt	19,508,087	6,884,752
Equity attributable to owners of the Company, representing total capital	37,951,648	28,978,530
Capital and net debt	57,459,735	35,863,282
Gearing ratio	34%	19%

37. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker.

The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

The Group has three reportable segments being IT operations, investment activities and corporate and others segments. Segments in Malaysia are generally engaged in IT operations and investment activities while segments classified under Asia and others are engaged in investment, corporate and other activities.

The IT operations segment provides e-Commerce services, system integration related services, and distribution and marketing of computer hardware and software.

The investment activities segment manages investments in quoted and unquoted equity shares and performs money lending services.

The corporate and others segment holds investment in related companies.

Management monitors the operating results of the segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

Income taxes are managed on a Group basis.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operations before tax expense.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

37. Segment information (cont'd)

Business segments

	IT operations	Investment activities	Corporate and others	Total	Eliminations and adjustments	Consolidated
	$	$	$	$	$	$
Group						
At 31 December 2016						
Revenue						
Sales to external customers and total revenue	1,097,261	103,039	–	1,200,300	–	1,200,300
Results						
Interest income from bank deposits	857	16,199	9,435	26,491	–	26,491
Finance costs	–	(640,519)	–	(640,519)	–	(640,519)
Depreciation of property, plant and equipment	(23,279)	(2,498)	–	(25,777)	–	(25,777)
Impairment of available-for-sale financial assets	–	(77,037)	–	(77,037)	–	(77,037)
Share of profit from associates and joint venture, net	–	9,454,262	–	9,454,262	–	9,454,262
Segment (loss)/profit before tax	(673,082)	6,725,423	(63,417)	5,988,924	–	5,988,924
Assets						
Additions to non-current assets	7,358	15,091,560	–	15,098,918	–	15,098,918
Investment in associates and joint venture	–	54,186,388	–	54,186,388	–	54,186,388
Segment assets	744,975	60,448,585	3,113,606	64,307,166	–	64,307,166
Segment liabilities	648,436	13,858,385	9,392,002	23,898,823	–	23,898,823

37. Segment information (cont'd)

Business segments (cont'd)

	IT operations	Investment activities	Corporate and others	Total	Eliminations and adjustments	Consolidated
	$	$	$	$	$	$
Group						
At 31 December 2015						
Revenue						
Sales to external customers and total revenue	1,419,597	60,472	–	1,480,069	–	1,480,069
Results						
Interest income from bank deposits	13,672	10,136	2,324	26,132	–	26,132
Finance costs	–	(690,900)	–	(690,900)	–	(690,900)
Depreciation of property, plant and equipment	(32,547)	(3,569)	–	(36,116)	–	(36,116)
Impairment of available-for-sale financial assets	–	(36,911)	–	(36,911)	–	(36,911)
Share of loss from associates and joint venture, net	–	(3,372,045)	–	(3,372,045)	–	(3,372,045)
Segment loss before tax	(20,963)	(3,174,972)	(760,337)	(3,956,272)	–	(3,956,272)
Assets						
Additions to non-current assets	9,316	4,099,355	–	4,108,671	–	4,108,671
Investment in associates and joint venture	–	33,229,261	–	33,229,261	–	33,229,261
Segment assets	1,009,955	38,538,235	4,967,916	44,516,106	–	44,516,106
Segment liabilities	900,393	12,107,315	242,655	13,250,363	–	13,250,363

37. Segment information (cont'd)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	Group	
	2016	2015
	$	$
Revenue		
Total revenue for reportable segments, representing total consolidated revenue	1,200,300	1,480,069
Profit or loss		
Total profit or loss for reportable segments, representing total consolidated profit/(loss) before tax	5,988,924	(3,956,272)
Assets		
Total assets for reportable segments	64,307,166	44,516,106
Tax recoverable	51,888	62,259
Total consolidated assets	64,359,054	44,578,365
Liabilities		
Total liabilities for reportable segments	23,898,823	13,250,363
Deferred tax liabilities	244,411	–
Total liabilities for reportable segments, representing total consolidated liabilities	24,143,234	13,250,363

Geographic information

Revenues from external customers

	Malaysia	Asia and others	Consolidated
	$	$	$
31 December 2016			
Sales to external customers and total revenue	1,181,366	18,934	1,200,300
31 December 2015			
Sales to external customers and total revenue	1,419,597	60,472	1,480,069

The revenue information above is based on the location of the customers. There are no revenues derived from Singapore, the country of domicile of the Company.

37. Segment information (cont'd)

Geographic information (cont'd)

Location of non-current assets

	Malaysia	Ireland	Consolidated
	$	$	$
31 December 2016			
Non-current assets	37,887	4,391,331	4,429,218
31 December 2015			
Non-current assets	57,162	4,284,195	4,341,357

Non-current assets consist of property, plant and equipment.

Major customer

In the current year, approximately 25% (2015: 32%) of the revenue from IT operations were derived from a major third party customer.

38. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the directors on 23 March 2017.

Shareholders' Information as at 8 March 2017

SHAREHOLDERS' INFORMATION AS AT 8 MARCH 2017

Number of issued shares	:	194,701,333
Issued and fully-paid capital	:	$41,662,134.95
Class of shares	:	Ordinary
Voting rights	:	One vote per share

The Company does not hold any treasury shares and subsidiary holdings.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	37	1.91	457	0.00
100 - 1,000	774	40.06	391,453	0.20
1,001 - 10,000	759	39.29	3,219,979	1.66
10,001 - 1,000,000	352	18.22	23,539,861	12.09
1,000,001 AND ABOVE	10	0.52	167,549,583	86.05
TOTAL	**1,932**	**100.00**	**194,701,333**	**100.00**

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Lim Kian Onn	–	–	97,978,516 [1]	50.32
Ng Kok Hin	10,578,675	5.43	–	–
Tan Sri Dr. Anthony Francis Fernandes	–	–	12,325,000 [2]	6.33
Datuk Kamarudin Bin Meranun	–	–	12,325,000 [3]	6.33

(1) 69,978,516 shares are held by Citibank Nominees Singapore Pte. Ltd. for Bank Julius Baer (Singapore) Ltd for Lim Kian Onn and 28,000,000 shares are held by DBSN Services Pte. Ltd. for A/c JP Morgan Bank Luxembourg SA re JP Morgan Private Bank for Lim Kian Onn

(2) Held by HSBC (Singapore) Noms Pte. Ltd. for Tan Sri Dr. Anthony Francis Fernandes

(3) Held by Citibank Nominees Singapore Pte. Ltd. for Datuk Kamarudin Bin Meranun

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	98,382,810	50.53
2	DBSN SERVICES PTE. LTD.	28,000,000	14.38
3	HSBC (SINGAPORE) NOMINEES PTE LTD	12,325,000	6.33
4	NG KOK HIN	10,578,675	5.43
5	ONG PUAY HOON IRENE	6,816,400	3.50
6	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,614,475	1.86
7	MICHELE SHARMINI RASANAYAGAM	3,000,000	1.54
8	DBS NOMINEES PRIVATE LIMITED	1,889,109	0.97
9	LIM KHIANG WEE	1,778,214	0.91
10	OCBC SECURITIES PRIVATE LIMITED	1,164,900	0.60
11	CHOO THIAM SOON	1,000,000	0.51
12	YIP WEI MUN	680,200	0.35
13	TAN TSU TSEN (CHEN SHUSHENG)	606,500	0.31
14	RAFFLES NOMINEES (PTE) LIMITED	591,900	0.30
15	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	585,000	0.30
16	NG SEONG FAI	575,000	0.30
17	RAMESH S/O PRITAMDAS CHANDIRAMANI	551,400	0.28
18	NG TENG SIAK	550,000	0.28
19	UOB KAY HIAN PRIVATE LIMITED	547,000	0.28
20	LEE SEK LEONG CHRISTOPHER	520,000	0.27
	TOTAL	**173,756,583**	**89.23**

PERCENTAGE OF SHAREHOLDING IN THE HANDS OF THE PUBLIC

The Company has complied with Rule 723 of the Catalist Rules as 23.92% of the Company's shares were held in the hands of public as at 8 March 2017.

Disclosure Notice

Disclosure pursuant to Compliance with Note 2 on Section 2 of Appendix 1 of the Singapore Code on Take-overs and Mergers

1. On 27 May 2016, Plato Capital Limited ("**Company**") had issued to Mr Lim Kian Onn, a director and controlling shareholder of the Company ("**Mr LKO**") 0.5% redeemable convertible unsecured loan stocks due 2021 ("**RCULS**"), each with a principal amount of S$100,000 and amounting in aggregate to a principal amount of S$10,000,000 in accordance with the terms and conditions of the RCULS Subscription Agreement dated 19 April 2016 between the Company and Mr LKO ("**RCULS Subscription Agreement**").

RCULS

2. The RCULS may be converted into, validly allotted and issued, fully-paid and unencumbered ordinary shares in the share capital of the Company ("**Shares**"), at the option of Mr LKO, at any time, from and including the respective dates on which they are issued and registered in accordance with the RCULS Subscription Agreement up to the close of business on the day falling one month prior to the Maturity Date ("**Conversion Period**"). "**Maturity Date**" means 60 months from the date of issue of the RCULS.

3. The RCULS will bear interest at the rate of 0.5% per annum on the principal amount of the RCULS ("**Interest**"). Interest shall accrue on a daily basis (without compounding) and is payable on the Maturity Date. Each RCULS shall cease to bear Interest (a) on conversion into Shares (without prejudice to Interest accrued prior to the conversion date), or (b) from the due date for redemption hereof.

4. The Interest may, at the discretion of Mr LKO, be satisfied fully either in (i) cash or (ii) through the issue and allotment of Shares ("**Interest Shares**") by the Company at the discretion of Mr LKO.

5. If Mr LKO elects to receive cash in satisfaction of the Interest, the Interest (including interest on converted and unconverted RCULS) shall only be payable on the Maturity Date.

6. If Mr LKO elects to receive Shares in lieu of cash in satisfaction of the Interest accrued on any RCULS (i) in the case of any RCULS which is to be converted prior to the Maturity Date, such election must be notified to the Company in a conversion notice and (ii) in all other cases, such election shall be notified to the Company by no later than the expiry of the Conversion Period.

7. The price at which each Share shall be issued upon conversion of the RCULS or the Interest is S$0.13 ("**Conversion Price**"). The Conversion Price will be subject to adjustments under certain circumstances in accordance with the terms and conditions of the RCULS.

8. The number of Shares to which Mr LKO is entitled on conversion of any RCULS ("**Conversion Shares**") or Interest shall be determined by dividing the aggregate principal amount of the RCULS or Interest (as the case may be) to be converted by the Conversion Price.

Details of the Whitewash Waiver

9. The Securities Industry Council ("**SIC**") had ruled that Mr LKO will incur an obligation to make a general offer under Rule 14 of the Singapore Code on Take-overs and Mergers ("**Code**") by reason of the acquisition of the Conversion Shares and/or the Interest Shares and waived the obligation for Mr LKO to make a mandatory general offer under Rule 14 of the Code as a result of acquisition of the Conversion Shares and/or the Interest Shares pursuant to the terms of the RCULS ("**Whitewash Waiver**"), subject to inter alia, (a) a majority of holders of voting rights of the Company approve at a general meeting, before the issue of the RCULS to Mr LKO, the whitewash resolution by way of poll to waive their rights to receive a general offer from Mr LKO ("**Whitewash Resolution**") and (b) Mr LKO, Ms Quek Siow Leng ("**Ms QSL**"), Ms Lim Kian Fah ("**Ms LKF**") and Mr Lim Khiang Wee ("**Mr LKW**") and parties acting in concert with them ("**Relevant Parties**") and parties not independent of them abstain from voting on the Whitewash Resolution.

10. The Whitewash Waiver may be invalidated if there are any purchases of voting rights by the Relevant Parties prior to the acquisition of the Conversion Shares and/or Interest Shares pursuant to the terms of the RCULS ("**Condition**"), save that:

    (a) (i) notwithstanding the Condition, the Relevant Parties (including without limitation Mr LKO, Mr Gareth Lim and Ms LKF) may acquire Shares pursuant to the Plato Employee Share Option Scheme 2016 ("**Plato ESOS 2016**") and/or the Plato Performance Share Plan 2016 ("**Plato PSP 2016**") after the Whitewash Resolution is approved, provided that only new Shares are acquired while the Whitewash Waiver remains valid; and (ii) the Whitewash Waiver will only apply to the conversion of such number of Conversion Shares and/or Interest Shares that, when added to the acquisition of new Shares pursuant to the Plato ESOS 2016 and/or the Plato PSP 2016, do not exceed the total number of Conversion Shares and/or Interest Shares originally approved by the Shareholders in respect of the Whitewash Resolution; and

    (b) notwithstanding the Condition, Mr LKO is free to purchase any number of existing Shares after he holds over 49% of the voting rights of the Company as a result of the acquisition of Conversion Shares and/or Interest Shares on the terms of the RCULS and the acquisition of new Shares pursuant to the Plato ESOS 2016 and/or the Plato PSP 2016. However, if Mr LKO's interest in the Company subsequently falls below 49% for any reason following such purchase, he will not be able to rely on the Whitewash Waiver for any further acquisition of Shares that triggers an obligation to make a general offer under Rule 14 of the Code.

11. Prior to the issue of the RCULS, Shareholders independent of Relevant Parties had, at an extraordinary general meeting of the Company held on 20 May 2016, passed an Ordinary Resolution waiving their rights to receive a mandatory general offer from Mr LKO, in the event an obligation to extend such an offer is incurred pursuant to Rule 14 of the Code, as a result of the acquisition of the Conversion Shares and/or the Interest Shares pursuant to the terms of the RCULS ("**Whitewash Resolution**").

12. The acquisition of the Conversion Shares and/or the Interest Shares pursuant to the terms of the RCULS must be completed within five (5) years of the date of issue of the RCULS. Accordingly, the Whitewash Waiver is valid from 27 May 2016 to 26 May 2021. Further details of the RCULS and the Whitewash Waiver are set out in the Company's circular dated 5 May 2016.

Holdings and Interests of the Relevant Parties

13. As at 30 March 2017 ("**LPD**") (being the latest practicable date prior to the disclosure), the Relevant Parties collectively hold or are interested in the following:

    (a) 112,898,324 Shares, representing approximately 57.99 per cent. of all the Shares in issue as at the LPD; and

    (b) convertibles comprising 55,089,040 Shares (including the RCULS, share options and share awards granted by the Company).

14. Save as disclosed above, none of the Relevant Parties holds any voting rights in the Company or instruments convertible into, rights to subscribe for and options in respect of the Shares as at the LPD.

Maximum Potential Interests of the Relevant Parties

15. The Relevant Parties would have a maximum potential interest of 66.42 per cent. in the Company's issued enlarged share capital of 243,585,947 Shares assuming that: (a) Mr LKO exercises and converts all the RCULS and the entire Interest (at the prevailing Conversion Price and assuming no adjustments thereto); and (b) no other holders of either (i) instruments convertible into Shares, (ii) rights to subscribe for Shares or (iii) options in respect of Shares, exercise, subscribe or convert such instruments, rights or options.

16. The Relevant Parties would have a maximum potential interest of 67.25 per cent. in the Company's issued enlarged share capital of 249,790,373 Shares assuming that: (a) Mr LKO exercises and converts all the RCULS and the entire Interest (at the prevailing Conversion Price and assuming no adjustments thereto); (b) all the Shares comprised under the options and share awards granted under the Plato ESOS 2016 and Plato PSP 2016 (assuming no adjustments thereto) are allotted and issued to the Relevant Parties; (c) no other holders of either (i) instruments convertible into Shares, (ii) rights to subscribe for Shares or (iii) options in respect of Shares, exercise, subscribe or convert such instruments, rights or options.

CAUTIONARY STATEMENT

SHAREHOLDERS SHOULD NOTE THAT, HAVING APPROVED THE WHITEWASH RESOLUTION, SHAREHOLDERS HAVE WAIVED THEIR RIGHTS TO RECEIVE A GENERAL OFFER FROM MR LKO AT THE HIGHEST PRICE PAID BY THE RELEVANT PARTIES FOR SHARES IN THE PAST SIX MONTHS PRECEDING THE COMMENCEMENT OF THE OFFER.

SHAREHOLDERS SHOULD ALSO NOTE THAT, HAVING APPROVED THE WHITEWASH RESOLUTION, SHAREHOLDERS COULD BE FORGOING THE OPPORTUNITY TO RECEIVE A GENERAL OFFER FROM ANOTHER PERSON WHO MAY BE DISCOURAGED FROM MAKING A GENERAL OFFER IN VIEW OF THE POTENTIAL DILUTION EFFECT OF THE RCULS.

PLATO CAPITAL LIMITED
(Company Registration No. 199907443M)
(Incorporated in The Republic of Singapore with limited liability)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of PLATO CAPITAL LIMITED ("**the Company**") will be held at Paprika Room, Level 5, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 on Tuesday, 18 April 2017 at 2.15 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2016 together with the Auditors' Report thereon.

(Resolution 1)

2. To re-elect Mr Chong Huai Seng retiring pursuant to Article 107 of the Constitution of the Company.
[See Explanatory Note (i)]

*Mr Chong Huai Seng will, upon re-election as Director of the Company, remain an Independent Director of the Company, the Chairman of the Remuneration Committee and a member of the Audit Committee of the Company. He will be considered independent for the purposes of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"). Mr Chong Huai Seng does not have any relationships including immediate family relationships between himself and the Directors, the Company and its 10% shareholders.*

(Resolution 2)

3. To re-elect Mr Oh Teik Khim retiring pursuant to Article 107 of the Constitution of the Company.
[See Explanatory Note (i)]

Mr Oh Teik Khim will upon re-election as Director of the Company, remain as an Executive Director of the Company. Mr Oh Teik Khim does not have any relationships including immediate family relationships between himself and the Directors, the Company and its 10% shareholders.

(Resolution 3)

4. To approve the payment of Directors' fees of S$178,000 for the financial year ending 31 December 2017, payable half yearly in arrears on 1 July 2017 and 1 January 2018 (2016: S$178,000).

(Resolution 4)

5. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 5)

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to allot and issue shares ("Share Issue Mandate")**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore ("**Companies Act**") and Rule 806 of the Catalist Rules, the Directors of the Company be authorised and empowered to:

(a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities outstanding and/or subsisting at the time of the passing of this Resolution;

(b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) all applicable requirements under the Companies Act and otherwise, and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law and the Catalist Rules to be held, whichever is earlier.
[See Explanatory Note (ii)]

(Resolution 6)

8. **Authority to issue shares under the Plato Employee Share Option Scheme 2016**

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant options in accordance with the provision of the Plato Employee Share Option Scheme 2016 ("**Plato ESOS 2016**") ("**Options**") and to allot and issue from time to time such number of ordinary Shares in the capital of the Company as may be required to be issued pursuant to the exercise of Options granted by the Company under Plato ESOS 2016 (notwithstanding that such allotment and issue may occur after the conclusion of the next Annual General Meeting of the Company), whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of ordinary shares

to be issued and issuable pursuant to the Plato ESOS 2016, taking into consideration all Shares issued and issuable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force, including the awards granted under the Plato Performance Share Plan 2016 ("**Plato PSP 2016**"), shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company on the date preceding the grant of an Option and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (iii)]

(Resolution 7)

9. **Authority to issue shares under the Plato Performance Share Plan 2016**

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to grant awards in accordance with the provision of the Plato PSP 2016 ("**Awards**") and to allot and issue from time to time such number of ordinary Shares in the capital of the Company as may be required to be issued pursuant to the vesting of the Awards granted by the Company under the Plato PSP 2016 (notwithstanding that such allotment and issue may occur after the conclusion of the next Annual General Meeting of the Company), whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of ordinary shares to be issued and issuable pursuant to the Plato PSP 2016, taking into consideration all Shares issued and issuable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force, including the options granted under the Plato ESOS 2016, shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company on the day preceding the relevant date of the Awards and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (iv)]

(Resolution 8)

By Order of the Board

Low Geok Eng Susie
Secretary
Singapore, 31 March 2017

Explanatory Notes:

(i) Information on Mr Chong Huai Seng and Mr Oh Teik Khim can be found on page 35 of this Annual Report 2016.

(ii) Under the Catalist Rules, a share issue mandate approved by shareholders as an ordinary resolution will enable directors of an issuer to issue an aggregate number of new Shares and convertible securities of the issuer of up to 100% of the issued share capital of the issuer (excluding treasury shares and subsidiary holdings) as at the time of passing of the resolution approving the share issue mandate, of which the aggregate number of new Shares and convertible securities issued other than on a *pro-rata* basis to existing shareholders must not be more than 50% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company.

The proposed Share Issue Mandate will enable the Company to respond faster to business opportunities and to have greater flexibility and scope in negotiating with third parties in potential fund raising exercises or other arrangements or transactions involving the capital of the Company.

The Ordinary Resolution 6 proposed in item 7 above, if passed, is to empower the Directors of the Company to allot and issue Shares in the capital of the Company and/or Instruments. The aggregate number of Shares to be issued pursuant to this Ordinary Resolution 6 (including shares to be issued in pursuance of Instruments made or granted) shall not exceed one hundred per centum (100%) of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company, with a sub-limit of fifty per centum (50%) for shares issued other than on a *pro-rata* basis (including shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution 6) to shareholders.

(iii) The Ordinary Resolution 7 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to all options granted or awards granted under share incentive schemes or share plans adopted by the Company for the time being in force, up to a number not exceeding in aggregate fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

(iv) The Ordinary Resolution 8 in item 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to all options granted or awards granted under share incentive schemes or share plans adopted by the Company for the time being in force, up to a number not exceeding in aggregate fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

Notes:

1. (a) A member who is not a relevant intermediary, is entitled to appoint one or two proxies to attend and vote at the Annual General Meeting (the "**Meeting**").

   (b) A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PLATO CAPITAL LIMITED
Company Registration No. 199907443M
(Incorporated In The Republic of Singapore)

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").

2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.

3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM
(Please see notes overleaf before completing this Form)

I/We, _____

of _____

being a member/members of PLATO CAPITAL LIMITED (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at Paprika Room, Level 5, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 on Tuesday, 18 April 2017 at 2.15 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof. All resolutions put to vote at the Meeting shall be decided by way of poll.

No	**Resolutions relating to:**	**Number of Votes For(1)**	**Number of Votes Against(1)**
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2016		
2	Re-election of Mr Chong Huai Seng as a Director of the Company		
3	Re-election of Mr Oh Teik Khim as a Director of the Company		
4	Approval of Directors' fees amounting to S$178,000 for financial year ending 31 December 2017, payable half yearly in arrears		
5	Re-appointment of Ernst & Young LLP as Auditors		
6	Authority to allot and issue shares		
7	Authority to issue shares under the Plato Employee Share Option Scheme 2016		
8	Authority to issue shares under the Plato Performance Share Plan 2016		

(1) *If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this _____ day of _____ 2017

_____

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

*Delete where inapplicable

Affix Postage Stamp

The Registrar

PLATO CAPITAL LIMITED

c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

NOTES:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 not less than forty-eight (48) hours before the time appointed for the Meeting

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY:
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 31 March 2017.

GENERAL:
The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

REGISTERED OFFICE
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
Telephone : (65) 6536 5355
Facsimile : (65) 6536 1360

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