PLATO CAPITAL LIMITED
(Company Registration No. 199907443M)

Unaudited Financial Statement And Dividend Announcement For The Financial Year Ended 31 December 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group For the financial year ended 31-Dec-18	Group For the financial year ended 31-Dec-17	Increase /(Decrease)
	S$'000	S$'000	%
	(Unaudited)	(Audited)	
Revenue [1]	1,192	884	34.8
Other income [2]	166	66	NM
	1,358	**950**	**42.9**
Other items of income/(expense)			
Purchase of software and services	(468)	(423)	10.6
Employee benefits expenses	(1,771)	(1,819)	(2.6)
Depreciation of property, plant and equipment	(18)	(18)	-
Foreign exchange loss, net	(156)	(516)	(69.8)
Loss on dilution of interest in an associate	(91)	-	NM
Gain on disposal of financial assets	-	354	(100.0)
Impairment of receivables	-	(7)	(100.0)
Bank charges	(6)	(4)	50.0
Finance costs	(662)	(671)	(1.3)
Other operating expenses	(2,236)	(771)	NM
Share of profit from joint ventures	1,514	11,897	(87.3)
Share of loss from associates	(878)	(551)	59.3
(Loss)/Profit before tax	**(3,414)**	**8,421**	**NM**
Income tax credit	**58**	60	(3.3)
(Loss)/Profit for the year	**(3,356)**	**8,481**	**NM**
Attributable to:			
Owners of the Company	**(3,509)**	**8,129**	**NM**
Non-controlling interests	**153**	**352**	**(56.5)**
	(3,356)	**8,481**	**NM**

NM – not meaningful

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Notes:

1 Revenue comprises of the following items:

	Group For the financial year ended 31-Dec-18	Group For the financial year ended 31-Dec-17	Increase /(Decrease)
	S$'000	S$'000	%
	(Unaudited)	(Audited)	
Revenue from:			
- Sale of goods	63	80	(21.3)
- License fees and services	691	362	90.9
- Service maintenance	438	437	0.2
Interest income from provision of credit facilities	-	5	(100.0)
Total	1,192	884	34.8

2 Other income comprises of the following items:

	Group For the financial year ended 31-Dec-18	Group For the financial year ended 31-Dec-17	Increase /(Decrease)
	S$'000	S$'000	%
	(Unaudited)	(Audited)	
Interest income from bank deposits	52	66	(21.2)
Miscellaneous income	114	-	NM
Total	166	66	NM

NM – not meaningful

1(a)(ii) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group For the financial year ended 31-Dec-18	Group For the financial year ended 31-Dec-17	Increase /(Decrease)
	S$'000	S$'000	%
	(Unaudited)	(Audited)	
(Loss)/Profit for the year	**(3,356)**	**8,481**	**NM**
Other comprehensive income/(loss):			
Item that will not be reclassified to profit or loss:			
Share of other comprehensive loss on re-measurement of the defined benefit obligations of an associate	-	(7)	(100.0)
Share of fair value reserve for financial assets of an associate	26	29	(10.3)
Fair value loss on financial assets	(1,628)	-	NM
Items that may be reclassified subsequently to profit or loss:			
Share of foreign currency translation reserve of joint ventures	(1,024)	135	NM
Share of foreign currency translation reserve of associates	21	(575)	NM
Foreign currency translation	(213)	499	NM
Reclassification to profit or loss upon derecognition of an associate	(119)	-	NM
Other comprehensive (loss)/income for the year, net of tax	**(2,937)**	**81**	**NM**
Total comprehensive (loss)/income for the year	**(6,293)**	**8,562**	**NM**
Total comprehensive (loss)/income attributable to:			
Owners of the Company	**(6,342)**	**8,407**	**NM**
Non-controlling interests	**49**	**155**	**(68.4)**
	(6,293)	**8,562**	**NM**

NM – not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with comparative statement as at the end of the immediately preceding financial year

	Group			Company		
	As at 31-Dec-18	As at 31-Dec-17	As at 1-Jan-17	As at 31-Dec-18	As at 31-Dec-17	As at 1-Jan-17
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)
Non-current assets						
Property, plant and equipment	10,565	5,674	4,429	-	-	-
Intangible assets	313	257	-	-	-	-
Investment in subsidiaries	-	-	-	24,990	2,545	3,126
Investment in joint ventures	17,601	31,661	23,718	6,343	11,426	15,515
Investment in associates	17,901	29,006	30,469	-	-	-
Financial asset at fair value through Other Comprehensive Income	5,237	-	-	-	-	-
Financial asset at fair value through Profit or Loss	302	-	-	-	-	-
Available-for-sale financial assets	-	-*	266	-	-	-
	51,919	**66,598**	**58,882**	**31,333**	**13,971**	**18,641**
Current assets						
Trade receivables	219	197	1,057	-	-	-
Other receivables and deposits	420	46	23	-	-	-
Prepaid operating expenses	44	38	36	12	13	12
Deferred maintenance cost	198	101	178	-	-	-
Tax recoverable	40	45	52	-	-	-
Amounts due from subsidiaries	-	-	-	11,056	19,134	19,645
Cash and cash equivalents	10,256	4,321	4,130	215	1,380	1,058
	11,177	**4,748**	**5,476**	**11,283**	**20,527**	**20,715**
Total assets	**63,096**	**71,346**	**64,358**	**42,616**	**34,498**	**39,356**
Current liabilities						
Trade payables	103	100	148	-	-	-
Other payables and accruals	2,840	2,264	1,098	210	225	196
Deferred revenue	361	162	261	-	-	-
Amounts due to subsidiaries	-	-	-	5,288	1,726	1,598
Amount due to joint ventures	749	6,369	9,172	-	6,140	9,172
Amounts due to related parties	3,037	-	-	-	-	-
Loans and borrowings	4,948	5,596	6,136	-	-	-
	12,038	**14,491**	**16,815**	**5,498**	**8,091**	**10,966**
Net current (liabilities)/assets	**(861)**	**(9,743)**	**(11,339)**	**5,785**	**12,436**	**9,749**

* Amount less than S$1,000.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year (cont'd)

	Group			Company		
	As at 31-Dec-18	As at 31-Dec-17	As at 1-Jan-17	As at 31-Dec-18	As at 31-Dec-17	As at 1-Jan-17
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)
Non-current liabilities						
Deferred tax liabilities	131	190	244	131	190	244
Redeemable convertible unsecured loan stocks ("RCULS") – liability component	5,427	5,084	4,762	5,427	5,084	4,762
Amounts due to related parties	2,374	2,369	2,322	-	-	-
	7,932	**7,643**	**7,328**	**5,558**	**5,274**	**5,006**
Total liabilities	**19,970**	**22,134**	**24,143**	**11,056**	**13,365**	**15,972**
Net assets	**43,126**	**49,212**	**40,215**	**31,560**	**21,133**	**23,384**
Equity						
Share capital	40,875	40,875	40,875	40,875	40,875	40,875
Fair value and other reserve	575	2,123	1,659	2,203	1,996	1,561
Foreign currency translation reserve	(8,300)	(7,222)	(7,476)	-	-	-
Retained earnings/(accumulated losses)	7,508	11,017	2,893	(11,518)	(21,738)	(19,052)
Equity attributable to owners of the Company	**40,658**	**46,793**	**37,951**	**31,560**	**21,133**	**23,384**
Non-controlling interests	2,468	2,419	2,264	-	-	-
Total equity	**43,126**	**49,212**	**40,215**	**31,560**	**21,133**	**23,384**
Total equity and liabilities	**63,096**	**71,346**	**64,358**	**42,616**	**34,498**	**39,356**

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

Group					
As at 31 December 2018 (Unaudited)		As at 31 December 2017 (Audited)		As at 1 January 2017 (Audited)	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
-	4,948*	-	5,596*	-	6,136*

* Loans and borrowings

1(b)(ii) Aggregate amount of group's borrowings and debt securities (cont'd

Amount repayable after one year

Group					
As at 31 December 2018 (Unaudited)		As at 31 December 2017 (Audited)		As at 1 January 2017 (Audited)	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
-	5,427**	-	5,084**	-	4,762*

** RCULS – liability component

Details of any collateral

The bank borrowings obtained by two of the subsidiaries are guaranteed by the Company and by personal guarantee of Mr Lim Kian Onn ("**Mr LKO**"), the Chairman/ Non-Independent/Non-Executive Director and controlling shareholder of the Company.

Others – Contingent liabilities

The Company has provided proportionate guarantees to two of its investee companies as follows:

1. For a principal sum of up to S$9.48 million in relation to a term loan facility granted by a licensed bank to Epsom College Malaysia Sdn Bhd ("**ECiM**"), a subsidiary of an associate, Educ8 Group Sdn Bhd ("**Educ8**"); and

2. For a principal sum of up to S$8.58 million in relation to a term loan facility and a bank guarantee facility of up to S$0.44 million granted by a licensed bank to TP Sepang Sdn Bhd, a joint venture company.

1(c) A statement of cashflows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group For the financial year ended 31-Dec-18	Group For the financial year ended 31-Dec-17
	S$'000	S$'000
	(Unaudited)	(Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	**(3,414)**	**8,421**
Adjustments for:		
Interest income from bank deposits	(52)	(66)
Interest income from provision of credit facilities	-	(5)
Interest expenses	662	671
Depreciation of property, plant and equipment	18	18
Gain on disposal of financial assets	-	(354)
Loss on dilution of interest in an associates	91	-
Impairment of receivables	-	7
Share-based payments expense	207	435
Share of profit from joint ventures	(1,514)	(11,897)
Share of loss from associates	878	551
Unrealised foreign exchange loss/(gain), net	603	(496)
Operating loss before working capital changes	**(2,521)**	**(2,715)**
Receivables	(531)	931
Payables	(558)	1,034
Cash flows used in operations	**(3,610)**	**(750)**
Interest income from provision of credit facilities	-	5
Income tax credited	5	14
Net cash flows used in operating activities	**(3,605)**	**(731)**

1(c) A statement of cashflows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	Group For the financial year ended 31-Dec-18	Group For the financial year ended 31-Dec-17
	S$'000	S$'000
	(Unaudited)	(Audited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(3,516)	(1,025)
Trademark related expenses paid	(51)	(258)
Advances from joint venture	-	1,286
Dividend received from associates	3,756	714
Dividend received from joint venture	11,488	-
Investment in associates	(439)	(355)
Investment in joint ventures	(2,018)	-
Proceeds from disposal of financial assets	-	602
Purchase of financial assets	(302)	-
Net cash generated from investing activities	**8,918**	**964**
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(319)	(368)
Interest received from bank deposits	52	66
Advances from a related party	3,037	-
Repayment of bank borrowings	(658)	(661)
Net cash from/(used in) financing activities	**2,112**	**(963)**
Net increase/(decrease) in cash and cash equivalents	**7,425**	**(730)**
Effect of exchange rate changes on cash and cash equivalents	(1,490)	921
Cash and cash equivalents at 1 January	**4,321**	**4,130**
Cash and cash equivalents at 31 December	**10,256**	**4,321**
Cash at bank and on hand	9,609	2,908
Short-term deposits	647	1,413
Cash and cash equivalents	**10,256**	**4,321**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	<---------- Attributable to owners of the Company ---------->									
	Share Capital	RCULS – equity component	Share-based payments reserve	Fair value reserve	Capital reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to equity owners of the Company	Non-controlling interests	Total
GROUP (Unaudited)	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance as at 1 January 2018 (FRS Framework)	**40,875**	**1,164**	**832**	**84**	**43**	**(7,222)**	**11,017**	**46,793**	**2,419**	**49,212**
Cumulative effects of adopting SFRS(I)	-	-	-	(648)	-	-	648	-	-	-
Balance as at 1 January 2018 (SFRS(I) Framework)	**40,875**	**1,164**	**832**	**(564)**	**43**	**(7,222)**	**11,665**	**46,793**	**2,419**	**49,212**
(Loss)/Profit for the year	-	-	-	-	-	-	(3,509)	**(3,509)**	153	**(3,356)**
Other comprehensive income/(loss):										
Transfer upon write off of financial assets	-	-	-	648	-	-	(648)	-	-	-
Reclassification to profit or loss upon derecognition of an associate	-	-	-	(110)	(43)	34	-	**(119)**	-	**(119)**
Share of foreign currency translation reserve of joint ventures	-	-	-	-	-	(1,024)	-	**(1,024)**	-	**(1,024)**
Share of foreign currency translation reserve of associates	-	-	-	-	-	80	-	**80**	(59)	**21**
Share of fair value reserve for financial assets of an associate	-	-	-	26	-	-	-	**26**	-	**26**
Fair value loss on financial assets	-	-	-	(1,628)	-	-	-	**(1,628)**	-	**(1,628)**
Foreign currency translation	-	-	-	-	-	(168)	-	**(168)**	(45)	**(213)**
Other comprehensive income/(loss) for the year, net of tax	-	-	-	**(1,064)**	**(43)**	**(1,078)**	**(648)**	**(2,833)**	**(104)**	**(2,937)**
Total comprehensive income/(loss) for the year	-	-	-	**(1,064)**	**(43)**	**(1,078)**	**(4,157)**	**(6,342)**	**49**	**(6,293)**
Transaction with owners:										
Issuance of share options and share awards	-	-	**207**	-	-	-	-	**207**	-	**207**
Total transaction with owners	-	-	207	-	-	-	-	207	-	207
Balance as at 31 December 2018	**40,875**	**1,164**	**1,039**	**(1,628)**	-	**(8,300)**	**7,508**	**40,658**	**2,468**	**43,126**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	<---------- Attributable to owners of the Company ---------->									
	Share Capital	RCULS – equity component	Share-based payments reserve	Fair value reserve	Capital reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to equity owners of the Company	Non-controlling interests	Total
GROUP (Audited)	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance as at 1 January 2017	**40,875**	**1,164**	**397**	**55**	**43**	**(7,476)**	**2,893**	**37,951**	**2,264**	**40,215**
Profit for the year	-	-	-	-	-	-	8,129	**8,129**	352	**8,481**
Other comprehensive income/(loss):										
Share of other comprehensive loss on re-measurement of the defined benefit obligations of an associate	-	-	-	-	-	-	(5)	**(5)**	(2)	**(7)**
Share of fair value reserve for financial assets of an associate	-	-	-	29	-	-	-	**29**	-	**29**
Share of foreign currency translation reserve of joint ventures	-	-	-	-	-	135	-	**135**	-	**135**
Share of foreign currency translation reserve of associates	-	-	-	-	-	(347)	-	**(347)**	(228)	**(575)**
Foreign currency translation	-	-	-	-	-	466	-	**466**	33	**499**
Other comprehensive income/ (loss) for the year, net of tax	-	-	-	**29**	-	**254**	**(5)**	**278**	**(197)**	**81**
Total comprehensive income for the year	-	-	-	**29**	-	**254**	**8,124**	**8,407**	**155**	**8,562**
Transactions with owners:										
Issuance of share options and share awards	-	-	435	-	-	-	-	**435**	-	**435**
Total transactions with owners	-	-	435	-	-	-	-	**435**	-	**435**
Balance as at 31 December 2017	**40,875**	**1,164**	**832**	**84**	**43**	**(7,222)**	**11,017**	**46,793**	**2,419**	**49,212**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	Share capital	RCULS – equity component	Share-based payments reserve	Accumulated losses	Total equity
COMPANY	S$'000	S$'000	S$'000	S$'000	S$'000
(Unaudited)					
As at 1 January 2018	40,875	1,164	832	(21,738)	21,133
Profit for the year, representing total comprehensive income for the year	-	-	-	10,220	10,220
Transaction with owners:					
Issuance of share options and share awards	-	-	207	-	207
At 31 December 2018	40,875	1,164	1,039	(11,518)	31,560
(Audited)					
As 1 January 2017	40,875	1,164	397	(19,052)	23,384
Loss for the year, representing total comprehensive loss for the year	-	-	-	(2,686)	(2,686)
Transactions with owners:					
Issuance of share options and share awards	-	-	435	-	435
At 31 December 2017	40,875	1,164	832	(21,738)	21,133

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital

There has been no change in the Company's share capital from 30 June 2018 to 31 December 2018. The Company's share capital as at 30 June 2018 and 31 December 2018 remained at S$40,875,023 and comprised 194,701,333 ordinary shares ("**Existing Issued Share Capital**").

Convertibles

Redeemable Convertible Unsecured Loan Stocks ("RCULS")

The Company had on 27 May 2016 issued 100 0.5% RCULS due in 2021, each with a principal value of S$100,000 amounting in aggregate to a principal amount of S$10,000,000 to Mr LKO.

On 15 July 2016, Mr LKO had converted 38 RCULS valued at S$3,800,000 and accrued interest of S$2,498.63 into 29,249,989 ordinary shares of the Company ("**Shares**") based on conversion price of S$0.13 each.

As such, as at 31 December 2018, there are 62 RCULS outstanding convertible into 47,692,307 Shares (31 December 2017: 47,692,307 Shares) and accrued interest of S$80,600 (31 December 2017: S$49,600) convertible into 620,000 Shares (31 December 2017: 381,538 Shares).

Accordingly, as at 31 December 2018, the aggregate number of Shares that may be issued on conversion of the RCULS and accrued interest is 48,312,307 Shares (31 December 2017: 48,073,845 Shares), representing approximately 24.8% of the Existing Issued Share Capital.

Employee Share Option Scheme ("Plato ESOS 2016")

Under the Plato ESOS 2016, the Company had on 17 June 2016 granted 10,478,584 share options ("**Share Options**"), exercisable into 10,478,584 Shares to directors and employees of the Company. No Share Options have been exercised since they were granted.

As at 31 December 2018, a total of 1,240,885 Share Options had been forfeited and the remaining balance of Share Options outstanding is convertible into 9,237,699 Shares (31 December 2017: 9,237,699 shares), representing approximately 4.7% of the Existing Issued Share Capital.

Performance Share Plan ("Plato PSP 2016")

Under the Plato PSP 2016, the Company had on 17 June 2016 granted awards comprising 5,239,296 Shares ("**Share Awards**") to directors and employees of the Company. No Share Awards have been released and vested since its grant.

As at 31 December 2018, a total of 620,443 Share Awards had been forfeited and the remaining balance of Shares issuable under the Share Awards is 4,618,853 Shares (31 December 2017: 4,618,853), representing approximately 2.4% of the Existing Issued Share Capital.

Based on the foregoing, the total number of Shares that may be issued on conversion of all outstanding convertibles (including Share Options and Share Awards) as at 31 December 2018 is 62,168,859 Shares (31 December 2017: 61,930,397 Shares), representing approximately 31.9% of the Existing Issued Share Capital.

Save as disclosed, the Company did not have any other outstanding convertibles as at 31 December 2018 and 31 December 2017.

Treasury shares and subsidiary holdings

The Company did not have any treasury shares or subsidiary holdings as at 31 December 2018 and 31 December 2017

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 December 2018	As at 31 December 2017
Total number of issued shares excluding treasury shares	194,701,333	194,701,333

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Save as disclosed in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation for the current financial year reported on as in the most recently audited annual financial statements for the financial year ended 31 December 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group's financial statements for the financial period beginning 1 Jan 2018 is prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") issued by the Accounting Standard Council. In adopting the new SFRS(I) framework with effect from 1 January 2018, the Group is required to apply the specific transition requirements in SFRS(I)1 – First Time Adoption of Singapore Financial Reporting Standards (International). Changes to the Group's accounting policies have been made as required in accordance with the transitional provisions of SFRS(I).

The Group has also adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT-FRS") that are effective from 1 January 2018. In particular, SFRS(I) 9 introduces new requirements for recognition, classification and measurement of financial assets, impairment of financial assets and hedge accounting from 1 January 2018. In relation to the impairment of financial assets, SFRS(I) 9 requires an expected credit loss model and replaces the FRS39 incurred loss model. The Group and the Company have adopted the new standard and has made reclassification adjustments for the impairment loss previously recognized on available-for-sale financial assets, to fair value reserve through other comprehensive income. Comparative figures have not been restated in accordance with the transitional provision of SFRS(I)9, instead, they are adjusted to the opening reserves as at 1 January 2018.

Other than the above, the adoption of the SFRS(I) has no material effect on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
Earnings per Share ("EPS")	For the year ended 31-Dec-18 (Unaudited)	For the year ended 31-Dec-17 (Audited)
Basic Based on weighted average number of ordinary shares in issue (Singapore cents)	-1.80[(1)]	4.17[(3)]
Diluted On a fully diluted basis (Singapore cents)	-1.32[(2)]	3.44[(4)]

Notes:-

(1) Computed based on the loss attributable to owners of the Company of S$3.509 million divided by the weighted average number of ordinary shares in issue of 194,701,333 for the financial period ended 31 December 2018 ("**FY2018**").

(2) Computed based on the loss of S$3.224 million, representing the total of (i) the loss attributable to owners of the Company of S$3.509 million and (ii) savings from reversal of RCULS accrued interest expense of S$0.285 million; divided by 244,218,557 Shares, being (i) the total of the weighted average number of ordinary shares in issue of 194,701,333 and (ii) assuming full conversion of outstanding RCULS, Plato ESOS 2016 and Plato PSP 2016 into 49,517,224 ordinary shares of which are assumed to be issued on 1 January 2018, for FY2018.

(3) Computed based on the profit attributable to owners of the Company of S$8.129 million divided by the weighted average number of ordinary shares in issue of 194,701,333 for the financial period ended 31 December 2017 ("**FY2017**").

(4) Computed based on the profit of S$8.396 million, representing the total of (i) the profit attributable to owners of the Company of S$8.129 million and (ii) savings from reversal of RCULS accrued interest expense of S$0.267 million; divided by 243,980,095 Shares, being (i) the total of the weighted average number of ordinary shares in issue of 194,701,333 and (ii) assuming full conversion of outstanding RCULS, Plato ESOS 2016 and Plato PSP 2016 into 49,278,762 ordinary shares of which are assumed to be issued on 1 January 2017, for FY2017.

In accordance with the financial reporting standards, the weighted average number of ordinary shares upon full subscription of PSP are not included in the fully diluted EPS computation.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	As at 31-Dec-18 (Unaudited)	As at 31-Dec-17 (Audited)	As at 31-Dec-18 (Unaudited)	As at 31-Dec-17 (Audited)
Net asset value ("**NAV**") per ordinary share (Singapore cents)	20.88	24.03	16.21	10.85
Number of ordinary shares in issue (excluding treasury shares)	194,701,333	194,701,333	194,701,333	194,701,333

The Group's and the Company's NAV per ordinary share as at 31 December 2018 and 31 December 2017 were calculated based on the net assets attributable to owners of the Company for the Group and the Company over the number of ordinary shares in issue at the respective balance sheet dates.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Unaudited FY2018 vs audited FY2017

Income Statement

Overall Group's turnover increased by 34.8% from S$0.884 million in FY2017 to S$1.192 million in FY2018 due to increase in revenue from license fees from the IT Division.

In line with the increase in revenue from the IT Division, purchase of software and services increased by 10.6% from S$0.423 million in FY2017 to S$0.468 million in FY2018.

The Group recorded foreign exchange loss of S$0.156 million generally due to the weakening of Euro and Malaysian Ringgit against the reporting currency of Singapore Dollar.

Loss on dilution of interest in an associate resulted from the dilution of interest of the Group's then associate - ECM Libra Financial Group Berhad ("**ECMLFG**") following a corporate exercise undertaken by ECMLFG for acquisitions of hotel assets with consideration settled by the issuance of its shares to third party.

Other operating expenses increased to S$2.236 million in FY2018 from S$0.771 million in FY2017 mainly due to expenses incurred on the development of Ormond Hotel in Dublin, Ireland by a subsidiary of the Company, Monteco Holdings Ltd ("**Monteco**") which is presently engaged in a dispute with its neighbours over the development of Ormond Hotel in Dublin.

The neighbours, being the owner and tenant of the property adjoining to the development site (**Neighbour Property**) have respectively initiated injunction applications and/or nuisance claims in the Dublin High Court against Monteco seeking order to injunct Monteco from amongst others, carrying on with the demolition and redevelopment of the Ormond Hotel and/or from committing acts of nuisance to the Neighbour Property.

Monteco's contractor has also referred a payment dispute, in the alleged sum of approximately €983,000 (the "**Alleged Sum**") to adjudication for works done on the development site. The Alleged Sum has been provided for in the Group's accounts.

Monteco has taken and will continue to take all necessary actions and steps to contest and defend the above claims.

The Group's share of profit from joint ventures reduced to S$1.514 million in the current financial year from S$11.897 million last financial year. The higher profits last year was contributed by the Group's share of 50% gain on disposal of Tune Hotel Edinburgh in May 2017 of approximately S$10.398 million from its joint venture investment. Operational profit from joint ventures continue to be contributed mainly by TP Sepang Sdn Bhd with its operating rights of Tune Hotel KLIA2 at Kuala Lumpur International Airport.

The Group recorded share of loss from associates of S$0.878 million in FY2018 as opposed to S$0.551 million in FY2017 which comprised share of loss from Educ8 of S$1.227 million (FY2017: S$1.953 million) and share of profits from TYK Capital Sdn Bhd ("**TYKC**") and ECMLFG of S$0.061 million (FY2017: S$1.336 million) and S$0.288 million (FY2017: S$0.066 million) respectively.

The loss registered by Educ8 was mainly due to high operating costs incurred by Epsom College in Malaysia, as it is still in the process of building up its reputation as an established boarding school with the aim of increasing its intake of new students. Lower loss of Educ8 as opposed to last year was due to higher student enrolments as well as cost optimisation in the current financial year.

Lower share of profit from TYKC was caused by higher expenses of Hard Disk Drives ("**HDD**") segment as a result of cost and quality issues. The sales and profitability of the non HDD segment also fell short of expectations.

The Group recorded a loss before tax of S$3.414 million in FY2018 largely due to share of loss from associates and higher operating expenses incurred on the development of Ormond Hotel in Dublin.

Statement of Financial Position

The increase in property, plant and equipment to S$10.565 million as at 31 December 2018 was due to the capitalisation of costs incurred for the development of the Ormond Hotel in Dublin, Ireland.

Investment in joint venture reduced to S$17.601 million in FY 2018 from S$31.661 million in FY 2017 due to the redemption of redeemable preference shares ("**RPS**") of TP Real Estate Holdings Pte Ltd ("**TPRE**"), was a joint venture company but now a wholly owned subsidiary after the acquisition of all its shares by the Company in mid May 2018) of S$5.083 million, and the payment of dividend by TPRE of S$11.488 million. Conversely, the amount due to joint venture reduced from S$6.369 million in FY2017 to S$0.749 million in FY2018.

Investment in associates reduced to S$17.901 million due to the payment of dividend by ECMLFG of S$3.064 million and the reclassification of ECMLFG's investment to "Financial Asset at fair value through other comprehensive income" following the dilution of interest in ECMLFG as a result of the corporate exercise undertaken by ECMLFG described above.

As at 31 December 2018, the Group invested excess fund in money market unit trust fund which has been classified as "Financial Assets at fair value through profit or loss".

Cash and cash equivalents increased as a result of consolidation of TPRE following the acquisition of 100% of TPRE's interest during the year, as cash and cash equivalent of TPRE was not consolidated when it was a joint venture of the Company.

Other payables and accruals increased to S$2.840 million as at 31 December 2018 from S$2.264 million as at 31 December 2017. This was mainly due to accruals of professional and consultancy fees in respect of Ormond Hotel development.

Amount due to related parties represents the amount contributed by the non-controlling interest, in proportion to its 40% shareholding in the Group's subsidiary, Monteco, which undertakes the development of Ormond Hotel in Dublin, Ireland.

As a result of improved working capital and cash position, the Group recorded net current liabilities of S$0.861 million as at 31 December 2018 as opposed to S$9.743 million last financial year.

Meanwhile, the Directors are of the view that the Group will have continued access to banking facilities made available to the Group. Mr LKO has committed to the Group not to withdraw his personal guarantees to the Group's current banking facilities so as to enable the Group to have continuous access to these banking facilities. Further to that, the Directors are of the view that the Group will be able to secure additional borrowings by securing its long-term assets which are currently unencumbered.

Cash Flows Statement

The net cash flows used in operating activities amounted to S$3.605 million during the financial year was mainly due to expenses incurred in connection with the development of the hotel in Dublin.

Net cash from financing activities increased during the year due to contribution from the non controlling interest of Monteco proportionate to their shareholding for the development of Ormond Hotel.

The net increase in cash and cash equivalents of S$7.425 million in FY2018 was mainly due to the dividend received from a joint venture of S$11.488 million, and the dividend received from associates of S$3.756 million, offset by the acquisitions of property, plant and equipment of S$3.516 million and increased investments in associates and joint venture totalling S$2.457 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

For the next reporting period, the Group's financials will continue to be driven primarily by its exposure to its three core sectors: hospitality through TPRE and Monteco, education through Educ8 and precision engineering and manufacturing via the Group's investment in TYKC.

Hospitality Sector

The focus of Hospitality Sector going forward is to continue to improve revenues (both room revenues and ancillary revenues) and operational efficiencies at Tune Hotel KLIA2. At the same time, the Group expects to receive planning permission for a hotel development on its Flinders Street site in Melbourne in 2019, with a view to commencing works on site later within the year. Meanwhile, development activities for the 120-room Ormond Hotel property in Dublin are underway, with scheduled commencement of operation in later part of 2020.

Education Sector

ECiM continues to aggressively market the school throughout the region particularly locally and to China, Japan and Korea. The school is also working with external partners to improve brand visibility and student intakes. Management is focused on student conversion programmes to improve student recruitment and revenues. The school plans to rationalize teaching, food and facilities management costs.

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Precision Engineering and Manufacturing Sector

In line with the wider industry trend, TYKC increasingly focuses on automation within its overall manufacturing process to ensure it remains competitive both in terms of price and quality. In parallel, the group continues its drive to explore potential businesses in the laser, automotive and other consumer electronics products with existing aswell as new customers to diversify its business and minimise concentration risk. At the same time, the group is also pursuing the expansion of its advanced engineering initiatives to drive the business forward.

IT Division

Management continues to focus on cost-efficient delivery of services to customers to remain competitive in the market. Management is also exploring new industry verticals to expand the marketability of enterprise resources planning solution and consulting services.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared/ (recommended); and

None

(b) (i) Amount per share:

Not applicable.

(ii) Previous corresponding period:

None

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

12. If no dividend has been declared/(recommended), a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended during the current financial year reported on as the Group intends to conserve cash for future investments.

13. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group does not have a general mandate for recurrent interested person transactions.

On 16 May 2018, the Group announced its joint venture with ECMLFG in Tune Plato Ventures Sdn Bhd with a total investment of RM7million (SGD2.4million). The joint venture investment is conducted pursuant to Catalist Rule 916(2).

Save for the above, there were no other interested person transactions of S$100,000 or more entered into during FY2018.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Business segments

Group As at 31 December 2018 (Unaudited)	IT operations	Investment activities	Corporate and others	Total	Eliminations and adjustments	Consolidated
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue						
Sales to external customers and total revenue	1,192	-	-	1,192	-	1,192
Results						
Interest income from bank deposits	-	45	7	52	-	52
Finance costs	-	(662)	-	(662)	-	(662)
Depreciation of property, plant and equipment	(18)	-	-	(18)	-	(18)
Share of profit from associates and joint ventures, net	-	636	-	636	-	636
Segment profit/(loss) before tax	235	(3,848)	199	(3,414)	-	(3,414)
Assets						
Additions to non-current assets	22	6,002	-	6,024	-	6,024
Investment in associates and joint ventures	-	35,502	-	35,502	-	35,502
Segment assets	373	59,693	2,990	63,056	-	63,056
Segment liabilities	466	13,595	5,779	19,839	-	19,839

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (cont'd)

Group As at 31 December 2017 (Unaudited)	IT operations	Investment activities	Corporate and others	Total	Eliminations and adjustments	Consolidated
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue						
Sales to external customers and total revenue	879	5	-	884	-	884
Results						
Interest income from bank deposits	1	57	8	66	-	66
Finance costs	-	(671)	-	(671)	-	(671)
Depreciation of property, plant and equipment	(18)	-	-	(18)	-	(18)
Gain on disposal of financial assets		354		354		354
Share of profit from associates and joint ventures, net	-	11,346	-	11,346	-	11,346
Segment (loss)/profit before tax	(580)	9,491	(490)	8,421	-	8,421
Assets						
Additions to non-current assets	6	1,632	-	1,638	-	1,638
Investment in associates and joint ventures	-	60,667	-	60,667	-	60,667
Segment assets	422	67,498	3,381	71,301	-	71,301
Segment liabilities	515	15,037	6,392	21,944	-	21,944

Geographic segments

Revenue from external customers

	Malaysia	Asia and others	Consolidated
	S$'000	S$'000	S$'000
31 December 2018 (Unaudited)			
Sales to external customers and total revenue	1,192	0	1,192
31 December 2017 (Audited)			
Sales to external customers and total revenue	884	0	884

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

Location of non-current assets

	Malaysia	Ireland	Consolidated
	S$'000	S$'000	S$'000
31 December 2018 (Unaudited)			
Non-current assets	19	10,546	10,565
31 December 2017 (Audited)			
Non-current assets	27	5,647	5,674

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

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments

Please refer to Paragraph 8.

16. A breakdown of sales

	Group		
	Group For the financial year ended 31-Dec-18	Group For the financial year ended 31-Dec-17	Increase / (Decrease)
	(Unaudited)	(Audited)	%
(a) Sales reported for the first half year	581	379	53.3
(b) Profit/(Loss) after tax before deducting non-controlling interests reported for the first half year	(710)	9,682	NM
(c) Sales reported for the second half year	611	505	21.0
(d) Profit/(Loss) after tax before deducting non-controlling interests reported for the second half year	(2,646)	(1,201)	NM

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable. No dividends have been declared during the financial years ended 31 December 2018 and 31 December 2017.

18. Confirmation of Undertakings from Directors and Executive Officers under Rule 720(1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("Listing Manual")

The Company has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) under Rule 720(1) of the Listing Manual.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Gareth Lim Tze Xiang	36	Son of Mr LKO	Alternate Director to Mr LKO since 2009 Chief Executive Officer since 2010 Duties include overseeing the investments & development of the Group's businesses; provide insight & strategic direction to the Group's business entities.	No change in duties and position held during the year.
Lim Kian Fah	52	Sister of Mr LKO	Director of Legal since 2017. Duties include overseeing all legal and regulatory compliance matters pertaining to the Group.	No change in duties and position held during the year.
Philippe Michel Staatz	39	Son in law of Mr LKO	Director of Investment since 2017 Duties include overseeing the Group's hospitality portfolio and pursuing the Group's strategy with regards to new projects in the hospitality and broader real estate sector.	No change in duties and position held during the year.

BY ORDER OF THE BOARD

Lim Kian Onn
Director
1 March 2019

Oh Teik Khim
Director

This announcement 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 announcement.

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

The contact person for the Sponsor is Ms Keng Yeng Pheng, Director, Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).