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PLATO CAPITAL LIMITED

ANNUAL REPORT 2014

Content

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

Board of Directors

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

Company 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

It has been a challenging year for Plato Capital Limited ("**PCL**") and its group of companies (collectively the "**Group**") with the Group registering a loss before tax of $7.48 million in the financial year ended 31 December 2014 ("**FY2014**") as the Group took a non-cash valuation write-down on its commercial real estate holdings and incurred start-up and pre-operating losses in its greenfield education and hospitality investments.

In recent years, Management has focused on diversifying away from PCL's traditional Information Technology ("**IT**") business and growing the Group's investment portfolio with capital deployed in assets across the hospitality, real estate, education and precision engineering sectors. Whilst confident in the longer term prospects of these investments and the sectors they operate in, many of these assets are start-ups and greenfield in nature and as such, have taken time to develop and generate returns. During the pre-operational period, these assets have incurred material pre-operating costs and have adversely affected the Group's financial performance. Going forward, we will begin to realise the benefits of these long-gestating investments as they come on-stream and generate revenue.

PERFORMANCE OF THE GROUP'S HOSPITALITY AND REAL ESTATE INVESTMENTS

With the commencement of operations of the flagship 400-room KLIA 2 airport property in FY2014, our joint venture with Tune Hotels.com Limited – TP Real Estate Holdings Pte. Ltd. ("**TPRE**") - has completed its development pipeline with properties open in the United Kingdom, Australia and Malaysia. These properties are expected to contribute significantly to the Group's performance going forward. However, in FY2014, TPRE made a loss of $1.22 million with our 50% share of these losses amounting to $0.61 million, primarily due to one-off expenses attributable to opening/pre-operating expenses.

Independent of TPRE, the Group continues to evaluate investment opportunities in Europe that can be used to expand the Group's hotel footprint, very much in the same vein as the earlier acquisition of the Dublin properties that have seen compelling value accretion in line with the recent economic recovery and uptick in sentiment in the Irish market.

In light of softening commercial real estate prospects in Kuala Lumpur, the Group has had to write-down the value of its lease in Wisma Char Yong to $4.05 million from $8.85 million.

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

Bucking the trend of previous years, the hard disk drive ("**HDD**") market posted a year-on-year volume growth of 2.2% in 2014 as desktop, mobile and consumer electronic HDD sales exceeded earlier expectations. As beneficiary of this improved market sentiment coupled with TYKC's recent management and operational restructuring efforts, TYKC made a profit after tax of $4.91 million in FY2014 with our effective 18.9% share of these profits amounting to $0.93 million. Moving forward, we expect TYKC to remain a key earnings driver for the Group as management continues its focus on increasing the quality of its products and the efficiency of its processes while reducing operational costs in order to meet its equity debt repayment obligations in the financial year ending 31 December 2015 ("**FY2015**").

To mitigate the risk of on-going volatility in HDD demand, TYKC will continue to focus its efforts on diversifying its precision engineering activities to cater to other areas such as automotive, oil and gas, and other consumer electronic products.

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

FY2014 was a year of transition for the Educ8 Group as it completed the development of its 50 acre campus on the outskirts of Kuala Lumpur and welcomed its first batch of students in September 2014. Despite the losses of $5.50 million incurred by the Educ8 Group in FY2014 due primarily to pre-operating expenses, we are encouraged by the initial reception and intake of approximately 200 students and look forward to the renowned Epsom-brand, experienced teaching faculty, targeted marketing efforts and world-class facilities driving student intake going forward.

PERFORMANCE OF THE GROUP'S IT DIVISION

The IT division of the Group registered a revenue of $1.38 million and a loss of $0.43 million in FY2014 as compared to reported revenue of $1.53 million and a profit of $0.76 million in the financial year ended 31 December 2013. The loss was a result of increased cost of operations as royalties paid to principals rose while there was a need to outsource implementation services due to a lack of in-house resources. For FY2015 we will continue to rely on third party service providers while intensifying our efforts to recruit staff.

On behalf of the Board, I would like to thank our employees, shareholders and partners for their continued commitment and support. I also wish to express my deep appreciation to my fellow directors for their invaluable contributions and their continued service to our shareholders. Despite weathering the challenging FY2014, the Board continues to believe that the investments the Group has pursued are the right ones and will build significant value for all stakeholders going forward.

Lim Kian Onn
Chairman
Plato Capital Limited

27 March 2015

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 and associated companies, the "**Group**") are committed to maintaining high standards of corporate governance and place 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 2014 ("**FY2014**"), 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?	The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable.
	If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	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 FY2014.

<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">Table 1.1 – Composition of the Board</th></tr>
<tr><th>Name of Director</th><th>Designation</th></tr>
<tr><td>Lim Kian Onn</td><td>Chairman/Non-Independent/Non-Executive Director*</td></tr>
<tr><td>Michael Kan Yuet Yun PBM</td><td>Independent Director</td></tr>
<tr><td>Chong Huai Seng</td><td>Independent Director</td></tr>
<tr><td>Oh Teik Khim</td><td>Executive Director/Chief Operating Officer ("COO")/Chief Financial Officer ("CFO")</td></tr>
</table>
*Gareth Lim Tze Xiang, the Chief Executive Officer ("CEO") of the Company, is an alternate director to Lim Kian Onn.

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:

• Providing entrepreneurial leadership;
• Monitoring Management’s performance;
• Establishing a framework for prudent and effective control risk management; and
• Safeguarding shareholders’ interests and the Group’s assets.
</td></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 Audit Committee (the “AC”) and the Remuneration Committee (the “RC”) (collectively, the “Board Committees”). The compositions of the Board Committees are as follows:
<table>
<tr><th colspan="3">Table 1.3 – Composition of the Board Committees</th></tr>
<tr><th></th><th>AC</th><th>RC</th></tr>
<tr><td>Chairman</td><td>Michael Kan Yuet Yun PBM</td><td>Chong Huai Seng</td></tr>
<tr><td>Member</td><td>Chong Huai Seng</td><td>Michael Kan Yuet Yun PBM</td></tr>
<tr><td>Member</td><td>Lim Kian Onn</td><td>Lim Kian Onn</td></tr>
</table>
</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>1.4</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 FY2014, the number of the Board and Board Committee meetings held and the attendance of each Board member is shown below.
<table>
<tr><th colspan="4">Table 1.4 - Attendance of Meeting</th></tr>
<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>1</td></tr>
<tr><th>Name of Director</th><th colspan="3">Number of Meetings Attended</th></tr>
<tr><td>Lim Kian Onn (Alternate Director: Gareth Lim Tze Xiang)</td><td>4</td><td>3</td><td>1</td></tr>
<tr><td>Michael Kan Yuet Yun PBM</td><td>5</td><td>3</td><td>1</td></tr>
<tr><td>Chong Huai Seng</td><td>5</td><td>3</td><td>1</td></tr>
<tr><td>Oh Teik Khim</td><td>5</td><td>–</td><td>–</td></tr>
</table>
The Company's Articles of Association (the "Articles") allow 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>Matters that require the Board's approval include, amongst others, the following:
• Overall Group business and budget strategy;
• Capital expenditures, investments or divestments of material limits;
• All capital-related matters including capital issuance and redemption;
• Significant policies governing the operations of the Group;
• Corporate strategic development and restructuring;
• Interested person transactions; and
• Risk management strategies.</td></tr>
<tr><td>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 FY2014. 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></td><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>Briefings, updates and trainings for the Directors in FY2014 included:
• the external auditor ("EA") briefed the AC on changes or amendments to accounting standards;
• The Company Secretary briefed the Board on changes in Companies Act, Chapter 50 of Singapore ("Companies Act"); and
• The Directors have attended courses conducted by the Singapore Institute of Directors as follows:
<table>
<tr><th>Name of Director</th><th>Course attended</th></tr>
<tr><td>Michael Kan Yuet Yun PBM</td><td>SID Director's Conference 2014 - Towards The New Capitalism</td></tr>
<tr><td>Chong Huai Seng</td><td>EBL Module 3 - Enterprise Risk Management</td></tr>
<tr><td>Oh Teik Khim</td><td>EBL Module 3 - Enterprise Risk Management</td></tr>
</table></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.	Although the Non-Independent/Non-Executive Chairman of the Board Mr Lim Kian Onn (the "**Chairman**") and the CEO are immediate family members and the Chairman is not an independent director, Guideline 2.2 of the Code is met as the Independent Directors make up half of the Board. Although the Chairman is the father of the CEO, the Board is of the view that there are sufficient safeguards and checks in place against an imbalanced concentration of power and authority in them. All major decisions are made in consultation with the Board, and with half of the Board members comprising of independent directors, 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. As such the Company does not have a lead independent director.
2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	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 annual 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. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	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.

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>2.4</td><td>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.</td><td>Notwithstanding that Mr Michael Kan Yuet Yun PBM has served beyond nine years since the date of his first appointment, the Board is of the view that Mr Michael Kan Yuet Yun PBM 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 Board is confident that Mr Michael Kan Yuet Yun PBM 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 Yuet Yun PBM has acceded to the Board's request.</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 rowspan="2">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.

The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

<table>
<tr><th colspan="4">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>(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></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>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
2.8	Have the Non-Executive Directors met in the absence of key management personnel in the last financial year?	The Non-Executive Directors had met once in the absence of key management personnel in FY2014.
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. 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 and developing 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 had met once in the absence of key management personnel in FY2014.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
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.
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 assessed by a qualitative assessment of the Director's contributions, after taking into account his other listed company board directorships and other principal commitments. 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; • Geographical location of Directors; • Size and composition of the Board; and • Nature and scope of the Group's operations and size.
	(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, and is satisfied that all Directors had discharged their duties adequately in FY2014.
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 CEO is appropriately qualified to bear the duties and responsibilities as an alternate director to the Chairman.

<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>
In FY2014, there were no new appointments of directors. Table 4.6(i) below describes the search and appointment process of new directors that will be undertaken as and when such need arises.
<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 consider and approve 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 assessed the performance of the director in accordance with the performance criteria set by the Board; and
• The Board considered 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 directors are subject to the provisions of Article 107 of the Company's Articles of Association ("Articles") whereby one-third of the Directors are required to retire and subject themselves to re-election by shareholders at each annual general meeting ("AGM"). The Board will assess and evaluate whether Directors retiring at each AGM are properly qualified for re-appointment by virtue of their skills, experience and contributions. The Board recommended that Mr Oh Teik Khim be nominated for re-election at the forthcoming AGM. The Board also recommended the re-appointment of Mr Michael Kan Yuet Yun PBM in accordance with Section 153(6) of the Companies Act, which if passed, he will hold office until the next AGM. Such re-appointment of a director will no longer be subject to shareholders' approval under Section 153(6) of the Companies Act as repealed when the Companies (Amendment) Act 2014 comes into force. The director will then be subject to retirement by rotation under the Company's Articles of Association.
Mr Michael Kan Yuet Yun PBM will, upon re-appointment as a Director of the Company, remain as Chairman of the Audit Committee and a member of the Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the SGX-ST Listing Manual Section B: Rules of Catalist (the "Catalist Rules").
In making the above recommendations, the Board had considered the Directors' overall contributions and performance.
</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>4.7</td><td>Please provide Directors’ key information.</td><td>The key information of the Directors, including their appointment dates and directorships held in the past 3 years, are set out on page 24 of this annual report.</td></tr>
<tr><td colspan="3">Board Performance</td></tr>
<tr><td rowspan="3">5.1
5.2
5.3</td><td>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?</td><td>Table 5 sets out the performance criteria, as approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole.

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 formal assessment to be conducted on the board committees and contribution of each individual Director to the effectiveness of the Board.

No external facilitator was used in the evaluation process.</td></tr>
<tr><td>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?</td><td>The review of the performance of the Board is conducted by the Board annually.

In FY2014, 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.</td></tr>
<tr><td>(b) Has the Board met its performance objectives?</td><td>Yes, the Board has met its performance objectives.</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 colspan="3">Access to Information</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>
<table>
<tr><th colspan="3">Table 6 – Types of information provided by key management personnel to Independent Directors</th></tr>
<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' report(s)</td><td>Annually, save for Management Accounts – on quarterly basis</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>
Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</td></tr>
<tr><td>6.3</td><td>What is the role of the Company Secretary?</td><td>The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows:
• Ensuring that Board procedures are observed and that the Company's Memorandum and the Articles, 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 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.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
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 members of the RC do not participate in any decisions concerning their own remuneration. 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 FY2014. 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.
Disclosure on Remuneration		
9	What is the Company's remuneration policy?	The Company's remuneration policy 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 on the link that total compensation has to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market.

<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?</td><td>The breakdown for the remuneration of the Directors in FY2014 was as follows:
<table>
<tr><th colspan="6">Table 9 – Directors' Remuneration</th></tr>
<tr><th>Name</th><th>Salary (%)</th><th>Bonus (%)</th><th>Directors Fees (%)</th><th>Benefits-in-kind (%)</th><th>Total (%)</th></tr>
<tr><td colspan="6">Below S$250,000</td></tr>
<tr><td>Lim Kian Onn</td><td>-</td><td>-</td><td>100</td><td>-</td><td>100</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></tr>
<tr><td>Michael Kan Yuet Yun PBM</td><td>-</td><td>-</td><td>100</td><td>-</td><td>100</td></tr>
<tr><td>Chong Huai Seng</td><td>-</td><td>-</td><td>100</td><td>-</td><td>100</td></tr>
<tr><td>Oh Teik Khim</td><td>85</td><td>-</td><td>13</td><td>2</td><td>100</td></tr>
</table>
[1]Gareth Lim Tze Xiang is the son of Lim Kian Onn.

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 highly competitive environment.

There are no termination, retirement or post-employment benefits that may be granted to the Directors, the CEO and the 3 key management personnel.</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">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 3 key management personnel.

The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) in FY2014 was as follows:

Table 9.3 – Remuneration of Key Management Personnel<table><tr><th>Name</th><th>Remuneration (S$)</th><th>Salary (%)</th><th>Bonus (%)</th><th>Benefits-in-kind (%)</th><th>Others (%)</th><th>Total (%)</th></tr><tr><td colspan="7">Below S$250,000</td></tr><tr><td>Choo Seng Lai</td><td>-</td><td>61</td><td>-</td><td>-</td><td>39</td><td>100</td></tr><tr><td>Lim Kian Fah</td><td>-</td><td>100</td><td>-</td><td>-</td><td>-</td><td>100</td></tr><tr><td>Chin Jon Wei</td><td>-</td><td>100</td><td>-</td><td>-</td><td>-</td><td>100</td></tr></table></td></tr>
<tr><td>(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</td><td>The total remuneration paid to the 3 key management personnel in FY2014 was S$237,036.</td></tr>
<tr><td>9.4</td><td>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.</td><td>Save for the CEO and Ms Lim Kian Fah who are the son of and sister of the Chairman respectively, there was no other employee of the Group who was an immediate family of a Director or the CEO whose remuneration exceeded S$50,000 in FY2014.

The CEO's and Ms Lim Kian Fah's remuneration in FY2014 was within the bands of S$150,000 to S$200,000 and S$50,000 to S$100,000 respectively.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
9.5	Please provide details of the employee share scheme(s).	The Company does not have an employee share scheme.
9.6	(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.	The remuneration received by the Executive Director and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2014. Their remunerations are made up of fixed and variable compensations. The fixed compensation consists of an annual base salary and fixed allowances. The variable compensation is determined based on the level of achievement of individual performance objectives.
	(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?	The following performance conditions for short-term incentives (such as performance bonus) are used by the Group to remain competitive and to motivate the Executive Directors 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)*** 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Macro-economic factors Currently, the Company does not have any long-term incentive scheme.
	(c) Were all of these performance conditions met? If not, what were the reasons?	Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2014.

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 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 in FY2014. 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 has been done by the IA 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 when the opportunities arise.
	(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 had obtained such assurance from the CEO and CFO in respect of FY2014. The Board had additionally relied on IA's reports issued to the Company for FY2014 in respect of the reviews on property management and financial controls as assurances that the Company's risk management and internal control systems are effective.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Audit Committee		
12.1 12.4	What is the role of the AC?	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.
12.5	Has the AC met with the auditors in the absence of key management personnel?	Yes, the AC had met with the IA and the EA once in the absence of key management personnel in FY2014.
12.6	Has the AC reviewed the independence of the EA?	The AC had 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.
	(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.	There were no non-audit services rendered by the EA during FY2014. The fees paid/payable by the Company to the EA for audit services for FY2014 amount to S$125,776.
	(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.	Not applicable

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></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 FY2014, the AC:-

• Attended director courses as follows;

<table><tr><th>Name of Director</th><th>Course attended</th></tr><tr><td>Michael Kan Yuet Yun PBM</td><td>SID Director's Conference 2014 - Towards The New Capitalism</td></tr><tr><td>Chong Huai Seng</td><td>EBL Module 3 - Enterprise Risk Management</td></tr></table>
• Was kept abreast by the EA of changes to accounting standards and issues which have a direct impact on financial statements.</td></tr>
<tr><td colspan="3">Internal Audit</td></tr>
<tr><td>13.1
13.2
13.3
13.4
13.5</td><td>Please provide details of the Company's internal audit function, if any.</td><td>The Company's internal audit function is outsourced to Boardroom Corporate Services (KL) Sdn Bhd that reports directly to the AC Chairman and administratively to the CFO. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is satisfied that IA is adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
SHAREHOLDER RIGHTS AND RESPONSIBILITIES		
Communication with Shareholders		
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 AGM. 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 does not have a dedicated investor relations team. The Company's CEO and COO are responsible for the Company's communication with shareholders.
	(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.
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 is paying dividends for the financial year? If not, please explain why.	The Board has not declared or recommended for FY2014, as the Company reported losses for FY2014.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
CONDUCT OF SHAREHOLDER MEETINGS		
16.1 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	The Company's Articles do 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 requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, unless of exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. The Company shall, for the time being, put all resolutions to vote by show of hands as it is of the view that voting by poll is logistically burdensome and not cost effective. The Company would adopt poll voting for its general meetings of shareholders held on or after 1 August 2015. All minutes of general meetings will made available to shareholders upon their request within 14 days after they have made a request in writing in that behalf to the Company.

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	Save for the contracts entered in relation to the Share Acquisition (as defined below) and Loan (as defined below) listed below, there were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2014 or if not then subsisting, entered into since the end of the previous financial year.

Share Acquisition	12 September 2013: Share sale agreement between the Company and Vindelta Limited ("**Vindelta**") wherein the Company bought shares in Monteco Holdings Limited ("**Monteco**") from Vindelta ("**Share Acquisition**"). 30 June 2014: Extension of payment deadlines of the Share Acquisition from 28 February 2015 to 28 February 2017 on the same terms. Interest is charged at 2.6% per annum on the outstanding amount for the Shares Acquisition.
Loan	12 September 2013: Loan letter between the Company's subsidiary Plato Management Sdn Bhd and Mr Lim Kian Onn ("**Mr LKO**") wherein the latter has agreed to lend Ringgit Malaysia 5,000,000 to PMSB ("**Loan**"). 30 June 2014: Extension of payment deadlines of the Loan from 28 February 2015 to 28 February 2017 on the same terms and interest rates. Interest is charged at 5.6% per annum on the outstanding amount for the Loan.

<table>
<tr><th>Guideline</th><th>Code and/or Guide 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 and effective to address the financial, operational and compliance risks 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 following are IPTs with value more than S$100,000 transacted during FY2014.

<table>
<tr><th>Name of Interested Person</th><th>Aggregate value of all IPTs 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 IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)</th></tr>
<tr><td>Lim Kian Onn and/ or Vindelta Limited[1]</td><td>S$1,254,505[2]</td><td>-</td></tr>
</table>

Notes:
[1]Vindelta is a company 100% owned by Mr LKO and his spouse.

[2]With regards to the interested person transactions relating to Mr LKO that were announced on 12 September 2013 ("Announcement'), namely the Share Acquisition and the Loan of which the transaction values were S$831,911.93 and S$158,066.35 respectively as at the date of Announcement, the Company had on 30 June 2014, extended the payment deadlines of the Share Acquisition and the Loan from 28 February 2015 to 28 February 2017 on the same terms and interest rates ("Extension"). Interest is charged at 2.6% per annum on the outstanding amount for the Share Acquisition while at 5.6% per annum on the outstanding amount for the Loan. As at the date of the Extension, the transaction values for the Share Acquisition and the Loan was S$874,284 and S$380,221 respectively totaling S$1,254,505 and the same have been duly announced on 13 August 2014 when the Company announced the financial results for half financial year ended 30 June 2014 .</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 trading 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>No non-sponsor fees were paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. in FY2014.</td></tr>
</table>

Profile Of Board Of Directors

Michael Kan Yuet Yun PBM

Independent Director

Appointed on 29 November 2002, last re-appointed on 25 April 2014; Age 75

Mr Michael Kan is currently also an independent director of Singapore Exchange-listed Vibropower Corporation Ltd and was previously an Independent Director of OSIM International Ltd. Mr Kan 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 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 64

Mr Chong 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 25 April 2013; Age 58

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 a 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 24 October 2011; Age 60

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 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 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.

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' Report

The directors hereby present their report 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 2014.

Directors

The directors of the Company in office at the date of this report 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 a director, who held office at the end of the financial year in shares of the Company are as follows:

	Direct interest		**Deemed interest**	
Name of Director	**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)				
Lim Kian Onn	–	–	68,415,627	68,415,627

By virtue of Section 7 of the Act, Lim Kian Onn is deemed to have an interest in 68,415,627 shares (40,415,627 shares are held vide Citibank Nominees Singapore Pte. Ltd. for Bank Julius Baer (Singapore) Ltd for Lim Kian Onn and his spouse jointly and 28,000,000 shares are held vide DBSN Services Pte Ltd for A/c JPMorgan Bank Luxembourg SA re JPMorgan 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 2015 in the shares of the Company have not changed from those disclosed as at 31 December 2014.

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.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Share options

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under option in the Company or its subsidiaries as at the end of the financial year.

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 four 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 reappointment as auditor.

On behalf of the Board of Directors:

Lim Kian Onn
Director

Oh Teik Khim
Director

27 March 2015

Statement by Directors

We, Lim Kian Onn and Oh Teik Khim, being two of the directors of Plato Capital Limited (the "Company"), do hereby state that, in the opinion of the directors:

(i) the accompanying balance sheets, consolidated statement of comprehensive income, statements of changes in equity, and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results of the business, 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.

On behalf of the Board of Directors:

Lim Kian Onn
Director

Oh Teik Khim
Director

27 March 2015

Independent Auditor's Report for the financial year ended 31 December 2014

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

Report on the financial statements

We have audited the accompanying financial statements of Plato Capital Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 32 to 107, which comprise the balance sheets of the Group and the Company as at 31 December 2014, the statements of changes in equity of the Group and the Company, the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

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 subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
27 March 2015

Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2014

	Note	2014	2013
		$	$
Revenue	4	1,468,429	1,779,456
Other income	5	175,300	383,545
		1,643,729	2,163,001
Other items of income/(expense)			
Fair value loss on investment property	12	(4,655,181)	(767,800)
Gain on disposal of a subsidiary	13	–	579,295
Purchase of software and services		(638,324)	(522,447)
Finance cost of credit facilities		–	(112,320)
Property management cost	12	(355,854)	(382,019)
Employee benefits expenses	6	(1,345,937)	(1,225,748)
Depreciation of property, plant and equipment	11	(37,905)	(32,068)
Foreign exchange loss, net		(109,433)	(104,616)
Write-back of allowance for doubtful trade debts	17	–	7,813
Gain/(loss) on disposal of available-for-sale financial assets		963,646	(332,700)
Impairment of available-for-sale financial assets	16	(648,284)	(828,808)
Other operating expenses		(725,523)	(743,385)
Bank charges		(4,164)	(2,352)
Finance costs	7	(768,167)	(633,931)
Share of (loss)/profit from joint venture		(610,576)	3,583,768
Share of loss from associates		(191,271)	(1,895,796)
Loss before tax	8	(7,483,244)	(1,250,113)
Income tax credit/(expense)	9	125,194	(420,760)
Loss for the year		(7,358,050)	(1,670,873)

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

	Note	2014 $	2013 $
Loss for the year		(7,358,050)	(1,670,873)
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		(52,805)	–
Items that may be reclassified subsequently to profit or loss			
Net change in fair value reserve for available-for-sale financial assets:			
- Gain/(loss) on fair value changes of available-for-sale financial assets		68,026	(776,347)
- Transfer to profit or loss upon disposal		–	332,700
- Impairment loss reclassified to profit or loss		–	828,808
		68,026	385,161
Share of foreign currency translation reserve of joint venture		(478,987)	(1,321,104)
Share of foreign currency translation reserve of associates		637,196	(330,523)
Realisation of foreign currency translation reserve to profit or loss upon disposal of subsidiary	13	–	(579,257)
Foreign currency translation		(47,106)	769,868
		179,129	(1,075,855)
Other comprehensive income/(loss) for the year, net of tax		126,324	(1,075,855)
Total comprehensive loss for the year		(7,231,726)	(2,746,728)
Loss for the year attributable to:			
Owners of the Company		(6,125,160)	(681,625)
Non-controlling interests		(1,232,890)	(989,248)
		(7,358,050)	(1,670,873)
Total comprehensive loss for the year attributable to:			
Owners of the Company		(6,138,258)	(1,822,388)
Non-controlling interests		(1,093,468)	(924,340)
		(7,231,726)	(2,746,728)
Loss per share (cents) attributable to owners of the Company			
Basic and diluted	10	(3.70)	(0.41)

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

Balance Sheets as at 31 December 2014

	Note	Group 2014 $	Group 2013 $	Company 2014 $	Company 2013 $
Non-current assets					
Property, plant and equipment	11	4,485,124	4,746,353	–	–
Investment property	12	4,048,559	8,852,700	–	–
Investment in subsidiaries	13	–	–	4,420,911	4,804,811
Investment in joint venture	14	20,256,437	21,346,000	20,390,050	20,390,050
Investment in associates	15	18,514,441	16,500,956	–	–
Available-for-sale financial assets	16	641,987	3,062,566	–	–
		47,946,548	54,508,575	24,810,961	25,194,861
Current assets					
Trade receivables	17	447,729	520,363	–	–
Other receivables and deposits	18	45,795	74,728	19	–
Prepaid operating expenses		47,334	32,700	11,800	10,879
Deferred maintenance cost		213,189	217,634	–	–
Tax recoverable		36,851	–	–	–
Amounts due from subsidiaries	19	–	–	6,263,190	6,905,280
Amount due from joint venture	20	630,179	1,246,871	630,179	1,246,871
Cash and cash equivalents	21	2,900,341	3,457,318	695,414	41,797
		4,321,418	5,549,614	7,600,602	8,204,827
Total assets		52,267,966	60,058,189	32,411,563	33,399,688
Current liabilities					
Trade payables	22	179,320	227,359	–	–
Other payables and accruals	23	1,875,843	1,977,050	167,301	206,540
Deferred revenue		363,212	405,814	–	–
Amounts due to subsidiaries	19	–	–	8,677,113	7,788,038
Income tax payable		–	32,226	–	–
Loans and borrowings	24	6,053,920	6,158,400	–	–
		8,472,295	8,800,849	8,844,414	7,994,578
Net current (liabilities)/assets		(4,150,877)	(3,251,235)	(1,243,812)	210,249
Non-current liabilities					
Deferred tax liabilities	25	–	129,512	–	–
Finance lease payables	26	3,596,358	3,592,759	–	–
Amounts due to related parties	27	5,581,936	5,685,966	828,841	807,676
		9,178,294	9,408,237	828,841	807,676
Total liabilities		17,650,589	18,209,086	9,673,255	8,802,254
Net assets		34,617,377	41,849,103	22,738,308	24,597,434
Equity					
Share capital	28	37,148,948	37,148,948	37,148,948	37,148,948
Fair value reserve	29	68,026	–	–	–
Foreign currency translation reserve	30	(5,012,018)	(4,967,858)	–	–
Retained earnings/(accumulated losses)		475,233	6,637,357	(14,410,640)	(12,551,514)
Equity attributable to owners of the Company		32,680,189	38,818,447	22,738,308	24,597,434
Non-controlling interests		1,937,188	3,030,656	–	–
Total equity		34,617,377	41,849,103	22,738,308	24,597,434
Total equity and liabilities		52,267,966	60,058,189	32,411,563	33,399,688

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 2014

	Attributable to owners of the Company						
	Share capital	Fair value reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	$	$	$	$	$	$	$
Group							
At 1 January 2014	37,148,948	–	(4,967,858)	6,637,357	38,818,447	3,030,656	41,849,103
Loss for the year	–	–	–	(6,125,160)	(6,125,160)	(1,232,890)	(7,358,050)
Other comprehensive income:							
Share of other comprehensive loss on re-measurement of the defined benefits obligations of an associate	–	–	–	(36,964)	(36,964)	(15,841)	(52,805)
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	–	–	(478,987)	–	(478,987)	–	(478,987)
Share of foreign currency translation reserve of associates	–	–	392,545	–	392,545	244,651	637,196
Foreign currency translation	–	–	42,282	–	42,282	(89,388)	(47,106)
Other comprehensive income for the year, net of tax	–	68,026	(44,160)	(36,964)	(13,098)	139,422	126,324
Total comprehensive loss for the year	–	68,026	(44,160)	(6,162,124)	(6,138,258)	(1,093,468)	(7,231,726)
At 31 December 2014	37,148,948	68,026	(5,012,018)	475,233	32,680,189	1,937,188	34,617,377

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 reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Equity attributable to owners of the Company**	**Non-controlling interests**	**Total equity**
	$	$	$	$	$	$	$
Group							
At 1 January 2013	37,148,948	(385,161)	(3,441,934)	7,318,982	40,640,835	2,258,477	42,899,312
Loss for the year	–	–	–	(681,625)	(681,625)	(989,248)	(1,670,873)
Other comprehensive income:							
Net change in fair value reserve for available-for-sale financial assets	–	385,161	–	–	385,161	–	385,161
Share of foreign currency translation reserve of joint venture	–	–	(1,321,104)	–	(1,321,104)	–	(1,321,104)
Share of foreign currency translation reserve of associates	–	–	(299,757)	–	(299,757)	(30,766)	(330,523)
Realisation of foreign currency translation reserve to profit or loss upon disposal of subsidiary (Note 13)	–	–	(579,257)	–	(579,257)	–	(579,257)
Foreign currency translation	–	–	674,194	–	674,194	95,674	769,868
Other comprehensive loss for the year, net of tax	–	385,161	(1,525,924)	–	(1,140,763)	64,908	(1,075,855)
Total comprehensive loss for the year	–	385,161	(1,525,924)	(681,625)	(1,822,388)	(924,340)	(2,746,728)
Changes in ownership interest in subsidiary							
Issue of shares to non-controlling interest of subsidiary, representing total transactions with owners in their capacity as owners	–	–	–	–	–	1,696,519	1,696,519
At 31 December 2013	37,148,948	–	(4,967,858)	6,637,357	38,818,447	3,030,656	41,849,103

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

	Attributable to equity holders of the Company		
	Share capital $	Accumulated losses $	Total equity $
Company			
2014			
At 1 January 2014	37,148,948	(12,551,514)	24,597,434
Loss for the year, representing total comprehensive loss for the year	–	(1,859,126)	(1,859,126)
At 31 December 2014	37,148,948	(14,410,640)	22,738,308
2013			
At 1 January 2013	37,148,948	(12,326,204)	24,822,744
Loss for the year, representing total comprehensive loss for the year	–	(225,310)	(225,310)
At 31 December 2013	37,148,948	(12,551,514)	24,597,434

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 2014

	2014 $	2013 $
Cash flows from operating activities:		
Loss before tax	(7,483,244)	(1,250,113)
Adjustments for:		
Interest income from bank deposits	(42,775)	(39,997)
Interest income from provision of credit facilities	–	(177,657)
Gain on disposal of investment property	–	(281,466)
Fair value loss on investment property	4,655,181	767,800
Gain on disposal of property, plant and equipment	–	(384)
Gain on disposal of a subsidiary	–	(579,295)
Finance cost of credit facilities	–	112,320
Interest expenses	768,167	633,931
Depreciation of property, plant and equipment	37,905	32,068
Property, plant and equipment written off	–	1,050
Write-back of allowance for doubtful trade debts	–	(7,813)
(Gain)/loss on disposal of available-for-sale financial assets	(963,646)	332,700
Impairment of available-for-sale financial assets	648,284	828,808
Share of loss/(profit) from joint venture	610,576	(3,583,768)
Dividend income from investment securities	(37,636)	(53,517)
Share of loss from associates	191,271	1,895,796
Unrealised foreign exchange loss, net	106,949	407,227
Operating loss before working capital changes	(1,508,968)	(962,310)
Receivables	77,336	4,016,495
Amount due from joint venture	616,692	(1,246,523)
Payables	(466,232)	66,200
Cash flows (used in)/from operations	(1,281,172)	1,873,862
Income tax paid	(70,788)	(272,728)
Net cash flows (used in)/from operating activities	(1,351,960)	1,601,134
Cash flows from investing activities		
Acquisition of property, plant and equipment	(147,511)	(4,632,361)
Proceeds from disposal of available-for-sale financial assets	2,921,640	3,742,634
Proceeds from disposal of property, plant and equipment	–	384
Proceeds from disposal of investment property	–	3,736,566
Proceeds from disposal of a subsidiary	–	38
Investment in associates	(1,620,365)	(5,584,207)
Dividends received from investment securities	37,636	53,517
Net cash generated from/(used in) investing activities	1,191,400	(2,683,429)

	2014	2013
	$	$
Cash flows from financing activities		
Interest paid	(570,902)	(657,240)
Interest received from bank deposits	42,775	39,997
Interest received from provision of credit facilities	–	177,657
Shares subscribed by a non-controlling interest of a subsidiary	–	1,696,519
Loans from related party	–	1,924,500
Repayment of bank borrowings	–	(1,535,600)
Net cash (used in)/from financing activities	(528,127)	1,645,833
Net (decrease)/increase in cash and cash equivalents	(688,687)	563,538
Effect of exchange rate changes on cash and cash equivalents	131,710	244,948
Cash and cash equivalents at 1 January	3,457,318	2,648,832
Cash and cash equivalents at 31 December (Note 21)	2,900,341	3,457,318

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 2014

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 $4,150,877 (2013: $3,251,235) as the Directors are of the view that the Group will continue 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 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. Further to that, an Islamic Revolving Credit facility of RM10 million will expire in August 2015. The bank is currently in the process of reviewing the facility and executing a new Asset Purchase Agreement and Asset Sale Agreement with the Group to ensure that the subsidiary has continuous access to this revolving credit facility (Note 24). 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 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 2014. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

In the current financial year, additional disclosures have been made in the financial statements to comply with the requirements of FRS 112 Disclosure of Interests in Other Entities, which is effective for financial periods beginning on or after 1 January 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. As this is a disclosure standard, there is no impact to the financial position and financial performance of the Group and Company.

(in Singapore Dollars) continued

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 19 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 103 *Business Combinations*	1 July 2014
(b) Amendments to FRS 108 *Operating Segments*	1 July 2014
(c) Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangible Assets*	1 July 2014
(d) Amendments to FRS 24 *Related Party Disclosures*	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 *Business Combinations*	1 July 2014
(b) Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
(c) Amendments to FRS 40 *Investment Property*	1 July 2014
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 111 *Accounting for Acquisition of Interests in Joint Operations*	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 *Non-current Assets Held-for-Sale and Discontinued Operations*	1 January 2016
(b) Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018

Except for FRS 109 and FRS 115, 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.

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

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

FRS 109 Financial Instruments

FRS 109 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in FRS 39. The approach in FRS 109 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. FRS 109 enables companies to reflect their risk management activities better in their financial statements, and, in turn, help investors to understand the effect of those activities on future cash flows. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The directors are currently assessing the instruments impacted due to the new measurement criteria and plan to adopt the new standard on 1 January 2018.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that apply to revenue earned from contract with a customer (with limited exceptions), regardless of the type of revenue transaction of the industry. The standard requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities.

Extensive disclosures will be required, including disaggregation of total revenue, information about performance obligations; changes in contract amount and liability amount balances between period and key judgments and estimates.

The directors are currently assessing the impact of FRS 115 and plan to adopt the new standard on 1 January 2017.

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 another 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.

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 an unlimited useful life and therefore is not depreciated.

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

2.7 Property, plant and equipment (cont'd)

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.

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 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

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

2.9 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.

2.10 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.

2.11 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 2.12.

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

2.12 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.

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

2.13 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)

2.13 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

Financial liabilities at amortised cost

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.

2.14 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)*

2.14 *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.

2.15 *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)*

2.16 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.

2.17 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.

2.18 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.

2.19 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.

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

2.19 *Employee benefits (cont'd)*

(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 statement of financial position 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

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. Summary of significant accounting policies (cont'd)

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.

(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.

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

2.22 Taxes (cont'd)

(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.

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.

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

2.22 Taxes (cont'd)

(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 judgments and estimates*

The preparation of the Group's consolidated financial statements requires management to make judgments, 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 *Judgments made in applying accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Impairment of available-for-sale equity investments

Quoted equity investment

The Group records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgment. In making this judgment, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. In the previous financial year, the impairment loss recognised for available-for-sale financial assets was $828,808. There were no further impairment adjustments made for quoted equity investments in the current financial year. The carrying amount of quoted available-for-sale equity investments as at 31 December 2014 was $641,986 (2013: $2,437,639).

Unquoted equity investment

The investment in unquoted equity securities is stated at cost less accumulated impairment as its fair value cannot be determined reliably. During the financial year, the Group has performed an impairment assessment and has recognised an impairment loss of $648,284 (2013: $Nil) and has reflected the carrying amount of this investment at a nominal amount of $1, due to the uncertainty over the recoverable amount of this investment.

(b) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

(c) Impairment in investment in subsidiaries

Investment in subsidiaries is tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such indication exists, based on the evaluation of both internal and external sources of information. If any such indication exists, management assesses the recoverable amount of the investment in subsidiaries based on the fair value less cost to sell which approximates the extent of the net assets held by the subsidiaries at the end of the reporting period. If the recoverable amount of the investment in subsidiaries is less than its carrying amount, an impairment loss is recognised in profit or loss to reduce the carrying amount of the investment in subsidiaries to its recoverable amount. For the financial year ended 31 December 2014, an impairment loss of $383,900 (2013: $469,885) was recognised in profit or loss to write down a subsidiary to it's recoverable amount.

3. *Significant accounting judgments and estimates (cont'd)*

3.1 Judgments made in applying accounting policies (cont'd)

(c) Impairment in investment in subsidiaries (cont'd)

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. There was no reversal of impairment loss in relation to investment in any of the subsidiaries of the Group for the financial year ended 31 December 2014 (2013: $766,383).

(d) Impairment in investment in joint venture and associates

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 its joint venture and associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in joint venture and associates are impaired. Judgment is required to determine if any such evidence exists. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and associates and its carrying value and recognises the amount in profit or loss. No impairment was recognised for the financial years ended 31 December 2014 and 2013.

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.

(a) Revaluation of investment property

The Group carries its investment property at fair value, with changes in fair values being recognised in profit or loss.

The fair value of investment property is determined by an independent real estate valuation expert using recognised valuation techniques. As at 31 December 2014, the investment property comprising a lease interest in an office building in Malaysia has been valued using the discounted cash flow method.

The determination of the fair value of the investment property requires the use of estimates such as future cash flows from the investment property (such as lettings, future revenue streams, capital values of fixtures and fittings and the overall repair and condition of the property) and discount rates applicable to the asset. These estimates are based on local market conditions existing at the end of each reporting date.

The carrying amount and key assumptions used to determine the fair value of the investment property is further explained in Note 35.

3. *Significant accounting judgments and estimates (cont'd)*

3.2 *Key sources of estimation uncertainty (cont'd)*

(b) *Taxes*

Uncertainties exist with respect to the amount and timing of future taxable income. The Group has tax losses carried forward amounting to approximately $3,059,000 (2013: $2,805,000) and unabsorbed capital allowances of approximately $30,000 (2013: $35,000). These losses and capital allowances relate to subsidiaries that have a history of losses, have no expiry and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither temporary taxable differences nor any tax planning opportunities available that could support the recognition of any of these losses and capital allowances as deferred tax assets.

The deferred tax assets not recognised as at 31 December 2014 amounted to approximately $749,000 (2013: $686,000).

(c) *Impairment of loans and receivables*

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and Company's loans and receivables at the end of the reporting period is disclosed in Note 35.

(d) *Depreciation of property, plant and equipment*

The cost of property, plant and equipment is depreciated on a straight-line basis over their estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 5 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amounts of the Group's and Company's property, plant and equipment at the end of the reporting period is disclosed in Note 11.

(in Singapore Dollars) continued

4. Revenue

	Group 2014 $	Group 2013 $
Revenue from:		
- sale of goods	16,501	30,562
- license fees and services	805,270	964,286
- service maintenance	560,404	538,910
Interest income from provision of credit facilities	–	177,657
Dividend income	37,636	53,517
Rental income	48,618	14,524
	1,468,429	1,779,456

5. Other income

	Group 2014 $	Group 2013 $
Interest income from bank deposits	42,775	39,997
Gain on disposal of investment property	–	281,466
Insurance claims	81,287	–
Miscellaneous income	51,238	62,082
	175,300	383,545

6. Employee benefits expenses

	Group 2014 $	Group 2013 $
Salaries and wages	1,169,640	1,070,733
Defined contribution plans	113,792	100,773
Other employee benefits	62,505	54,242
	1,345,937	1,225,748

Employee benefits expenses include the amounts shown as Directors' remuneration in Note 31.

(in Singapore Dollars) continued

7. Finance costs

	Group	
	2014	2013
	$	$
Interest expense on finance lease	284,524	283,619
Interest expense on bank borrowings	356,505	312,781
Interest expense on borrowings from related parties	127,138	37,531
	768,167	633,931

In addition to the amounts above, interest expense on bank borrowings incurred for the provision of credit facilities amounting to $Nil (2013: $112,320) has been classified as "Finance cost of credit facilities" in the profit or loss.

8. Loss before tax

The following items have been included in arriving at loss before tax:

	Group	
	2014	2013
	$	$
Audit fees:		
- auditors of the Company	100,991	103,457
- other auditors	24,785	35,461
Operating lease expenses	57,475	57,472
Property, plant and equipment written off	–	1,050
Gain on disposal of property, plant and equipment	–	(384)

9. Income tax expense

Major components of income tax expense

The major components of income tax (credit)/expense for the years ended 31 December 2014 and 2013 are:

	Group	
	2014	2013
	$	$
Current income tax		
- Current income taxation	–	295,720
- Under/(over) provision in respect of previous years	2,154	(4,135)
	2,154	291,585
Deferred tax (Note 25)		
- (Reversal)/origination of temporary differences	(127,348)	129,175
Income tax (credit)/expense recognised in profit or loss	(125,194)	420,760

(in Singapore Dollars) continued

9. Income tax expense (cont'd)

Relationship between tax (credit)/expense and accounting 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 2014 and 2013 are as follows:

	Group	
	2014	**2013**
	$	$
Accounting loss before tax	(7,483,244)	(1,250,113)
Tax at the domestic rates applicable to losses in the countries where the Group operates	(1,748,877)	(268,122)
Adjustments:		
Non-deductible expenses	1,643,247	366,420
Income not subject to taxation	–	(204,054)
Effects of disposal of investment property subject to real property gains tax	–	224,636
Effect on change in tax rate for real property gains tax	(127,348)	129,175
Deferred tax assets not recognised	111,545	181,179
Utilisation of previously unabsorbed capital allowances	(5,915)	(4,339)
Under/(over) provision of income tax in respect of previous years	2,154	(4,135)
Income tax (credit)/expense recognised in profit or loss	(125,194)	420,760

10. Loss per share

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

Diluted loss per share is calculated by dividing loss net of tax, attributable to owners of the Company 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 loss and share data used in the computation of basic and diluted loss per share for the years ended 31 December:

	Group	
	2014	**2013**
Loss attributable to owners of the Company ($)	(6,125,160)	(681,625)
Weighted average number of ordinary shares	165,451,344	165,451,344
Basic and diluted loss per share (cents)	(3.70)	(0.41)

The Group did not have any dilutive potential ordinary shares in the current financial year or previous financial year.

(in Singapore Dollars) continued

11. Property, plant and equipment

Group	Freehold land $	Computer equipment $	Motor vehicles $	Furniture and fittings $	Office renovation $	Office equipment $	Total $
Cost							
At 1 January 2013	–	779,686	65,813	5,660	85,945	113,211	1,050,315
Additions	4,619,603	10,734	–	1,383	–	641	4,632,361
Disposals/write off	–	(28,819)	–	–	–	(2,311)	(31,130)
Disposal of a subsidiary (Note 13)	–	(572,391)	(64,257)	–	–	(75,856)	(712,504)
Exchange differences	60,044	(17,942)	(1,556)	(116)	(1,815)	(2,591)	36,024
At 31 December 2013 and 1 January 2014	4,679,647	171,268	–	6,927	84,130	33,094	4,975,066
Additions	78,530	13,045	55,936	–	–	–	147,511
Exchange differences	(369,711)	(2,909)	–	(117)	(1,427)	(561)	(374,725)
At 31 December 2014	4,388,466	181,404	55,936	6,810	82,703	32,533	4,747,852
Accumulated depreciation							
At 1 January 2013	–	750,864	65,813	5,444	28,777	110,425	961,323
Depreciation charge for the year	–	14,356	–	304	16,782	626	32,068
Disposals/write off	–	(27,769)	–	–	–	(2,311)	(30,080)
Disposal of a subsidiary (Note 13)	–	(572,391)	(64,257)	–	–	(75,856)	(712,504)
Exchange differences	–	(17,327)	(1,556)	(115)	(562)	(2,534)	(22,094)
At 31 December 2013 and 1 January 2014	–	147,733	–	5,633	44,997	30,350	228,713
Depreciation charge for the year	–	16,838	3,730	136	16,545	656	37,905
Exchange differences	–	(2,513)	–	(96)	(768)	(513)	(3,890)
At 31 December 2014	–	162,058	3,730	5,673	60,774	30,493	262,728
Net carrying amount							
At 31 December 2013	4,679,647	23,535	–	1,294	39,133	2,744	4,746,353
At 31 December 2014	4,388,466	19,346	52,206	1,137	21,929	2,040	4,485,124

(in Singapore Dollars) continued

11. Property, plant and equipment (cont'd)

Company	Computer equipment $
Cost	
At 1 January 2013	2,271
Write off	(2,271)
At 31 December 2013, 1 January 2014 and 31 December 2014	–
Accumulated depreciation	
At 1 January 2013	2,019
Depreciation charge for the year	252
Write off	(2,271)
At 31 December 2013, 1 January 2014 and 31 December 2014	–
Net carrying amount	
At 31 December 2013	–
At 31 December 2014	–

The freehold land of the Group consists of the cost of acquisition of certain properties in Ireland by a subsidiary, Monteco Holdings Limited ("Monteco"). 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 2014, the approvals for the re-development of the properties have not yet been obtained from the relevant authorities.

12. Investment property

	Group	
	2014 $	**2013** $
Balance sheet:		
At 1 January	8,852,700	13,368,800
Disposal	–	(3,455,100)
Net loss from fair value adjustments recognised in profit or loss	(4,655,181)	(767,800)
Exchange differences	(148,960)	(293,200)
At 31 December	4,048,559	8,852,700

	2014 $	**2013** $
Income statement:		
Rental income from investment property:		
- Minimum lease payments	–	1,598
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating property	355,854	382,019

(in Singapore Dollars) continued

12. Investment property (cont'd)

In the previous financial year, the Group via its subsidiary, Plato-Straits Heritage Properties Sdn Bhd, entered into a sale and purchase agreement with an independent third party purchaser to dispose six lots of freehold land classified under investment properties at a total cash consideration of RM10 million (equivalent to $3,736,566).

As at 31 December 2014, the remaining investment property consists of a lease interest in an office building in Malaysia. The investment property is stated at fair value, which has been determined based on valuations performed as at 31 December 2014 by an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the property being valued. Details of valuation techniques and inputs used are disclosed in Note 35.

There are no restrictions on the realisability or the remittance of income and proceeds upon future disposal of the investment property.

13. Investment in subsidiaries

	Company	
	2014	2013
	$	$
Unquoted shares, at cost:		
At 1 January	10,879,900	7,951,221
Add: Increase in investment in subsidiaries	–	2,928,679
	10,879,900	10,879,900
Less: Accumulated impairment losses	(6,458,989)	(6,075,089)
At 31 December	4,420,911	4,804,811

(in Singapore Dollars) continued

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	
				2014	2013
				%	%
	Held by the Company:				
+	Plato Private Limited	Singapore	Investment holding	100	100
+	Positive Carry Pte. Ltd.	Singapore	Investment holding	100	100
#	Plato Capital Sdn Bhd	Malaysia	Provision of credit facilities	100	100
#	Plato-Straits Heritage Sdn Bhd ("PSHSB")	Malaysia	Property management	70	70
*	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

(in Singapore Dollars) continued

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 2014 %	2013 %
	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	70	70
#	Positive Carry Sdn Bhd	Malaysia	Investment holding	70	70
#	Plato-Straits Heritage Properties Sdn Bhd	Malaysia	Property management	70	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 are appointed.

(in Singapore Dollars) continued

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 2014:				
PSHSB	Malaysia	30	(1,543,329)	(517,427)
Monteco	British Virgin Islands	40	(13,814)	1,603,522
Positive Carry	British Virgin Islands	30	324,253	851,093
			(1,232,890)	1,937,188
31 December 2013:				
PSHSB	Malaysia	30	(446,320)	1,043,193
Monteco	British Virgin Islands	40	(10,091)	1,755,426
Positive Carry	British Virgin Islands	30	(532,837)	232,037
			(989,248)	3,030,656

(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

	PSHSB		Monteco		Positive Carry	
	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $
Current						
Assets	34,249	150,472	121,106	219,881	2,724,317	2,922,037
Liabilities	(2,211,206)	(1,803,592)	(509,067)	(519,264)	(9,959,419)	(9,881,612)
Net current liabilities	(2,176,957)	(1,653,120)	(387,961)	(299,383)	(7,235,102)	(6,959,575)
Non-current						
Assets	4,048,558	8,852,700	4,396,766	4,687,949	12,795,161	10,654,049
Liabilities	(3,596,358)	(3,722,270)	–	–	(2,723,083)	(2,921,016)
Net non-current assets	452,200	5,130,430	4,396,766	4,687,949	10,072,078	7,733,033
Net (liabilities)/assets	(1,724,757)	3,477,310	4,008,805	4,388,566	2,836,976	773,458

(in Singapore Dollars) continued

13. Investment in subsidiaries (cont'd)

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

Summarised statements of comprehensive income

	PSHSB		Monteco		Positive Carry	
	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $
Revenue	–	1,599	48,618	12,926	–	–
(Loss)/profit before income tax	(5,271,779)	(1,133,922)	(31,122)	(25,228)	1,080,842	(1,776,124)
Income tax credit/ (expense)	127,348	(353,812)	(3,413)	–	–	–
(Loss)/profit after tax	(5,144,431)	(1,487,734)	(34,535)	(25,228)	1,080,842	(1,776,124)
Other comprehensive (loss)/income	(57,636)	(111,024)	(345,226)	172,496	982,676	97,392
Total comprehensive (loss)/income	(5,202,067)	(1,598,758)	(379,761)	147,268	2,063,518	(1,678,732)

Other summarised information

	PSHSB		Monteco		Positive Carry	
	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $
Net cash flows (used in)/ from operations	(272,768)	(1,440,667)	(35,715)	239,095	41,884	(2,821,790)

(d) Impairment testing of investment in subsidiaries

During the financial year, management performed an impairment test for the investment in Plato Capital Sdn Bhd as the subsidiary had been loss making. Management has written down the subsidiary to the recoverable amounts based on their fair value less cost to sell. Management has assessed that the fair value less cost to sell approximates the extent of the net assets held by the subsidiary at the end of the reporting period and accordingly, an impairment loss of $383,900 (2013: $469,885) was recognised for the year ended 31 December 2014. In the prior year, a reversal of impairment loss amounting to $766,383 in respect of the investment in Plato Solutions Sdn Bhd ("PSSB") was made by Plato Private Limited, the immediate holding company of PSSB as PSSB has since returned to profitability. There was no such reversal made in the current year.

(e) Acquisition of a subsidiary and properties

In the previous financial year, on 14 February 2013, the Company and Mr LKO jointly invested into Monteco. The issued and paid-up share capital of Monteco was USD2.0 ($2.6) divided into 2 ordinary shares of USD1.0 ($1.3) each. The Company and Mr LKO acquired the 2 ordinary shares in equal proportion of 1 ordinary share each.

On 15 February 2013, Monteco entered into a contract for sale to acquire a hotel property in Dublin at a total purchase consideration of EUR2.0 million (equivalent to $3.5 million). The purchase consideration was borne by the Company and Mr LKO in equal proportion. The transaction was completed on 25 March 2013.

(in Singapore Dollars) continued

13. *Investment in subsidiaries (cont'd)*

(e) ***Acquisition of a subsidiary and properties (cont'd)***

On 12 September 2013, the Company and Mr LKO jointly increased their shareholdings in Monteco by way of capitalisation of advances made by the Company and Mr LKO amounted to USD2.7 million (equivalent to $3.5 million) in equal proportion.

On 12 September 2013, Monteco entered into a contract for sale to acquire an additional property in Dublin at a total consideration of EUR0.5 million (equivalent to $0.8 million) by way of issuing 593,855 new ordinary shares of USD1.0 ($1.3) each in Monteco to Vindelta Limited ("Vindelta"), a company incorporated in British Virgin Islands wholly owned by Mr LKO and his spouse. The shareholding percentage of the Company in Monteco was diluted to 41.07% after the issuance of shares to Vindelta. On the same day, the Company entered into a share sale agreement with Vindelta to acquire 629,396 shares in Monteco to increase the Company's shareholdings in Monteco from 41.07% to 60% for a total purchase consideration of EUR0.5 million (equivalent to $0.8 million). This purchase consideration is to be paid no later than 28 February 2017, bears interest at 2.6% per annum and is payable to Vindelta and has been included as a non-current liability as at 31 December 2014 (Note 27).

(f) ***Additional investment in an existing subsidiary***

In the previous financial year, on 31 December 2013, the Company has subscribed for an additional 1,000,000 ordinary shares of RM1 each in Plato Capital Sdn Bhd by way of capitalisation of outstanding advances of RM1,000,000 ($383,900) due from Plato Capital Sdn Bhd.

(g) ***Disposal of a subsidiary***

In the previous financial year, the Company, through its wholly owned subsidiary, Plato Private Limited, disposed of its 100% equity interest in PKTech Sdn Bhd on 24 December 2013 to a third party for a total cash consideration of RM100 (equivalent to $38).

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

	$
Property, plant and equipment (Note 11)	–
Cash and cash equivalents	–
Net assets disposed, representing the Group's share of net assets	–
Realisation of foreign currency translation reserve	579,257
Total disposal proceeds, representing net cash inflow on disposal of subsidiary	38
Gain on disposal	579,295

(in Singapore Dollars) continued

14. *Investment in joint venture*

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Equity shares, at cost	20,390,050	20,390,050	20,390,050	20,390,050
Share of post-acquisition results	1,846,316	2,456,892	–	–
Share of other comprehensive income	(1,979,929)	(1,500,942)	–	–
Carrying amount	20,256,437	21,346,000	20,390,050	20,390,050

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	
				2014	2013
				%	%
	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	Investment holding	50	50
	TP Melbourne Pty Limited	Australia	Trustee of TP Hotel (Melbourne) Trust	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
	TP Liverpool (BVI) Limited	British Virgin Islands	Investment holding	50	50
	TP Hotel (Liverpool) Limited	British Virgin Islands	Dormant	50	50
	TP Services (Liverpool) Limited	United Kingdom	Dormant	50	50
	TP London (BVI) Limited	British Virgin Islands	Investment holding	50	50
	TP Ipoh Sdn Bhd	Malaysia	Dormant	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.

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 2014 were used.

The Group's commitments in respect of its interest in TPRE are disclosed in Note 33.

The Group's contingent liabilities in respect of its investment in joint venture are disclosed in Note 34.

(in Singapore Dollars) continued

14. Investment in joint venture (cont'd)

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

	2014 $	2013 $
Cash and cash equivalents	6,627,328	9,231,552
Other current assets	4,747,723	1,286,410
Total current assets	11,375,051	10,517,962
Non-current assets	88,029,240	85,132,369
Total assets	99,404,291	95,650,331
Trade and other payables and provisions	(4,870,193)	(3,944,492)
Other current financial liabilities	(11,850,282)	(14,907,410)
Total current liabilities	(16,720,475)	(18,851,902)
Other non-current financial liabilities	(42,170,942)	(34,106,429)
Total non-current liabilities	(42,170,942)	(34,106,429)
Total liabilities	(58,891,417)	(52,958,331)
Net assets	40,512,874	42,692,000
Proportion of the Group's ownership	50%	50%
Group's share of net assets, representing the carrying amount of the investment	20,256,437	21,346,000

Summarised statement of comprehensive income

	2014 $	2013 $
Revenue	16,727,371	20,995,848
Depreciation expense	(3,790,408)	(979,186)
Other operating expenses, net	(10,375,441)	(11,696,844)
Interest expense	(3,748,309)	(1,151,505)
(Loss)/profit before tax	(1,186,787)	7,168,313
Income tax expense	(34,366)	(777)
(Loss)/profit after tax	(1,221,153)	7,167,536
Other comprehensive (loss)/income	(957,973)	(2,642,207)
Total comprehensive (loss)/income	(2,179,126)	4,525,329

(in Singapore Dollars) continued

15. Investment in associates

	Group 2014 $	Group 2013 $
Shares, at cost	18,529,477	16,909,112
Share of post-acquisition results	(268,904)	(77,633)
Share of other comprehensive income	253,868	(330,523)
	18,514,441	16,500,956

The details of the associates are as follows:

	Name of associate	Country of incorporation	Principal activities	Effective percentage of interest held by the Group 2014 %	Effective percentage of interest held by the Group 2013 %
	Held through Positive Carry Sdn Bhd:				
*	TYK Capital Sdn Bhd ("TYKC")	Malaysia	Investment holding and provision of management services	18.9	18.9
	Held through TYKC:				
	Eng Teknologi Holdings Sdn. Bhd.	Malaysia	Dormant	18.9	18.9
	Eng Hardware Engineering Sdn. Bhd.	Malaysia	Renting of properties	18.9	18.9
	Eng Teknologi Sdn. Bhd.	Malaysia	Manufacture and sale of precision mechanical components, automation system for computer peripherals and semiconductor industries	18.9	18.9
	Selekta Inovatif (M) Sdn. Bhd.	Malaysia	Renting of properties	18.9	18.9
	Micro Tooling Sdn. Bhd.	Malaysia	Dormant	18.9	18.9
	Engtek R & D Sdn. Bhd.	Malaysia	Dormant	18.9	18.9
	Engtek Philippines, Inc. ("ETPI")	Philippines	Facility provider	18.9	18.9
	Engtek International Limited ("ETIL")	Hong Kong	Trading and marketing of precision engineering components	17.0	17.0
	Altum Precision Pte. Ltd. ("APS")	Singapore	Trading and marketing of precision engineering components	18.9	18.9
	Engtek (Thailand) Co., Ltd.	Thailand	Dormant	18.9	18.9

(in Singapore Dollars) continued

15. Investment in associates (cont'd)

	Name of associate	Country of incorporation	Principal activities	Effective percentage of interest held by the Group 2014 %	2013 %
	Held through ETPI:				
	Engtek Precision Philippines, Inc.	Philippines	Manufacture of precision engineering components and assemblies, precision tools, fixtures, jigs, moulds and dies	18.9	18.9
	Held through ETIL:				
	Engtek Dongguan Electronics Limited	China	Manufacture and sale of hard disk drive and high precision electronic components	17.0	17.0
	Held through APS:				
	Altum Precision Co., Ltd.	Thailand	Manufacture and sale of electronic and computer parts and equipment	18.9	18.9
	Altum Precision Sdn. Bhd.	Malaysia	Automated die-casting and precision machining	18.9	18.9
	Held through Asian Strategic Investments Group Limited:				
**	Educ8 Group Sdn Bhd ("Educ8")	Malaysia	Investment holding	27.57	27.36
	Held through Educ8				
	Epsom College Malaysia Sdn Bhd	Malaysia	Operator of preparatory and senior boarding schools	27.57	27.36

* Audited by member firm of EY Global in Malaysia.

** Audited by Crowe Horwath, Malaysia.

The Group's contingent liabilities in respect of its investment in associates are disclosed in Note 34.

(in Singapore Dollars) continued

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	
	2014	**2013**	**2014**	**2013**
	$	$	$	$
Cash and cash equivalents	18,688,195	18,071,793	1,739,803	7,326,214
Other current assets	76,854,173	64,665,037	2,186,333	186,255
Total current assets	95,542,368	82,736,830	3,926,136	7,512,469
Non-current assets	52,064,407	54,891,999	65,719,720	44,512,405
Total assets	147,606,775	137,628,829	69,645,856	52,024,874
Trade and other payables and provisions	(54,998,251)	(36,899,075)	(8,494,303)	(3,526,984)
Other current liabilities	(26,165,386)	(26,393,124)	(2,595,475)	(201,570)
Total current liabilities	(81,163,637)	(63,292,199)	(11,089,778)	(3,728,554)
Total non-current liabilities	(19,053,657)	(34,877,183)	(37,811,496)	(26,957,252)
Total liabilities	(100,217,294)	(98,169,382)	(48,901,274)	(30,685,806)
Net assets	47,389,481	39,459,447	20,744,582	21,339,068
Group's share of net assets, representing the carrying amount of the investment	12,795,160	10,654,051	5,719,281	5,846,905

Summarised statement of comprehensive income

	TYKC		Educ8	
	2014	**2013**	**2014**	**2013**
	$	$	$	$
Revenue	205,794,053	174,297,744	1,823,760	9,980
Interest income	65,607	58,781	–	106,806
Depreciation expense	(10,614,638)	(11,169,011)	(414,731)	(5,595)
Other operating expenses, net	(185,422,296)	(161,732,683)	(6,503,720)	(2,413,199)
Interest expense	(5,367,354)	(5,302,565)	(407,253)	(51,824)
Profit/(loss) before tax	4,455,372	(3,847,734)	(5,501,944)	(2,353,832)
Income tax credit/(expense)	454,314	(785,030)	–	–
Profit/(loss) after tax	4,909,686	(4,632,764)	(5,501,944)	(2,353,832)
Other comprehensive income/(loss)	3,020,385	(379,871)	(838,277)	(831,964)
Total comprehensive income/(loss)	7,930,071	(5,012,635)	(6,340,221)	(3,185,796)

During the financial period ended 31 December 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 of TYKC and the shareholders' agreement contain certain reserved operating and financial matters which require the unanimous decision of the board of directors of TYKC. Accordingly, the Group has equity accounted for 27% of the share of the results and reserves of TYKC. The effective interest of the Group in TYKC, after accounting for the share of non-controlling interest is 18.9% (2013: 18.9%).

(in Singapore Dollars) continued

15. Investment in associates (cont'd)

The Group's cost of investment in Educ8 increased by $1,620,365 from $7,472,312 to $9,092,677 as at 31 December 2014, following the subscription of rights issued by this associate. Consequently, the Group's effective interest in this associate increased from 27.36% to 27.57% in the current year.

The 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.

16. Available-for-sale financial assets

	Group	
	2014	**2013**
	$	$
Unquoted equity securities, at cost	648,285	624,927
Accumulated impairment loss	(648,284)	–
	1	624,927
Quoted equity securities, at fair value	641,986	2,437,639
Total	641,987	3,062,566

The investment in unquoted equity securities is stated at cost less accumulated impairment as its fair value cannot be determined reliably. During the financial year, the Group has performed an impairment assessment and has recognised an impairment loss of $648,284 (2013: $Nil).

The fair values of these 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 35).

During the previous financial year, the Group recognised an impairment loss of $828,808 of its investment in quoted equity securities due to significant or prolonged decline in the fair value of these investments. There were no further impairment loss adjustments made in the current financial year.

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

	Group	
	2014	**2013**
	$	$
Malaysian Ringgit	504,983	2,003,029
Hong Kong Dollar	137,003	434,610
United States Dollar	1	624,927
	641,987	3,062,566

(in Singapore Dollars) continued

17. *Trade receivables*

Trade receivables are generally on 30 to 90 (2013: 30 to 90) days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

All trade receivables are non-interest bearing.

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

	Group	
	2014	**2013**
	$	$
Malaysian Ringgit	423,562	495,261
Philippine Peso	115	204
United States Dollar	20,646	–

Receivables that are past due but not impaired

The Group has trade receivables amounting to $31,942 (2013: $35,068) 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	
	2014	**2013**
	$	$
Past due 3 to 6 months	2,559	–
More than 6 months	29,383	35,068
	31,942	35,068

Receivables that are impaired

Movement of the allowance accounts used to record the impairment are as follows:

Movement in allowance accounts:		
At 1 January	–	128,243
Write back	–	(7,813)
Write off	–	(120,135)
Exchange differences	–	(295)
At 31 December	–	–

(in Singapore Dollars) continued

18. Other receivables and deposits

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Sundry deposits	35,755	34,375	–	–
Interest income accrued	1,313	1,284	19	–
Sundry receivables	8,727	39,069	–	–
	45,795	74,728	19	–

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

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Malaysian Ringgit	43,878	73,752	–	–
Others	1,917	976	19	–

19. Amounts due from/(to) subsidiaries

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

20. Amount due from joint venture

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

(in Singapore Dollars) continued

21. *Cash and cash equivalents*

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Cash at banks and on hand	2,141,527	671,687	163,070	41,797
Short-term deposits	758,814	2,785,631	532,344	–
	2,900,341	3,457,318	695,414	41,797

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 30 days (2013: 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 2014 for the Group was 0.19% to 3.15% (2013: 0.02% to 3.15%) per annum.

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

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Malaysian Ringgit	1,545,305	2,890,210	–	–
United States Dollar	7,654	7,325	–	–
Hong Kong Dollar	502,135	265,158	–	–
Euro	130,937	234,240	–	–
British Pound	532,344	–	532,344	–
Others	18,778	18,652	440	575

22. *Trade payables*

Trade payables are non-interest bearing and are normally settled on a 60 (2013: 60) days term.

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

	Group	
	2014	2013
	$	$
United States Dollar	153,157	192,124
Malaysian Ringgit	26,163	35,235

(in Singapore Dollars) continued

23. *Other payables and accruals*

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Sundry payables	72,488	190,429	4,579	44,238
Amounts due to non-controlling interests of a subsidiary	953,492	969,948	–	–
Amount due to a substantial shareholder	234,238	254,295	–	–
Deposits received from customers	9,822	–	–	–
Accrued staff expenses, bonuses and benefits	181,667	147,427	–	–
Accruals for directors' fees	76,000	76,000	76,000	76,000
Other accrued expenses	348,136	338,951	86,722	86,302
	1,875,843	1,977,050	167,301	206,540

The amounts due to non-controlling interests of a subsidiary and a substantial shareholder, Mr LKO mainly relate to advances given to the Group for working capital and are interest-free, non-trade, unsecured and repayable on demand.

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

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Malaysian Ringgit	1,408,940	1,492,818	2,915	22,659
Euro	267,814	264,968	–	–
Others	19,003	18,682	–	–

24. *Loans and borrowings*

	Group	
	2014	2013
	$	$
Revolving credits	6,053,920	6,158,400

The effective interest rates range from 6.02% to 6.62% (2013: 5.45% to 5.90%) per annum and are rolled over for periods ranging from 6 to 12 months (2013: 6 to 12 months). The effective interest rates are determined based on ranges between 1.75% 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 bank borrowings are denominated in Malaysian Ringgit.

As at 31 December 2014, a subsidiary of the Company has short-term borrowings consisting of a revolving credit facility of RM10 million (approximately $3.8 million). The terms and conditions of the revolving credit facility contains a requirement that inter-company advances shall be capped at up to RM6.7 million through the subsistence of the approved banking facilities. As at 31 December 2014, the net inter-company receivable balance in the books of this subsidiary amounted to RM9.6 million. The subsidiary has notified the bank about this non-compliance and has rectified this non-compliance subsequent to year end, by reducing the net inter-company receivable balance to an amount which is lower than RM6.7 million.

As at 31 December 2014, a subsidiary of the Company has short-term borrowings consisting of a revolving credit facility of RM10 million (approximately $3.8 million) with an Islamic Bank. The Islamic Revolving Credit facility has a maturity period of 3 years and will expire in August 2015. The bank is currently in the process of reviewing the facility and executing a new Asset Purchase Agreement and Asset Sale Agreement with the Group to ensure that the subsidiary has continuous access to this revolving credit facility.

25. *Deferred tax liabilities*

Deferred tax as at 31 December relates to the following:

	Group			
	Consolidated balance sheet		Consolidated statement of comprehensive income	
	2014	2013	2014	2013
	$	$	$	$
Deferred tax liabilities:				
Differences in depreciation for tax purposes	129,175	–	(129,175)	129,175
Fair value adjustments on investment property	(127,348)	129,512	–	–
Exchange differences	(1,827)	–	1,827	–
	–	129,512		
Deferred tax (credit)/expense			(127,348)	129,175

25. Deferred tax liabilities (cont'd)

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately $3,059,000 (2013: $2,805,000) and unabsorbed capital allowances of approximately $30,000 (2013: $35,000) 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. Finance lease payables

The Group has a lease interest in an office building in Malaysia, which has been accounted for as an investment property (Note 12), with the corresponding lease obligations being accounted for as a finance lease. The lease has no renewal and purchase options. The minimum lease payments under this contract over the remaining term of 57 (2013: 58) years and its future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	2014	2013
	$	$	$	$
Not later than one year	224,295	223,692	213,390	212,940
Later than one year but not later than five years	954,706	952,929	747,945	745,682
Later than five years	21,989,038	22,614,950	2,635,023	2,634,137
Total minimum lease payments	23,168,039	23,791,571	3,596,358	3,592,759
Less: Amounts representing finance charges	(19,571,681)	(20,198,812)	–	–
Present value of minimum lease payments	3,596,358	3,592,759	3,596,358	3,592,759

For the financial year ended 31 December 2014, the effective borrowing rate was 8% (2013: 8%) per annum. The finance lease payable is denominated in Malaysian Ringgit. The present value of the minimum lease payments has been classified as a non-current liability as no principal amount will be due within the next twelve months. The minimum lease payments for the next twelve months are lower than the interest expense arising from the accretion of the finance lease payables.

(in Singapore Dollars) continued

27. *Amounts due to related parties*

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Non-current:				
Amount due to a substantial shareholder	2,030,012	1,957,275	–	–
Amount due to a company controlled by a substantial shareholder	828,841	807,676	828,841	807,676
Amount due to a non-controlling interest of a subsidiary	2,723,083	2,921,015	–	–
	5,581,936	5,685,966	828,841	807,676

The amount due to a substantial shareholder relates to an unsecured RM5 million (equivalent to $2.0 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. Mr LKO has undertaken to only demand for repayment from the Group when the cash flows of the Group permits (Note 2.1).

The amount due to a company controlled by a substantial shareholder relates to the unsecured amount due to Vindelta arising from the Company's acquisition of shares in Monteco from Vindelta (Note 13). Interest is charged at 2.6% per annum on the outstanding amount.

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 during the current financial year.

The amount due to a non-controlling interest of a subsidiary relates to advances given by ECM Libra Financial Group Berhad ("ECMFG") in which Mr LKO is a director and a substantial shareholder. ECMFG has a 30% equity interest in Positive Carry. The amount due to ECMFG is unsecured, non-interest bearing, has no fixed term of repayment and is not expected to be repaid within the next twelve months. Accordingly, the amount due to a non-controlling interest of a subsidiary is recorded at cost.

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

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Euro	828,841	807,676	828,841	807,676
Malaysian Ringgit	4,753,095	4,878,290	–	–

(in Singapore Dollars) continued

28. Share capital

	Group and Company			
	2014		2013	
	Number of shares	$	Number of shares	$
Issued and fully paid ordinary shares				
At 1 January and 31 December	165,451,344	37,148,948	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.

29. 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.

30. 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.

31. 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	
	2014	2013
	$	$
Interest income from an associate, TYKC	–	177,657
Rental expenses paid to ECMFG	48,459	46,167

	2014	2013
	$	$
Loan from Mr LKO	–	1,924,500
Interest payable on loan from Mr LKO	105,972	32,775
Purchase consideration in relation to acquisition of Monteco shares from Vindelta	–	802,920
Interest payable to Vindelta	21,166	4,756

(in Singapore Dollars) continued

31. Related party transactions (cont'd)

(b) Compensation of key management personnel

	Group	
	2014	2013
	$	$
Directors' fees	152,000	152,000
Short-term employee benefits	490,686	524,280
Defined contribution plans	44,760	48,655
Total compensation paid to key management personnel	687,446	724,935
Comprise amounts paid to:		
- Directors of the Company	450,410	454,349
- Other key management personnel	237,036	270,586
	687,446	724,935

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

32. 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	
	2014	2013
	$	$
Not later than one year	55,897	27,728
Later than one year but not later than five years	77,086	–
	132,983	27,728

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.

(in Singapore Dollars) continued

33. 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	
	2014	2013
	$	$
Capital commitment in respect of property, plant and equipment of the joint venture	536,936	4,838,236

34. 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 $11.3 million in relation to a term loan facility granted by a licensed bank to Epsom College Malaysia Sdn Bhd, a subsidiary of an associate.

- a proportionate guarantee for a principal sum of up to $10.4 million in relation to a term loan facility and a bank guarantee facility of up to $0.55 million granted by a licensed bank to TP Sepang Sdn Bhd, a subsidiary of joint venture.

Continuing financial support

As at the end of the financial year, the Company has given undertakings to provide continued 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 $5,198,241 (2013: $1,042,355) including amounts due from the subsidiaries to the Company totalling $5,438,177 (2013: $2,354,392).

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

(in Singapore Dollars) continued

35. *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.

(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 2014 $			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements				
Assets				
Financial assets:				
Available-for-sale financial assets (Note 16)				
Quoted equity securities, at fair value	641,986	–	–	641,986
Total equity securities	641,986	–	–	641,986
Financial assets as at 31 December 2014	641,986	–	–	641,986
Non-financial assets:				
Investment property (Note 12)				
Commercial	–	–	4,048,559	4,048,559
Total investment property	–	–	4,048,559	4,048,559
Non-financial assets as at 31 December 2014	–	–	4,048,559	4,048,559

(in Singapore Dollars) continued

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

(b) Assets and liabilities measured at fair value (cont'd)

	Group 2013 $ Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements				
Assets				
Financial assets:				
Available-for-sale financial assets (Note 16)				
Quoted equity securities, at fair value	2,437,639	–	–	2,437,639
Total equity securities	2,437,639	–	–	2,437,639
Financial assets as at 31 December 2013	2,437,639	–	–	2,437,639
Non-financial assets:				
Investment property (Note 12)				
Commercial	–	–	8,852,700	8,852,700
Total investment property	–	–	8,852,700	8,852,700
Non-financial assets as at 31 December 2013	–	–	8,852,700	8,852,700

(in Singapore Dollars) continued

35. *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

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 31 December 2014 $	Valuation techniques	Unobservable inputs	Range
Recurring fair value measurements				
Investment property:				
Commercial	4,048,559	Discounted cash flow method	Net cash inflows from the investment property, discounted based on discount rate based on management's and valuer's assumptions	Gradual increase in net cash inflows during the duration of the lease period averaging approximately $600,000 per annum, discounted at a rate of 7.5%

Description	Fair value at 31 December 2013 $	Valuation techniques	Unobservable inputs	Range
Recurring fair value measurements				
Investment property:				
Commercial	8,852,700	Discounted cash flow method	Net cash inflows from the investment property, discounted based on discount rate based on management's and valuer's assumptions	Gradual increase in net cash inflows during the duration of the lease period averaging approximately $700,000 per annum, discounted at a rate of 7.5%

A significant change in the projected net cash inflows and the discount rate based on management's and valuer's assumptions would impact the fair value measurement.

If the projected net cash flows inflows from the investment property decreases by 10%, the fair value of the investment property would decrease by approximately $405,000. If the discount rate increases by 1%, the fair value of the investment property would be expected to decrease by approximately $1,135,000.

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

(c) Level 3 fair value measurements (cont'd)

(ii) Movements in Level 3 assets and liabilities measured at fair value

During the year, the Group has recognised loss from fair value adjustment of the investment property in profit or loss which amounted to $4,655,181 (Note 12). The disclosure of the movement in the investment property balance in Note 12 constitutes a reconciliation of the movement of assets which are measured at fair value based on significant unobservable inputs.

(iii) Valuation policies and procedures

The senior management of the Group (the "Management") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, the Management reports to the Group's Audit Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. The Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance.

For valuations performed by external valuation experts, the Management reviews the appropriateness of the valuation methodologies and assumptions adopted. The Management also evaluates the appropriateness and reliability of the inputs used in the valuations.

Significant changes in fair value measurements from period to period are evaluated by the Management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(d) Assets and liabilities not carried at fair value but for which fair value is disclosed

	Group 2014 $				
	Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying amount
Liability					
Finance lease payables	–	–	3,596,358	3,596,358	3,596,358

(in Singapore Dollars) continued

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

(d) Assets and liabilities not carried at fair value but for which fair value is disclosed (cont'd)

	Group 2013 $ Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying amount
Liability					
Finance lease payables	–	–	3,592,759	3,592,759	3,592,759

Determination of fair value

Finance lease payables

The fair value as disclosed in the table above is estimated by discounting expected future cash flows at market incremental borrowing rate for similar types of borrowing or leasing arrangements at the end of the reporting period. The management has assessed and concluded that there have been no significant changes in the applicable incremental borrowing rate of 8% at the inception of the lease and as at 31 December 2014. Consequently, the carrying amount approximates the fair value of the lease payables as at 31 December 2014.

(e) 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

	Note	Group 2014 $ Carrying amount	Group 2014 $ Fair value	Group 2013 $ Carrying amount	Group 2013 $ Fair value
Financial assets:					
Available-for-sale financial assets, unquoted equity securities	16	1	N.A.[(1)]	624,927	N.A.[(1)]
Financial liabilities:					
Amount due to a non-controlling interest of a subsidiary	27	2,723,083	N.A.[(2)]	2,921,015	N.A.[(2)]

(in Singapore Dollars) continued

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

(e) ***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 (cont'd)***

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 financial year, based on an assessment conducted by the directors.

(2) Amount due to a non-controlling interest of a subsidiary

This relates to the amount advanced to Positive Carry by the non-controlling interest based on the non-controlling interest'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 the amount due to a non-controlling interest of a subsidiary 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.

(f) ***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
Amount due from joint venture	20
Cash and cash equivalents	21
Trade and other payables	22 & 23
Loans and borrowings	24
Amounts due to related parties	27

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.

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 35(e) are a reasonable approximation of fair values due to the insignificant impact of discounting.

(in Singapore Dollars) continued

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

Classification of financial instruments

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Financial assets				
Unquoted equity securities, at cost	1	624,927	–	–
Quoted equity securities, at fair value	641,986	2,437,639	–	–
Total available-for-sale financial assets	641,987	3,062,566	–	–
Trade receivables	447,729	520,363	–	–
Other receivables and deposits	45,795	74,728	19	–
Amounts due from subsidiaries	–	–	6,263,190	6,905,280
Amount due from joint venture	630,179	1,246,871	630,179	1,246,871
Cash and cash equivalents	2,900,341	3,457,318	695,414	41,797
Total loans and receivables	4,024,044	5,299,280	7,588,802	8,193,948
Financial liabilities				
Trade payables	179,320	227,359	–	–
Other payables and accruals	1,875,843	1,977,050	167,301	206,540
Amounts due to subsidiaries	–	–	8,677,113	7,788,038
Loans and borrowings	6,053,920	6,158,400	–	–
Finance lease payables	3,596,358	3,592,759	–	–
Amounts due to related parties	5,581,936	5,685,966	828,841	807,676
Total financial liabilities carried at amortised cost	17,287,377	17,641,534	9,673,255	8,802,254

36. *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.

36. *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 $11.3 million (2013: $11.3 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 $10.4 million (2013: $10.4 million) and up to $0.55 million (2013: $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 $6.1 million (2013: $6.2 million) relating to a corporate guarantee provided by the Company to a bank on its subsidiaries' revolving credits.

(in Singapore Dollars) continued

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

(a) Credit risk (cont'd)

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:

	Group			
	2014		2013	
	$	% of total	$	% of total
By country:				
Malaysia	423,562	95	495,261	95
Singapore	8,393	2	24,898	5
Other countries	15,774	3	204	–
	447,729	100	520,363	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 RM20.0 million (equivalent to $12.5 million) in available credit facilities, of which RM4.0 million (equivalent to $1.5 million) is unutilised 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. Further to that, the Islamic Revolving Credit facility of RM10 million will expire in August 2015. The bank is currently in the process of reviewing the facility and executing a new Asset Purchase Agreement and Asset Sale Agreement with the Group to ensure that the subsidiary has continuous access to this revolving credit facility (Note 24). 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 Singapore Dollars) continued

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

(b) Liquidity risks (cont'd)

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.

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.

	One year or less	One to five years	Over five years	Total
	$	$	$	$
Group				
2014				
Financial assets:				
Trade receivables	447,729	–	–	447,729
Other receivables and deposits	45,795	–	–	45,795
Amount due from joint venture	630,179	–	–	630,179
Cash and cash equivalents	2,900,341	–	–	2,900,341
Total undiscounted financial assets	4,024,044	–	–	4,024,044
Financial liabilities:				
Trade payables	(179,320)	–	–	(179,320)
Other payables and accruals	(1,875,843)	–	–	(1,875,843)
Loans and borrowings	(6,441,068)	–	–	(6,441,068)
Finance lease payables	(224,295)	(954,706)	(21,989,038)	(23,168,039)
Amounts due to related parties	–	(3,133,618)	(2,723,083)*	(5,856,701)
Total undiscounted financial liabilities	(8,720,526)	(4,088,324)	(24,712,121)	(37,520,971)
Total net undiscounted financial liabilities	(4,696,482)	(4,088,324)	(24,712,121)	(33,496,927)

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

(in Singapore Dollars) continued

36. *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				
2013				
Financial assets:				
Trade receivables	520,363	–	–	520,363
Other receivables and deposits	74,728	–	–	74,728
Amount due from joint venture	1,246,871	–	–	1,246,871
Cash and cash equivalents	3,457,318	–	–	3,457,318
Total undiscounted financial assets	5,299,280	–	–	5,299,280
Financial liabilities:				
Trade payables	(227,359)	–	–	(227,359)
Other payables and accruals	(1,977,050)	–	–	(1,977,050)
Loans and borrowings	(6,511,353)	–	–	(6,511,353)
Finance lease payables	(223,692)	(952,929)	(22,614,950)	(23,791,571)
Amounts due to related parties	–	(2,914,441)	(2,921,015)*	(5,835,456)
Total undiscounted financial liabilities	(8,939,454)	(3,867,370)	(25,535,965)	(38,342,789)
Total net undiscounted financial liabilities	(3,640,174)	(3,867,370)	(25,535,965)	(33,043,509)

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

(in Singapore Dollars) continued

36. 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				
2014				
Financial assets:				
Other receivables and deposits	19	–	–	19
Amounts due from subsidiaries	6,263,190	–	–	6,263,190
Amount due from joint venture	630,179	–	–	630,179
Cash and cash equivalents	695,414	–	–	695,414
Total undiscounted financial assets	7,588,802	–	–	7,588,802
Financial liabilities:				
Financial guarantees*	(28,303,920)	–	–	(28,303,920)
Other payables and accruals	(167,301)	–	–	(167,301)
Amounts due to subsidiaries	(8,677,113)	–	–	(8,677,113)
Total undiscounted financial liabilities	(37,148,334)	–	–	(37,148,334)
Total net undiscounted financial liabilities	(29,559,532)	–	–	(29,559,532)
2013				
Financial assets:				
Amounts due from subsidiaries	6,905,280	–	–	6,905,280
Amount due from joint venture	1,246,871	–	–	1,246,871
Cash and cash equivalents	41,797	–	–	41,797
Total undiscounted financial assets	8,193,948	–	–	8,193,948
Financial liabilities:				
Financial guarantees*	(28,408,400)	–	–	(28,408,400)
Other payables and accruals	(206,540)	–	–	(206,540)
Amounts due to subsidiaries	(7,788,038)	–	–	(7,788,038)
Total undiscounted financial liabilities	(36,402,978)	–	–	(36,402,978)
Total net undiscounted financial liabilities	(28,209,030)	–	–	(28,209,030)

* 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. 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.

(in Singapore Dollars) continued

36. 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 (2013: 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 1.75% 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 Loss before tax (Decrease)/Increase	
	2014	**2013**
	$	$
Short-term deposits		
Increase in interest rate	(3,795)	(13,929)
Decrease in interest rate	3,795	13,929
Bank borrowings		
Increase in interest rate	30,270	30,792
Decrease in interest rate	(30,270)	(30,792)

(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 21.

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.

36. 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/ period, with all variables held constant.

	Group	
	Loss before tax	
	(Decrease)/Increase	
	2014	2013
	$	$
SGD		
Strengthens against USD	161,149	(78,229)
Weakens against USD	(161,149)	78,229
Strengthens against RM	94,768	100,297
Weakens against RM	(94,768)	(100,297)
Strengthens against EUR	24,010	25,430
Weakens against EUR	(24,010)	(25,430)
RM		
Strengthens against USD	637,759	645,460
Weakens against USD	(637,759)	(645,460)
HKD		
Strengthens against USD	(27,661)	(26,515)
Weakens against USD	27,661	26,515
USD		
Strengthens against RM	491,803	415,709
Weakens against RM	(491,803)	(415,709)
EUR		
Strengthens against SGD	82,884	80,768
Weakens against SGD	(82,884)	(80,768)

36. 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 Hong Kong Stock Exchange in Hong Kong 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	
	2014	**2013**
	$	$
Available-for-sale financial assets	64,198	306,256

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.

(in Singapore Dollars) continued

37. 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 2014 and 2013.

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, finance lease payables and amounts due to related parties less cash and cash equivalents. Capital includes equity attributable to the owners of the Company.

	Group	
	2014	**2013**
	$	$
Trade payables	179,320	227,359
Other payables and accruals	1,875,843	1,977,050
Loans and borrowings	6,053,920	6,158,400
Finance lease payables	3,596,358	3,592,759
Amounts due to related parties	5,581,936	5,685,966
Less: Cash and cash equivalents	(2,900,341)	(3,457,318)
Net debt	14,387,036	14,184,216
Equity attributable to owners of the Company, representing total capital	32,680,189	38,818,447
Capital and net debt	47,067,225	53,002,663
Gearing ratio	31%	27%

38. *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 of 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 operation before tax expense.

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

(in Singapore Dollars) continued

38. Segment information (cont'd)

Business segments

	IT operations	Investment activities	Corporate and others	Total	Eliminations and adjustments	Consolidated
	$	$	$	$	$	$
Group						
At 31 December 2014						
Revenue						
Sales to external customers and total revenue	1,382,175	86,254	–	1,468,429	–	1,468,429
Results						
Interest income from bank deposits	1,570	41,015	190	42,775	–	42,775
Finance costs	(105,972)	(641,029)	(21,166)	(768,167)	–	(768,167)
Depreciation of property, plant and equipment	(33,086)	(4,819)	–	(37,905)	–	(37,905)
Impairment of available-for-sale financial assets	–	–	(648,284)	(648,284)	–	(648,284)
Fair value loss on investment property	–	(4,655,181)	–	(4,655,181)	–	(4,655,181)
Share of loss from associates and joint venture, net	–	(801,847)	–	(801,847)	–	(801,847)
Segment loss before tax	(434,258)	(5,582,183)	(1,466,803)	(7,483,244)	–	(7,483,244)
Assets						
Additions to non-current assets	61,908	1,705,968	–	1,767,876	–	1,767,876
Investment in associates and joint venture	–	38,770,878	–	38,770,878	–	38,770,878
Segment assets	931,320	50,573,968	725,827	52,231,115	–	52,231,115
Segment liabilities	891,831	15,746,515	1,012,243	17,650,589	–	17,650,589

(in Singapore Dollars) continued

38. *Segment information (cont'd)*

Business segments (cont'd)

	IT operations	Investment activities	Corporate and others	Total	Eliminations and adjustments	Consolidated
	$	$	$	$	$	$
Group						
At 31 December 2013						
Revenue						
Sales to external customers and total revenue	1,533,758	245,698	–	1,779,456	–	1,779,456
Results						
Interest income from bank deposits	2,133	37,838	26	39,997	–	39,997
Finance costs	(32,689)	(596,486)	(4,756)	(633,931)	–	(633,931)
Depreciation of property, plant and equipment	(27,965)	(3,851)	(252)	(32,068)	–	(32,068)
Impairment of available-for-sale financial assets	–	(828,808)	–	(828,808)	–	(828,808)
Fair value loss on investment property	–	(767,800)	–	(767,800)	–	(767,800)
Share of profits from associates and joint venture, net	–	1,687,972	–	1,687,972	–	1,687,972
Gain on disposal of a subsidiary	–	–	579,295	579,295	–	579,295
Segment profit/(loss) before tax	763,868	(1,334,914)	(679,067)	(1,250,113)	–	(1,250,113)
Assets						
Additions to non-current assets	8,960	10,207,608	–	10,216,568	–	10,216,568
Investment in associates and joint venture	–	37,846,956	–	37,846,956	–	37,846,956
Segment assets	962,983	59,024,154	71,052	60,058,189	–	60,058,189
Segment liabilities	915,166	16,100,872	1,031,310	18,047,348	–	18,047,348

(in Singapore Dollars) continued

38. Segment information (cont'd)

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

	Group	
	2014	**2013**
	$	$
Revenue		
Total revenue for reportable segments, representing total consolidated revenue	1,468,429	1,779,456
Profit or loss		
Total profit or loss for reportable segments, representing total consolidated loss before tax	(7,483,244)	(1,250,113)
Assets		
Total assets for reportable segments	52,231,115	60,058,189
Tax recoverable	36,851	–
Total consolidated assets	52,267,966	60,058,189
Liabilities		
Total liabilities for reportable segments	17,650,589	18,047,348
Deferred tax liabilities	–	129,512
Income tax payable	–	32,226
Total consolidated liabilities	17,650,589	18,209,086

Geographic information

Revenues from external customers

	Malaysia	Asia and others	Consolidated
	$	$	$
31 December 2014			
Sales to external customers and total revenue	1,382,175	86,254	1,468,429
31 December 2013			
Sales to external customers and total revenue	1,713,013	66,443	1,779,456

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.

(in Singapore Dollars) continued

38. Segment information (cont'd)

Location of non-current assets

	Malaysia $	Ireland $	Consolidated $
31 December 2014			
Non-current assets	4,145,217	4,388,466	8,533,683
31 December 2013			
Non-current assets	8,919,406	4,679,647	13,599,053

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

Major customer

In the current year, approximately 32% (2013: 51%) of the revenue from IT operations were derived from a major third party customer. The revenue from the provision from credit facilities in the current year and prior period was derived from an associate.

39. Subsequent events

Subsequent to the end of the financial year, the Group's cost of investment in Educ8 increased by $2,667,285 from $9,092,677 to $11,759,962, following the subscription of rights issued by this associate on 15 January 2015, 4 February 2015, 12 February 2015 and 10 March 2015. Consequently, the Group's effective interest in this associate increased from 27.57% to 29.55%.

40. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 27 March 2015.

Shareholders' Information

SHAREHOLDERS' INFORMATION AS AT 18 MARCH 2015

Number of issued shares	:	165,451,344
Issued and fully-paid capital	:	S$37,148,948
Class of shares	:	Ordinary
Voting rights	:	One vote per share

The Company does not hold any treasury shares.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	46	2.27	465	0.00
100 - 1,000	796	39.29	407,329	0.25
1,001 - 10,000	810	39.98	3,448,429	2.08
10,001 - 1,000,000	365	18.02	25,849,502	15.62
1,000,001 AND ABOVE	9	0.44	135,745,619	82.05
	2,026	100.00	165,451,344	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Lim Kian Onn and Quek Siow Leng	–	–	68,415,627 [(1)]	41.35
Ng Kok Hin	10,578,675	6.39	–	–
Tan Sri Dr. Anthony Francis Fernandes	–	–	12,325,000 [(2)]	7.45
Datuk Kamarudin Bin Meranun	–	–	12,325,000 [(3)]	7.45

(1) 40,415,627 shares are held by Citibank Nominees Singapore Pte. Ltd. for Bank Julius Baer (Singapore) Ltd for Lim Kian Onn and his spouse jointly and 28,000,000 shares are held by DBSN Services Pte. Ltd. for A/c JPMorgan Bank Luxembourg SA re JP Morgan Private Bank

(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	68,819,921	41.60
2	DBSN SERVICES PTE. LTD.	28,000,000	16.92
3	HSBC (SINGAPORE) NOMINEES PTE LTD	12,325,000	7.45
4	NG KOK HIN	10,578,675	6.39
5	LEONG HONG KAH	6,654,700	4.02
6	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,221,575	1.95
7	MICHELE SHARMINI RASANAYAGAM	3,000,000	1.81
8	LIM KHIANG WEE	1,713,314	1.04
9	DBS NOMINEES (PRIVATE) LIMITED	1,432,434	0.87
10	CHOO THIAM SOON	1,000,000	0.60
11	RAFFLES NOMINEES (PTE) LIMITED	954,000	0.58
12	OCBC SECURITIES PRIVATE LIMITED	872,550	0.53
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	869,400	0.53
14	YIP WEI MUN	680,200	0.41
15	LIM & TAN SECURITIES PTE LTD	558,400	0.34
16	NG TENG SIAK	550,000	0.33
17	UOB KAY HIAN PRIVATE LIMITED	547,000	0.33
18	LEE SEK LEONG CHRISTOPHER	520,000	0.31
19	TAN TSU TSEN (CHEN SHUSHENG)	506,000	0.31
20	ANG CHIN YEOW (HONG ZHENYAO)	480,000	0.29
	TOTAL	143,283,169	86.61

PERCENTAGE OF SHAREHOLDING IN THE HANDS OF THE PUBLIC

The Company has complied with Rule 723 of the Catalist Rules as 28.38% of the Company's shares were held in the hands of public as at 18 March 2015.

PLATO CAPITAL LIMITED
(Company Registration No. 199907443M)
(Incorporated in 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 RELC Room 602, Level 6, RELC International Hotel, 30 Orange Grove Road, Singapore 258352 on Thursday, 23 April 2015 at 2.15 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the financial year ended 31 December 2014 together with the Auditors' Report thereon.

(Resolution 1)

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

(Resolution 2)

3. To re-appoint Mr Michael Kan Yuet Yun PBM as a Director of the Company in accordance with Section 153(6) of the Companies Act, Chapter 50 of Singapore ("Companies Act"), and as may be amended, to hold office from the date of this Annual General Meeting.
[See Explanatory Note (ii)]

Mr Michael Kan Yuet Yun PBM will, upon re-appointment as a Director of the Company, remain as Chairman of the Audit Committee and a member of the Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Catalist Rules").

(Resolution 3)

4. To approve the payment of Directors' fees of S$152,000 for the financial year ending 31 December 2015, payable half yearly in arrears on 1 July 2015 and 1 January 2016.

(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 resolution as Ordinary Resolution, with or without any modifications:

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

That pursuant to Section 161 of the 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) 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) 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) shall be based on the total number of issued Shares (excluding treasury shares) 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 Memorandum and the Articles of Association 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 (iii)]

(Resolution 6)

By Order of the Board

Low Geok Eng Susie
Secretary
Singapore, 8 April 2015

Explanatory Notes:

(i) Information on Mr Oh Teik Khim can be found on page 24 of this annual report.

(ii) The effect of the Ordinary Resolution 3 proposed in item 3 above, is to re-appoint a director of the Company who is over 70 years of age, and if passed, he will hold office until the next Annual General Meeting. Such re-appointment of a director will no longer be subject to shareholders' approval under Section 153(6) of the Companies Act as repealed when the Companies (Amendment) Act 2014 comes into force. The director will then be subject to retirement by rotation under the Company's Articles of Association. Information on Mr Michael Kan Yuet Yun PBM is found on page 24 of this annual report.

(iii) 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) 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) 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) 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.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. The instrument appointing a proxy 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 Annual General 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 Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General 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. For investors who have used their CPF monies to buy Plato Capital Limited's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. 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.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

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 RELC Room 602, Level 6, RELC International Hotel, 30 Orange Grove Road, Singapore 258352 on 23 April 2015 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 or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No	Resolutions relating to:	For	Against
1	Directors' Report and Audited Accounts for the financial year ended 31 December 2014		
2	Re-election of Mr Oh Teik Khim as a Director of the Company		
3	Re-appointment of Mr Michael Kan Yuet Yun PBM as a Director of the Company		
4	Approval of Directors' fees for financial year ending 31 December 2015, payable half yearly in arrears		
5	Re-appointment of Ernst & Young LLP as Auditors of the Company		
6	Authority to allot and issue shares		

Dated this ______________ day of ______________ 2015

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

____

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

*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 130A of the Companies Act, Chapter 50 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. 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.

5. 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.

6. 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.

7. 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 8 April 2015.

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 forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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50 Raffles Place #32-01
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Facsimile : (65) 6536 1360

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