PLATO CAPITAL LIMITED
(Company Registration No. 199907443M)

Unaudited Financial Statement And Dividend Announcement For The 6 Months Ended 30 June 2017

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

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

	Group For the 6 months ended 30 June 2017	Group For the 6 months ended 30 June 2016	Increase/ (Decrease)
	S$'000	S$'000	%
	(Unaudited)	(Unaudited)	
Revenue [(1)]	**379**	**518**	**(26.8)**
Other income [(2)]	47	16	NM
	426	**534**	**(20.2)**
Other items of income/(expense)			
Purchase of software and services	(173)	(265)	(34.7)
Employee benefits expenses	(645)	(659)	(2.1)
Depreciation of property, plant and equipment	(9)	(18)	(50.0)
Foreign exchange (loss)/gain, net	(254)	187	NM
Gain on disposal of available-for-sale financial assets	364	-	NM
Share-based payment expense	(218)	-	NM
Other operating expenses	(379)	(354)	7.1
Bank charges	(2)	(3)	(33.3)
Finance costs	(331)	(300)	10.3
Share of profit from joint venture	11,047	7,493	47.4
Share of (loss)/profit from associates	(144)	720	NM
Profit before tax	**9,682**	**7,335**	**32.0**
Income tax expense	-	(2)	(100.0)
Profit for the period	**9,682**	**7,333**	**32.0**

	Group For the 6 months ended 30 June 2017	Group For the 6 months ended 30 June 2016	Increase/ (Decrease)
	S$'000	S$'000	%
	(Unaudited)	(Unaudited)	
Attributable to:			
Owners of the Company	**9,461**	**6,909**	**36.9**
Non-controlling interests	**221**	**424**	**(47.9)**
	9,682	**7,333**	**32.0**

NM – not meaningful

Notes:

1 Revenue comprises of the following items:

	Group For the 6 months ended 30 June 2017	Group For the 6 months ended 30 June 2016	Increase/ (Decrease)
	S$'000	S$'000	%
	(Unaudited)	(Unaudited)	
Revenue from:			
- Sale of goods	13	3	NM
- License fees and services	133	154	(13.6)
- Service maintenance	228	299	(23.7)
Interest income from provision of credit facilities	5	43	(88.4)
Dividend income	-	*-	NM
Rental income	-	19	NM
Total	379	518	(26.8)

* Amount less than S$1,000.

2 Other income comprises of the following items:

	Group For the 6 months ended 30 June 2017	Group For the 6 months ended 30 June 2016	Increase/ (Decrease)
	S$'000	S$'000	%
	(Unaudited)	(Unaudited)	
Interest income from bank deposits	47	16	NM
Miscellaneous income	-	*-	NM
Total	47	16	NM

* Amount less than S$1,000.

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

	Group For the 6 months ended 30 June 2017	Group For the 6 months ended 30 June 2016	Increase/ (Decrease)
	S$'000	S$'000	%
	(Unaudited)	(Unaudited)	
Profit for the period	**9,682**	**7,333**	**32.0**
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Share of fair value reserve for available-for-sale financial assets of an associate	40	-	NM
Share of foreign currency translation reserve of joint venture	(34)	(863)	(96.1)
Share of foreign currency translation reserve of associates	(915)	136	NM
Foreign currency translation	519	(338)	NM
Other comprehensive loss for the period, net of tax	**(390)**	**(1,065)**	**(63.4)**
Total comprehensive income for the period	**9,292**	**6,268**	**48.2**
Total comprehensive income attributable to:			
Owners of the Company	**9,137**	**5,803**	**57.5**
Non-controlling interests	**155**	**465**	**(66.7)**
	9,292	**6,268**	**48.2**

NM – not meaningful

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

	Group		Company	
	As at 30 June 2017	As at 31 December 2016	As at 30 June 2017	As at 31 December 2016
	S$'000	S$'000	S$'000	S$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Non-current assets				
Property, plant and equipment	4,678	4,429	-	-
Intangible assets	18	-	-	-
Investment in subsidiaries	-	-	4,522	3,126
Investment in joint venture	30,642	23,718	11,426	15,515
Investment in associates	29,014	30,468	-	-
Available-for-sale financial assets	-	266	-	-
	64,352	**58,881**	**15,948**	**18,641**

	Group		Company	
	As at 30 June 2017	As at 31 December 2016	As at 30 June 2017	As at 31 December 2016
	S$'000 (Unaudited)	S$'000 (Audited)	S$'000 (Unaudited)	S$'000 (Audited)
Current assets				
Trade receivables	198	1,057	-	-
Other receivables and deposits	29	25	-	-
Prepaid operating expenses	34	36	3	12
Deferred maintenance cost	130	178	-	-
Tax recoverable	33	52	-	-
Amounts due from subsidiaries	-	-	18,802	19,645
Cash and cash equivalents	4,575	4,130	853	1,058
	4,999	**5,478**	**19,658**	**20,715**
Total assets	**69,351**	**64,359**	**35,606**	**39,356**
Current liabilities				
Trade payables	5	148	-	-
Other payables and accruals	1,162	1,098	186	195
Deferred revenue	221	261	-	-
Amounts due to subsidiaries	-	-	2,220	1,598
Amount due to joint venture	5,083	9,172	5,083	9,172
Loan and borrowings	5,778	6,136	-	-
	12,249	**16,815**	**7,489**	**10,965**
Net current (liabilities)/assets	**(7,250)**	**(11,337)**	**12,169**	**9,750**
Non-current liabilities				
Deferred tax liabilities	244	244	244	244
Redeemable convertible unsecured loan stocks (“RCULS”) – liability component	4,920	4,762	4,920	4,762
Amounts due to related parties	2,212	2,322	-	-
	7,376	**7,328**	**5,164**	**5,006**
Total liabilities	**19,625**	**24,143**	**12,653**	**15,971**
Net assets	**49,726**	**40,216**	**22,953**	**23,385**
Equity				
Share capital	40,875	40,875	40,875	40,875
Fair value and other reserves	1,917	1,659	1,779	1,561
Foreign currency translation reserve	(7,839)	(7,475)	-	-
Retained earnings/(accumulated losses)	12,354	2,893	(19,701)	(19,051)
Equity attributable to owners of the Company	**47,307**	**37,952**	**22,953**	**23,385**
Non-controlling interests	2,419	2,264	-	-
Total equity	**49,726**	**40,216**	**22,953**	**23,385**
Total equity and liabilities	**69,351**	**64,359**	**35,606**	**39,356**

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

Amount repayable in one year or less, or on demand

Group			
As at 30 June 2017 (Unaudited)		As at 31 December 2016 (Audited)	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	5,778*	-	6,136*

* Loans and borrowings

Amount repayable after one year

Group			
As at 30 June 2017 (Unaudited)		As at 31 December 2016 (Audited)	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	4,920**	-	4,762**

** RCULS – liability component

Details of any collateral

The bank borrowings obtained by two of the subsidiaries are guaranteed by the Company and by personal guarantee of Mr Lim Kian Onn ("**Mr LKO**"), a controlling shareholder and director of the Company.

Others – Contingent liabilities

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

1. For a principal sum of up to S$9.22 million in relation to a term loan facility granted by a licensed bank to Epsom College Malaysia Sdn Bhd ("**ECiM**"), a subsidiary of an associate of Educ8 Group Sdn Bhd ("**Educ8**"); and

2. For a principal sum of up to S$8.35 million in relation to a term loan facility and a bank guarantee facility of up to S$0.43 million granted by a licensed bank to TP Sepang Sdn Bhd ("**TPSB**"), a subsidiary of joint venture of TP Real Estate Holdings Pte Ltd ("**TPRE**").

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

	Group For the 6 months ended 30 June 2017	Group For the 6 months ended 30 June 2016
	S$'000	S$'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**9,682**	**7,335**
Adjustments for:		
Interest income from bank deposits	(47)	(16)
Interest income from provision of credit facilities	(5)	(43)
Interest expenses	331	300
Depreciation of property, plant and equipment	9	18
Gain on disposal of available-for-sale financial assets	(364)	-
Share of profit from joint venture	(11,047)	(7,493)
Share-based payment expense	218	-
Dividend income from investment securities	-	-*
Share of loss/(profit) from associates	144	(720)
Unrealised foreign exchange loss, net	351	253
Operating loss before working capital changes	**(728)**	**(366)**
Receivables	906	(1,138)
Payables	(118)	(310)
Cash flow generated from/(used in) operations	**60**	**(1,814)**
Interest income from provision of credit facilities	5	43
Income tax credited	20	17
Net cash flows generated from/(used in) operating activities	**85**	**(1,754)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(104)	(170)
Registration of trademark	(18)	-
Proceeds from disposal of available-for-sale financial assets	618	-
Dividend received from an associate	435	-
Investment in associates	-	(16,998)
Dividend income from investment securities	-	-*
Net cash generated from/(used in) investing activities	**931**	**(17,168)**

	Group For the 6 months ended 30 June 2017	Group For the 6 months ended 30 June 2016
	S$'000	S$'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(173)	(417)
Interest received from bank deposits	47	16
Proceeds from redeemable convertible unsecured loan stock, net of transaction cost	-	9,756
Repayment of amount due to related parties	-	(2,389)
Advance from joint venture	-	12,121
Repayment of bank borrowings	(324)	-
Net cash (used in)/generated from financing activities	**(450)**	**19,087**
Net increase in cash and cash equivalents	**566**	**165**
Effect of exchange rate changes on cash and cash equivalents	**(121)**	**(527)**
Cash and cash equivalents at 1 January	**4,130**	**5,974**
Cash and cash equivalents at 30 June	**4,575**	**5,612**
Cash at bank and on hand	862	1,948
Short-term deposits	3,713	3,664
Cash and cash equivalents	**4,575**	**5,612**

* Amount is less than S$1,000.

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

	Attributable to owners of the Company									
	Share capital	**RCULS – equity component**	**Share-based payment reserve**	**Fair value reserve**	**Capital reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Equity attributable to equity owners of the Company**	**Non-controlling interests**	**Total**
GROUP (Unaudited)	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance as at 1 January 2017	**40,875**	**1,164**	**397**	**55**	**43**	**(7,475)**	**2,893**	**37,952**	**2,264**	**40,216**
Profit for the period	-	-	-	-	-	-	9,461	9,461	221	9,682
Other comprehensive income/(loss):										
Share of fair value reserve for available-for-sale financial assets of an associate	-	-	-	40	-	-	-	40	-	40
Share of foreign currency translation reserve of joint venture	-	-	-	-	-	(34)	-	(34)	-	(34)
Share of foreign currency translation reserve of associates	-	-	-	-	-	(785)	-	(785)	(130)	(915)
Foreign currency translation	-	-	-	-	-	455	-	455	64	519
Other comprehensive income/(loss) for the period, net of tax	**-**	**-**	**-**	**40**	**-**	**(364)**	**-**	**(324)**	**(66)**	**(390)**
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**40**	**-**	**(364)**	**9,461**	**9,137**	**155**	**9,292**
Transaction with owners:										
Grant of equity-settled share options and share awards	-	-	218	-	-	-	-	218	-	218
Balance as at 30 June 2017	**40,875**	**1,164**	**615**	**95**	**43**	**(7,839)**	**12,354**	**47,307**	**2,419**	**49,726**

	Attributable to owners of the Company									
	Share capital	**RCULS – equity component**	**Share-based payment reserve**	**Fair value reserve**	**Capital reserve**	**Foreign currency translation reserve**	**(Accumulated losses)/ retained earnings**	**Equity attributable to equity owners of the Company**	**Non-controlling interests**	**Total**
GROUP (Unaudited)	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance as at 1 January 2016	**37,149**	**-**	**-**	**-**	**-**	**(5,352)**	**(2,818)**	**28,979**	**2,349**	**31,328**
Profit for the period	-	-	-	-	-	-	6,909	6,909	424	7,333
Other comprehensive (loss)/income:										
Share of foreign currency translation reserve of joint venture	-	-	-	-	-	(863)	-	(863)	-	(863)
Share of foreign currency translation reserve of associates	-	-	-	-	-	(1)	-	(1)	137	136
Foreign currency translation	-	-	-	-	-	(242)	-	(242)	(96)	(338)
Other comprehensive (loss)/income for the period, net of tax	**-**	**-**	**-**	**-**	**-**	**(1,106)**	**-**	**(1,106)**	**41**	**(1,065)**
Total comprehensive (loss)/income for the period	**-**	**-**	**-**	**-**	**-**	**(1,106)**	**6,909**	**5,803**	**465**	**6,268**
Transaction with owners:										
Issuance of RCULS	-	2,353	-	-	-	-	-	2,353	-	2,353
Balance as at 30 June 2016	**37,149**	**2,353**	**-**	**-**	**-**	**(6,458)**	**4,091**	**37,135**	**2,814**	**39,949**

	Share capital	RCULS – equity component	Share-based payments reserve	Accumulated losses	Total equity
COMPANY	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
(Unaudited)					
As at 1 January 2017	**40,875**	**1,164**	**397**	**(19,051)**	**23,385**
Loss for the period, representing total comprehensive loss for the period	-	-	-	(650)	(650)
Grant of equity-settled share options and share awards	-	-	218	-	218
At 30 June 2017	**40,875**	**1,164**	**615**	**(19,701)**	**22,953**
(Unaudited)					
As 1 January 2016	**37,149**	**-**	**-**	**(15,703)**	**21,446**
Loss for the period, representing total comprehensive loss for the period	-	-	-	(458)	(458)
Issuance of RCULS	-	2,353	-	-	2,353
At 30 June 2016	**37,149**	**2,353**	**-**	**(16,161)**	**23,341**

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

Share Capital

There has been no change in the Company's share capital from 31 December 2016 to 30 June 2017. The Company's share capital as at 31 December 2016 and 30 June 2017 remained at S$40,875,023 and comprised 194,701,333 shares ("**Existing Issued Share Capital**").

Convertibles

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

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

As such, as at 30 June 2017, there are 62 RCULS outstanding convertible into 47,692,307 Shares (30 June 2016: 76,923,076 Shares) and accrued interest of S$34,100 convertible into 262,307 Shares (30 June 2016: 36,880 Shares). Accordingly, as at 30 June 2017, the aggregate number of Shares that may be issued on conversion of the RCULS and accrued interest is 47,954,614 Shares (30 June 2016: 76,959,956 Shares), representing approximately 24.6% of the Existing Issued Share Capital.

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

As at 30 June 2017, a total of 1,240,885 Shares had been forfeited and the remaining balance of Share Options outstanding is convertible into 9,237,699 Shares (30 June 2016: Nil), representing approximately 4.7% of the Existing Issued Share Capital.

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

As at 30 June 2017, a total of 620,443 Shares had been forfeited and the remaining balance of Shares issuable under the Share Awards is 4,618,853 Shares (30 June 2016: Nil), representing approximately 2.4% of the Existing Issued Share Capital.

Based on the foregoing, the total number of Shares that may be issued on conversion of all outstanding convertibles (including Share Options and Share Awards) as at 30 June 2017 is 61,811,166 Shares, representing approximately 31.7% of the Existing Issued Share Capital (30 June 2016: 76,959,956 Shares).

Save as disclosed, the Company did not have any outstanding convertibles as at 30 June 2017 and 30 June 2016.

Treasury shares and subsidiary holdings

The Company did not have any treasury shares or subsidiary holdings as at 30 June 2017 and 30 June 2016.

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

	As at 30 June 2017	As at 31 December 2016
Total number of issued shares excluding treasury shares	194,701,333	194,701,333

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

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

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

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

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

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

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

Not applicable.

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

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation for the current financial period reported on as in the most recently audited annual financial statements for the financial year ended 31 December 2016.

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

The Group has adopted all the new and revised Financial Reporting Standards ("**FRS**") and Interpretations of FRS ("**INT FRS**") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2017.

Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of the new and revised FRS and INT FRS did not result in substantial changes to the Group's accounting policies and has no material effect on the financial results reported for the current or prior reporting periods.

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

	Group	
Earnings per Share	**For the 6 months ended 30 June 2017 (Unaudited)**	**For the 6 months ended 30 June 2016 (Unaudited)**
Basic Based on weighted average number of ordinary shares in issue (Singapore cents)	4.86(1)	4.18(3)
Diluted On a fully diluted basis (Singapore cents)	3.94(2)	2.83(4)

Notes:-

(1) Computed based on the profit attributable to owners of the Company of S$9.461 million divided by the weighted average number of ordinary shares in issue of 194,701,333 for the financial period ended 30 June 2017 ("**6M2017**").

(2) Computed based on the profit of S$9.619 million, representing the total of (i) the profit attributable to owners of the Company of S$9.461 million and (ii) savings from reversal of RCULS accrued interest expense of S$0.158 million; divided by 243,860,864 Shares, being (i) the total of the weighted average number of ordinary shares in issue of 194,701,333 and (ii) assuming full conversion of outstanding RCULS, Plato ESOS 2016 and Plato PSP 2016 into 49,159,531 ordinary shares of which are assumed to be issued on 1 January 2017, for 6M2017.

(3) Computed based on the profit attributable to owners of the Company of S$6.909 million divided by the weighted average number of ordinary shares in issue of 165,451,344 for the financial period ended 30 June 2016 ("**6M2016**").

(4) Computed based on the profit attributable to owners of the Company of S$6.909 million divided by 244,316,825 Shares, being (i) the total of the weighted average number of ordinary shares in issue of 165,451,344 and (ii) assuming full conversion of outstanding RCULS into 78,865,481 ordinary shares of which are assumed to be issued on 1 January 2016, for 6M2016.

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

	Group		Company	
	As at 30 June 2017 (Unaudited)	**As at 31 December 2016 (Audited)**	**As at 30 June 2017 (Unaudited)**	**As at 31 December 2016 (Audited)**
Net asset value ("**NAV**") per ordinary share (Singapore cents)	25.54	20.65	11.79	12.01
Number of ordinary shares in issue	194,701,333	194,701,333	194,701,333	194,701,333

The Group's and the Company's NAV per ordinary share as at 30 June 2017 and 31 December 2016 were calculated based on the net assets of the Group and the Company over the number of ordinary shares in issue at the respective balance sheet dates.

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

Six months ended 30 June 2017 vs six months ended 30 June 2016

Income Statement

The overall group turnover decreased by 26.8% to S$0.379 million primarily due to a decrease in revenue from service maintenance as a major customer had terminated the service maintenance since the second half of the financial year ended 31 December 2016.

The disposal of available-for-sale financial assets at higher market value had resulted in a gain of S$0.364 million.

The Group recorded a foreign exchange loss of S$0.254 million mainly due to the weakening of both the United States Dollar and Malaysian Ringgit against the Singapore Dollar.

The share-based payment expense of S$0.218 million is in relation to the Share Options and Share Awards granted on 17 June 2016 under the Plato ESOS 2016 and the Plato PSP 2016 and that were accepted in July 2016.

The Group's share of profit from joint venture increased to S$11.047 million mainly due to its share of 50% gain on disposal of Tune Hotel Edinburgh in May 2017 of approximately S$10.274 million.

The Group recorded share of loss from associates of S$0.144 million in 6M2017 which consists of net share of loss from Educ8 of S$0.843 million and share of profit from TYK Capital Sdn Bhd ("**TYKC**") and ECM Libra Financial Group Berhad ("**ECMLIB**") of S$0.650 million and S$0.049 million respectively. The loss registered by Educ8 was mainly due to high operating costs incurred by Epsom College in Malaysia, as it is still in the process of building up its reputation as an established boarding school with the aim of increasing its intake of new students. Lower share of profit from TYKC was caused by the drop of non-hard disk ("non-HDD") sales, whilst the share of profit from ECMLIB[1] was primarily generated from the provision of asset management services and credit services.

The above resulted in the Group recording a profit before tax of S$9.682 million in 6M2017 largely due to higher share of profit from joint venture resulting from the disposal of Tune Hotel Edinburgh.

[1] In the previous financial year, the bargain purchase on acquisition of ECMLIB ("**ECMLIB Acquisition**") was provisionally estimated at S$3.267 million and included as share of profit from ECMLIB. During 6M2017, the management had completed the purchase price allocation and concluded that there is no material variance to be adjusted against the provisional bargain purchase.

Statement of Financial Position

Investment in joint venture increased to S$30.642 million primarily due to the Group's share of profit of S$11.047 million in 6M2017, partially offset by the redemption of redeemable preference shares ("**RPS**") of TPRE of S$4.089 million.

Available-for-sale financial assets have been fully disposed with a gain of S$0.364 million as explained above.

Trade receivables decreased to S$0.198 million mainly due to the full settlement of a new loan granted in prior year under the Group's provision of credit facilities division.

Decrease in amount due to joint venture to S$5.083 million was due to the redemption of RPS of TPRE that offsets the advance payment due to TPRE.

The Group's net current liabilities had improved to S$7.250 million primarily due to the lower balance owing to TPRE after the redemption of RPS. The net current liabilities is resulted from the short term financing arrangement, in which the Group expects to generate funds from its core investments to further improve its working capital in the future.

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

Cash Flows Statement

The net increase in cash and cash equivalent amounting to S$0.566 million in 6M2017 was mainly due to the proceeds from disposal of available-for-sale financial assets of S$0.618 million and dividend received from an associate of S$0.435 million. This is reduced by the net cash used in financing activities mainly for the interest on borrowings of S$0.173 million and repayment of bank borrowings of S$0.324 million.

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

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

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

For the next reporting period, the Group's financials will continue to be driven primarily by its exposure to its three core sectors: travel and hospitality through TPRE, education through its investment in Educ8 and precision engineering via the Group's investment in hard disk ("HDD") manufacturer TYKC.

Hospitality Sector

Post disposal of TPRE's Edinburgh asset in May 2017, TPRE will focus efforts on improving revenues and operational efficiencies at KLIA2 whilst finalising planning submission to the authorities in Melbourne for the development of the Finders Street site.

The Group has received planning permission from the authorities in Dublin and development activities of the Ormond property have commenced with a view to operations commencing at the 121-room property in the second half of 2019.

Education Sector

Student enrolment at ECiM is targeted to exceed 400 students for the academic year commencing September 2017. ECiM continues to aggressively market the school throughout the region and will continue to work with external partners such as Real Madrid Foundation to improve brand visibility and asset utilisation.

HDD Sector

In light of continued supplier consolidation in the HDD market, TYKC continues to focus its efforts on margin improvement through the streamlining operational processes and advanced engineering initiatives. TYKC continues to diversify its customer base away from the HDD sector and expects new businesses in the automotive, oil and gas and other consumer electronic products to be a key driver in the business going forward.

IT Division

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

11. If a decision regarding dividend has been made: -

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

None

(b) (i) Amount per share:

Not applicable.

(ii)Previous corresponding period:

None

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

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

12. If no dividend has been declared/(recommended), a statement to that effect

No dividend has been declared or recommended during the current financial period reported on.

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

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

There were no interested person transactions of S$100,000 or more entered into during 6M2017.

14. Use of proceeds from the RCULS ("RCULS Proceeds")

As the Company has completed the ECMLIB Acquisition and RCULS Issue, the remaining proceeds from the RCULS Proceeds of (i) S$0.239 million initially allocated for "To pay the Purchase Consideration for the ECMLIB Acquisition"; and (ii) S$0.246 million initially allocated for "Expenses in connection with the ECMLIB Acquisition and RCULS Issue and general working capital purposes", being an aggregate of S$0.485 million, were re-allocated to "General Working Purposes" ("**First Re-allocation**"). Subsequently, S$11,000 from "General Working Purposes" has been re-allocated to "Expenses in connection with the ECMLIB Acquisition and RCULS Issue" ("**Second Re-allocation**").

The utilisation of the RCULS Proceeds as at 30 June 2017 is as follows:

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

Notes:

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

** None of the proceeds had been used for general working capital expenses as at 30 June 2017.

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

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

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

16. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual.

We, Lim Kian Onn and Oh Teik Khim, being Directors of the Company do hereby confirm, for and on behalf of the Board of Directors of the Company ("**Board**") that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results of the Group for the six months ended 30 June 2017 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lim Kian Onn
Director
11 August 2017

Oh Teik Khim
Director

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

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

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