



**PLATO CAPITAL LIMITED  
ANNUAL REPORT 2020**

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This annual report has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “Exchange”) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Jennifer Tan, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg).

# Corporate Information

## Directors

Lim Kian Onn

*Chairman, Non-Independent & Non-Executive Director*

Gareth Lim Tze Xiang

*Alternate Director to Lim Kian Onn & Chief Executive Officer*

Navinderjeet Singh A/L Naranjan Singh

*Non-Independent & Non-Executive Director*

Michael Kan Yuet Yun PBM

*Independent Director*

Chong Huai Seng

*Independent Director*

## Secretary

Ngiam May Ling

## 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

## Nominating 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 Yen Mei

*(Appointed from the financial year ended*

*31 December 2018)*

## Company Sponsor

PrimePartners Corporate Finance Pte. Ltd.

16 Collyer Quay

#10-00 Income at Raffles

Singapore 049318

# Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors of Plato Capital Limited (the "Company" and together with its subsidiaries, the "Group"), I present to you our Annual Report for the financial year ended 31 December 2020 ("FY2020").

As with much of the broader economy and the travel and hospitality sector in particular, FY2020 was a year to forget.

The closure of borders across the globe, further exacerbated by the restriction of inter-state travel in Malaysia adversely impacted the operations and financial performance of the Group's hospitality and education assets. As such, the Group experienced loss for the financial year of \$1.40 million.

Performance of the different segments within the Group is given as follows.

## **PERFORMANCE OF THE GROUP'S HOSPITALITY INVESTMENTS VIDE TP REAL ESTATE HOLDINGS PTE LTD AND MONTECO HOLDINGS LIMITED**

The forced hibernation of airlines across the region for much of FY2020 yielded a significant fall-off in demand from traditional free independent travel, group travel and airline staff sources for the 452-key Tune Hotel KLIA2. A pivot to the provision of quarantine services for returning Malaysians helped defray the losses but these were provided at significantly reduced daily rates leading to the property generating \$4.85 million of revenue in FY2020, a 61% reduction relative to revenue recorded in FY2019.

The Group's proposed 120-key development in Dublin has been paused due to disruptions caused by COVID-mandated regulatory halts with regards to non-essential construction. We have also temporarily paused the proposed 533-key, twin-tower Melbourne development as we will assess the project in a post-COVID environment.

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

The Group registered a share of profit of \$0.36 million from its share of operations in EDUC8's subsidiary Epsom College in Malaysia.

The pandemic and resultant closure of borders has led to a significant loss of interest from North Asian parents and students - a key market for the school. Government policies with regards to quarantine procedures and processing of new student visas have also led to a fall-off with regards to non-Malaysian student enrolment. The already competitive international school market in Malaysia has been forced to compete for a much diminished pool of potential students especially in light of the withdrawal of many expatriates from Malaysia due to the difficult economic environment.

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

Amongst the Group's portfolio of investments, TYKC was the least adversely impacted in FY2020. A recovery in demand led to the Group's share of profit in TYKC amounting to \$1.26 million. TYKC maintains a robust balance sheet with a net cash position of \$10.27 million at the end of FY2020.

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

The IT division continues to decline as demand for its Ross product diminishes in light of newer, more feature-rich alternatives and recorded lower revenue at \$0.66 million for FY2020 from \$0.86 million in FY2019.

In summary, the Group's portfolio has been adversely impacted by the fallout from the COVID pandemic and whilst a global vaccination rollout offers some hope of a better year 2021, it is my view that a more sustained recovery in the hospitality and education sectors is more likely in the following fiscal year 2022.

The Board and I would like to thank our staff for their commitment and sacrifices over the course of a difficult FY2020 with many volunteering significant pay reductions over the period in order to help the Group navigate the turbulent period. I would also like to thank you, our shareholders for your unwavering confidence and trust in us steering the Group.

Lim Kian Onn  
Chairman  
Plato Capital Limited

# Corporate Governance Report

## **DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2018 AND CATALIST RULES**

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

This report outlines the Company’s corporate governance practices that were in place during the financial year ended 31 December 2020 (“**FY2020**”), with specific reference made to the principles of the Code of Corporate Governance 2018 (the “**Code**”), its related practice guidance (“**PG**”), guidelines from the Code of Corporate Governance 2012 (“**Code 2012**”) which are still in effect as well as the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in January 2015 (the “**Guide**”).

<b>No.</b>	<b>Code and/or Guide Description</b>	<b>Company’s Compliance or Explanation</b>
General	<p>(a) Has the Company complied with all the principles and guidelines of the Code?</p> <p>If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.</p>	<p>The Company has complied with the principles, provisions and guidelines as set out in the Code, Code 2012 and the Guide, where applicable.</p> <p>Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code, Code 2012 and the Guide.</p>
	<p>(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?</p>	<p>Not applicable. The Company did not adopt any alternative corporate governance practices in FY2020.</p>

No.	Code and/or Guide Description	Company's Compliance or Explanation																														
<b>BOARD MATTERS</b>																																
<b>Principle 1: The Board's Conduct of Affairs</b>																																
1.1	<u>Board composition</u>	<p>As at the date of this annual report, the Board has four members and comprises the following:</p> <table border="1"> <caption><b>Table 1.1 – Composition of the Board and Board Committees</b></caption> <thead> <tr> <th colspan="5">• C – Chairman M – Member</th> </tr> <tr> <th>Name of Director</th> <th>Designation</th> <th>Audit Committee<sup>(2)</sup></th> <th>Remuneration Committee<sup>(3)</sup></th> <th>Nominating Committee<sup>(4)</sup></th> </tr> </thead> <tbody> <tr> <td>Lim Kian Onn<sup>(1)</sup></td> <td>Chairman/Non-Independent/Non-Executive Director (“Chairman”)</td> <td>M</td> <td>M</td> <td>M</td> </tr> <tr> <td>Michael Kan Yuet Yun PBM</td> <td>Independent Director</td> <td>C</td> <td>M</td> <td>M</td> </tr> <tr> <td>Chong Huai Seng</td> <td>Independent Director</td> <td>M</td> <td>C</td> <td>C</td> </tr> <tr> <td>Navinderjeet Singh A/L Naranjan Singh<sup>(5)</sup></td> <td>Non-Independent/Non-Executive Director</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p>(1) Gareth Lim Tze Xiang, the Chief Executive Officer (“CEO”) of the Company, is an Alternate Director to Lim Kian Onn.</p> <p>(2) The Audit Committee (“AC”) comprises three members, the majority of whom, including the Chairman, is independent. All the members of the AC are Non-Executive Directors.</p> <p>(3) The Remuneration Committee (“RC”) comprises three members, the majority of whom, including the Chairman, is independent. All the members of the RC are Non-Executive Directors.</p> <p>(4) The Nominating Committee (“NC”) comprises three members, the majority of whom, including the Chairman, is independent. All the members of the NC are Non-Executive Directors.</p> <p>(5) Navinderjeet Singh A/L Naranjan Singh was appointed as a Non-Independent and Non-Executive Director on 2 October 2020.</p>	• C – Chairman M – Member					Name of Director	Designation	Audit Committee <sup>(2)</sup>	Remuneration Committee <sup>(3)</sup>	Nominating Committee <sup>(4)</sup>	Lim Kian Onn <sup>(1)</sup>	Chairman/Non-Independent/Non-Executive Director (“Chairman”)	M	M	M	Michael Kan Yuet Yun PBM	Independent Director	C	M	M	Chong Huai Seng	Independent Director	M	C	C	Navinderjeet Singh A/L Naranjan Singh <sup>(5)</sup>	Non-Independent/Non-Executive Director	-	-	-
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	<u>Role of Board</u>	<p>The Board is entrusted to lead and oversee the Group, with the fundamental principle to act in the best interests of the Group and to hold Management accountable for the Group’s performance. In addition to its statutory duties, the Board’s principal functions are, <i>inter alia</i>, as follows:</p> <ul style="list-style-type: none"> <li>• Providing entrepreneurial leadership;</li> <li>• Monitoring Management’s performance;</li> <li>• Establishing a framework for prudent, effective control and risk management;</li> <li>• Safeguarding shareholders’ interests and the Group’s assets; and</li> <li>• Responsible for the appointment and removal of the members of Board Committees.</li> </ul>																														

No.	Code and/or Guide Description	Company's Compliance or Explanation
	<p><i>Practices relating to conflict of interest</i></p>	<p>The Board's conduct in its dealings with the Company is primarily guided by the Constitution of the Company ("<b>Constitution</b>") which contains provisions which aim to avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of the Company ("<b>Interested Director</b>"). Notwithstanding that a Director may enter into a contract with the Company, he must immediately declare his interest at a meeting of directors, and recuse himself from participating in any discussion and decision on the matter. In addition, the Interested Director shall not be counted towards a quorum of the Directors present at the meeting.</p> <p>For the purposes ensuring proper accountability within the Company, the Company under the direction of the Board has implemented an Anti-Bribery and Corruption Policy and Gift and Hospitality Policy, which purpose is to set out the responsibilities of Directors and employees of the Group in regards to observing and upholding the Group's zero-tolerance position on bribery and corruptions, by acting as a source of information and guidance to help them recognise, deal with and understand their responsibilities in connection with offences relating to the corrupt giving, agreement to give, promises or offers any gratification whether for the benefit of the employee or another person with the intent to obtain or retain business for the Group or to obtain or retain an advantage in the conduct of business for the Group.</p>
1.2	<p><i>Directors' training and orientation</i></p> <p>(a) Are new Directors given formal training? If not, please explain why.</p>	<p>All newly appointed Directors will be fully briefed on the business activities and organisational structure of the Group and its strategic plans and objectives ("<b>Briefing</b>"). Each newly appointed Director will receive an induction covering the Group'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 ("<b>Induction</b>"). In addition, the Company will also provide each newly appointed Director with a formal letter of appointment. Under the Rule 406(3)(a) of the SGX-ST Listing Manual: Section B: Rules of Catalist ("<b>Catalist Rules</b>"), a new Director who has no prior experience as a director of a company listed on the SGX-ST ("<b>First-time Director</b>") must undergo training in the roles and responsibilities of a director of a company listed on the SGX-ST as prescribed by the SGX-ST. First-time Directors will be required to undertake the required training within one year from the date of his appointment to the Board.</p> <p>Navinderjeet Singh A/L Naranjan Singh was appointed as Non-Independent and Non-Executive Director on 2 October 2020 and he has yet to undergo formal training. However, Navinderjeet Singh A/L Naranjan Singh has undergone the necessary Briefing and Induction and the Company will ensure he will fulfil the required training by 1 October 2021, being one year from the date of his appointment to the Board.</p>
	<p>(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?</p>	<p>The Board values on-going professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on and contribute to the Board. The Board continually assesses the training requisites for Directors in line with the business demands of the Company and the marketplace and will establish specific policies for continuous professional development for Directors if the need arises.</p>

No.	Code and/or Guide Description	Company's Compliance or Explanation															
	<p><u>Trainings attended for FY2020</u></p>	<p>To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in the Group's environment, market or operations which may be provided by accredited training providers such as the Singapore Institute of Directors.</p> <p>Directors are encouraged to consult the Chairman if they consider that they personally, or the Board as a whole, would benefit from specific education or training regarding matters that fall within the responsibility of the Board or relate to the Group's business. Such trainings costs are borne by the Company.</p> <p>The table below shows the trainings registered for and/or attended by Directors in FY2020:</p> <table border="1" data-bbox="616 763 1447 1361"> <thead> <tr> <th colspan="3" data-bbox="616 763 1447 808"><b>Table 1.2 – Training Profiles of Directors</b></th> </tr> <tr> <th data-bbox="616 808 892 846">Name of Director</th> <th data-bbox="892 808 1169 846">Course Attended</th> <th data-bbox="1169 808 1447 846">Training Provider</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 846 892 1010">Michael Kan Yuet Yun PBM</td> <td data-bbox="892 846 1169 1010"> <ol style="list-style-type: none"> <li>1. ACRA-SGX-SID Audit Committee Seminar 2020</li> <li>2. SGD 5 - Strategy and Board Performance</li> </ol> </td> <td data-bbox="1169 846 1447 1010">Singapore Institute of Directors</td> </tr> <tr> <td data-bbox="616 1010 892 1077">Chong Huai Seng</td> <td data-bbox="892 1010 1169 1077"> <ol style="list-style-type: none"> <li>1. SGD 5 - Strategy and Board Performance</li> </ol> </td> <td data-bbox="1169 1010 1447 1077">Singapore Institute of Directors</td> </tr> <tr> <td data-bbox="616 1077 892 1361">Lim Kam Choy<sup>(1)</sup></td> <td data-bbox="892 1077 1169 1361">                     Listed Entity Director ("LED") Programme                     <ol style="list-style-type: none"> <li>1. LED 1 - Listed Entity Director Essentials</li> <li>2. LED 2 - Board Dynamics</li> <li>3. LED 3 - Board Performance</li> <li>4. LED 4 - Stakeholder Engagement</li> </ol> </td> <td data-bbox="1169 1077 1447 1361">Singapore Institute of Directors</td> </tr> </tbody> </table> <p>In addition, briefings and updates for Directors in FY2020 included the following:</p> <ol style="list-style-type: none"> <li>(a) The external auditor briefed the AC on new, changes and amendments to accounting standards; and</li> <li>(b) The Company Secretary briefed the Board on changes in the Companies Act of Singapore (Chapter 50), and notified/updated the Board on new legislations, rules and regulations.</li> </ol> <p><b>Note:</b></p> <p>(1) <i>Lim Kam Choy resigned from the Board on 2 October 2020.</i></p>	<b>Table 1.2 – Training Profiles of Directors</b>			Name of Director	Course Attended	Training Provider	Michael Kan Yuet Yun PBM	<ol style="list-style-type: none"> <li>1. ACRA-SGX-SID Audit Committee Seminar 2020</li> <li>2. SGD 5 - Strategy and Board Performance</li> </ol>	Singapore Institute of Directors	Chong Huai Seng	<ol style="list-style-type: none"> <li>1. SGD 5 - Strategy and Board Performance</li> </ol>	Singapore Institute of Directors	Lim Kam Choy <sup>(1)</sup>	Listed Entity Director ("LED") Programme <ol style="list-style-type: none"> <li>1. LED 1 - Listed Entity Director Essentials</li> <li>2. LED 2 - Board Dynamics</li> <li>3. LED 3 - Board Performance</li> <li>4. LED 4 - Stakeholder Engagement</li> </ol>	Singapore Institute of Directors
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1.3	<p><u>Matters requiring Board's approval</u></p>	<p>The Board has ultimate oversight and approval rights for material transactions in the Company. The Board has not delegated approval authorisation for such transactions to any committee(s) due to the size of the Company and the business needs of the organisation. Specifically, matters and transactions that require the Board's approval include all matters prescribed by law, amongst others, the following:</p> <ul style="list-style-type: none"> <li>• Overall Group business and budget strategy;</li> <li>• Material capital expenditures;</li> <li>• Material investments, acquisitions and/or disposals;</li> </ul>															



No.	Code and/or Guide Description	Company's Compliance or Explanation																																																															
		<ul style="list-style-type: none"> <li>• Borrowings and financial commitments;</li> <li>• All capital-related matters including capital issuance and redemption;</li> <li>• Significant policies governing the operations of the Company;</li> <li>• Corporate strategic development and restructuring;</li> <li>• Material interested person transactions; and</li> <li>• Risk management strategies.</li> </ul> <p>Matters and transactions that have received the Board's approval are communicated clearly to Management, when necessary such communication is made in writing. To optimise operational efficiency and enhance transparency, the Board has approved the delegation of authority for the establishment and operation of bank accounts and funds disbursement to Management, based on approved authority matrix.</p>																																																															
1.4	<u>Delegation to Board Committees</u>	<p>The Board has delegated certain responsibilities to the AC, NC and RC (collectively, the "<b>Board Committees</b>").</p> <p>The compositions of the Board Committees are set out in Table 1.1 of Section 1.1 of this report.</p>																																																															
1.5	<u>Attendance of Board and Board Committees</u>	<p>The Board conducts regular scheduled meetings and/or as and when circumstances require. Directors with multiple board representations will ensure that sufficient time and attention are given to the affairs of the Company.</p> <p>In FY2020, the number of General, Board and Board Committees meetings held and the attendance of each Board member are shown below:</p> <table border="1" data-bbox="616 1093 1445 1630"> <thead> <tr> <th colspan="7" data-bbox="616 1093 1445 1128"><b>Table 1.5 – General, Board and Board Committee Meetings</b></th> </tr> <tr> <th data-bbox="616 1128 826 1223"></th> <th data-bbox="826 1128 930 1223">Annual General Meeting</th> <th data-bbox="930 1128 1082 1223">Extraordinary General Meeting</th> <th data-bbox="1082 1128 1171 1223">Board Meeting</th> <th data-bbox="1171 1128 1262 1223">AC Meeting</th> <th data-bbox="1262 1128 1356 1223">RC Meeting</th> <th data-bbox="1356 1128 1445 1223">NC Meeting</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 1223 826 1290"><b>Number of meetings held</b></td> <td data-bbox="826 1223 930 1290">1</td> <td data-bbox="930 1223 1082 1290">1</td> <td data-bbox="1082 1223 1171 1290">2</td> <td data-bbox="1171 1223 1262 1290">2</td> <td data-bbox="1262 1223 1356 1290">1</td> <td data-bbox="1356 1223 1445 1290">1</td> </tr> <tr> <td data-bbox="616 1290 826 1326"><b>Name of Directors</b></td> <td colspan="6" data-bbox="826 1290 1445 1326" style="text-align: center;"><b>Number of Meetings Attended</b></td> </tr> <tr> <td data-bbox="616 1326 826 1420">Lim Kian Onn (Alternate Director: Gareth Lim Tze Xiang )</td> <td data-bbox="826 1326 930 1420">1</td> <td data-bbox="930 1326 1082 1420">1</td> <td data-bbox="1082 1326 1171 1420">2</td> <td data-bbox="1171 1326 1262 1420">2</td> <td data-bbox="1262 1326 1356 1420">1</td> <td data-bbox="1356 1326 1445 1420">1</td> </tr> <tr> <td data-bbox="616 1420 826 1487">Michael Kan Yuet Yun PBM</td> <td data-bbox="826 1420 930 1487">1</td> <td data-bbox="930 1420 1082 1487">1</td> <td data-bbox="1082 1420 1171 1487">2</td> <td data-bbox="1171 1420 1262 1487">2</td> <td data-bbox="1262 1420 1356 1487">1</td> <td data-bbox="1356 1420 1445 1487">1</td> </tr> <tr> <td data-bbox="616 1487 826 1523">Chong Huai Seng</td> <td data-bbox="826 1487 930 1523">1</td> <td data-bbox="930 1487 1082 1523">1</td> <td data-bbox="1082 1487 1171 1523">2</td> <td data-bbox="1171 1487 1262 1523">2</td> <td data-bbox="1262 1487 1356 1523">1</td> <td data-bbox="1356 1487 1445 1523">1</td> </tr> <tr> <td data-bbox="616 1523 826 1559">Lim Kam Choy<sup>(1)</sup></td> <td data-bbox="826 1523 930 1559">1</td> <td data-bbox="930 1523 1082 1559">1</td> <td data-bbox="1082 1523 1171 1559">2</td> <td data-bbox="1171 1523 1262 1559">2<sup>(3)</sup></td> <td data-bbox="1262 1523 1356 1559">1<sup>(3)</sup></td> <td data-bbox="1356 1523 1445 1559">1<sup>(3)</sup></td> </tr> <tr> <td data-bbox="616 1559 826 1630">Navinderjeet Singh A/L Naranjan Singh<sup>(2)</sup></td> <td data-bbox="826 1559 930 1630">N/A</td> <td data-bbox="930 1559 1082 1630">N/A</td> <td data-bbox="1082 1559 1171 1630">1<sup>(3)</sup></td> <td data-bbox="1171 1559 1262 1630">1<sup>(3)</sup></td> <td data-bbox="1262 1559 1356 1630">N/A</td> <td data-bbox="1356 1559 1445 1630">N/A</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p>(1) <i>Lim Kam Choy resigned from the Board on 2 October 2020.</i></p> <p>(2) <i>Navinderjeet Singh A/L Naranjan Singh was appointed to the Board on 2 October 2020.</i></p> <p>(3) <i>By invitation.</i></p> <p>The Constitution allows for meetings to be held through telephone and/or video-conference.</p>	<b>Table 1.5 – General, Board and Board Committee Meetings</b>								Annual General Meeting	Extraordinary General Meeting	Board Meeting	AC Meeting	RC Meeting	NC Meeting	<b>Number of meetings held</b>	1	1	2	2	1	1	<b>Name of Directors</b>	<b>Number of Meetings Attended</b>						Lim Kian Onn (Alternate Director: Gareth Lim Tze Xiang )	1	1	2	2	1	1	Michael Kan Yuet Yun PBM	1	1	2	2	1	1	Chong Huai Seng	1	1	2	2	1	1	Lim Kam Choy <sup>(1)</sup>	1	1	2	2 <sup>(3)</sup>	1 <sup>(3)</sup>	1 <sup>(3)</sup>	Navinderjeet Singh A/L Naranjan Singh <sup>(2)</sup>	N/A	N/A	1 <sup>(3)</sup>	1 <sup>(3)</sup>	N/A	N/A
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Lim Kian Onn (Alternate Director: Gareth Lim Tze Xiang )	1	1	2	2	1	1																																																											
Michael Kan Yuet Yun PBM	1	1	2	2	1	1																																																											
Chong Huai Seng	1	1	2	2	1	1																																																											
Lim Kam Choy <sup>(1)</sup>	1	1	2	2 <sup>(3)</sup>	1 <sup>(3)</sup>	1 <sup>(3)</sup>																																																											
Navinderjeet Singh A/L Naranjan Singh <sup>(2)</sup>	N/A	N/A	1 <sup>(3)</sup>	1 <sup>(3)</sup>	N/A	N/A																																																											

No.	Code and/or Guide Description	Company's Compliance or Explanation																					
1.6	<p><u>Access to information</u></p> <p>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?</p>	<p>The Directors have separate and independent access to key members of Management of the Company if they seek information on its business affairs and shall be provided with such information if requested to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</p> <table border="1" data-bbox="616 461 1445 1050"> <thead> <tr> <th colspan="3" data-bbox="616 461 1445 533"><b>Table 1.6 – Types of Information provided by Key Management Personnel to Independent Directors</b></th> </tr> <tr> <th data-bbox="616 533 691 573"></th> <th data-bbox="691 533 1126 573">Information</th> <th data-bbox="1126 533 1445 573">Frequency</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 573 691 703">1.</td> <td data-bbox="691 573 1126 703">Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td> <td data-bbox="1126 573 1445 703">At least half yearly</td> </tr> <tr> <td data-bbox="616 703 691 775">2.</td> <td data-bbox="691 703 1126 775">Updates to the Group's operations and the markets in which the Group operates in</td> <td data-bbox="1126 703 1445 775">At least half yearly</td> </tr> <tr> <td data-bbox="616 775 691 936">3.</td> <td data-bbox="691 775 1126 936">Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and External Auditors ("EA") and Internal Auditor ("IA") reports</td> <td data-bbox="1126 775 1445 936">Management accounts – at least half yearly Others – annually</td> </tr> <tr> <td data-bbox="616 936 691 1008">4.</td> <td data-bbox="691 936 1126 1008">Reports on on-going or planned corporate actions</td> <td data-bbox="1126 936 1445 1008">As and when required</td> </tr> <tr> <td data-bbox="616 1008 691 1050">5.</td> <td data-bbox="691 1008 1126 1050">Shareholding statistics</td> <td data-bbox="1126 1008 1445 1050">As and when required</td> </tr> </tbody> </table> <p>Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information for the Board meetings at least three days prior to the meetings to allow sufficient time for the Directors' review.</p> <p>Management will also, on best endeavours, encrypt documents which bear material price sensitive information when circulating documents electronically. Management will also provide any additional material 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.</p> <p>The Board is satisfied with its access to information and information that was provided is complete, adequate and timely.</p>	<b>Table 1.6 – Types of Information provided by Key Management Personnel to Independent Directors</b>				Information	Frequency	1.	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	At least half yearly	2.	Updates to the Group's operations and the markets in which the Group operates in	At least half yearly	3.	Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and External Auditors ("EA") and Internal Auditor ("IA") reports	Management accounts – at least half yearly Others – annually	4.	Reports on on-going or planned corporate actions	As and when required	5.	Shareholding statistics	As and when required
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1.7	<p><u>Company Secretary</u></p>	<p>The roles of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, are as follows:</p> <ul style="list-style-type: none"> <li>• Ensure that Board procedures are observed and that the Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act of Singapore (Chapter 289), the Companies Act, the Catalist Rules and the Code, are complied with;</li> <li>• Assist the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhancing long-term shareholder value;</li> <li>• Assist the Chairman to ensure good information flows within the Board and Board Committees and key management personnel;</li> <li>• Keep the Board apprised of new legislation, rules and regulations;</li> </ul>																					

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	<p><i>Access to Management and Company Secretary</i></p> <p><i>Access to professional advice</i></p>	<ul style="list-style-type: none"> <li>• Training, designing and implementing a framework for key management personnel's compliance with the Catalist Rules, including timely disclosure of material information;</li> <li>• Attend and prepare the minutes for all Board and Board Committee meetings;</li> <li>• 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</li> <li>• Assist 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.</li> </ul> <p>To undertake these roles effectively, the Directors have separate and independent access to Management and the Company Secretary.</p> <p>Directors also have separate and independent access to external advisors (when necessary) at all times.</p> <p>Individually or collectively, in order to execute their duties, Directors can obtain independent professional advice at the Company's expense where required.</p>
<b>Principle 2: Board Composition and Guidance</b>		
<p>2.1 4.4 Code 2012 – Guideline 2.4</p>	<p><i>Independence assessment of Directors</i></p>	<p>The Board takes into account the existence of relationships or circumstances, including those identified by the Code and the Catalist Rules, that are relevant in its determination as to whether a Director is independent. In addition, the Board reviews the individual Independent Directors' declaration in their assessment of independence.</p> <p>The Board has reviewed and confirmed the independence of the Independent Directors in accordance with the Code and Rule 406(3)(d) of the Catalist Rules. Michael Kan Yuet Yun PBM and Chong Huai Seng have confirmed that they are independent in conduct, character and judgement and that they do not have any relationship with the Company or its related companies or its substantial shareholder or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company, in accordance with the Code and Rule 406(3)(d) of the Catalist Rules. The Independent Directors confirm their independence in accordance with the Code and Rule 406(3)(d) of the Catalist Rules on a yearly basis.</p>
	<p>(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.</p>	<p>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.</p>

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	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
	<p><u>Independent Directors serving beyond nine years</u></p> <p>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.</p>	<p>Notwithstanding that both Michael Kan Yuet Yun PBM and Chong Huai Seng have served beyond nine years since the date of their respective first appointments, the Board is of the view that Michael Kan Yuet Yun PBM and Chong Huai Seng are independent as they have:</p> <ul style="list-style-type: none"> <li>• contributed constructively throughout their term in the Company;</li> <li>• sought clarification and amplification as they deemed necessary, including through direct access to key management personnel, Company Secretary, IA and EA; and</li> <li>• provided impartial advice and insights, and has exercised their independent judgement in doing so.</li> </ul> <p>The following assessments were conducted and deliberated by the Board before arriving at the conclusion:</p> <ul style="list-style-type: none"> <li>• Michael Kan Yuet Yun PBM's declaration and individual evaluation;</li> <li>• Chong Huai Seng's declaration and individual evaluation; and</li> <li>• performance assessment done by the other Directors.</li> </ul> <p>For the foregoing reasons, the Board concluded that it is confident that both Michael Kan Yuet Yun PBM and Chong Huai Seng have the ability to continue exercising strong independent judgment in the discharge of their duties and has requested that they both continue as Independent Director of the Company.</p> <p>On 6 August 2018, the SGX-ST amended the Catalist Rules following the publication of the Code by the Monetary Authority of Singapore. As part of the amendments to the Code, certain guidelines from the Code 2012 were shifted into the Catalist Rules for mandatory compliance. On 28 November 2018, the SGX-ST issued the Transitional Practice Note 2 to establish transitional arrangements for certain guidelines shifted into the Catalist Rules.</p> <p>Pursuant thereto and in respect of Catalist Rule 406(3)(d)(iii) (effective from 1 January 2022), to ensure that the independence designation of a director who has served for more than nine years as at and from 1 January 2022 is not affected, the NC has recommended the nomination of Michael Kan Yuet Yun PBM and Chong Huai Seng to be re-elected as Independent Directors at the forthcoming AGM of the Company and such approval to be sought by way of separate resolutions by (A) all shareholders; and (B) shareholders, excluding the Directors, CEO, and associates of such Directors and the CEO, such resolutions to remain in force until the earlier of (X) the retirement or resignation of the Director; or (Y) the conclusion of the third annual general meeting of the Company following the passing of the resolution.</p> <p>The Board has accepted the NC's recommendation.</p>

No.	Code and/or Guide Description	Company's Compliance or Explanation
<p>2.2 2.3 3.3</p>	<p><u>Board Composition</u></p> <p>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.</p> <p>Does the Company comply with the guideline on the proportion of Non-Executive Directors of the Board? If not, please state the reason for the deviation and the remedial action taken by the Company.</p> <p>Lead Independent Director</p>	<p>The Board notes that Independent Directors should comprise at least one-third of the Board as required under Guideline 2.1 of Code 2012 and Provision 2.2 of the Code requires the Independent Directors to make up majority of the Board, when the Chairman is not independent. Notwithstanding that Provision 2.2 of the Code is not met, the Directors have assessed and is satisfied that there is a strong and independent element in the current composition of the Board to contribute to effective decision making.</p> <p>The Company is cognisant that due to the origins of the Company:</p> <p>(a) there is an immediate family member relationship between the Chairman and the CEO, who are immediate family members; and</p> <p>(b) the Chairman is not an Independent Director.</p> <p>Notwithstanding the foregoing observations, the Board is of the view, taking into consideration the size of the Board, the past performance of the Directors, and the nature of the business of the Company, there are sufficient safeguards and checks in place against an imbalanced concentration of power and authority in them and there is presently no requirement for a Lead Independent Director as:</p> <ul style="list-style-type: none"> <li>• There exists a clear division of responsibilities between the Board and the key employees responsible for managing the day to day affairs of the Company;</li> <li>• Two Independent Directors make up half of the Board;</li> <li>• The Board comprises only Non-Executive Directors;</li> <li>• All major decisions are made in consultation with the Board;</li> <li>• The process of decision-making by the Board is independent and based on collective decisions without any individual or group of individuals exercising considerable concentration of power or influence; and</li> <li>• Grievances of a shareholder may be directed to the Chairman of the AC.</li> </ul> <p>Provision 2.3 of the Code requires the Non-Executive Directors to make up majority of the Board. Provision 2.3 of the Code has been met with the Board comprises of all Non-Executive Directors. As such, the Board is satisfied that there is a strong and independent element on the Board thereby contributing to effective decision-making and reducing the risk of any particular group dominating the Board's decision-making process.</p> <p>Although the Board currently does not have a Lead Independent Director, the Independent Directors make up half of the Board. As such, the Board is satisfied that there is a strong independent element to contribute to effective decision making in the best interests of the Company. The Independent Directors are and continue to be available to shareholders as a channel of communication between shareholders and the Board and/or Management. The Board will appoint a Lead Independent Director as and when deemed appropriate.</p>
<p>2.4</p>	<p><u>Board diversity</u></p>	<p>The Board is of the opinion that it would be most effective to draw on the wealth of experience from the longer serving Directors while concurrently taking progressive steps to review and consider opportunities to refresh the Board as and when deemed necessary.</p>

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		<p>To meet the changing challenges in the industry and countries which the Group operates in, such reviews, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies, would be done on an annual basis to ensure that the Board dynamics remain optimal.</p>																																	
	<p>(a) What is the Board's policy with regard to diversity in identifying Director nominees?</p>	<p>The Board's policy in identifying Director nominees is primarily to have an appropriate balance and mix of members with complementary skills, core competencies and experience for the Group, regardless of gender.</p> <p>The Board is mindful that diversity is not specific to gender or certain personal attributes and would strive to ensure the diversity would enhance the long-term success of the Group. The objective of the policy is to avoid groupthink and foster constructive debate and ensure that composition is optimal to support the Group's needs in the short and long term.</p> <p>While the NC is aware of the merits of gender diversity to the Board composition, the NC notes that it is only one of the many aspects of diversity. While due consideration would be given to female representation on the Board, the NC will continue to make its selection of candidates based on objective criteria which it believes is in the best interest of the Company.</p>																																	
	<p>(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.</p>	<p>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:</p> <table border="1" data-bbox="614 1025 1445 1509"> <thead> <tr> <th colspan="3" data-bbox="614 1025 1445 1070"><b>Table 2.4 – Balance and Diversity of the Board</b></th> </tr> <tr> <th data-bbox="614 1070 1110 1144"></th> <th data-bbox="1110 1070 1278 1144">Number of Directors</th> <th data-bbox="1278 1070 1445 1144">Proportion of Board</th> </tr> </thead> <tbody> <tr> <td colspan="3" data-bbox="614 1144 1445 1182"><b>Core Competencies</b></td> </tr> <tr> <td data-bbox="614 1182 1110 1220">- Accounting or finance</td> <td data-bbox="1110 1182 1278 1220">3</td> <td data-bbox="1278 1182 1445 1220">75%</td> </tr> <tr> <td data-bbox="614 1220 1110 1258">- Business management</td> <td data-bbox="1110 1220 1278 1258">3</td> <td data-bbox="1278 1220 1445 1258">75%</td> </tr> <tr> <td data-bbox="614 1258 1110 1296">- Relevant industry knowledge or experience</td> <td data-bbox="1110 1258 1278 1296">4</td> <td data-bbox="1278 1258 1445 1296">100%</td> </tr> <tr> <td data-bbox="614 1296 1110 1335">- Strategic planning experience</td> <td data-bbox="1110 1296 1278 1335">4</td> <td data-bbox="1278 1296 1445 1335">100%</td> </tr> <tr> <td data-bbox="614 1335 1110 1373">- Customer based experience or knowledge</td> <td data-bbox="1110 1335 1278 1373">4</td> <td data-bbox="1278 1335 1445 1373">100%</td> </tr> <tr> <td colspan="3" data-bbox="614 1373 1445 1411"><b>Gender</b></td> </tr> <tr> <td data-bbox="614 1411 1110 1449">- Male</td> <td data-bbox="1110 1411 1278 1449">4</td> <td data-bbox="1278 1411 1445 1449">100%</td> </tr> <tr> <td data-bbox="614 1449 1110 1487">- Female</td> <td data-bbox="1110 1449 1278 1487">0</td> <td data-bbox="1278 1449 1445 1487">0%</td> </tr> </tbody> </table>	<b>Table 2.4 – Balance and Diversity of the Board</b>				Number of Directors	Proportion of Board	<b>Core Competencies</b>			- Accounting or finance	3	75%	- Business management	3	75%	- Relevant industry knowledge or experience	4	100%	- Strategic planning experience	4	100%	- Customer based experience or knowledge	4	100%	<b>Gender</b>			- Male	4	100%	- Female	0	0%
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- Female	0	0%																																	
	<p>(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?</p>	<p>The Board has taken the following steps to maintain or enhance its balance and diversity:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• 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.</li> </ul> <p>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.</p>																																	



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4.3	<p><u>Selecting, Appointment and Re-appointment of Directors</u></p> <p>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.</p>	<p>The Board assesses and evaluates whether new Directors and/or retiring Directors to be re-appointed are properly qualified for appointment by virtue of their skills, experience and contributions, in line with the following processes:</p> <table border="1" data-bbox="616 398 1444 846"> <caption><b>Table 4.3(a) – Process for the Selection and Appointment of New Directors</b></caption> <tr> <td data-bbox="616 443 676 573">1.</td> <td data-bbox="676 443 903 573">Determination of selection criteria</td> <td data-bbox="903 443 1444 573"> <ul style="list-style-type: none"> <li>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.</li> </ul> </td> </tr> <tr> <td data-bbox="616 573 676 703">2.</td> <td data-bbox="676 573 903 703">Search for suitable candidates</td> <td data-bbox="903 573 1444 703"> <ul style="list-style-type: none"> <li>The Board would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</li> </ul> </td> </tr> <tr> <td data-bbox="616 703 676 779">3.</td> <td data-bbox="676 703 903 779">Assessment of shortlisted candidates</td> <td data-bbox="903 703 1444 779"> <ul style="list-style-type: none"> <li>The Board would meet and interview the shortlisted candidates to assess their suitability.</li> </ul> </td> </tr> <tr> <td data-bbox="616 779 676 846">4.</td> <td data-bbox="676 779 903 846">Appointment of Director</td> <td data-bbox="903 779 1444 846"> <ul style="list-style-type: none"> <li>The Board considers and approves the selected candidate for his/her appointment to the Board.</li> </ul> </td> </tr> </table> <table border="1" data-bbox="616 880 1444 1151"> <caption><b>Table 4.3(b) – Process for the Re-electing Incumbent Directors</b></caption> <tr> <td data-bbox="616 925 676 1048">1.</td> <td data-bbox="676 925 903 1048">Assessment of Director</td> <td data-bbox="903 925 1444 1048"> <ul style="list-style-type: none"> <li>The Board assesses the performance of the Director in accordance with the performance criteria set by the Board; and</li> <li>The Board considers the current needs of the Board.</li> </ul> </td> </tr> <tr> <td data-bbox="616 1048 676 1151">2.</td> <td data-bbox="676 1048 903 1151">Re-appointment of Director</td> <td data-bbox="903 1048 1444 1151"> <ul style="list-style-type: none"> <li>Subject to the Board's satisfactory assessment and consideration, the Board would approve the proposed re-appointment of the Director.</li> </ul> </td> </tr> </table> <p>All existing Directors are subject to retirement according to the provisions of Article 107 of the Constitution ("<b>Article 107</b>") and Catalist Rule 720(4). Article 107 states that at each Annual General Meeting ("<b>AGM</b>"), one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third, shall retire from office provided always that all Directors shall retire from office at least once every three years. Catalist Rule 720(4) provides that a company must have all directors submit themselves for re-nomination and re-appointment at least once every three years.</p> <p>In the case of the Company, there are three Directors (excluding Navinderjeet Singh A/L Naranjan Singh who shall retire pursuant to Article 91 of the Constitution) and thus the number of Directors to be retired based on the number nearest to but not less than one-third shall be one Director. A retiring Director is eligible for re-election by shareholders at the AGM.</p> <p>A Director who is appointed during the year shall, according to the provisions of Article 91, hold office only until the next AGM and retire from office at the close of the AGM, but shall be eligible for re-election and shall not be taken into account in determining the Directors who are to retire by rotation at that AGM.</p> <p>Premised on the considerations of the Directors' overall contributions and performance, the Board recommended that Navinderjeet Singh A/L Naranjan Singh and Michael Kan Yuet Yun PBM be retired pursuant to Article 91 and Article 107, respectively, and be nominated for re-election at the forthcoming AGM.</p>	1.	Determination of selection criteria	<ul style="list-style-type: none"> <li>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.</li> </ul>	2.	Search for suitable candidates	<ul style="list-style-type: none"> <li>The Board would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</li> </ul>	3.	Assessment of shortlisted candidates	<ul style="list-style-type: none"> <li>The Board would meet and interview the shortlisted candidates to assess their suitability.</li> </ul>	4.	Appointment of Director	<ul style="list-style-type: none"> <li>The Board considers and approves the selected candidate for his/her appointment to the Board.</li> </ul>	1.	Assessment of Director	<ul style="list-style-type: none"> <li>The Board assesses the performance of the Director in accordance with the performance criteria set by the Board; and</li> <li>The Board considers the current needs of the Board.</li> </ul>	2.	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		<p>Michael Kan Yuet Yun PBM will, upon being re-elected as a Director of the Company, remain as Chairman of the AC and members of the NC and RC. The Board considers Michael Kan Yuet Yun PBM to be independent for the purpose of Rule 704(7) of the Catalist Rules.</p> <p>Navinderjeet Singh A/L Naranjan Singh will, upon being re-elected as a Director of the Company, remain as a Non-Executive Non-Independent Director.</p>																		
4.5	<p><u>Assessment of Directors' duties</u></p> <p><u>Key information on Directors</u></p>	<p>Assessment of the individual Directors' performance was based on the criteria set out in Table 5.1(a) to Table 5.1(e) of Section 5.1. The following were used to assess the performance and consider competing time commitments of the Directors:</p> <ul style="list-style-type: none"> <li>• Declarations by each Director of their other listed company directorships and principal commitments; and</li> <li>• Annual confirmations by each Director on his/her ability to devote sufficient time and attention to the Company's affairs, having regard to his/her other commitments.</li> </ul> <p>The NC had reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and principal commitments of each of the Directors (if any), and is satisfied that all Directors were able to diligently discharge their duties for FY2020.</p> <p>The key information of the Directors, including their principal commitment(s), appointment dates and current directorships and that held in the past three years in other companies, are set out on pages 37 and 128 to 136 of this Annual Report. The current principal commitments of Directors is set out at Table 4.5 below:</p> <table border="1" data-bbox="616 1126 1445 1664"> <thead> <tr> <th colspan="3" data-bbox="616 1126 1445 1193"><b>Table 4.5 – Other listed company directorships and principal commitments of Directors</b></th> </tr> <tr> <th data-bbox="616 1193 911 1261">Name of Director</th> <th data-bbox="911 1193 1134 1261">Listed Company Directorships</th> <th data-bbox="1134 1193 1445 1261">Principal Commitments</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 1261 911 1395">Lim Kian Onn</td> <td data-bbox="911 1261 1134 1395">(1) ECM Libra Group Berhad (2) AirAsia X Berhad</td> <td data-bbox="1134 1261 1445 1395">(1) Non-Executive Director of ECM Libra Group Berhad (2) Non-Executive Director of AirAsia X Berhad</td> </tr> <tr> <td data-bbox="616 1395 911 1440">Michael Kan Yuet Yun PBM</td> <td data-bbox="911 1395 1134 1440">-</td> <td data-bbox="1134 1395 1445 1440">-</td> </tr> <tr> <td data-bbox="616 1440 911 1597">Chong Huai Seng</td> <td data-bbox="911 1440 1134 1597">-</td> <td data-bbox="1134 1440 1445 1597">(1) Director of The Artling Pte Ltd (2) Co-founder and director of The Culture Story Private Limited</td> </tr> <tr> <td data-bbox="616 1597 911 1664">Navinderjeet Singh A/L Naranjan Singh</td> <td data-bbox="911 1597 1134 1664">-</td> <td data-bbox="1134 1597 1445 1664">Chief Financial Officer of ECM Libra Group Berhad</td> </tr> </tbody> </table>	<b>Table 4.5 – Other listed company directorships and principal commitments of Directors</b>			Name of Director	Listed Company Directorships	Principal Commitments	Lim Kian Onn	(1) ECM Libra Group Berhad (2) AirAsia X Berhad	(1) Non-Executive Director of ECM Libra Group Berhad (2) Non-Executive Director of AirAsia X Berhad	Michael Kan Yuet Yun PBM	-	-	Chong Huai Seng	-	(1) Director of The Artling Pte Ltd (2) Co-founder and director of The Culture Story Private Limited	Navinderjeet Singh A/L Naranjan Singh	-	Chief Financial Officer of ECM Libra Group Berhad
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	<p><u>Multiple Directorships</u></p> <p>(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?</p>	<p>The Board has not capped the maximum number of listed company board representations each Director may hold.</p>																		

No.	Code and/or Guide Description	Company's Compliance or Explanation								
	(b) If a maximum has not been determined, what are the reasons?	<p>The Board is of the view that the effectiveness of each of the Directors is best determined by a qualitative assessment of the Director's contributions, after taking into account his other listed company board directorships and other principal commitments, and not guided by a numerical limit.</p> <p>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.</p> <p>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.</p>								
	(c) What are the specific considerations in deciding on the capacity of Directors?	<p>The considerations in assessing the capacity of Directors include the following:</p> <ul style="list-style-type: none"> <li>• Expected and/or competing time commitments* of Directors, including whether such commitment is a full-time or part-time employment capacity;</li> <li>• Geographical location of Directors;</li> <li>• Size and composition of the Board;</li> <li>• Nature and scope of the Group's operations and size;</li> <li>• Capacity, complexity and expectations of the other listed directorships and principal commitments held; and</li> <li>• Assessment of individual performance.</li> </ul> <p>* <i>Competing time commitments of the Directors comprise a consideration of (i) Declarations by individual Directors of their other listed company board directorships and principal commitments; (ii) Annual confirmations by each Director on his ability to devote sufficient time and attention to the Company's affairs.</i></p>								
	(d) Have the Directors adequately discharged their duties?	<p>The Board has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties adequately for FY2020.</p>								
PG 4	Are there Alternate Directors?	<p>The Chairman has appointed the CEO as his alternate on the Board of Directors of the Company. The Board is of the view that the CEO is appropriately qualified to bear the duties and responsibilities for the role and has considerable familiarity with the Company's affairs. An Alternate Director bears all the similar responsibilities of a Director.</p>								
<b>Principle 5: Board Performance</b>										
5.1	<i>Performance Criteria</i>	<p>The performance of the Directors and the Board Committees are formally evaluated on an annual basis. The evaluation is undertaken on the basis that there is a structured approach to assessing how the Directors have individually performed in his role and overall how they have contributed and added value to the Company achieving its objective for the year.</p> <p>Table 5.1(a) sets out the performance criteria to assess the contribution by each Director.</p> <table border="1" data-bbox="616 1742 1442 2002"> <thead> <tr> <th data-bbox="616 1742 1442 1787" style="text-align: center;"><b>Table 5.1(a) – Performance Criteria for Individual Director</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="616 1787 1442 1821">1. Commitment of time</td> </tr> <tr> <td data-bbox="616 1821 1442 1854">2. Knowledge of abilities</td> </tr> <tr> <td data-bbox="616 1854 1442 1888">3. Teamwork</td> </tr> <tr> <td data-bbox="616 1888 1442 1921">4. Independence and objectivity</td> </tr> <tr> <td data-bbox="616 1921 1442 1955">5. Integrity</td> </tr> <tr> <td data-bbox="616 1955 1442 1989">6. Overall effectiveness</td> </tr> <tr> <td data-bbox="616 1989 1442 2018">7. Track record in good decision making</td> </tr> </tbody> </table>	<b>Table 5.1(a) – Performance Criteria for Individual Director</b>	1. Commitment of time	2. Knowledge of abilities	3. Teamwork	4. Independence and objectivity	5. Integrity	6. Overall effectiveness	7. Track record in good decision making
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		<p>Table 5.1(b) below sets out the performance criteria, as approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole. The evaluations are designed to assess the Board's effectiveness to uncover strengths and challenges so that the Board is in a better position to provide the required expertise and oversight.</p> <table border="1" data-bbox="616 461 1439 689"> <thead> <tr> <th data-bbox="616 461 1439 501"><b>Table 5.1(b) – Performance Criteria for Board Evaluation</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="616 501 1439 689"> <ol style="list-style-type: none"> <li>1. Board composition</li> <li>2. Board conduct of affairs</li> <li>3. Internal controls and risk management</li> <li>4. Board accountability</li> <li>5. Expectation and responsibilities of the CEO</li> <li>6. Standards of conduct</li> </ol> </td> </tr> </tbody> </table> <p>Table 5.1(c) to 5.1(e) below sets out the performance criteria, as approved by the Board, to be relied upon to evaluate the effectiveness of each Board Committee. The evaluations are designed to assess the Board Committees' effectiveness in providing the required expertise and oversight.</p> <table border="1" data-bbox="616 857 1439 1288"> <thead> <tr> <th data-bbox="616 857 1439 898"><b>Table 5.1(c) – Performance Criteria for NC Evaluation</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="616 898 1439 1288"> <ol style="list-style-type: none"> <li>1. Membership and appointments</li> <li>2. NC conduct of meetings</li> <li>3. Training and resources provided</li> <li>4. Reporting and resolving of disagreement</li> <li>5. Process for selection and appointment of new directors</li> <li>6. Diversity of the Board Committee</li> <li>7. Nomination of Directors for re-election</li> <li>8. Independence of Directors</li> <li>9. 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		<p>The Board would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval. The NC reviews the effectiveness of the Board as a whole, Board Committees and the contribution of each individual Director to the effectiveness of the Board.</p> <p>No external facilitator was used in the evaluation process.</p>
5.2	<p><u>Performance Review</u></p> <p>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?</p> <p>(b) Has the Board met its performance objectives?</p>	<p>The review of the performance of the Board is conducted by the Board annually.</p> <p>For FY2020, the review process was as follows:</p> <ol style="list-style-type: none"> <li>1. All Directors individually completed a board evaluation questionnaire on the effectiveness of the Board based on criteria disclosed in Table 5.1(b) of Section 5.1 above;</li> <li>2. The Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a summary; and</li> <li>3. The Board discussed the summary and concluded the performance results during the Board meeting.</li> </ol> <p>Yes, the Board has met its performance objectives.</p>
<b>REMUNERATION MATTERS</b>		
<b>Principle 6: Procedures for Developing Remuneration Policies</b>		
6.1 6.3	<u>Role of the RC</u>	<p>The RC is guided by key terms of reference as follows:</p> <ol style="list-style-type: none"> <li>(a) Reviews and recommends to the Board a framework of remuneration and the specific remuneration package 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;</li> <li>(b) Reviews the fairness and reasonableness of the termination clauses of the service agreements of the Executive Directors and key management personnel; and</li> <li>(c) Review and ensure that the remuneration package offered to the Non-Executive Directors is appropriate to their individual level of contribution, which takes into account factors such as effort, time spent and responsibilities.</li> </ol> <p>The RC's review and recommendations cover all aspects including fees, salaries, allowance, bonuses, options, share-based incentives, awards and benefits-in-kind.</p> <p>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.</p>

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6.4	<u>Engagement of Remuneration Consultants</u>	<p>No remuneration consultants were engaged by the Company in FY2020 as the Company is of the view that the annual review by the RC, is currently sufficient to ensure the continued relevance of its remuneration packages to the Group's strategic business objectives and alignment with market practices.</p> <p>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.</p>					
<b>Principle 7: Level and Mix of Remuneration</b>							
<b>Principle 8: Disclosure on Remuneration</b>							
7.1 7.2 7.3 8.1	<u>Remuneration Policy</u>	<p>The Company's remuneration policy which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards, is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff the link that total compensation has to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market.</p>					
	<p><u>Remuneration Structure for Executive Directors and key management personnel</u></p> <p>(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</p>	<p>The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2020. Their remuneration was 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. Since FY2016, the Company has adopted Plato ESOS 2016 and Plato PSP 2016, details of which can be found in Section 8.3 of this report.</p>					
	<p><u>Performance Criteria</u></p> <p>(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</p>	<p>The following performance conditions 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:</p> <table border="1" data-bbox="616 1536 1445 1731"> <thead> <tr> <th data-bbox="616 1536 1445 1603"><b>Table 7.1 – Performance Conditions for Short-term Incentives (such as performance bonus) and Long-term Incentives (Plato ESOS 2016 and Plato PSP 2016)</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="616 1603 1445 1637">1. Leadership</td> </tr> <tr> <td data-bbox="616 1637 1445 1671">2. People development</td> </tr> <tr> <td data-bbox="616 1671 1445 1704">3. Commitment</td> </tr> <tr> <td data-bbox="616 1704 1445 1731">4. Teamwork</td> </tr> </tbody> </table>	<b>Table 7.1 – Performance Conditions for Short-term Incentives (such as performance bonus) and Long-term Incentives (Plato ESOS 2016 and Plato PSP 2016)</b>	1. Leadership	2. People development	3. Commitment	4. Teamwork
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	<p>(c) Were all of these performance conditions met? If not, what were the reasons?</p>	<p>Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2020.</p>					

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7.2	<u>Remuneration Structure of Non-Executive Directors</u>	<p>Non-Executive Directors will each receive their directors' fees in cash. Directors' fees are subjected to shareholders' approval at a general meeting. The fees for the financial year in review are determined in the previous financial year, proposed by Management submitted to the RC for review and thereafter recommended to the Board for approval.</p> <p>The RC has reviewed and assessed that the remuneration of the Non-Executive Directors for FY2020 is appropriate, considering the effort, time spent and responsibilities.</p>																																																						
8.1(a) 8.1(b)	(a) 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?	<p>The breakdown for the remuneration of the Directors and the CEO for FY2020 is as follows:</p> <p><b>I. Fixed/Variable Remuneration</b></p> <table border="1" data-bbox="667 728 1444 1317"> <thead> <tr> <th colspan="6" data-bbox="667 728 1444 779"><b>Table 8.1 (a) – Directors' Remuneration</b></th> </tr> <tr> <th data-bbox="667 779 903 819"></th> <th colspan="5" data-bbox="903 779 1444 819"><b>Cash-based remuneration</b></th> </tr> <tr> <th data-bbox="667 819 903 920"><b>Name</b></th> <th data-bbox="903 819 1002 920"><b>Salary (%)</b></th> <th data-bbox="1002 819 1099 920"><b>Bonus (%)</b></th> <th data-bbox="1099 819 1224 920"><b>Directors Fees (%)</b></th> <th data-bbox="1224 819 1347 920"><b>Benefits-in-kind (%)</b></th> <th data-bbox="1347 819 1444 920"><b>Total<sup>(4)</sup> (%)</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="667 920 903 960">Lim Kian Onn</td> <td data-bbox="903 920 1002 960">-</td> <td data-bbox="1002 920 1099 960">-</td> <td data-bbox="1099 920 1224 960">100</td> <td data-bbox="1224 920 1347 960">-</td> <td data-bbox="1347 920 1444 960">100</td> </tr> <tr> <td data-bbox="667 960 903 1093">Gareth Lim Tze Xiang<sup>(1)</sup> (CEO and Alternate Director to Lim Kian Onn)</td> <td data-bbox="903 960 1002 1093">100</td> <td data-bbox="1002 960 1099 1093">-</td> <td data-bbox="1099 960 1224 1093">-</td> <td data-bbox="1224 960 1347 1093">-</td> <td data-bbox="1347 960 1444 1093">100</td> </tr> <tr> <td data-bbox="667 1093 903 1164">Michael Kan Yuet Yun PBM</td> <td data-bbox="903 1093 1002 1164">-</td> <td data-bbox="1002 1093 1099 1164">-</td> <td data-bbox="1099 1093 1224 1164">100</td> <td data-bbox="1224 1093 1347 1164">-</td> <td data-bbox="1347 1093 1444 1164">100</td> </tr> <tr> <td data-bbox="667 1164 903 1205">Chong Huai Seng</td> <td data-bbox="903 1164 1002 1205">-</td> <td data-bbox="1002 1164 1099 1205">-</td> <td data-bbox="1099 1164 1224 1205">100</td> <td data-bbox="1224 1164 1347 1205">-</td> <td data-bbox="1347 1164 1444 1205">100</td> </tr> <tr> <td data-bbox="667 1205 903 1245">Lim Kam Choy<sup>(2)</sup></td> <td data-bbox="903 1205 1002 1245">-</td> <td data-bbox="1002 1205 1099 1245">-</td> <td data-bbox="1099 1205 1224 1245">100</td> <td data-bbox="1224 1205 1347 1245">-</td> <td data-bbox="1347 1205 1444 1245">100</td> </tr> <tr> <td data-bbox="667 1245 903 1317">Navinderjeet Singh A/L Naranjan Singh<sup>(3)</sup></td> <td data-bbox="903 1245 1002 1317">-</td> <td data-bbox="1002 1245 1099 1317">-</td> <td data-bbox="1099 1245 1224 1317">-</td> <td data-bbox="1224 1245 1347 1317">-</td> <td data-bbox="1347 1245 1444 1317">-</td> </tr> </tbody> </table> <p data-bbox="667 1346 735 1373"><b>Notes:</b></p> <p data-bbox="667 1391 1444 1570">           (1) Gareth Lim Tze Xiang is the son of Lim Kian Onn.            (2) Lim Kam Choy resigned from the Board on 2 October 2020.            (3) Navinderjeet Singh A/L Naranjan Singh was only appointed as a Non-Independent and Non-Executive Director on 2 October 2020.            (4) Excluding share options and awards. In FY2020, no share options and/or share awards were granted under the respective schemes to the Directors.         </p> <p><b>II. Share based Incentives and Awards</b></p> <p>The Company has also established incentive schemes, namely the Plato ESOS 2016 (as defined in Section 8.3 of this report) and Plato PSP 2016 (as defined in Section 8.3 of this report) (collectively, the "Schemes") to remunerate Directors, the CEO and the key management personnel for their contributions to the Company. The details of the Schemes and details on the grant of stock options and share awards under the respective Schemes to Directors and the CEO since FY2016 can be found in Section 8.3 of this report. The final number of shares released under the Plato PSP 2016 will depend on the achievement of pre-determined performance conditions as determined by the RC.</p>	<b>Table 8.1 (a) – Directors' Remuneration</b>							<b>Cash-based remuneration</b>					<b>Name</b>	<b>Salary (%)</b>	<b>Bonus (%)</b>	<b>Directors Fees (%)</b>	<b>Benefits-in-kind (%)</b>	<b>Total<sup>(4)</sup> (%)</b>	Lim Kian Onn	-	-	100	-	100	Gareth Lim Tze Xiang <sup>(1)</sup> (CEO and Alternate Director to Lim Kian Onn)	100	-	-	-	100	Michael Kan Yuet Yun PBM	-	-	100	-	100	Chong Huai Seng	-	-	100	-	100	Lim Kam Choy <sup>(2)</sup>	-	-	100	-	100	Navinderjeet Singh A/L Naranjan Singh <sup>(3)</sup>	-	-	-	-	-
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		<p><b>III. Directors' Fees</b></p> <p>Shareholders of the Company had, at the annual general meeting of the Company held on 23 June 2020, approved the compensation of the Non-Executive Directors for their services as Directors of the Company in FY2020 with a directors' fee in the aggregate amount of \$178,000.</p> <p>The remuneration of the Directors and the CEO individually for FY2020 was less than \$250,000.</p> <p>A disclosure of the individual remuneration details would involve revealing internal confidential information and possibly, trade secrets of the Company. Therefore, after reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director and key management personnel, the Company is of the view that such disclosure would be prejudicial to its business interest given the foregoing reasons.</p> <p>There was no termination, retirement or post-employment benefits that may be granted to the Directors, the CEO and the key management personnel.</p>																																									
	<p>(b) Has the Company disclosed each key management personnel's remuneration, in bands of \$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?</p>	<p>The Company has three key management personnel during FY2020.</p> <p>The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) for FY2020 is as follows:</p> <table border="1" data-bbox="616 1066 1442 1411"> <thead> <tr> <th colspan="6" data-bbox="616 1066 1442 1104"><b>Table 8.1(b) – Remuneration of Key Management Personnel</b></th> </tr> <tr> <th data-bbox="616 1104 863 1245" rowspan="2">Name</th> <th colspan="5" data-bbox="863 1104 1442 1142">Cash-based remuneration</th> </tr> <tr> <th data-bbox="863 1142 963 1245">Salary (%)</th> <th data-bbox="963 1142 1064 1245">Bonus (%)</th> <th data-bbox="1064 1142 1182 1245">Benefits-in-kind (%)</th> <th data-bbox="1182 1142 1321 1245">Others<sup>(1)</sup> (%)</th> <th data-bbox="1321 1142 1442 1245">Total<sup>(2)</sup> (%)</th> </tr> </thead> <tbody> <tr> <td colspan="6" data-bbox="616 1245 1442 1283"><b>Below \$250,000</b></td> </tr> <tr> <td data-bbox="616 1283 863 1321">Choo Seng Lai</td> <td data-bbox="863 1283 963 1321">66</td> <td data-bbox="963 1283 1064 1321">-</td> <td data-bbox="1064 1283 1182 1321">-</td> <td data-bbox="1182 1283 1321 1321">34</td> <td data-bbox="1321 1283 1442 1321">100</td> </tr> <tr> <td data-bbox="616 1321 863 1359">Lim Kian Fah</td> <td data-bbox="863 1321 963 1359">100</td> <td data-bbox="963 1321 1064 1359">-</td> <td data-bbox="1064 1321 1182 1359">-</td> <td data-bbox="1182 1321 1321 1359">-</td> <td data-bbox="1321 1321 1442 1359">100</td> </tr> <tr> <td data-bbox="616 1359 863 1411">Wong Choy Ling<sup>(3)</sup></td> <td data-bbox="863 1359 963 1411">100</td> <td data-bbox="963 1359 1064 1411">-</td> <td data-bbox="1064 1359 1182 1411">-</td> <td data-bbox="1182 1359 1321 1411">-</td> <td data-bbox="1321 1359 1442 1411">100</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p>(1) Comprise of sales commissions.</p> <p>(2) Excluding share options and awards. In FY2020, no share options or share awards were granted under the respective Schemes to the key management personnel.</p> <p>(3) Wong Choy Ling was appointed as Financial Controller ("FC") on 1 July 2020.</p> <p>The Company has granted options and awards pursuant to the respective Schemes to key management personnel since FY2016, details of which can be found in Section 8.3 of this report. The final number of shares released under the Plato PSP 2016 will depend on the achievement of pre-determined performance conditions as determined by the RC.</p>	<b>Table 8.1(b) – Remuneration of Key Management Personnel</b>						Name	Cash-based remuneration					Salary (%)	Bonus (%)	Benefits-in-kind (%)	Others <sup>(1)</sup> (%)	Total <sup>(2)</sup> (%)	<b>Below \$250,000</b>						Choo Seng Lai	66	-	-	34	100	Lim Kian Fah	100	-	-	-	100	Wong Choy Ling <sup>(3)</sup>	100	-	-	-	100
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No.	Code and/or Guide Description	Company's Compliance or Explanation
	(c) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).	The total remuneration paid to the three key management personnel for FY2020 was \$263,649, of which \$59,679 was paid by the joint ventures.
8.2	<p><u>Related Employees</u></p> <p>Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds \$100,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.</p>	<p>Save for the CEO and Lim Kian Fah who is the son of and sister of the Chairman respectively, there is no other employee of the Group who is an immediate family of a Director or the CEO and whose remuneration exceeded \$100,000 in FY2020.</p> <p>The CEO's and Lim Kian Fah's cash-based remuneration in FY2020 was within the bands of \$100,000 to \$200,000.</p>
8.3	<p><u>Employee Share Scheme(s)</u></p>	<p>The Company had adopted the Plato Employee Share Option Scheme 2016 ("<b>Plato ESOS 2016</b>") and the Plato Performance Share Plan 2016 ("<b>Plato PSP 2016</b>") following the approval of the shareholders at an Extraordinary General Meeting ("<b>EGM</b>") on 20 May 2016.</p> <p>The RC, comprising Michael Kan Yuet Yun PBM, Chong Huai Seng and Lim Kian Onn, has been duly authorised by the Board to administer the Plato ESOS 2016 and the Plato PSP 2016. The duration of each of the Plato ESOS 2016 and Plato PSP 2016 is 5 years commencing 20 May 2016, which may continue beyond the period above with the approval of the shareholders at a general meeting by way of ordinary resolution and the relevant authorities.</p> <p>Employees, Group Executive Directors and Group Non-Executive Directors (including Independent Directors) who have attained the age of 21 years on or before the date of grant of an option under the Plato ESOS 2016 ("<b>Option</b>") and/or awards under the Plato PSP 2016 ("<b>Awards</b>"), provided that none of them is a discharged bankrupt and must not have entered into a composition with creditors, and controlling shareholders or associates of controlling shareholders who meet the aforesaid criteria but are subject to shareholders' approval based on the rules of the Plato ESOS 2016 and/or the Plato PSP 2016, are eligible to participate in the Plato ESOS 2016 and/or the Plato PSP 2016.</p> <p>The aggregate number of ordinary shares in the capital of the Company ("<b>Shares</b>") which may be issued or transferred pursuant to any options and/or awards granted, when added to (i) the number of Shares issued and issuable and/or transferred or transferable in respect of all options and/or awards granted; and (ii) all Shares issued and issuable and/or transferred or transferable in respect of all options and/or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force, including the Options granted under the Plato ESOS 2016 and/or the Awards under the Plato PSP 2016, shall not exceed 15% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the date preceding the grant of the Awards or Options.</p>



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		<p>Further details on the Plato ESOS 2016 and Plato PSP 2016 can be found in the circular to shareholders dated 5 May 2016.</p> <p>Details on the Options and Awards granted are as set out below:</p> <p><b>Plato ESOS 2016</b></p> <p>The Plato ESOS 2016 is to provide an opportunity for Directors (including Non-Executive Directors and Independent Directors) and employees of the Group to participate in the equity performance of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Group.</p> <p>As at 31 December 2020, details of the Options granted under the Plato ESOS 2016 on the unissued Shares of the Company are as follows:</p> <table border="1" data-bbox="616 792 1445 1263"> <caption data-bbox="852 801 1209 831">Table 8.3(a) – Movement of Plato ESOS 2016</caption> <thead> <tr> <th data-bbox="616 831 699 999">Date of Grant of Options</th> <th data-bbox="699 831 786 999">Exercise Price of Options</th> <th data-bbox="786 831 898 999">Options Outstanding as at 1 Jan 2020</th> <th data-bbox="898 831 986 999">Options Granted during FY2020</th> <th data-bbox="986 831 1074 999">Options Exercised during FY2020</th> <th data-bbox="1074 831 1161 999">Options Forfeited/ Expired during FY2020</th> <th data-bbox="1161 831 1281 999">Options Outstanding as at 31 Dec 2020</th> <th data-bbox="1281 831 1369 999">Number of Option Holders as at 31 Dec 2020</th> <th data-bbox="1369 831 1445 999">Validity Period of the Options</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 999 699 1111">17 June 2016<sup>(1)</sup></td> <td data-bbox="699 999 786 1111">\$0.10<sup>(2)</sup> revised to \$2.00<sup>(4)</sup></td> <td data-bbox="786 999 898 1111">5,377,168</td> <td data-bbox="898 999 986 1111">-</td> <td data-bbox="986 999 1074 1111">-</td> <td data-bbox="1074 999 1161 1111">-</td> <td data-bbox="1161 999 1281 1111">268,858<sup>(4)</sup></td> <td data-bbox="1281 999 1369 1111">4</td> <td data-bbox="1369 999 1445 1111">17 June 2016 to 16 June 2026</td> </tr> <tr> <td data-bbox="616 1111 699 1223">17 June 2016<sup>(1),(3)</sup></td> <td data-bbox="699 1111 786 1223">\$0.10<sup>(2)</sup> revised to \$2.00<sup>(4)</sup></td> <td data-bbox="786 1111 898 1223">3,860,531</td> <td data-bbox="898 1111 986 1223">-</td> <td data-bbox="986 1111 1074 1223">-</td> <td data-bbox="1074 1111 1161 1223">-</td> <td data-bbox="1161 1111 1281 1223">193,026<sup>(4)</sup></td> <td data-bbox="1281 1111 1369 1223">3</td> <td data-bbox="1369 1111 1445 1223">17 June 2016 to 16 June 2021</td> </tr> <tr> <td data-bbox="616 1223 699 1263">Total</td> <td data-bbox="699 1223 786 1263"></td> <td data-bbox="786 1223 898 1263">9,237,699</td> <td data-bbox="898 1223 986 1263">-</td> <td data-bbox="986 1223 1074 1263">-</td> <td data-bbox="1074 1223 1161 1263">-</td> <td data-bbox="1161 1223 1281 1263">461,884<sup>(4)</sup></td> <td data-bbox="1281 1223 1369 1263">7</td> <td data-bbox="1369 1223 1445 1263"></td> </tr> </tbody> </table> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>(1) The Options are only exercisable as follows:             <ol style="list-style-type: none"> <li>a. 1/3 of the Options shall be exercisable at any time after the 1st anniversary of the date of grant.</li> <li>b. 1/3 of the Options shall be exercisable at any time after the 2nd anniversary of the date of grant; and</li> <li>c. 1/3 of the Options shall be exercisable at any time after the 3rd anniversary of the date of grant.</li> </ol> </li> <li>(2) Equivalent to the market price of the Company's Shares based on the average last dealt price for the Company's Shares on the Catalist of the Singapore Exchange Securities Trading Limited, for the five (5) consecutive trading days immediately preceding the date of grant of the Options.</li> <li>(3) The Options granted to Lim Kian Onn, Michael Kan Yuet Yun PBM and Chong Huai Seng will expire five (5) years from the date of grant.</li> <li>(4) The Company had on 22 July 2020 announced that it has completed a share consolidation of every twenty (20) then existing Shares into one (1) ordinary share ("<b>Consolidated Shares</b>") ("<b>Share Consolidation Exercise</b>"). Accordingly, the number of share options and exercise price of the options have been revised.</li> </ol>	Date of Grant of Options	Exercise Price of Options	Options Outstanding as at 1 Jan 2020	Options Granted during FY2020	Options Exercised during FY2020	Options Forfeited/ Expired during FY2020	Options Outstanding as at 31 Dec 2020	Number of Option Holders as at 31 Dec 2020	Validity Period of the Options	17 June 2016 <sup>(1)</sup>	\$0.10 <sup>(2)</sup> revised to \$2.00 <sup>(4)</sup>	5,377,168	-	-	-	268,858 <sup>(4)</sup>	4	17 June 2016 to 16 June 2026	17 June 2016 <sup>(1),(3)</sup>	\$0.10 <sup>(2)</sup> revised to \$2.00 <sup>(4)</sup>	3,860,531	-	-	-	193,026 <sup>(4)</sup>	3	17 June 2016 to 16 June 2021	Total		9,237,699	-	-	-	461,884 <sup>(4)</sup>	7	
Date of Grant of Options	Exercise Price of Options	Options Outstanding as at 1 Jan 2020	Options Granted during FY2020	Options Exercised during FY2020	Options Forfeited/ Expired during FY2020	Options Outstanding as at 31 Dec 2020	Number of Option Holders as at 31 Dec 2020	Validity Period of the Options																														
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		<p>Details of Options granted under the Plato ESOS 2016 to Directors, controlling shareholders and their associates, and participants who have received 5% or more of the total Options available under the Schemes are as follows:</p> <table border="1" data-bbox="616 398 1447 1350"> <caption data-bbox="863 405 1198 432">Table 8.3(b) – Details of Plato ESOS 2016</caption> <thead> <tr> <th data-bbox="616 439 791 629">Name</th> <th data-bbox="791 439 927 629">Position Held</th> <th data-bbox="927 439 1023 629">Options granted during FY2020</th> <th data-bbox="1023 439 1174 629">Aggregate Options granted since commencement of Plato ESOS 2016 to 31 December 2020</th> <th data-bbox="1174 439 1321 629">Aggregate options exercised since commencement of Plato ESOS 2016 to 31 December 2020</th> <th data-bbox="1321 439 1447 629">Aggregate options outstanding as at 31 December 2020</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 629 791 741">Lim Kian Onn <sup>(1)</sup></td> <td data-bbox="791 629 927 741">Chairman/Non-Independent/ Non-Executive Director</td> <td data-bbox="927 629 1023 741">-</td> <td data-bbox="1023 629 1174 741">68,938<sup>(3)</sup></td> <td data-bbox="1174 629 1321 741">-</td> <td data-bbox="1321 629 1447 741">68,938<sup>(3)</sup></td> </tr> <tr> <td data-bbox="616 741 791 831">Gareth Lim Tze Xiang<sup>(1)</sup></td> <td data-bbox="791 741 927 831">CEO/Alternate Director to Lim Kian Onn</td> <td data-bbox="927 741 1023 831">-</td> <td data-bbox="1023 741 1174 831">68,938<sup>(3)</sup></td> <td data-bbox="1174 741 1321 831">-</td> <td data-bbox="1321 741 1447 831">68,938<sup>(3)</sup></td> </tr> <tr> <td data-bbox="616 831 791 898">Michael Kan Yuet Yun PBM</td> <td data-bbox="791 831 927 898">Independent Director</td> <td data-bbox="927 831 1023 898">-</td> <td data-bbox="1023 831 1174 898">62,044<sup>(3)</sup></td> <td data-bbox="1174 831 1321 898">-</td> <td data-bbox="1321 831 1447 898">62,044<sup>(3)</sup></td> </tr> <tr> <td data-bbox="616 898 791 965">Chong Huai Seng</td> <td data-bbox="791 898 927 965">Independent Director</td> <td data-bbox="927 898 1023 965">-</td> <td data-bbox="1023 898 1174 965">62,044<sup>(3)</sup></td> <td data-bbox="1174 898 1321 965">-</td> <td data-bbox="1321 898 1447 965">62,044<sup>(3)</sup></td> </tr> <tr> <td data-bbox="616 965 791 1077">Navinderjeet Singh A/L Naranjan Singh</td> <td data-bbox="791 965 927 1077">Non-Independent/ Non-Executive Director</td> <td data-bbox="927 965 1023 1077">-</td> <td data-bbox="1023 965 1174 1077">-</td> <td data-bbox="1174 965 1321 1077">-</td> <td data-bbox="1321 965 1447 1077">-</td> </tr> <tr> <td data-bbox="616 1077 791 1189">Lim Kian Fah<sup>(1)</sup></td> <td data-bbox="791 1077 927 1189">Director of Legal /associate of controlling shareholder</td> <td data-bbox="927 1077 1023 1189">-</td> <td data-bbox="1023 1077 1174 1189">68,938<sup>(3)</sup></td> <td data-bbox="1174 1077 1321 1189">-</td> <td data-bbox="1321 1077 1447 1189">68,938<sup>(3)</sup></td> </tr> <tr> <td data-bbox="616 1189 791 1350">Choo Seng Lai<sup>(2)</sup></td> <td data-bbox="791 1189 927 1350">Head of Business Enterprise Division, Plato Solutions Sdn Bhd</td> <td data-bbox="927 1189 1023 1350">-</td> <td data-bbox="1023 1189 1174 1350">62,044<sup>(3)</sup></td> <td data-bbox="1174 1189 1321 1350">-</td> <td data-bbox="1321 1189 1447 1350">62,044<sup>(3)</sup></td> </tr> </tbody> </table> <p data-bbox="616 1379 683 1406"><b>Notes:</b></p> <p data-bbox="616 1424 1447 1570">(1) <i>Lim Kian Onn is the controlling shareholder of the Company. 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		<p><b>Plato PSP 2016</b></p> <p>The objectives of the Plato PSP 2016 are to (i) foster a culture of ownership within the Group which aligns the interests of the employees and Group Executive Directors and Group Non-Executive Directors with the interests of shareholders; (ii) motivate participants to achieve key financial and operational goals of the Group and/or its respective business units and encourage greater dedication and loyalty to the Group; and (iii) make total employee, Group Executive Directors and Group Non-Executive Directors' remuneration sufficiently competitive to recruit new participants and/or retain existing participants whose contributions are important to the long term growth and profitability of the Group.</p> <p>As at 31 December 2020, details of the Awards granted under the Plato PSP 2016 on the unissued Shares of the Company are as follows:</p> <table border="1" data-bbox="616 734 1442 1077"> <caption data-bbox="855 741 1203 768">Table 8.3(c) – Movement of Plato PSP 2016</caption> <thead> <tr> <th data-bbox="616 775 775 1039">Date of Grant of Awards</th> <th data-bbox="775 775 906 1039">Number of Shares which are the subject of Awards granted as at 1 Jan 2020</th> <th data-bbox="906 775 1038 1039">Number of Shares which are the subject of Awards granted during FY2020</th> <th data-bbox="1038 775 1171 1039">Number of Shares which are the subject of Awards which had lapsed/were cancelled during FY2020</th> <th data-bbox="1171 775 1303 1039">Number of Shares which are the subject of Awards granted as at 31 Dec 2020</th> <th data-bbox="1303 775 1442 1039">Number of holders</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 1039 775 1077">17 June 2016<sup>(1)</sup></td> <td data-bbox="775 1039 906 1077">4,618,853</td> <td data-bbox="906 1039 1038 1077">-</td> <td data-bbox="1038 1039 1171 1077">-</td> <td data-bbox="1171 1039 1303 1077">230,942<sup>(2)</sup></td> <td data-bbox="1303 1039 1442 1077">7</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p>(1) The release and vesting of the Awards for each recipient is as follows:</p> <ol style="list-style-type: none"> <li>a. 1/3 within three (3) months after the issuance of the Group's audited financial statements for financial year ended ("FYE") 31 December 2017;</li> <li>b. 1/3 within three (3) months after the issuance of the Group's audited financial statements for FYE 31 December 2018; and</li> <li>c. 1/3 within three (3) months after the issuance of the Group's audited financial statements for FYE 31 December 2019.</li> </ol> <p>(2) Resulted from Share Consolidation Exercise.</p> <p>Shares comprised under the Awards will be allotted and issued or transferred to a recipient if certain predetermined performance conditions as determined by the RC are achieved or otherwise in accordance with the rules of the Plato PSP 2016.</p>	Date of Grant of Awards	Number of Shares which are the subject of Awards granted as at 1 Jan 2020	Number of Shares which are the subject of Awards granted during FY2020	Number of Shares which are the subject of Awards which had lapsed/were cancelled during FY2020	Number of Shares which are the subject of Awards granted as at 31 Dec 2020	Number of holders	17 June 2016 <sup>(1)</sup>	4,618,853	-	-	230,942 <sup>(2)</sup>	7
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<b>ACCOUNTABILITY AND AUDIT</b>		
<b>Principle 9: Risk Management and Internal Controls</b>		
9 9.1	<p><u>Risk Governance by the Board</u></p> <p><u>Identification of the Group's risks</u></p> <p><u>Management of risks</u></p>	<p>The Board, with the assistance of the AC, is responsible for the overall risk governance, risk management and internal control framework of the Group and is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks.</p> <p>The Board also oversees Management in the design, implementation and monitoring of the risk management and internal control systems and is responsible for determining the Company's risk policies and levels of risk tolerance. The Board works closely with the CEO and key management personnel to assess the adequacy and effectiveness of the framework and the need for any extension or adjustments to such structure taking into consideration the overall business of the Company including the risk profile, risk tolerance and risk strategy.</p> <p>The CEO meets with key management personnel on a monthly basis to discuss operational, business and strategic matters. During these meetings, key projects and operational risks are identified and discussed, along with proposed mitigating measures to address these risks to ensure residual risks are mitigated to an acceptable level. Follow-ups are then performed in subsequent meetings to ensure mitigating actions are executed. Any significant issues identified from these meetings are brought to the attention of the AC and/or Board as appropriate.</p> <p>The Group has in place a structured and systematic approach to risk management, and aims to mitigate the exposures through appropriate risk management strategies and internal controls. Risk management in the Group is a continuous, iterative and integrated process which has been incorporated into various planning, approval, execution, monitoring, review and reporting systems. The Group adopts a top-down as well as bottom-up approach on risk management to ensure strategic, business, operational, financial, reporting, compliance and information technology risk exposures are identified and appropriately managed.</p> <p>The Board has been working closely with Management in monitoring challenges posed by the Covid-19 pandemic. Detailed disclosures on the issues reviewed by the Board in the face of the Covid-19 pandemic (including changes to business fundamentals, the significant risks facing the Group as a result of the pandemic and the acceleration of digitisation efforts within the Group) can be found in the Company's Sustainability Report which will be made available to shareholders on the SGXNet and published at <a href="http://www.platocapital.com">www.platocapital.com</a> by 31 May 2021.</p> <p>During the course of the year under review, the Board was promptly informed of the Company's Covid-19 business continuity plan which was implemented to ensure appropriate systems and procedures within the Group to specifically address the impact of the pandemic on business operational risks. Management closely monitored developments on the Covid-19 situation within the Group and coordinated the escalation of information regarding any impact and mitigation measures to the Board.</p> <p>The Board was also regularly updated on relevant legal and regulatory requirements in light of the rapidly evolving Covid-19 situation.</p>

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9.2	<p><u>Confirmation of Internal Controls</u></p> <p>(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.</p>	<p>The Board and the AC are of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to address the financial, operational, and compliance risks which the Company considered relevant and material for its business and environment in FY2020.</p> <p>The bases for the Board and AC's views are as follows:</p> <ol style="list-style-type: none"> <li>1. Assurance has been received from the CEO and FC;</li> <li>2. Key management personnel regularly evaluates, monitors and reports to the AC on material risks; and</li> <li>3. Discussions were held between the AC and EA and IA in the absence of the key management personnel to review and address any potential concerns.</li> </ol> <p>The Company acknowledges that it is important to have sustainability and have implemented appropriate policies and programmes in line with the requirements of SGX and good practice.</p>
	<p>(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?</p>	<p>Yes, the Board has obtained such assurance from the CEO and FC in respect of FY2020.</p> <p>The Board has additionally relied on its interaction with the EA and IA to verify the assurances provided by the CEO and FC, in their meetings in the absence of management.</p>
<p><b>Principle 10: Audit Committee</b></p>		
10.1 10.3	<p><u>Role of the AC</u></p>	<p>The AC comprises three members, the majority of whom, including the Chairman, is independent. All the members of the AC are Non-Executive Directors.</p> <p>The AC does not comprise of former partners or Directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or Director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.</p>

No.	Code and/or Guide Description	Company's Compliance or Explanation
	<p><u>Whistle-blowing policy</u></p>	<p>The AC is guided by the following key terms of reference:</p> <ul style="list-style-type: none"> <li>(a) reviews the audit plans and reports of the Company's IA and EA;</li> <li>(b) reviews the financial statements before submission to the Board for approval as well as the assurance from the CEO and FC on the financial statements;</li> <li>(c) reviews the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and of the Company and any announcements relating to the Company's financial performance;</li> <li>(d) reviews and report to the Board at least annually on the effectiveness and adequacy of the Company's risk management systems and internal controls, including financial, operational, compliance and information technology controls;</li> <li>(e) reviews the interested person transactions (within the definition of the Catalist Rules) involving the Group in accordance with the Catalist Rules;</li> <li>(f) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;</li> <li>(g) making recommendations to the Board on matters relating to the proposals to the shareholders on the appointment and removal of EA and the remuneration and terms of engagement of the EA;</li> <li>(h) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and</li> <li>(i) generally undertakes such other functions and other duties as may be required by the Catalist Rules.</li> </ul> <p>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.</p>
10.2	<p><u>Qualification of the AC members</u></p> <p>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?</p>	<p>Yes. The Board considers Michael Kan Yuet Yun PBM, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC. The other AC members are also trained in accounting and financial management and/or possess finance related working experiences.</p> <p>In FY2020, the AC:</p> <ul style="list-style-type: none"> <li>• Have attended courses as disclosed in Table 1.2 of Section 1.2 of this report; and</li> <li>• Was kept abreast by the EA of changes to accounting standards and issues which have impact on financial statements.</li> </ul>

No.	Code and/or Guide Description	Company's Compliance or Explanation
10.4	<u>Internal Audit Function</u>	<p>For FY2020, the Group has appointed Crowe Governance Sdn Bhd ("<b>Crowe</b>") to conduct two internal audits. Crowe has presented their findings to the two internal audit plans to the AC and has report directly to the AC and administratively, to the Management. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.</p> <p>The AC is satisfied that Crowe is independent, effective, adequately qualified and resourced, and has the appropriate standing to discharge its duties effectively due to the following reasons:</p> <ul style="list-style-type: none"> <li>• Crowe is adequately qualified, given that it is a member of the Institute of Internal Auditors and it adheres to the Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors;</li> <li>• Crowe is adequately resourced as there is a team of 4 members assigned to the Company's internal audit, led by Mr Amos Law who has over 24 relevant years of diverse audit experience in hotel, leisure &amp; hospitality, manufacturing, construction and property development; and</li> <li>• Crowe has the appropriate standing in the Company, given, <i>inter alia</i>, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.</li> </ul> <p>As part of the annual statutory audit of the financial statements, the EA also reports to the AC where there are any material weaknesses in the Group's internal controls and provide recommendation on other significant matters such as risk management which have come to their attention during the course of the audit. There were no material weaknesses in the Group's internal controls reported by the EA.</p>
10.5	<u>Met Auditors in Management's Absence</u>	Yes, the AC has met with the IA and EA once in the absence of key management personnel in FY2020.
Code 2012 – Guideline 12.6	<u>Independence of External Auditors</u>	The AC reviewed and is satisfied with the independence and objectivity of the EA, and has recommended the re-appointment of the EA at the forthcoming AGM. The AC is also satisfied with the adequacy and effectiveness of the services provided by the EA for FY2020.
	(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.	The fees paid/payable by the Company to the EA for audit and non-audit services for FY2020 amounted to \$158,200 and \$1,500 respectively.
	(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.	There was no substantial volume of non-audit services rendered in respect of FY2020.



No.	Code and/or Guide Description	Company's Compliance or Explanation
<b>SHAREHOLDER RIGHTS AND ENGAGEMENT</b>		
<b>Principle 11: Shareholder Rights and Conduct of General Meetings</b>		
11.1	<u>Shareholders' Participation at General Meetings</u>	<p>Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders.</p> <p>An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures that govern the general meetings of shareholders.</p>
	<u>Appointment of Proxies</u>	<p>Shareholders can vote in person or appoint not more than two proxies to attend, speak and vote on their behalf at general meetings of shareholders, with the exception that shareholders such as nominee companies, which provide custodial services for securities, are able to appoint more than two proxies to attend, speak and vote at general meetings notwithstanding the Company's Constitution does not differentiate between the number of proxies which may be appointed by individual shareholders and by nominee companies.</p>
11.2	<u>Bundling of Resolutions</u>	<p>Resolutions are tabled separately where the resolutions are substantially separate issues. "Bundling" of resolutions are kept to a minimum unless such issues are interdependent and linked so as to form one significant proposal. In the event a resolution is "bundled", the shareholders are briefed on the reasons for doing so and the material implications in the notice of meeting.</p>
11.3	<u>Directors' Attendance</u>	<p>The Company requests the following person to be present at all general meetings of the shareholders unless there are exigencies:</p> <ul style="list-style-type: none"> <li>• all Directors;</li> <li>• respective Chairman of the Board Committees; and</li> <li>• the EA, whose presence is to address shareholders' queries about the conduct of audit and the preparation and content of the independent Auditor's Report.</li> </ul>
11.4	<u>Absentia Voting</u>	<p>The Constitution does not allow for absentia voting at general meetings of shareholders as authentication of shareholder identity information and other related security issues continue to be a concern.</p> <p>Voting by shareholders at general meetings of shareholders shall be by poll and their detailed results will be announced via SGXNet after the conclusion of the general meeting. The Board has taken into consideration the factors encouraging electronic poll voting. After consideration, it has decided that the scale of the voting taking place at general meetings does not warrant the implementation of an electronic system.</p>
11.5	<u>Publication of Minutes</u>	<p>Minutes for general meetings (including substantial and relevant comments and questions raised by shareholders in relation to the meeting agenda and the responses from, <i>inter alia</i>, the Board and/or Management) are prepared at the conclusion of each meeting. A copy of minutes is made available on the Company's corporate website as soon as practical. A copy of the minutes is made available to a shareholder upon request in writing. The minutes shall be sent to the shareholders last known address within 14 days of the Company's receipt of their request.</p> <p>All Directors, Company Secretary and EA were present at the last annual general meeting held on 23 June 2020.</p>

No.	Code and/or Guide Description	Company's Compliance or Explanation
		<p>For FY2020, in complying with the requirements stipulated in the First Schedule of the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020 and the (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("<b>Order</b>"), the Company will publish the minutes of the AGM to be held on 27 April 2021 on SGXNet and the Company's corporate website within 1 month from the date of the AGM. For FY2020, in accordance with the COVID-19 (Temporary Measures) Act 2020 and the Order, the Company will apply and adopt the alternative arrangements for the convening, holding and conducting of the AGM, as set out in the second column of the First Schedule of the Order.</p>
11.6	<p><u>Dividend Policy</u></p> <p>(a) Does the Company have a dividend policy?</p> <p>(b) Is the Company is paying dividends for the financial year? If not, please explain why.</p>	<p>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.</p> <p>The Board has not declared or recommended any dividends for FY2020 as the Company was not profitable for FY2020.</p>
<p><b>Principle 12: Engagement with Shareholders</b></p>		
12.1 12.2 12.3 13.3	<p><u>Communication with Shareholders</u></p> <p>(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?</p>	<p>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.</p> <p>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:</p> <ol style="list-style-type: none"> <li>a. SGXNet announcements;</li> <li>b. Annual Reports and Notices of AGM issued to all shareholders; and</li> <li>c. The Company's AGMs.</li> </ol> <p>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.</p> <p>The Company's CEO and Company Secretary are responsible for the Company's communication with shareholders and serve as the dedicated contact point for investor relations. The Company embraces openness and feedback from its shareholders at the Company's AGM, which serves as the Company's principal forum for engagement with its shareholders. Shareholders are welcomed to raise queries or present their views regarding the proposed resolutions as well as the Company's overall business and corporate strategy.</p>

No.	Code and/or Guide Description	Company's Compliance or Explanation
		<p>In light of the Covid-19 pandemic, the forthcoming AGM of the Company to be held in respect of FY2020 will be convened and held by electronic means pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual broadcast or live audio-only stream), submission of questions in advance of AGM, addressing of substantial and relevant questions at or prior to the AGM and voting by appointing the Chairman of the AGM as proxy, will be put in place for the forthcoming AGM of the Company.</p> <p>The Company welcomes shareholders and all other stakeholders to reach out and may send feedback to the Company at <a href="mailto:info@platocapital.com">info@platocapital.com</a>. All announcements, sustainability reports, annual reports are released via SGXNet and can be accessed via <a href="http://platocapital.com">platocapital.com</a>.</p>
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arises.
	(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.
<b>SHAREHOLDER RIGHTS AND ENGAGEMENT</b>		
<b>Principle 13: Managing Stakeholders Relationships and Engagement with Stakeholders</b>		
13.1 13.2	<u>Stakeholders Management</u>	<p>The Company undertakes an annual review in identifying its material stakeholders. It assesses the material environmental, social and governance factors that affects the Group.</p> <p>Please refer to the Company's latest sustainability report dated 28 May 2020 for the assessment process and how such relationships with stakeholders are managed.</p>
711A, 711B	Sustainability Report	<p>The Company is working towards the issuance of its sustainability report by 31 May 2021 and such a report will be made available to shareholders on the SGXNet and published at <a href="http://www.platocapital.com">www.platocapital.com</a>.</p> <p>Such report will highlight the key economic, environmental, social and governance (ESG) factors such as economic performance, talent attraction and retention, employees' life-long learning, product and services quality and leakage of customer data and private information.</p>

COMPLIANCE WITH APPLICABLE CATALIST RULES		
Catalist Rule	Rule Description	Company's Compliance or Explanation
712, 715 or 716	Appointment of Auditors	The Group has complied with Catalist Rules 712 and 715 in relation to the appointment of its external auditors.
720(5)	<i>Information relating to Directors seeking re-election and Directors seeking shareholders' approval in respect of Rule 406(3)(d)(iii) of the Catalist Rules (effective from 1 January 2022)</i>	The information relating to the Directors seeking re-election and Directors seeking shareholders' approval in respect of Rule 406(3)(d)(iii) of the Catalist Rules (effective from 1 January 2022) as per Appendix 7F of the Catalist Rules are set out on pages 128 to 136 of this Annual Report.
1204(8)	Material Contracts	<p>The following material contract was entered into by the Company (involving the interest of the CEO, any Director, or controlling shareholder) and was still subsisting as at 31 December 2020.</p> <p><b>RCULS Subscription Agreement</b></p> <p>On 27 May 2016, the Company had issued to Lim Kian Onn, a Director and controlling shareholder of the Company ("LKO") 0.5% redeemable convertible unsecured loan stocks due 2021 ("RCULS"), each with a principal amount of \$100,000 and amounting in aggregate to a principal amount of \$10,000,000 in accordance with the terms and conditions of the RCULS Subscription Agreement dated 19 April 2016 and Supplemental Agreement dated 29 April 2016, both between the Company and LKO ("<b>RCULS Subscription Agreement</b>").</p> <p><u>RCULS</u></p> <ul style="list-style-type: none"> <li>• The RCULS may be converted into, validly allotted and issued, fully-paid and unencumbered ordinary shares in the share capital of the Company, at the option of LKO, at any time, from and including the respective dates on which they are issued and registered in accordance with the RCULS Subscription Agreement up to the close of business on the day falling one month prior to the Maturity Date ("<b>Conversion Period</b>"). "<b>Maturity Date</b>" means 60 months from the date of issue of the RCULS.</li> <li>• The RCULS bears interest at the rate of 0.5% per annum on the principal amount of the RCULS ("<b>Interest</b>"). Interest shall accrue on a daily basis (without compounding) and is payable on the Maturity Date. Each RCULS shall cease to bear Interest (a) on conversion into Shares (without prejudice to Interest accrued prior to the conversion date), or (b) from the due date for redemption hereof.</li> <li>• The Interest may, at the discretion of LKO, be satisfied fully either in (i) cash or (ii) through the issue and allotment of Shares ("<b>Interest Shares</b>") by the Company.</li> <li>• If LKO elects to receive cash in satisfaction of the Interest, the Interest (including interest on converted and unconverted RCULS) shall only be payable on the Maturity Date.</li> <li>• If LKO elects to receive Shares in lieu of cash in satisfaction of the Interest accrued on any RCULS (i) in the case of any RCULS which is to be converted prior to the Maturity Date, such election must be notified to the Company in a conversion notice and (ii) in all other cases, such election shall be notified to the Company by no later than the expiry of the Conversion Period.</li> <li>• The price at which each Share shall be issued upon conversion of the RCULS or the Interest is \$0.13 ("<b>Conversion Price</b>"). The Conversion Price will be subject to adjustments under certain circumstances in accordance with the terms and conditions of the RCULS.</li> </ul>

COMPLIANCE WITH APPLICABLE CATALIST RULES		
Catalist Rule	Rule Description	Company's Compliance or Explanation
		<ul style="list-style-type: none"> <li>The number of Shares to which LKO is entitled on conversion of any RCULS ("<b>Conversion Shares</b>") or Interest shall be determined by dividing the aggregate principal amount of the RCULS or Interest (as the case may be) to be converted by the Conversion Price.</li> </ul> <p>Further details of the RCULS issued to LKO can be found in the circular to shareholders dated 5 May 2016.</p> <p>LKO has elected to convert 38 RCULS valued at \$3,800,000 and accrued interest of \$2,499 into Shares. An aggregate of 29,249,989 new Shares have been allocated and issued pursuant to the conversion of RCULS on 15 July 2016 ("<b>Conversion</b>").</p> <p>Following the Conversion, there are 62 RCULS outstanding. Resulting from the completion of the Share Consolidation Exercise, the conversion price has been revised from \$0.13 to \$2.60. Accordingly, the 62 RCULS outstanding are convertible into 2,384,615 Consolidated Shares and accrued interest of \$142,704 are convertible into 54,886 Consolidated Shares as at 31 December 2020.</p>
1204(10)	Confirmation of adequacy and effectiveness of internal controls	<p>Both the Board and AC are of the opinion that the internal controls are adequate and effective to address the financial, operational, compliance and information technology controls and risk management systems which the Group considers relevant and material to its operations based on the following:</p> <ul style="list-style-type: none"> <li>internal controls and the risk management system established by the Company;</li> <li>work performed by the EA and the IA;</li> <li>assurance from the CEO and the FC; and</li> <li>reviews done by the various Board Committees and key management personnel.</li> </ul> <p>Both the Board and the AC did not identify any material weaknesses in the Group's internal controls in FY2020.</p> <p>The Board notes that no system of internal control could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.</p>
1204(17)	Interested Persons Transaction	<p>The Group does not have a general mandate for recurrent interested person transactions.</p> <p>There were no interested person transactions of \$100,000 or more entered into during FY2020.</p>
1204(19)	Dealing in Securities	<p>The Company has adopted and implemented an Internal Code of Conduct on Dealing in Securities which prohibits dealings in the Company's securities by Directors and Officers while in possession of price-sensitive information. The Company, its Directors and Officers are prohibited from dealing in the Company's shares during one month prior to the announcement of half and full year results. The Directors and Officers are discouraged from dealing in the Company's securities on short-term considerations.</p> <p>Directors and Officers 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.</p>
1204(21)	Non-sponsor fees	<p>The total amount of non-sponsor fees paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2020 was \$3,000.</p>
1204(22)	Use of RCULS Proceeds	<p>All RCULS proceeds have been fully utilized during the financial year ended 31 December 2017. There was nil balance of RCULS proceeds for FY2020.</p>

# Profile of Board of Directors

## **MICHAEL KAN YUET YUN PBM**

### *Independent Director*

*Appointed on 29 November 2002, last re-elected on 12 April 2018; Age 81*

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

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

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

## **CHONG HUAI SENG**

### *Independent Director*

*Appointed on 12 September 2008, last re-elected on 10 April 2019; Age 70*

Mr Chong Huai Seng is a director of The Artling Pte Ltd, an online art advisory and e-commerce company specialising in Asian contemporary art. Mr Chong is also the co-founder and director of The Culture Story Private Limited, an art advisory and management company for artists and collectors.

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 23 June 2020; Age 64*

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 Group Berhad (“**ECMLG**”), is listed on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”). Mr Lim is also the Non-Executive Director and substantial shareholder of ECMLG, a Non-Executive Director of Air Asia X Berhad, a company listed on Bursa Malaysia, and a trustee of ECM Libra Foundation.

## **NAVINDERJEET SINGH A/L NARANJAN SINGH**

### *Non-Independent & Non-Executive Director*

*Appointed on 2 October 2020, last re-elected – not applicable; Age 34*

Mr Navinderjeet Singh A/L Naranjan Singh is a Chief Financial Officer of ECMLG. He holds a Postgraduate Diploma in Finance from Massey University, New Zealand and a Degree in Bachelor of Commerce in Accounting & Finance from the University of Auckland, New Zealand.

Mr Navinderjeet was a Chief Executive Officer of Tune Hotels Group and Ormond Group. Mr Navinderjeet has over 13 years of working experience, seven of which were with Tune Hotels Group and Ormond Group. During the course of Mr Navinderjeet’s employment at Tune Hotels Group and Ormond Group, Mr Navinderjeet has held several senior management positions where Mr Navinderjeet was involved in heading the finance, operations and commercial functions of Tune Hotels Group and Ormond Group. Mr Navinderjeet also has experience in corporate finance, auditing and investment banking.

# Profile of Key Management

## **GARETH LIM TZE XIANG**

Mr Gareth Lim Tze Xiang joined the Group in September 2009 as Head of Investments, responsible for the formulation and implementation of the Group's overall investment strategy. Mr Lim became the Chief Executive Officer of the Group in November 2010. He is also the Alternate Director to Mr Lim Kian Onn, Chief Executive Officer of the Ormond Group which houses the Group's hospitality assets and Executive Director of ECMLG.

Mr Lim began his career as part of Morgan Stanley's mergers and acquisitions practice in Singapore. He holds a Bachelor of Arts Degree in Economics from St. Catharine's College at the University of Cambridge.

## **WONG CHOY LING**

Ms Wong Choy Ling joined the Group in July 2020 as Financial Controller.

Ms Wong is a fellow member of the Association of Chartered Certified Accountant and also a member of the Malaysian Institute of Accountants. She served her articleship with KPMG Malaysia and has over 10 years of working experience in financial accounts, consolidation and financial reporting.

## **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 25 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 30 years of experience in the information technology industry.

## **LIM KIAN FAH**

Ms Lim Kian Fah has been with the Group since October 2004 and serves as the Director of Legal of the Group.

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

# Directors' Statement

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Plato Capital Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2020.

## Opinion of the Directors

In the opinion of the Directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

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

Lim Kian Onn  
Gareth Lim Tze Xiang (Alternate Director to Lim Kian Onn)  
Michael Kan Yuet Yun, PBM  
Chong Huai Seng  
Navinderjeet Singh A/L Naranjan Singh (appointed on 2 October 2020)

## Arrangements to enable Directors to acquire shares or debentures

Except as described in paragraph on share options and share awards below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## Directors' interest in shares or debentures

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



## Directors' interest in shares or debentures (cont'd)

Name of Director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
<b>Ordinary shares of the Company</b>				
Lim Kian Onn	–	–	126,802,916	6,344,865*
<b>Share options pursuant to the Plato Employee Share Option Scheme 2016 of the Company</b>				
Lim Kian Onn	1,378,761	68,938*	–	–
Gareth Lim Tze Xiang	1,378,761	68,938*	–	–
Michael Kan Yuet Yun, PBM	1,240,885	62,044*	–	–
Chong Huai Seng	1,240,885	62,044*	–	–
<b>Share awards pursuant to the Plato Performance Share Plan 2016 of the Company</b>				
Lim Kian Onn	689,381	34,469*	–	–
Gareth Lim Tze Xiang	689,381	34,469*	–	–
Michael Kan Yuet Yun, PBM	620,443	31,022*	–	–
Chong Huai Seng	620,443	31,022*	–	–

By virtue of Section 7 of the Act, Lim Kian Onn is deemed to have an interest in 6,344,865\* Consolidated Shares (4,898,925 Consolidated Shares are held by Citibank Nominees Singapore Pte. Ltd. for Bank Julius Baer (Singapore) Ltd for Cosima Investments Pte. Ltd., a company wholly-owned by Lim Kian Onn, and 1,445,940 Consolidated Shares held by OCBC Securities Private Limited for Kenanga Investment Bank for Lim Kian Onn). 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. The Directors' interests as at 21 January 2021 in the shares of the Company have not changed from those disclosed as at 31 December 2020.

\* The Company had on 22 July 2020 announced that it has completed a share consolidation of every twenty (20) then existing ordinary shares in the capital of the Company ("Share") into one (1) Share ("Consolidated Shares") ("Share Consolidation Exercise"). Accordingly, the number of ordinary shares, share options and share awards has been revised.

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 its related corporations, either at the beginning, at the date of the appointment, or at the end of the financial year.

## Share options and share awards

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

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

The Plato ESOS 2016 and Plato PSP 2016 are administered by the Remuneration Committee (the "RC") of the Company. In the previous financial year:

- The Company had granted 10,478,584 share options under the Plato ESOS 2016 ("Options"). These Options expire 10 years from 17 June 2016, being the date of grant, save for Options granted to Lim Kian Onn, Michael Kan Yuet Yun, PBM, and Chong Huai Seng which expire 5 years from the date of grant. The vesting period of the Options granted, provided that the Directors and eligible employees remain in the service of the Group is as follows:
  - 1/3 of the Options shall be exercisable at any time after the 1st anniversary of the date of grant;
  - 1/3 of the Options shall be exercisable at any time after the 2nd anniversary of the date of grant; and
  - 1/3 of the Options shall be exercisable at any time after the 3rd anniversary of the date of grant.
- The Company had also granted 5,239,296 share awards under the Plato PSP 2016 ("Awards"). The shares under the Awards will be allocated and issued or transferred to a recipient if certain predetermined performance conditions as determined by the RC are achieved or otherwise in accordance with the Rules of the Plato PSP 2016. The Awards for each recipient are released and vest proportionately (1/3) each year from 2017 to 2019, provided that the Directors and eligible employees remain in the service of the Group.

The grant of the Options and Awards were accepted by the Directors and eligible employees of the Group in July 2016.

Details of all the Options to subscribe for ordinary shares of the Company pursuant to the Plato ESOS 2016 as at 31 December 2020 (before and after Share Consolidation Exercise) are as follows:

### Before Share Consolidation Exercise

Expiry date	Exercise price (\$)	Number of Options Outstanding as at 1 January 2020	Number of Options Forfeited during the year	Number of Options Outstanding as at 31 December 2020
16 June 2021	0.10	3,860,531	–	3,860,531
16 June 2026	0.10	5,377,168	–	5,377,168
<b>Total</b>		9,237,699	–	9,237,699

### After Share Consolidation Exercise

Expiry date	Exercise price (\$)	Number of Options Outstanding as at 1 January 2020	Number of Options Forfeited during the year	Number of Options Outstanding as at 31 December 2020
16 June 2021	2.00*	193,026*	–	193,026*
16 June 2026	2.00*	268,858*	–	268,858*
<b>Total</b>		461,884*	–	461,884*

Details of all the Awards granted pursuant to the Plato PSP 2016 as at 31 December 2020 are as follows:

### Before Share Consolidation Exercise

	Number of Awards Outstanding as at 1 January 2020	Number of Awards Forfeited during the year	Number of Awards Outstanding as at 31 December 2020
Plato PSP 2016	4,618,853	–	4,618,853

### After Share Consolidation Exercise

	Number of Awards Outstanding as at 1 January 2020	Number of Awards Forfeited during the year	Number of Awards Outstanding as at 31 December 2020
Plato PSP 2016	230,942*	–	230,942*

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

Details of the Options to subscribe for ordinary shares of the Company and Awards granted to Directors and eligible employees of the Group pursuant to the Plato ESOS 2016 and Plato PSP 2016 are as disclosed above. There were no Options exercised by the Directors and eligible employees of the Group during the financial year.

Included in the granted Options and Awards are 68,938\* Options and 34,469\* Awards granted to Lim Kian Fah, an associate of Lim Kian Onn pursuant to the Plato ESOS 2016 and Plato PSP 2016.

Other than the Options and Awards granted to the Directors of the Company and of the subsidiaries and a key management personnel, there were no other employees of the Group who have been granted more than 5% of the total Options and Awards available under the Plato ESOS 2016 and Plato PSP 2016.

Since the commencement of the Plato ESOS 2016 till the end of the financial year:

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

\* *The Company had on 22 July 2020 announced that it has completed a share consolidation of every twenty (20) then existing ordinary shares in the capital of the Company ("Share") into one (1) Share ("Consolidated Shares") ("Share Consolidation Exercise"). Accordingly, the number of ordinary shares, share options and share awards has been revised.*

### Audit Committee

The Audit Committee (the "AC") 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 AC performed its functions in accordance with Section 201B(5) of the Act 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 internal and external 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 (the "Board");
- 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 the nomination and compensation of the external auditor and reviewed the scope and results of the external audit;
- Reported actions, recommendations and minutes of the AC to the Board;
- Reviewed interested person transactions in accordance with the requirements of the SGX-ST'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 two meetings during the year with full attendance from all members. The AC has also met with external auditor, without the presence of the Company's management, at least once a year.

### Auditor

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

On behalf of the Board of Directors:

Lim Kian Onn  
Director

Navinderjeet Singh A/L Naranjan Singh  
Director

25 March 2021

# Independent Auditor's Report for the financial year ended 31 December 2020

## Independent auditor's report to the members of Plato Capital Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Plato Capital Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2020, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

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

#### Equity accounting for investments in associates and joint venture

As at 31 December 2020, the carrying value of Group's investment in associates and joint ventures amounted to approximately \$14,415,000 and \$16,894,000, which accounted for 24% and 28% of the Group's total assets respectively. The Group accounts for its investments in associates and joint ventures using the equity method. Given the significance of the carrying amount of the investment in associates and joint ventures as at 31 December 2020, we determined the equity accounting for investments in associates and joint ventures to be a key audit matter.

As part of our audit procedures, we reviewed the equity accounting workings and journal entries prepared by management by comparing them to the financial statements of the relevant associates and joint ventures. We assessed the reliability of the financial statements of the associates and joint ventures through our involvement in the work of the component auditors. We discussed with component auditors on the identified significant risks of material misstatements and the nature, timing and extent of audit procedures to address these risks. We also evaluated the significant accounting policies of the associates and joint ventures to ensure alignment with the group's accounting policy. In addition, we assessed the adequacy of the disclosures made in Note 14 and Note 15 to the financial statements.

## **Other Information**

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Directors for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

### Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Report on Other Legal and Regulatory Requirements

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

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

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

25 March 2021

# Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2020

	Note	2020 \$	2019 \$
<b>Revenue</b>	4	1,168,148	967,997
Other income	5	520,720	94,526
		1,688,868	1,062,523
<b>Other items of income/(expense)</b>			
Gain on partial disposal of shares in an associate	15	–	4,831,783
Purchase of software and services		(286,800)	(353,464)
Employee benefits expenses	6	(909,148)	(1,031,677)
Depreciation of property, plant and equipment	11	(5,984)	(13,511)
Amortisation of right-of-use assets	11A	(49,834)	(42,846)
Foreign exchange (loss)/gain, net		(533,186)	232,474
Loss on disposal of investment securities		–	(25,492)
Loss on liquidation of a subsidiary	13	(257,822)	–
Other operating expenses		(1,092,192)	(3,315,491)
Finance costs	7	(627,629)	(662,084)
Share of loss from joint ventures		(1,010,126)	(194,573)
Share of profit/(loss) from associates		1,621,535	(2,900,414)
<b>Loss before tax</b>	8	(1,462,318)	(2,412,772)
Income tax credit	9	66,781	62,250
<b>Loss for the year</b>		(1,395,537)	(2,350,522)

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

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>Loss for the year</b>		(1,395,537)	(2,350,522)
<b>Other comprehensive (loss)/income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Fair value loss on quoted equity investment at fair value through other comprehensive income		(743,313)	(203,606)
		<u>(743,313)</u>	<u>(203,606)</u>
<b>Items that may be reclassified subsequently to profit or loss</b>			
Share of foreign currency translation reserve of joint ventures		732,848	(236,325)
Share of foreign currency translation reserve of associates		(590,910)	215,817
Foreign currency translation		1,282,069	(742,215)
Reclassification to profit or loss upon liquidation of a subsidiary		257,822	–
Reclassification to profit or loss upon partial disposal of an associate		–	834,019
		<u>1,681,829</u>	<u>71,296</u>
<b>Other comprehensive income/(loss) for the year, net of tax</b>		938,516	(132,310)
<b>Total comprehensive loss for the year</b>		<u>(457,021)</u>	<u>(2,482,832)</u>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company		(1,789,907)	(729,854)
Non-controlling interests		394,370	(1,620,668)
		<u>(1,395,537)</u>	<u>(2,350,522)</u>
<b>Total comprehensive (loss)/income for the year attributable to:</b>			
Owners of the Company		(1,012,931)	(804,308)
Non-controlling interests		555,910	(1,678,524)
		<u>(457,021)</u>	<u>(2,482,832)</u>
<b>Loss per share (cents) attributable to owners of the Company</b>	10		
Basic		(18.39)	(7.50)
Diluted		<u>(18.39)</u>	<u>(7.50)</u>

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



# Balance Sheets as at 31 December 2020

	Note	Group		Company	
		2020 \$	2019 \$	2020 \$	2019 \$
<b>Non-current assets</b>					
Property, plant and equipment	11	13,313,476	11,972,946	–	–
Right-of-use assets	11A	74,844	107,637	–	–
Intangible asset	12	309,061	313,626	–	–
Investment in subsidiaries	13	–	–	33,650,747	33,154,480
Investment in joint ventures	14	16,894,134	17,171,412	50	50
Investment in associates	15	14,414,649	13,352,173	–	–
Investment securities	16	4,457,397	5,033,422	–	–
Trade receivables	17	8,541,490	8,501,479	–	–
		<u>58,005,051</u>	<u>56,452,695</u>	<u>33,650,797</u>	<u>33,154,530</u>
<b>Current assets</b>					
Trade receivables	17	230,654	295,070	–	–
Other receivables and deposits	18	60,873	230,929	–	–
Prepaid operating expenses		77,086	43,349	13,272	11,502
Capitalised contract costs – deferred maintenance cost	4	140,026	221,794	–	–
Tax recoverable		18,399	15,960	–	–
Amounts due from subsidiaries	19	–	–	3,522,220	3,973,597
Amount due from a joint venture	23	94,133	–	–	–
Cash and cash equivalents	20	2,064,515	3,757,833	274,797	1,928,306
		<u>2,685,686</u>	<u>4,564,935</u>	<u>3,810,289</u>	<u>5,913,405</u>
<b>Total assets</b>		<u>60,690,737</u>	<u>61,017,630</u>	<u>37,461,086</u>	<u>39,067,935</u>
<b>Current liabilities</b>					
Trade payables	21	96,016	126,666	–	–
Other payables and accruals	22	1,440,851	2,029,689	190,215	204,157
Contract liabilities – deferred revenue	4	278,043	369,697	–	–
Amounts due to subsidiaries	19	–	–	3,999,427	4,024,738
Amounts due to joint ventures	23	976,423	629,466	50	50
Loans and borrowings	24	3,999,843	4,316,993	–	–
RCULS – liability component	24	6,184,360	–	6,184,360	–
		<u>12,975,536</u>	<u>7,472,511</u>	<u>10,374,052</u>	<u>4,228,945</u>
<b>Net current (liabilities)/assets</b>		<u>(10,289,850)</u>	<u>(2,907,576)</u>	<u>(6,563,763)</u>	<u>1,684,460</u>
<b>Non-current liabilities</b>					
Deferred tax liabilities	25	2,659	69,141	2,659	69,141
Loans and borrowings	24	27,076	68,359	–	–
RCULS – liability component	24	–	5,793,286	–	5,793,286
Amount due to a related party	26	2,368,800	2,367,402	–	–
		<u>2,398,535</u>	<u>8,298,188</u>	<u>2,659</u>	<u>5,862,427</u>
<b>Total liabilities</b>		<u>15,374,071</u>	<u>15,770,699</u>	<u>10,376,711</u>	<u>10,091,372</u>
<b>Net assets</b>		<u>45,316,666</u>	<u>45,246,931</u>	<u>27,084,375</u>	<u>28,976,563</u>
<b>Equity</b>					
Share capital	27	40,875,023	40,875,023	40,875,023	40,875,023
Fair value and other reserves	28	(315,416)	427,897	2,259,851	2,259,851
Foreign currency translation reserve	29	(6,650,027)	(8,170,316)	–	–
Retained earnings/(accumulated losses)		4,987,685	6,777,592	(16,050,499)	(14,158,311)
<b>Equity attributable to owners of the Company</b>		<u>38,897,265</u>	<u>39,910,196</u>	<u>27,084,375</u>	<u>28,976,563</u>
Non-controlling interests		6,419,401	5,336,735	–	–
<b>Total equity</b>		<u>45,316,666</u>	<u>45,246,931</u>	<u>27,084,375</u>	<u>28,976,563</u>
<b>Total equity and liabilities</b>		<u>60,690,737</u>	<u>61,017,630</u>	<u>37,461,086</u>	<u>39,067,935</u>

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 2020

	Attributable to owners of the Company						Total equity
	Share capital	Fair value and other reserves	Foreign currency translation reserve	Retained earnings/ (accumulated losses)	Equity attributable to owners of the Company	Non-controlling interests	
	\$	\$	\$	\$	\$	\$	\$
<b>Group</b>							
At 1 January 2020	40,875,023	427,897	(8,170,316)	6,777,592	39,910,196	5,336,735	45,246,931
(Loss)/profit for the year	–	–	–	(1,789,907)	(1,789,907)	394,370	(1,395,537)
Other comprehensive (loss)/ income:							
Fair value loss on quoted equity investment at fair value through other comprehensive income (“FVOCI”)	–	(743,313)	–	–	(743,313)	–	(743,313)
Share of foreign currency translation reserve of joint ventures	–	–	732,848	–	732,848	–	732,848
Share of foreign currency translation reserve of associates	–	–	(412,787)	–	(412,787)	(178,123)	(590,910)
Foreign currency translation	–	–	942,406	–	942,406	339,663	1,282,069
Reclassification to profit or loss upon liquidation of a subsidiary	–	–	257,822	–	257,822	–	257,822
<b>Other comprehensive (loss)/ income for the year, net of tax</b>	–	(743,313)	1,520,289	–	776,976	161,540	938,516
<b>Total comprehensive (loss)/ income for the year</b>	–	(743,313)	1,520,289	(1,789,907)	(1,012,931)	555,910	(457,021)
<b>Others</b>							
Capitalisation of advances from non-controlling interests	–	–	–	–	–	526,756	526,756
At 31 December 2020	40,875,023	(315,416)	(6,650,027)	4,987,685	38,897,265	6,419,401	45,316,666

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

	Attributable to owners of the Company						Total equity
	Share capital	Fair value and other reserves	Foreign currency translation reserve	Retained earnings/ (accumulated losses)	Equity attributable to owners of the Company	Non-controlling interests	
	\$	\$	\$	\$	\$	\$	\$
<b>Group</b>							
At 1 January 2019	40,875,023	574,805	(8,299,468)	7,507,446	40,657,806	2,469,262	43,127,068
Loss for the year	–	–	–	(729,854)	(729,854)	(1,620,668)	(2,350,522)
Other comprehensive income/ (loss):							
Fair value loss on quoted equity investment at FVOCI	–	(203,606)	–	–	(203,606)	–	(203,606)
Share of foreign currency translation reserve of joint ventures	–	–	(236,325)	–	(236,325)	–	(236,325)
Share of foreign currency translation reserve of associates	–	–	142,613	–	142,613	73,204	215,817
Foreign currency translation	–	–	(611,155)	–	(611,155)	(131,060)	(742,215)
Reclassification to profit or loss upon partial disposal of an associate	–	–	834,019	–	834,019	–	834,019
<b>Other comprehensive (loss)/ income for the year, net of tax</b>	–	(203,606)	129,152	–	(74,454)	(57,856)	(132,310)
<b>Total comprehensive (loss)/ income for the year</b>	–	(203,606)	129,152	(729,854)	(804,308)	(1,678,524)	(2,482,832)
<b>Transaction with owners</b>							
Effects of share options and share awards	–	56,698	–	–	56,698	–	56,698
<b>Others</b>							
Capitalisation of advances from non-controlling interests	–	–	–	–	–	4,545,997	4,545,997
At 31 December 2019	40,875,023	427,897	(8,170,316)	6,777,592	39,910,196	5,336,735	45,246,931

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

	<b>Share capital</b>	<b>Other reserves</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	\$	\$	\$	\$
<b>Company</b>				
<b>2020</b>				
At 1 January 2020	40,875,023	2,259,851	(14,158,311)	28,976,563
Loss for the year, representing total comprehensive loss for the year	–	–	(1,892,188)	(1,892,188)
At 31 December 2020	<u>40,875,023</u>	<u>2,259,851</u>	<u>(16,050,499)</u>	<u>27,084,375</u>
<b>2019</b>				
At 1 January 2019	40,875,023	2,203,153	(11,967,696)	31,110,480
Loss for the year, representing total comprehensive loss for the year	–	–	(2,190,615)	(2,190,615)
Effects of share options and share awards	–	56,698	–	56,698
At 31 December 2019	<u>40,875,023</u>	<u>2,259,851</u>	<u>(14,158,311)</u>	<u>28,976,563</u>

*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 2020

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(1,462,318)	(2,412,772)
<b>Adjustments for:</b>		
Interest income from bank deposits	(10,874)	(42,299)
Interest income from provision of credit facilities	(509,751)	(107,896)
Interest expenses	627,629	662,084
Depreciation of property, plant and equipment	5,984	13,511
Amortisation of right-of-use assets	49,834	42,846
Gain on partial disposal of shares in an associate	–	(4,831,783)
Loss on disposal of investment securities	–	25,492
Loss on liquidation of a subsidiary	257,822	–
Share-based payments expense	–	56,698
Share of loss from joint ventures	1,010,126	194,573
Share of (profit)/loss from associates	(1,621,535)	2,900,414
Unrealised foreign exchange loss/(gain), net	419,494	(263,683)
Gain on disposal of property, plant and equipment	(58)	–
<b>Operating loss before working capital changes</b>	<b>(1,233,647)</b>	<b>(3,762,815)</b>
Increase in receivables	(498,431)	(320,842)
Increase in payables	578,915	347,404
<b>Cash flows used in operations</b>	<b>(1,153,163)</b>	<b>(3,736,253)</b>
Interest received from provision of credit facilities	486,816	95,631
Income tax (paid)/refunded	(21,541)	26,325
<b>Net cash flows used in operating activities</b>	<b>(687,888)</b>	<b>(3,614,297)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(425,308)	(3,268,664)
Proceeds from disposal of investment securities	–	283,464
Investment in associates	(386,307)	(506,775)
Dividends received from an associate	354,456	–
Acquisition of investment securities	(167,288)	–
Trademark related expenses paid	(487)	(3,644)
Proceeds from disposal of property, plant and equipment	58	–
<b>Net cash flows used in investing activities</b>	<b>(624,876)</b>	<b>(3,495,619)</b>

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

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from financing activities</b>		
Interest paid	(230,391)	(308,656)
Interest received from bank deposits	10,874	42,299
Advances from non-controlling interest of a subsidiary controlled by a substantial shareholder	332,517	1,742,915
Repayment of bank borrowings	(328,600)	(654,472)
Repayment of principal portion of lease liabilities	(55,012)	(47,480)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(270,612)</b>	<b>774,606</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,583,376)</b>	<b>(6,335,310)</b>
Effect of exchange rate changes on cash and cash equivalents	(109,942)	(163,663)
Cash and cash equivalents at 1 January	3,757,833	10,256,806
<b>Cash and cash equivalents at 31 December (Note 20)</b>	<b>2,064,515</b>	<b>3,757,833</b>

*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 2020**

## 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 (International) (SFRS(I)).

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 \$10,290,000 (2019: \$2,909,000) as the Directors are of the view that the Group will continue as a going concern.

The Directors' view is based on the following:

- the Group's ability to continue to have access to banking facilities available to the Group with the support of LKO as guarantor to those facilities. As at the date of these financial statements, 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;
- LKO's commitment to exercising his right to convert the outstanding RCULS into ordinary shares instead of cash redemption when these become due in May 2021;
- the Group will be able to generate sufficient cash flows from its operating and investing activities; and
- 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 and disclosures

#### **New and amended standards and interpretations**

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 which are effective for annual financial periods beginning on or after 1 January 2020. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.



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

### 2.3 Standards issued but not yet effective

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

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to SFRS(I) 16: <i>Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: <i>Interest Rate Benchmark Reform</i>	1 January 2021
Amendments to SFRS(I) 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 17	1 January 2023
SFRS(I) 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 <i>Sales or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the year of initial application.

### 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.

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; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

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

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

#### (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) (i.e. present interests which 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 SFRS(I).

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

### 2.5 Transactions with non-controlling interests

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

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

### 2.6 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.

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

### 2.6 Foreign currencies (cont'd)

#### (a) Transactions and balances

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

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

#### (b) Consolidated financial statements

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

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

### 2.7 Property, plant and equipment

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

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

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

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

Assets under construction are not depreciated as these assets are not yet available for use.

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. Summary of significant accounting policies (cont'd)

### 2.8 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

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

### 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.

### 2.12 Associates and joint ventures

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 accounts for its investments in associates and joint ventures 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 associates 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 ventures 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 ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, 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 ventures are eliminated to the extent of the interest in the associates or joint ventures.

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 ventures.

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 ventures. 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 ventures and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates or joint ventures 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.

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 ventures and the reason for using a different reporting date or different period shall be disclosed.

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

### 2.12 Associates and joint ventures (cont'd)

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

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

### 2.13 Financial instruments

#### (a) Financial assets

##### Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

##### Subsequent measurement

##### Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

#### (i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

#### (ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI 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 for impairment losses, foreign exchange gains and losses 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 derecognised.

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

### 2.13 Financial instruments (cont'd)

#### (a) Financial assets (cont'd)

##### Subsequent measurement (cont'd)

##### Investments in debt instruments (cont'd)

#### (iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

##### Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

The Group has designated certain investments in unit trusts and money market funds as financial assets at fair value through profit or loss, considering the nature of these investments.

##### Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition 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 for debt instruments is recognised in profit or loss.

#### (b) Financial liabilities

##### Initial recognition and measurement

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

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

##### Subsequent measurement

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

##### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

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

### 2.14 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 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.

### 2.16 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 measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.



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

### 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 Redeemable convertible unsecured loan stocks ("RCULS")

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

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

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

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

### 2.20 Employee benefits

#### (a) Defined contribution plans

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

#### (b) Employee leave entitlement

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

#### (c) Defined benefit plans

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

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet 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.

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

### 2.20 Employee benefits (cont'd)

#### (c) Defined benefit plans (cont'd)

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the associate recognises restructuring-related costs

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

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

#### (d) Employee share options and share awards

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

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

### 2.21 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Building	–	2.5 to 3.5 years
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If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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

### 2.21 Leases (cont'd)

#### Group as a lessee (cont'd)

##### (b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in loans and borrowings.

### 2.22 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The revenue contracts entered into by the Group typically only has one performance obligation per contract with no variable consideration nor rights of return.

##### (a) Sale of goods

Revenue is recognised when the customer obtains control of the goods upon delivery and acceptance by the customer.

##### (b) Rendering of services

License fees relate to the right to use the relevant software, based on a one-time billing with no expiry period. No further services are rendered in relation to the license fees after the right to use the relevant software is acquired. Consequently, revenue from license fees are recognised at a point in time when the license is granted.

Revenues from implementation services are recognised based on milestone billings measured by reference to the stage of completion of the projects ("output method").

Revenue from maintenance 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.

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

### 2.22 Revenue (cont'd)

(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.

A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract. Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

### 2.23 Taxes

(a) *Current tax*

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

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

(b) *Deferred tax*

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

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

### 2.23 Taxes (cont'd)

#### (b) Deferred tax (cont'd)

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.

#### (c) Sales and services tax ("SST")/Value-added Tax ("VAT")

Revenues, expenses and assets are recognised net of the amount of SST or VAT except:

- Where the SST or VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the SST or VAT 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 SST or VAT included.

### 2.24 Share capital and share issuance expenses

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

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

### 2.25 Contingencies

A contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) A present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

## 3. Significant accounting judgements and estimates

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

Management is of the opinion that there are no significant judgements made in applying accounting policies or key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts recognised in the consolidated financial statements.

## 4. Revenue

- (a) Disaggregation of revenue:

	Group	
	2020	2019
	\$	\$
Revenue from major products/services:		
- sales of goods	18,426	2,978
- license fees	47,922	14,300
- implementation services	164,464	380,433
- maintenance services	427,585	462,390
Interest income from provision of credit facilities	509,751	107,896
	1,168,148	967,997
Timing of transfer of goods and services		
- At a point in time	66,348	17,278
- Over time	1,101,800	950,719
	1,168,148	967,997

#### 4. Revenue (cont'd)

(b) *Judgement and methods used in estimating revenue*

The revenue contracts entered into by the Group typically only have one performance obligation per contract with no variable consideration nor rights of return. There are no significant judgements made in estimating revenue. The Group's revenue recognition policy is disclosed in Note 2.22. For the provision of implementation and maintenance services where the Group satisfies its performance obligations over time, management has determined that the output method provides a faithful depiction of the Group's performance in rendering the services to the customers.

(c) *Contract assets and contract liabilities*

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group	
	2020	2019
	\$	\$
Receivables from contracts with customers (Note 17)	230,654	295,070
Capitalised contract costs – deferred maintenance cost	140,026	221,794
Contract liabilities – deferred revenue	(278,043)	(369,697)

	Group	
	2020	2019
	\$	\$
<b>Capitalised contract costs – deferred maintenance cost</b>		
At 1 January	221,794	197,989
Costs incurred	127,790	317,860
Recognised as expense during the year	(209,851)	(293,530)
Exchange differences	293	(525)
At 31 December	140,026	221,794

	Group	
	2020	2019
	\$	\$
<b>Contract liabilities – deferred revenue</b>		
At 1 January	369,697	361,332
Billings made during the year	335,838	507,715
Recognised as revenue during the year	(427,585)	(498,224)
Exchange differences	93	(1,126)
At 31 December	278,043	369,697

## 5. Other income

	Group	
	2020	2019
	\$	\$
Interest income from bank deposits		
- debt instruments at amortised cost	10,874	42,299
Miscellaneous income	509,846	52,227
	520,720	94,526

Included in the miscellaneous income is insurance claim pay-out of \$492,364 (2019: \$Nil) from an agreed reimbursement on the professional fees incurred from the development and construction works at the Group's freehold land (Note 11).

## 6. Employee benefits expenses

	Group	
	2020	2019
	\$	\$
Salaries and wages	802,208	888,133
Defined contribution plans	64,370	66,990
Share-based payments	-	56,698
Other employee benefits	42,570	19,856
	909,148	1,031,677

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

### Share options and share awards

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

The Plato ESOS 2016 and Plato PSP 2016 are administered by the Remuneration Committee (the "RC") of the Company.

- The Company has granted 10,478,584 share options under the Plato ESOS 2016 ("Options"). These Options expire 10 years from 17 June 2016, being the date of grant, save for Options granted to Lim Kian Onn, Michael Kan Yuet Yun, PBM, and Chong Huai Seng which expire 5 years from the date of grant. The vesting period of the Options granted, provided that the Directors and eligible employees remain in the service of the Group is as follows:
  - 1/3 of the Options shall be exercisable at any time after the 1st anniversary of the date of grant;
  - 1/3 of the Options shall be exercisable at any time after the 2nd anniversary of the date of grant; and
  - 1/3 of the Options shall be exercisable at any time after the 3rd anniversary of the date of grant.
- The Company has also granted 5,239,296 share awards under the Plato PSP 2016 ("Awards"). The shares under the Awards will be allocated and issued or transferred to a recipient if certain predetermined performance conditions as determined by the RC are achieved or otherwise in accordance with the Rules of the Plato PSP 2016. The Awards for each recipient are released and vest proportionately (1/3) each year from 2017 to 2019, provided that the Directors and eligible employees remain in the service of the Group. No share pursuant to the Awards has been issued to the recipient during the year.



## 6. Employee benefits expenses (cont'd)

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

The grant of the Options and Awards were accepted by the Directors and eligible employees of the Group in July 2016.

Resulting from the Share Consolidation Exercise as disclosed in Note 27, the number of Share Options has been adjusted accordingly from the existing 9,237,699 to 461,884 at revised exercise price of \$2.00, while the number of Awards granted has been adjusted accordingly from the existing 4,618,853 to 230,942.

Details of all the Options to subscribe for Shares of the Company pursuant to the Plato ESOS 2016 as at 31 December 2020 are as follows:

Expiry date	Exercise price (\$)	Number of Options Outstanding as at 1 January 2020	Number of Options Forfeited during the year	Number of Options Outstanding as at 31 December 2020
16 June 2021	2.00*	193,026*	–	193,026*
16 June 2026	2.00*	268,858*	–	268,858*
<b>Total</b>		<b>461,884*</b>	<b>–</b>	<b>461,884*</b>

\* Resulted from Share Consolidation Exercise

Details of all the Awards granted pursuant to the Plato PSP 2016 as at 31 December 2020 are as follows:

Expiry date	Number of Awards Outstanding as at 1 January 2020	Number of Awards Forfeited during the year	Number of Awards Outstanding as at 31 December 2020
16 June 2021	230,942*	–	230,942*

\* Resulted from Share Consolidation Exercise

The weighted average fair values of share options and share awards granted during the financial year ended 31 December 2016 were \$0.076 and \$0.085 respectively.

The weighted average remaining contractual life for these Options is 3.4 (2019: 4.4) years.

### Fair value of share options granted

The fair value of share options granted under the Plato ESOS 2016 is estimated at the date of the grant, using a Black-Scholes simulation model, taking into account the terms and conditions upon which the Options were granted. It takes into account historic dividends, share price fluctuation covariance of the Company to predict the distribution of relative share performance.

The following table lists the inputs to the Option pricing model for the share options granted during the financial year ended 31 December 2016:

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

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

## 6. Employee benefits expenses (cont'd)

### Fair value of share awards granted

The fair value of the share awards granted under the Plato PSP 2016 is estimated at the date of the grant, based on the prevailing share price of the Company of \$0.085 at the date when the grant was accepted by the Directors and eligible employees, taking into consideration the terms and conditions upon which the share awards were granted and the assessment of the probability of the performance conditions set being met by the Directors and eligible employees. Due to the nature of these share awards, the estimation of the dividend yield is not applicable and there were no other significant inputs used for estimating the fair value of these share awards.

## 7. Finance costs

	Group	
	2020	2019
	\$	\$
Interest expense on:		
- bank borrowings carried at amortised cost	230,391	288,033
- RCULS – liability component carried at amortised cost	391,074	366,346
- lease liabilities (Note 24)	6,164	7,705
	627,629	662,084
	627,629	662,084

## 8. Loss before tax

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

	Group	
	2020	2019
	\$	\$
Audit fees:		
- auditors of the Company	131,294	132,355
- other auditors	53,059	60,933
Non-audit fees:		
- other auditors	4,460	6,014
Expenses relating to short-term leases and leases of low-value assets	6,572	7,854
Legal and professional fees	822,067	2,841,904
Loss on liquidation of a subsidiary	257,822	–
Gain on disposal of property, plant and equipment	(58)	–
	(58)	–
	(58)	–

There were no non-audit fees paid to the auditor of the Company for the financial years ended 31 December 2020 and 2019.

## 9. Income tax credit

### Major components of income tax credit

The major components of income tax credit for the years ended 31 December 2020 and 2019 are as follows:

	Group	
	2020	2019
	\$	\$
<b>Current income tax</b>		
- Current year	20	29
- Over provision in prior year	(319)	–
<b>Deferred tax (Note 25)</b>		
- Reversal of temporary differences	(66,482)	(62,279)
Income tax credit recognised in profit or loss	(66,781)	(62,250)

### Relationship between tax credit and loss before tax

A reconciliation between tax credit and the loss before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2020 and 2019 are as follows:

	Group	
	2020	2019
	\$	\$
Loss before tax	(1,462,318)	(2,412,772)
Tax at the domestic rates applicable to losses in the countries where the Group operates	(215,608)	(333,185)
Adjustments:		
Non-deductible expenses	404,457	521,133
Income not subject to tax	–	(822,452)
Deferred tax assets not recognised	(17,272)	37,909
Share of results of joint venture and associates	(238,358)	534,345
Income tax credit recognised in profit or loss	(66,781)	(62,250)

## 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 (after adjusting for interest expense on RCULS, net of tax) by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

## 10. Loss per share (cont'd)

The following tables reflect the losses and share data used in the computation of basic and diluted loss per share for the years ended 31 December:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
Loss attributable to owners of the Company (\$)	<u>(1,789,907)</u>	<u>(729,854)</u>
Weighted average number of Shares for basic and diluted loss per share computation*	<u>9,735,025</u>	<u>9,735,025</u>
Basic loss per share (cents)	(18.39)	(7.50)
Diluted loss per share (cents)	<u>(18.39)</u>	<u>(7.50)</u>

\* The weighted average number of Shares for 2020 has included the effect of Share Consolidation Exercise.

The weighted average number of ordinary shares for 2019 has been retrospectively adjusted to reflect the Share Consolidation Exercise as disclosed in Note 27.

RCULS, share options granted pursuant to Plato ESOS 2016 and share awards granted pursuant to Plato PSP 2016 have not been included in the calculation of the diluted loss per share because they are anti-dilutive.

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

## 11. Property, plant and equipment

Group	Freehold land	Computer equipment	Motor vehicles	Furniture and fittings	Office renovation	Office equipment	Asset under construction	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>								
At 1 January 2019	3,951,157	183,034	48,768	6,382	72,106	29,095	6,595,041	10,885,583
Additions	–	2,314	–	–	–	62	1,754,857	1,757,233
Exchange differences	(128,324)	1,127	(158)	(21)	(234)	(30)	(207,538)	(335,178)
At 31 December 2019 and 1 January 2020	3,822,833	186,475	48,610	6,361	71,872	29,127	8,142,360	12,307,638
Additions	–	2,142	–	–	–	–	423,166	425,308
Disposal/ Written-off	–	(100,639)	–	(3,676)	(5,379)	(277)	–	(109,971)
Exchange differences	294,030	107	27	3	40	16	627,177	921,400
At 31 December 2020	4,116,863	88,085	48,637	2,688	66,533	28,866	9,192,703	13,544,375
<b>Accumulated depreciation</b>								
At 1 January 2019	–	173,713	40,640	5,625	72,105	28,298	–	320,381
Depreciation charge for the year	–	6,625	6,450	206	–	230	–	13,511
Exchange differences	–	(451)	1,520	17	(233)	(53)	–	800
At 31 December 2019 and 1 January 2020	–	179,887	48,610	5,848	71,872	28,475	–	334,692
Depreciation charge for the year	–	5,539	–	208	–	237	–	5,984
Disposal/ Written-off	–	(100,639)	–	(3,676)	(5,379)	(277)	–	(109,971)
Exchange differences	–	106	27	3	40	18	–	194
At 31 December 2020	–	84,893	48,637	2,383	66,533	28,453	–	230,899
<b>Net carrying amount</b>								
At 31 December 2019	3,822,833	6,588	–	513	–	652	8,142,360	11,972,946
At 31 December 2020	4,116,863	3,192	–	305	–	413	9,192,703	13,313,476

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 a hotel known as the Ormond Hotel (“Ormond Hotel Project”).

In the previous financial year, the Section 160 Planning and Development Act 2000 injunction application initiated by the tenant (“Tenant”) of the property adjoining to the development site of Ormond Hotel has been dismissed by the Dublin High Court with certain order on costs made in favour of Monteco.

As at 31 December 2020, the nuisance claim initiated by the Tenant is still pending in court. The Group has accrued for the related legal fees and nuisance claims in its financial statements since the previous financial year.

In the previous financial year, included in the total payments for additions to property, plant and equipment amounted to \$3,268,664 were costs of \$1,534,364 payable to a contractor, which has been recognised as an addition during year ended 31 December 2018 but has not been paid as at 31 December 2018.

### 11A. Right-of-use assets

	Group	
	2020	2019
	\$	\$
At 1 January	107,637	149,965
Addition	17,021	–
Amortisation	(49,834)	(42,846)
Exchange differences	20	518
At 31 December	74,844	107,637

Right-of-use assets relate to the Group's lease contracts of its office premise and storage space that are used for its operations.

### 12. Intangible asset

	Group	
	2020	2019
	\$	\$
<b>Trademark</b>		
At 1 January	313,626	312,927
Addition	487	3,644
Exchange differences	(5,052)	(2,945)
At 31 December	309,061	313,626

Trademark relates to the costs incurred on the "ORMOND" hotel brand. The trademark has been granted to Ormond Group Pte. Ltd., a joint venture of Plato Capital Limited the right to use the trademark for the purpose of developing, operating and/or managing hotels.

### 13. Investment in subsidiaries

	Company	
	2020	2019
	\$	\$
Unquoted shares, at cost	27,713,101	26,922,967
Quasi-equity balances	17,134,365	17,134,365
Share options and share awards granted to Directors and employees of subsidiaries pursuant to the Plato ESOS 2016 and Plato PSP 2016	646,419	646,419
	45,493,885	44,703,751
Less: Accumulated impairment losses	(11,843,138)	(11,549,271)
	33,650,747	33,154,480

### 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	
			2020 %	2019 %
<b>Held by the Company:</b>				
+ Plato Private Limited	Singapore	Investment holding	100	100
+ Truesource Pte. Ltd. ("TSPL")	Singapore	Investment holding	100	100
# Plato Capital Sdn Bhd	Malaysia	Provision of credit facilities	100	100
# Plato-Straits Heritage Properties Sdn Bhd	Malaysia	Dormant	100	100
# Truesource Sdn Bhd	Malaysia	Investment holding	100	100
* Plato Aviation Holdings Limited	British Virgin Islands	Dormant	100	100
* Monteco Holdings Limited	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	Dormant	100	100
## PT PKTech Indonesia	Indonesia	Dormant	100	100
@ Ormond (HK) Limited	Hong Kong	Investment holding	100	100
* Plato Capital Holdings Limited	British Virgin Islands	Investment holding	100	100
+ TP Real Estate Holdings Pte Ltd ("TPRE")	Singapore	Investment holding	100	100
<b>Held through the subsidiaries:</b>				
# Plato Solutions Sdn Bhd	Malaysia	Provision of systems integration related activities and eCommerce systems and services	100	100
# Plato Management Sdn Bhd	Malaysia	In the process of striking off	100	100
* Positive Carry Limited	British Virgin Islands	Investment holding	70	70
# Positive Carry Sdn Bhd	Malaysia	Investment holding	70	70

### 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	
				2020 %	2019 %
<b>Held through the subsidiaries: (cont'd)</b>					
*	Plato Capital Investment Fund	Cayman Islands	Dormant	100	100
@@	Monteco Dublin Management Limited	Ireland	Investment holding	60	60
#	TP Melbourne Sdn Bhd	Malaysia	Investment holding	100	100
^	TP Hotel (Melbourne) Trust	Australia	Dormant	100	100
^	TP Melbourne Pty Limited	Australia	Dormant	100	100
^	TP Services (Melbourne) Pty Limited	Australia	Dormant	100	100
++	TP Edinburgh (BVI) Limited	British Virgin Islands	Struck off during the year	–	100
++	TP Hotel (Edinburgh) Limited	British Virgin Islands	Struck off during the year	–	100
++	TP Services (Edinburgh) Limited	United Kingdom	Struck off during the year	–	100
##	TP Colombo Airport (Private) Limited	Sri Lanka	In the process of striking off	100	100

Notes:

- + Audited by Ernst & Young LLP, Singapore.
- # Audited by member firm of EY Global in Malaysia.
- ^ Audited by member firm of EY Global in Australia.
- @@ Audited by member firm of EY Global in Ireland.
- @ Audited by RSM Nelson Wheeler, Hong Kong.
- ^^ Audited by Crowe U.K. LLP, United Kingdom.
- \* Not required to be audited under laws of the countries of incorporation.
- ## No auditors were appointed.
- ++ The company has been struck off during the year.



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

(b) **Interest in subsidiaries with material non-controlling interests ("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
		%	\$	\$
<b>31 December 2020:</b>				
Monteco Holdings Limited ("Monteco")	Ireland	40	18,511	5,206,200
Positive Carry Limited/Positive Carry Sdn Bhd ("Positive Carry")	British Virgin Islands/Malaysia	30	375,859	1,213,201
			394,370	6,419,401
<b>31 December 2019:</b>				
Monteco Holdings Limited	Ireland	40	(1,038,146)	4,310,231
Positive Carry Limited/Positive Carry Sdn Bhd	British Virgin Islands/Malaysia	30	(582,522)	1,026,504
			(1,620,668)	5,336,735

(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:

	Monteco		Positive Carry	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Summarised balance sheets</b>				
<b>Current</b>				
Assets	598,886	388,590	3,137,995	2,790,175
Liabilities	(894,479)	(1,579,733)	(7,001,149)	(6,966,446)
Net current liabilities	(295,593)	(1,191,143)	(3,863,154)	(4,176,271)
<b>Non-current</b>				
Assets	13,311,092	11,966,721	10,275,957	9,965,352
Liabilities	–	–	(2,368,800)	(2,367,402)
Net non-current assets	13,311,092	11,966,721	7,907,157	7,597,950
Net assets	13,015,499	10,775,578	4,044,003	3,421,679

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

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

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

	Monteco		Positive Carry	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Summarised statements of comprehensive income</b>				
Revenue	–	–	–	–
Profit/(loss) before tax	46,278	(2,595,365)	1,252,864	(1,941,740)
Income tax expense	–	–	–	–
Profit/(loss) after tax	46,278	(2,595,365)	1,252,864	(1,941,740)
Other comprehensive income/(loss)	876,755	(343,826)	(630,540)	265,578
Total comprehensive income/(loss)	923,033	(2,939,191)	622,324	(1,676,162)
<b>Other summarised information</b>				
Net cash flows generated from/(used in) operations	46,278	(2,595,365)	348,590	791

(d) **Impairment testing of investment in subsidiaries**

During the financial year, the management has written down the investment in Truesource Pte. Ltd. (“TSPL”) to the recoverable amount based on the net assets at the end of the reporting period which approximates the fair value less cost to sell. Accordingly, an impairment loss of \$293,867 was recognised for the year ended 31 December 2020 (2019: \$Nil).

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

During the financial year, the Company has subscribed for an additional 610,102 shares in Monteco which amounted to \$790,134 (2019: \$6,818,996) by way of capitalisation of advances.

(f) **Liquidation of a subsidiary**

During the financial year, the Group has completed the liquidation of a subsidiary, TP Edinburgh (BVI) Limited. Consequently, a loss on liquidation amounted to \$257,822 (2019: \$Nil) has been recognised, which was wholly related to realisation of foreign exchange translation reserve.

### 14. Investment in joint ventures

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
Shares, at cost	8,360,882	8,360,882	50	50
Share of post-acquisition results	12,531,678	13,541,804	–	–
Share of other comprehensive loss	(3,998,426)	(4,731,274)	–	–
	16,894,134	17,171,412	50	50

In the previous financial year, the Company subscribed for 50 shares in Ormond Group Pte Ltd (representing 50% of the interest in the joint venture company) for a consideration of \$50. There is no new investment in joint venture during the financial year.

## 14. Investment in joint ventures (cont'd)

The details of the joint ventures are as follows:

Name of joint venture	Country of incorporation	Principal activities	Effective percentage of interest held by the Group	
			2020 %	2019 %
<b>Held by the Company</b>				
* Ormond Group Pte Ltd ("OGPL")	Singapore	Dormant	50	50
<b>Held by TPRE and/or its subsidiaries:</b>				
+ Ormond Lifestyle Services Sdn Bhd ("OLSSB")	Malaysia	Food catering services	50	50
# TP Hotel (Flinders) Trust ("TPHFT")	Australia	Property holding	40	40
# TP International Pty Limited ("TPIPL")	Australia	Trustee of TP Hotel (Flinders) Trust	50	50
+ OHG Services Sdn Bhd ("OHGSB")	Malaysia	Hotel operation	50	50
<b>Held by Truesource Sdn Bhd:</b>				
+ Tune Plato Ventures Sdn Bhd ("TPV")	Malaysia	Investment holding	50	50
<b>Held by TPV:</b>				
+@ Asiana Ventures Sdn Bhd	Malaysia	Property holding	–	25
+ LSA Ventures Sdn Bhd (formerly known as TP Subhome Sdn Bhd)	Malaysia	Investment holding	50	50
+@ Prompt Business Sdn Bhd	Malaysia	Investment holding	–	30
<b>Held by OLSSB:</b>				
+@ Asiana Ventures Sdn Bhd	Malaysia	Property holding	25	–
+@ Prompt Business Sdn Bhd	Malaysia	Investment holding	30	–

\* Audited by Ernst & Young LLP, Singapore.

+ Audited by member firm of EY Global in Malaysia.

# Audited by member firm of EY Global in Australia.

@ During the year, AVSB and PBSB issued new shares to OLSSB, resulting in the dilution of TPV's interest. As a result, TPV lost its control in AVSB and PBSB. Subsequent to the subscription of new shares, AVSB and PBSB became subsidiaries of OLSSB.

The Group's commitments in respect of its interest in the joint ventures are disclosed in Note 31.

The Group's contingent liabilities in respect of its investment in joint ventures are disclosed in Note 32.

#### 14. Investment in joint ventures (cont'd)

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

##### Summarised balance sheet

	OHGSB		TPIPL		TPHFT		OLSSB		TPV	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	752,320	2,378,916	110,828	79,615	629,259	1,688,533	2,716,204	700,466	4,306	539,803
Other current assets	680,587	1,409,227	40,086	1,260	972,962	920,089	277,712	532,568	1,810	665,770
Total current assets	1,432,907	3,788,143	150,914	80,875	1,602,221	2,608,622	2,993,916	1,233,034	6,116	1,205,573
Non-current assets	18,739,330	20,388,689	–	–	23,148,824	21,507,776	5,383,885	101,439	2,489,345	5,043,810
Total assets	20,172,237	24,176,832	150,914	80,875	24,751,045	24,116,398	8,377,801	1,334,473	2,495,461	6,249,383
Trade and other payables and provisions	(490,572)	(1,744,917)	(341,421)	(209,078)	(716,671)	(1,223,270)	(317,869)	(195,475)	(6,251)	(89,245)
Other current liabilities	(1,585,264)	(1,591,387)	–	–	–	–	(78,436)	–	–	–
Total current liabilities	(2,075,836)	(3,336,304)	(341,421)	(209,078)	(716,671)	(1,223,270)	(396,305)	(195,475)	(6,251)	(89,245)
Total non-current liabilities	(8,221,892)	(9,103,084)	–	–	–	–	(39,686)	(4,705)	–	–
Total liabilities	(10,297,728)	(12,439,388)	(341,421)	(209,078)	(716,671)	(1,223,270)	(435,991)	(200,180)	(6,251)	(89,245)
Non-controlling interests	–	–	–	–	–	–	(5,543,702)	–	–	(2,869,865)
Net assets	9,874,509	11,737,444	(190,507)	(128,203)	24,034,374	22,893,128	2,398,108	1,134,293	2,489,210	3,290,273
	50%	50%	50%	50%	40%	40%	50%	50%	50%	50%
Group's share of net assets, representing the carrying amount of the investment	4,937,254	5,868,722	(95,254)	(64,102)	9,614,951	9,158,396	1,199,054	567,147	1,244,605	1,645,137

14. Investment in joint ventures (cont'd)

Summarised statement of comprehensive income

	OHCSB		TPIPL		TPHFT		OLSSB		TPV	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	4,845,799	12,376,015	10	-	49,248	-	1,018,256	2,446,040	6,968	52,173
Interest income	163,722	412,136	-	-	39,153	40,054	21,791	160,625	-	-
Depreciation expense	(1,758,545)	(1,635,615)	-	-	(398)	(367)	(107,560)	(47,860)	-	(21,491)
Gain on disposal of investment	-	-	-	-	-	-	1,095,303	-	-	-
Other operating expenses, net	(4,581,886)	(9,252,854)	(51,166)	(38,628)	(783,519)	(1,262,168)	(1,083,560)	(2,045,113)	(20,561)	(681,290)
Interest expense	(538,939)	(825,148)	-	-	-	-	(5,356)	-	-	-
(Loss)/profit before tax	(1,869,849)	1,074,534	(51,156)	(38,628)	(695,516)	(1,222,481)	938,874	513,692	(13,593)	(650,608)
Income tax expense	2,675	(368,344)	-	-	-	-	12,231	(121,840)	(5)	(13,334)
(Loss)/profit after tax	(1,867,174)	706,190	(51,156)	(38,628)	(695,516)	(1,222,481)	951,105	391,852	(13,598)	(663,942)
Non-controlling interest	-	-	-	-	-	-	(477,776)	-	-	206,933
(Loss)/profit after tax attributable to owners	(1,867,174)	706,190	(51,156)	(38,628)	(695,516)	(1,222,481)	473,329	391,852	(13,598)	(457,009)
Other comprehensive income/(loss) attributable to owners	4,239	(83,832)	(11,148)	1,051	1,836,762	(478,222)	2,139	(2,946)	874	(12,327)
Total comprehensive (loss)/income attributable to owners	(1,862,935)	622,358	(62,304)	(37,577)	1,141,246	(1,700,703)	475,468	388,906	(12,724)	(469,336)

The Group has equity accounted for the share of losses in excess of the cost of investment in certain joint ventures, as the Group has a constructive obligation in relation to the investments in these joint ventures.

## 15. Investment in associates

	Group	
	2020	2019
	\$	\$
Shares, at cost	22,913,619	22,527,312
Share of post-acquisition loss	(6,451,350)	(7,718,429)
Share of other comprehensive loss	(2,047,620)	(1,456,710)
	<u>14,414,649</u>	<u>13,352,173</u>

The details of the associates are as follows:

Name of associates	Country of incorporation	Principal activities	Effective percentage of interest held by the Group	
			2020	2019
			%	%
<b>Held through Positive Carry Sdn Bhd:</b>				
* TYK Capital Sdn Bhd ("TYKC")	Malaysia	Investment holding and provision of management services	18.90	18.90
<b>Held through TYKC:</b>				
* Eng Teknologi Holdings Sdn Bhd	Malaysia	Dormant	18.90	18.90
* Eng Hardware Engineering Sdn Bhd	Malaysia	Renting of properties	18.90	18.90
* Eng Teknologi Sdn Bhd	Malaysia	Manufacture and sale of precision mechanical components, automation system for computer peripherals and semiconductor industries	18.90	18.90
* Seleкта Inovatif (M) Sdn Bhd	Malaysia	Renting of properties	18.90	18.90
++ Micro Tooling Sdn Bhd	Malaysia	Dissolved during the year	–	18.90
* Engtek Philippines, Inc. ("ETPI")	Philippines	Facility provider	18.90	18.90
* Altum Precision Pte. Ltd. ("APS")	Singapore	Investment holding	18.90	18.90
<b>Held through ETPI:</b>				
* Engtek Precision Philippines, Inc.	Philippines	Manufacture of precision engineering components and assemblies, precision tools, fixtures, jigs, moulds and dies	18.90	18.90
<b>Held through APS:</b>				
++ Altum Precision Co., Ltd.	Thailand	Liquidated during the year	–	18.90
* Altum Precision Sdn Bhd	Malaysia	Automated die-casting and precision machining	18.90	18.90

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

Name of associates	Country of incorporation	Principal activities	Effective percentage of interest held by the Group	
			2020 %	2019 %
<b>Held through Asian Strategic Investments Group Limited/ Plato Capital Sdn Bhd:</b>				
* Educ8 Group Sdn Bhd ("Educ8")	Malaysia	Investment holding	25.03	25.00
<b>Held through Educ8</b>				
* Epsom College Malaysia Sdn Bhd	Malaysia	Operator of preparatory and senior boarding schools	25.03	25.00
Horizon Educate Sdn Bhd	Malaysia	Investment holding	25.03	–
* Audited by member firm of EY Global in Malaysia				
++ The company has been dissolved/liquidated during the year				

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

### Summarised balance sheets

	TYKC		Educ8	
	2020 \$	2019 \$	2020 \$	2019 \$
Cash and cash equivalents	10,274,176	11,269,034	1,848,119	1,358,125
Other current assets	28,580,148	26,060,841	2,065,845	3,470,388
Total current assets	38,854,324	37,329,875	3,913,964	4,828,513
Non-current assets	22,054,482	21,767,730	51,007,159	52,516,392
Total assets	60,908,806	59,097,605	54,921,123	57,344,905
Trade and other payables and provisions	(12,184,429)	(9,890,521)	(8,110,132)	(9,202,321)
Other current liabilities	(6,631,756)	(6,296,648)	(675,216)	(5,497,113)
Total current liabilities	(18,816,185)	(16,187,169)	(8,785,348)	(14,699,434)
Total non-current liabilities	(4,074,551)	(6,042,748)	(29,557,189)	(29,053,883)
Total liabilities	(22,890,736)	(22,229,917)	(38,342,537)	(43,753,317)
Net assets	38,017,070	36,867,688	16,578,586	13,591,588
Group's share of net assets, representing the carrying amount of the investment	10,264,879	9,954,276	4,149,620	3,397,897

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

### Summarised statement of comprehensive income

	TYKC		Educ8	
	2020	2019	2020	2019
	\$	\$	\$	\$
Revenue	57,316,678	63,244,653	10,228,050	12,674,535
Interest income	38,261	74,496	37,578	197,660
Depreciation expense	(3,891,195)	(6,515,175)	(1,563,687)	(1,650,798)
Other operating expenses, net	(47,161,620)	(62,026,878)	(5,852,779)	(12,536,836)
Interest expense	(402,101)	(705,567)	(1,342,000)	(1,682,390)
Profit/(loss) before tax	5,900,023	(5,928,471)	1,507,162	(2,997,829)
Income tax expense	(1,238,062)	(1,266,089)	–	(5,335)
Profit/(loss) after tax	4,661,961	(7,194,560)	1,507,162	(3,003,164)
Other comprehensive (loss)/income	(2,198,779)	903,759	11,027	(112,788)
Total comprehensive income/(loss)	2,463,182	(6,290,801)	1,518,189	(3,115,952)

The summarised statement of comprehensive income above reflects the post-acquisition comprehensive income and excludes the following consolidation adjustments.

Included in the share of results of Educ8 in the current year is a net loss of \$14,437 (2019: net gain of \$307,523), representing the effects of the dilution of the Group's interest.

#### Investment in TYKC

In 2012, a 70% owned subsidiary of the Group, Positive Carry Sdn Bhd, subscribed for Redeemable Convertible Preference Shares ("RCPS") issued by TYKC with the option to convert the RCPS into a fixed 27% equity interest in TYKC at any time.

In prior year, Positive Carry Sdn Bhd had fully converted the RCPS into ordinary shares of TYKC. The effective interest of the Group in TYKC, after accounting for the share of non-controlling interest following the derecognition of ECM Libra Group Berhad as an associate of the Group was 18.90%. The Group exercises significant influence by virtues of its representation on the board of directors of TYKC as provided by the shareholders' agreement.

At the reporting date, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of certain foreign subsidiaries of TYKC. TYKC has determined that these undistributed earnings of the subsidiaries will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax liability has been recognised aggregate to \$28,311,887 (2019: \$26,630,917). The deferred tax liability is estimated to be \$4,246,783 (2019: \$3,994,638). The Group's share of the deferred tax liability is estimated to be \$1,146,631 (2019: \$1,078,552).

#### Investment in Educ8

During the year, the Group's cost of investment in Educ8 increased by \$386,307, following the subscription of rights issued by Educ8. The Group's effective interest in Educ8 increased from 25.00% to 25.03% resulted from this subscription.

In previous financial year, the Group disposed 24,691,400 shares in Educ8 for a consideration of RM24,691,400 (equivalent to approximately \$8,037,565). There was no cash inflow upon the disposal as the consideration was fully converted into a loan given to the purchaser, which was included as part of the trade receivables (non-current) of the Group (Note 17).



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

### Investment in Educ8 (cont'd)

The disposal had the following effects on the financial statements of the Group in the previous financial year:

	<b>Group 2019 \$</b>
Consideration from disposal	8,037,565
Proportionate share of net assets as at the date of disposal	(2,371,763)
Realisation of foreign exchange translation reserve	(834,019)
Net gain on partial disposal of shares in an associate	<u>4,831,783</u>

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

The Group's contingent liabilities in respect of its investment in associates are disclosed in Note 32.

## 16. Investment securities

	<b>Group</b>	
	<b>2020 \$</b>	<b>2019 \$</b>
At fair value through other comprehensive income		
- Quoted securities	4,290,109	5,033,422
At fair value through profit or loss		
- Unquoted preference shares	167,288	-
	<u>4,457,397</u>	<u>5,033,422</u>

The fair values of the quoted equity securities are based on closing quoted market prices on the last market day of the financial year (Level 1 of the fair value hierarchy) (Note 33).

The investment in unquoted preference shares as at 31 December 2020 represents the Group's subscriptions of preferences shares in Educ8. The investment is categorised at fair value through profit or loss.

The currency profiles of the Group's investment securities are as follows:

	<b>Group</b>	
	<b>2020 \$</b>	<b>2019 \$</b>
Malaysian Ringgit	<u>4,457,397</u>	<u>5,033,422</u>

## 17. Trade receivables

	Group	
	2020	2019
	\$	\$
Loans to customers (non-current)	8,541,490	8,501,479
Trade receivables (current)	230,654	295,070
	8,772,144	8,796,549

Trade receivables are generally on 30 to 90 (2019: 30 to 90) days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The loans to customers are secured by quoted and unquoted investments and are expected to be repaid by October 2022. The interest is charged at 6.00% (2019:6:00%) per annum.

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

	Group	
	2020	2019
	\$	\$
Malaysian Ringgit	8,772,144	8,796,549

### Expected credit losses

No movement in allowance for expected credit losses of trade receivables and contract assets has been presented as there is no expected credit loss computed based on lifetime ECL.

## 18. Other receivables and deposits

	Group	
	2020	2019
	\$	\$
Sundry deposits	27,503	25,464
Interest income accrued	–	12,324
Sundry receivables	33,370	193,141
	60,873	230,929

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

	Group	
	2020	2019
	\$	\$
Malaysian Ringgit	24,378	86,549
Euro	34,257	137,201
Others	292	3,299

## 18. Other receivables and deposits (cont'd)

The movement of the allowance account used to record the impairment are as follows:

	Group	
	2020	2019
	\$	\$
At 1 January	–	7,377
Write-off	–	(7,377)
At 31 December	–	–

## 19. Amounts due from/(to) subsidiaries

The amounts due from/(to) subsidiaries are non-trade related, unsecured, interest-free, repayable on demand and are expected to be settled in cash. In the previous financial year, certain balances due from subsidiaries for which no repayment are expected have been assessed as “quasi-equity” have been reflected as part of the investment in subsidiaries (Note 13).

## 20. Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cash at banks and on hand	1,270,811	1,214,965	274,797	147,677
Short-term deposits	793,704	2,542,868	–	1,780,629
	2,064,515	3,757,833	274,797	1,928,306

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 1 day and 14 days (2019: between 1 day and 30 days), depending on the between 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 2020 for the Group was 0.08% to 0.81% (2019: 0.48% to 2.95%) per annum.

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

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
Malaysian Ringgit	878,401	1,140,589	–	–
United States Dollar	35,576	32,496	5,024	7,023
Hong Kong Dollar	5,815	24,184	–	–
Euro	533,508	222,211	23,236	8,768
British Pound	280,606	2,131,647	22,285	1,805,392
Others	87,770	68,065	5,180	4,872

## 21. Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 90 days (2019: 30 to 90) days term.

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

	Group	
	2020	2019
	\$	\$
Malaysian Ringgit	20,826	22,401
United States Dollar	75,190	99,781

## 22. Other payables and accruals

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
Other payables	112,472	359,155	–	11,455
Amount due to non-controlling interest of a subsidiary controlled by a substantial shareholder	–	211,316	–	–
Accrued staff expenses, bonuses and benefits	59,676	148,429	–	–
Accruals for directors' fees	88,870	84,000	79,000	84,000
Other accrued expenses	1,179,833	1,226,789	111,215	108,702
	1,440,851	2,029,689	190,215	204,157

Included in other accrued expenses of the Group are accruals for cost of \$820,224 (2019: \$761,643) provided for the legal dispute in relation to Ormond Hotel Project (Note 11).

The amount due to non-controlling interest of a subsidiary controlled by a substantial shareholder in the previous financial year was unsecured, interest-free and repayable on demand, and relates to advances made for the ongoing planned redevelopment of Ormond Hotel Project (Note 11). During the year, these advances have been capitalised.

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

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
Malaysian Ringgit	409,770	388,702	–	2,113
Euro	885,745	1,256,666	–	–
Others	11,250	88,339	–	–

## 23. Amounts due from/(to) joint ventures

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

## 24. Loans and borrowings

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Current</b>				
Revolving credits	3,948,000	4,274,628	–	–
Lease liabilities	51,843	42,365	–	–
	3,999,843	4,316,993	–	–
RCULS	6,184,360	–	6,184,360	–
	10,184,203	4,316,993	6,184,360	–
<b>Non-current</b>				
Lease liabilities	27,076	68,359	–	–
RCULS	–	5,793,286	–	5,793,286
	27,076	5,861,645	–	5,793,286
<b>Total loans and borrowings</b>				
Revolving credits	3,948,000	4,274,628	–	–
Lease liabilities	78,919	110,724	–	–
	4,026,919	4,385,352	–	–
RCULS	6,184,360	5,793,286	6,184,360	5,793,286
	10,211,279	10,178,638	6,184,360	5,793,286

### Revolving credits

The effective interest rates range from 4.94% to 5.24% (2019: 6.39% to 6.46%) per annum and are rolled over for periods ranging from 6 to 12 months (2019: 6 to 12 months). The effective interest rates range from 1.75% to 2.25% (2019: 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 revolving credits are denominated in Malaysian Ringgit.

### RCULS

The 100 RCULS each with a principal amount of \$100,000, amounting to \$10,000,000 due in 2021, were issued on 27 May 2016 ("Date of Issue") to Mr LKO, a director and substantial shareholder of the Company.

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

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

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

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

## 24. Loans and borrowings (cont'd)

### RCULS (cont'd)

Following the Conversion, there are 62 RCULS outstanding. Resulting from the completion of the Share Consolidation Exercise as disclosed in Note 27, the conversion price has been revised from \$0.13 to \$2.60. Accordingly, the 62 RCULS outstanding are convertible into 2,384,615 Consolidated Shares and accrued interest of \$142,704 are convertible into 54,886 Consolidated Shares as at 31 December 2020.

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

	<b>Group and Company</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Equity component:</b>		
Face value at 1 January, representing equity component at 31 December	1,164,320	1,164,320
<b>Liability component:</b>		
Liability component at 1 January	5,793,286	5,426,940
Interest charged during the year	391,074	366,346
Liability component at 31 December	6,184,360	5,793,286

### Lease liabilities

The movement of lease liabilities for the year is as follows:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
At 1 January	110,724	149,965
Addition	17,021	–
Payments	(55,012)	(47,480)
Accretion of interest	6,164	7,705
Exchange differences	22	534
At 31 December	78,919	110,724

## 24. Loans and borrowings (cont'd)

A reconciliation of liabilities arising from financing activities is as follows:

Group	1 January \$	Cash flows \$	Accretion of interest \$	Non-cash changes			31 December \$
				Capitalisation of advances from non-controlling interest \$	Additions to lease liabilities	Foreign exchange movement \$	
<b>2020</b>							
Revolving credits	4,274,628	(328,600)	–	–	–	1,972	3,948,000
RCULS	5,793,286	–	391,074	–	–	–	6,184,360
Lease liabilities	110,724	(55,012)	6,164	–	17,021	22	78,919
Advances from non-controlling interest of a subsidiary controlled by a substantial shareholder	211,316	332,517	–	(526,756)	–	(17,077)	–
<b>Total</b>	<b>10,389,954</b>	<b>(51,095)</b>	<b>397,238</b>	<b>(526,756)</b>	<b>17,021</b>	<b>(15,083)</b>	<b>10,211,279</b>
<b>2019</b>							
Revolving credits	4,948,300	(654,472)	–	–	–	(19,200)	4,274,628
RCULS	5,426,940	–	366,346	–	–	–	5,793,286
Lease liabilities	149,965	(47,480)	7,705	–	–	534	110,724
Advances from non-controlling interest of a subsidiary controlled by a substantial shareholder	3,036,523	1,742,915	–	(4,545,997)	–	(22,125)	211,316
<b>Total</b>	<b>13,561,728</b>	<b>1,040,963</b>	<b>374,051</b>	<b>(4,545,997)</b>	<b>–</b>	<b>(40,791)</b>	<b>10,389,954</b>

## 25. Deferred tax liabilities

Deferred tax as at 31 December relates to the following:

	Group and Company			
	Balance sheet		Statement of comprehensive income	
	2020 \$	2019 \$	2020 \$	2019 \$
<b>Deferred tax liabilities:</b>				
RCULS	2,659	69,141	(66,482)	(62,279)
	<u>2,659</u>	<u>69,141</u>		
Income tax credit (Note 9)			<u>(66,482)</u>	<u>(62,279)</u>

## 25. Deferred tax liabilities (cont'd)

### Unrecognised tax losses and unabsorbed capital allowances

At the end of the reporting period, the Group has tax losses of approximately \$4,632,200 (2019: \$4,687,476) and unabsorbed capital allowances of approximately \$116,182 (2019: \$114,929) 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 provisions of the tax legislation of the countries in which the companies operate.

## 26. Amount due to a related party

The amount due to a related party is unsecured, non-interest bearing and is not expected to be repaid within the next twelve months.

Amount due to a related party denominated in foreign currency at 31 December are as follows:

	Group	
	2020	2019
	\$	\$
Malaysian Ringgit	2,368,800	2,367,402

## 27. Share capital

	Group and Company			
	2020		2019	
	Number of shares	\$	Number of shares	\$
<b>Issued and fully paid ordinary shares</b>				
At 1 January 2020/2019	194,701,333	40,875,023	194,701,333	40,875,023
Share Consolidation on 22 July 2020	(184,966,308)	–	–	–
Balance as at 31 December 2020/2019	9,735,025	40,875,023	194,701,333	40,875,023

The Company had on 22 July 2020 announced that it has completed a Share Consolidation of every twenty (20) then existing Shares into one (1) ordinary shares ("Consolidated Shares") ("Share Consolidation Exercise").

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.



## 28. Fair value and other reserves

	Fair value reserve	Capital reserve	Share-based payments reserve	Equity component of RCULS	Total
	\$	\$	\$	\$	\$
<b>Group</b>					
At 1 January 2020	(1,875,113)	43,159	1,095,531	1,164,320	427,897
<b>Other comprehensive income:</b>					
Fair value loss on quoted equity investment at FVOCI	(743,313)	–	–	–	(743,313)
At 31 December 2020	(2,618,426)	43,159	1,095,531	1,164,320	(315,416)

<b>Group</b>					
At 1 January 2019	(1,671,507)	43,159	1,038,833	1,164,320	574,805
<b>Other comprehensive income:</b>					
Fair value loss on quoted equity investment at FVOCI	(203,606)	–	–	–	(203,606)
<b>Transaction with owners:</b>					
Effects of share options and share awards	–	–	56,698	–	56,698
At 31 December 2019	(1,875,113)	43,159	1,095,531	1,164,320	427,897

	Share-based payments reserve	Equity component of RCULS	Total
	\$	\$	\$
<b>Company</b>			
At 1 January 2020 and 31 December 2020	1,095,531	1,164,320	2,259,851
At 1 January 2019	1,038,833	1,164,320	2,203,153
<b>Transaction with owners:</b>			
Effects of share options and share awards	56,698	–	56,698
At 31 December 2019	1,095,531	1,164,320	2,259,851

(a) **Fair value reserve**

The fair value reserve represents the cumulative fair value changes, net of tax, of investments at FVOCI until they are disposed of.

(b) **Capital reserve**

This reserve arose from the acquisition of non-controlling interest of subsidiaries, which are accounted as equity transactions.

(c) **Share-based payments reserve**

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

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

### (d) Equity component of RCULS

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

## 29. Foreign currency translation reserve

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

## 30. Related party transactions

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

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

	Group	
	2020	2019
	\$	\$
Lease payments to Nobleman Holdings Sdn Bhd, a company in which a substantial shareholder has interest	55,012	47,480
RCULS interest payable to Mr LKO	31,000	31,000

### (b) Compensation of key management personnel

	2020	2019
	\$	\$
Directors' fees	166,361	173,000
Short-term employee benefits	334,655	511,530
Defined contribution plans	21,715	41,986
Total compensation paid to key management personnel	522,731	726,516
Comprise amounts paid to:		
- Directors of the Company	318,761	428,021
- Other key management personnel	203,970	298,495
	522,731	726,516

The other key management personnel above also received compensation of \$59,679 (2019: \$157,166) from joint ventures of the Group.

In addition to the amounts paid to the Directors of the Company and key management personnel above, the share-based payments expense in relation to the share options and share awards granted to the Directors of the Company and other key management personnel amounted to \$Nil (2019: \$40,607) and \$Nil (2019: \$16,091) respectively.

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

### 31. 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	
	2020	2019
	\$	\$
Approved and contracted for in respect of repairs works for property held by Monteco Holdings Limited	188,757	–
Approved and contracted for in respect of property, plant and equipment:		
- share of joint ventures' capital commitments	–	133,171
Approved subscriptions of rights issue of an associate	–	894,009

### 32. Contingent liabilities

#### **Proportionate guarantee**

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

- a proportionate guarantee for a principal sum of up to \$9,500,000 (2019: \$9,400,000) in relation to a term loan facility granted by a licensed bank to Epsom College Malaysia Sdn Bhd ("Epsom"), a subsidiary of an associate.

As at 31 December 2020, Epsom is in compliance with the covenant of the term loan. The Group has assessed and concluded that there is no indication that the proportionate guarantee would be called given that the term loan is also secured over the freehold land and buildings of Epsom which have been valued by professional valuer to be higher than the loan amount.

#### **Continuing financial support**

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

At the end of the financial year, these subsidiaries had capital deficiencies totalling \$10,414,874 (2019: \$11,287,396) including amounts due from the subsidiaries to the Company totalling \$3,522,220 (2019: \$3,973,597).

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

### 33. 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 than 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 the Group's financial instruments which are measured at fair value at the reporting date analysed by various levels within the fair value hierarchy:

Group	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>2020</b>				
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income				
- Quoted shares	4,290,109	-	-	4,290,109
Financial assets at fair value through profit or loss				
- Unquoted preference shares	-	-	167,288	167,288
	4,290,109	-	167,288	4,457,397
<b>2019</b>				
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income				
- Quoted shares	5,033,422	-	-	5,033,422
	5,033,422	-	-	5,033,422

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

(c) **Level 3 fair value measurements**

The following table shows a reconciliation of Level 3 fair value:

	<b>Group 2020 \$</b>
<b>Unquoted preference shares</b>	
At beginning of the financial year	–
Purchases	167,288
At end of the financial year	<u>167,288</u>

The fair value of the unquoted preference shares has been estimated using the cashflow on redemption of the preference shares.

(d) **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:

	<b>Note</b>
Trade and other receivables	17 & 18
Amounts due from/(to) subsidiaries	19
Cash and cash equivalents	20
Trade and other payables	21 & 22
Amount due to joint venture	23
Loans and borrowings	24
Amount due to a related party	26

The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date or the present value of the non-current liabilities is not material.

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

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

#### (e) Classification of financial instruments

	Group		Company	
	2020 \$	2019 \$	2020 \$	2019 \$
<b>Financial assets</b>				
Investment securities at fair value through profit or loss	167,288	–	–	–
Investment securities at fair value through other comprehensive income	4,290,109	5,033,422	–	–
<b>Total financial assets measured at fair value</b>	<b>4,457,397</b>	<b>5,033,422</b>	<b>–</b>	<b>–</b>
Trade receivables	8,772,144	8,796,549	–	–
Other receivables and deposits	60,873	230,929	–	–
Amounts due from subsidiaries	–	–	3,522,220	3,973,597
Amount due from a joint venture	94,133	–	–	–
Cash and cash equivalents	2,064,515	3,757,833	274,797	1,928,306
<b>Total financial assets measured at amortised cost</b>	<b>10,991,665</b>	<b>12,785,311</b>	<b>3,797,017</b>	<b>5,901,903</b>
<b>Financial liabilities</b>				
Trade payables	96,016	126,666	–	–
Other payables and accruals	1,440,851	2,029,689	190,215	204,157
Amounts due to subsidiaries	–	–	3,999,427	4,024,738
Loans and borrowings	10,211,279	10,178,638	6,184,360	5,793,286
Amounts due to joint ventures	976,423	629,466	50	50
Amount due to a related party	2,368,800	2,367,402	–	–
<b>Total financial liabilities measured at amortised cost</b>	<b>15,093,369</b>	<b>15,331,861</b>	<b>10,374,052</b>	<b>10,022,231</b>

### 34. 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 Directors review and agree 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.

### 34. 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 investment securities 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 counterparties 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.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.
- Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determines that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group has not provided any lifetime expected credit losses ("ECL") for trade receivables and contract assets as based on the Group's historical trend, there were no significant default events observed or incurred.

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

#### (a) Credit risk (cont'd)

##### Excessive risk concentration

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

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

##### Exposure to credit risk

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

- A nominal amount of up to RM28,740,000 (equivalent to approximately \$9,455,460) (2019: RM28,740,000 million (equivalent to approximately \$9,450,287)) relating to a corporate guarantee provided by the Group to the bank on an associate's term loan facility.
- A nominal amount of RM12,000,000 (equivalent to approximately \$3,948,000) (2019: RM13,000,000 (equivalent to approximately \$4,274,660)) relating to a corporate guarantee provided by the Company to a bank on its subsidiaries' revolving credits.

##### Credit risk concentration profile

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

	Group			
	2020		2019	
	\$	% of total	\$	% of total
<b>By country:</b>				
Malaysia	8,770,769	99.98	8,796,549	100.00
Singapore	1,375	0.02	-	-
	8,772,144	100.00	8,796,549	100.00

#### (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 RM12,000,000 (equivalent to approximately \$3,900,000) of credit facilities, which is fully utilised as at the end of the reporting period. Mr LKO has provided a commitment to the Group to continue to provide and not withdraw his personal guarantee to the banks for at least one-year period from the date of the financial statements so as to enable the Group to have continuous access to these facilities to meet liquidity needs. The Directors are also of the view that the Group will be able to secure additional borrowings by securing its long-term assets which are currently unencumbered.



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

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

In addition, the Directors are 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 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.

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

#### 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 \$
<b>Group</b>				
<b>2020</b>				
<b>Financial assets:</b>				
Trade receivables	718,062	8,916,677	–	9,634,739
Amount due from a joint venture	94,133	–	–	94,133
Other receivables and deposits	60,873	–	–	60,873
Cash and cash equivalents	2,064,515	–	–	2,064,515
Total undiscounted financial assets	2,937,583	8,916,677	–	11,854,260
<b>Financial liabilities:</b>				
Financial guarantees**	(9,455,460)	–	–	(9,455,460)
Trade payables	(96,016)	–	–	(96,016)
Other payables and accruals	(1,440,851)	–	–	(1,440,851)
Amount due to joint ventures	(976,423)	–	–	(976,423)
Loans and borrowings	(10,437,828)	(27,540)	–	(10,465,368)
Amount due to a related party	–	–	(2,368,800)	(2,368,800)
Total undiscounted financial liabilities	(23,406,578)	(27,540)	(2,368,800)	(24,802,918)
Total net undiscounted financial (liabilities)/assets	(19,468,995)	8,889,137	(2,368,800)	(12,948,658)

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

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

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

	One year or less \$	One to five years \$	Over five years \$	Total \$
<b>Group</b>				
<b>2019</b>				
<b>Financial assets:</b>				
Trade receivables	783,543	9,397,802	–	10,181,345
Other receivables and deposits	230,929	–	–	230,929
Cash and cash equivalents	3,757,833	–	–	3,757,833
Total undiscounted financial assets	4,772,305	9,397,802	–	14,170,107
<b>Financial liabilities:</b>				
Financial guarantees**	(9,450,287)	–	–	(9,450,287)
Trade payables	(126,666)	–	–	(126,666)
Other payables and accruals	(2,029,689)	–	–	(2,029,689)
Amount due to joint venture	(629,466)	–	–	(629,466)
Loans and borrowings	(4,564,078)	(6,426,564)	–	(10,990,642)
Amount due to a related party	–	–	(2,367,402)	(2,367,402)
Total undiscounted financial liabilities	(16,800,186)	(6,426,564)	(2,367,402)	(25,594,152)
Total net undiscounted financial (liabilities)/assets	(12,027,881)	2,971,238	(2,367,402)	(11,424,045)

\*\* This represents the maximum amount of the proportionate guarantee in relation to term loan facilities granted by licensed banks to an associate and joint venture, in the event the bank calls for repayment, as disclosed in Note 32.

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

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

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

	One year or less \$	One to five years \$	Over five years \$	Total \$
<b>Company</b>				
<b>2020</b>				
<b>Financial assets:</b>				
Amounts due from subsidiaries	3,522,220	–	–	3,522,220
Cash and cash equivalents	274,797	–	–	274,797
Total undiscounted financial assets	3,797,017	–	–	3,797,017
<b>Financial liabilities:</b>				
Financial guarantees*	(13,448,000)	–	–	(13,448,000)
Other payables and accruals	(190,215)	–	–	(190,215)
Amounts due to subsidiaries	(3,999,427)	–	–	(3,999,427)
Amounts due to joint venture	(50)	–	–	(50)
Loans and borrowings	(6,355,000)	–	–	(6,355,000)
Total undiscounted financial liabilities	(23,992,692)	–	–	(23,992,692)
Total net undiscounted financial liabilities	(20,195,675)	–	–	(20,195,675)
<b>2019</b>				
<b>Financial assets:</b>				
Amounts due from subsidiaries	3,973,597	–	–	3,973,597
Cash and cash equivalents	1,928,306	–	–	1,928,306
Total undiscounted financial assets	5,901,903	–	–	5,901,903
<b>Financial liabilities:</b>				
Financial guarantees*	(13,711,693)	–	–	(13,711,693)
Other payables and accruals	(204,157)	–	–	(204,157)
Amounts due to subsidiaries	(4,024,738)	–	–	(4,024,738)
Amounts due to joint venture	(50)	–	–	(50)
Loans and borrowings	–	(6,355,000)	–	(6,355,000)
Total undiscounted financial liabilities	(17,940,638)	(6,355,000)	–	(24,295,638)
Total net undiscounted financial liabilities	(12,038,735)	(6,355,000)	–	(18,393,735)

\* 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 ventures, other than as disclosed in Note 32. 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.

### 34. 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 12 months (2019: less than 12 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 from 1.75% to 2.25% (2019: 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 and bank borrowings 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.

	<b>Group</b>	
	<b>Loss before tax</b>	
	<b>Increase/(decrease)</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Short-term deposits</b>		
Increase in interest rate	(3,969)	(12,714)
Decrease in interest rate	3,969	12,714
<b>Bank borrowings</b>		
Increase in interest rate	19,740	21,373
Decrease in interest rate	(19,740)	(21,373)
	<u>19,740</u>	<u>(21,373)</u>

#### (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. The foreign currency balances are disclosed in Note 20.

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

### 34. 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") and United States Dollar ("USD") and against the respective functional currencies of the Group entities. The sensitivity analysis assumes an instantaneous 10% change in the foreign currency exchange rates from the end of financial year, with all variables held constant.

	<b>Group</b>	
	<b>Loss before tax</b>	
	<b>(Decrease)/increase</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
SGD		
Strengthens against USD	(121,337)	(106,297)
Weakens against USD	121,337	106,297
Strengthens against RM	187,667	(144,975)
Weakens against RM	(187,667)	144,975
Strengthens against EUR	(3,981)	(33,873)
Weakens against EUR	3,981	33,873
Strengthens against GBP	(27,745)	(212,902)
Weakens against GBP	27,745	212,902
Strengthens against AUD	(16,556)	60,663
Weakens against AUD	16,556	(60,663)
RM		
Strengthens against USD	1,348,701	851,673
Weakens against USD	(1,348,701)	(851,673)
Strengthens against SGD	344,045	305,791
Weakens against SGD	(344,045)	(305,791)
Strengthens against EUR	(1,117)	(1,869)
Weakens against EUR	1,117	1,869
EUR		
Strengthens against RM	1,117	1,869
Weakens against RM	(1,117)	(1,869)
Strengthens against SGD	533	32,193
Weakens against SGD	(533)	(32,193)
USD		
Strengthens against RM	(1,105,658)	(857,272)
Weakens against RM	1,105,658	857,272
Strengthens against SGD	192,998	177,331
Weakens against SGD	(192,998)	(177,331)
Strengthens against EUR	(1,361)	(2,565)
Weakens against EUR	1,361	2,565
Strengthens against HKD	(464)	–
Weakens against HKD	464	–

### 34. 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. The Group does not have exposure to commodity price risk.

Further details of these marketable financial assets and their classification can be found in Note 16.

The Group's invest in quoted securities with the objective of deriving 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.

	<b>Group</b>	
	<b>Equity Increase</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Quoted investment securities	429,011	503,342

### 35. 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 2020 and 2019.

### 35. Capital management (cont'd)

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

	Group	
	2020	2019
	\$	\$
Trade payables	96,016	126,666
Other payables and accruals	1,440,851	2,029,689
Loans and borrowings	10,211,279	10,178,638
Amounts due to joint ventures	976,423	629,466
Amount due to a related party	2,368,800	2,367,402
Less: Cash and cash equivalents	(2,064,515)	(3,757,833)
Net debt	13,028,854	11,574,028
Equity attributable to owners of the Company, representing total capital	38,897,178	39,910,196
Capital and net debt	51,926,032	51,484,224
Gearing ratio	25%	22%

### 36. 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 including investment in joint venture and associates and performs money lending services.

The corporate and others segment represents head office activities and other non-IT subsidiaries.

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

Income taxes are managed on a Group basis.

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

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

### 36. Segment information (cont'd)

#### Business segments

	IT operations \$	Investment activities \$	Corporate and others \$	Total \$	Eliminations and adjustments \$	Consolidated \$
<b>Group</b>						
<b>At 31 December 2020</b>						
<b>Revenue</b>						
Sales to external customers and total revenue	658,396	509,752	–	1,168,148	–	1,168,148
<b>Results</b>						
Interest income from bank deposits	1,052	7,329	2,493	10,874	–	10,874
Finance costs	–	(627,629)	–	(627,629)	–	(627,629)
Depreciation of property, plant and equipment	(4,799)	(1,185)	–	(5,984)	–	(5,984)
Amortisation of right-of-use assets	–	(49,834)	–	(49,834)	–	(49,834)
Share of profit from associates and joint ventures, net	–	611,409	–	611,409	–	611,409
<b>Segment loss before tax</b>	<b>(146,861)</b>	<b>(523,472)</b>	<b>(1,299,865)</b>	<b>(1,970,198)</b>	<b>507,880</b>	<b>(1,462,318)</b>
<b>Assets</b>						
Additions to non-current assets	2,142	423,166	17,021	442,329	–	442,329
Investment in associates and joint ventures	–	31,308,696	–	31,308,696	–	31,308,696
Segment assets	399,814	52,139,831	8,132,693	60,672,338	–	60,672,338
<b>Segment liabilities</b>	<b>3,819,299</b>	<b>11,341,020</b>	<b>211,093</b>	<b>15,371,412</b>	<b>–</b>	<b>15,371,412</b>



### 36. Segment information (cont'd)

#### Business segments (cont'd)

	IT operations \$	Investment activities \$	Corporate and others \$	Total \$	Eliminations and adjustments \$	Consolidated \$
<b>Group</b>						
<b>At 31 December 2019</b>						
<b>Revenue</b>						
Sales to external customers and total revenue	860,102	107,895	–	967,997	–	967,997
<b>Results</b>						
Interest income from bank deposits	1,182	35,774	5,343	42,299	–	42,299
Finance costs	–	(662,084)	–	(662,084)	–	(662,084)
Depreciation of property, plant and equipment	(12,416)	(1,095)	–	(13,511)	–	(13,511)
Amortisation of right-of-use assets	–	(42,846)	–	(42,846)	–	(42,846)
Share of profit from associates and joint ventures, net	–	(3,094,987)	–	(3,094,987)	–	(3,094,987)
<b>Segment profit/(loss) before tax</b>	173,912	(1,666,191)	(920,493)	(2,412,772)	–	(2,412,772)
<b>Assets</b>						
Additions to non-current assets	62	1,757,171	–	1,757,233	–	1,757,233
Investment in associates and joint ventures	–	30,523,585	–	30,523,585	–	30,523,585
Segment assets	695,111	53,344,437	6,962,122	61,001,670	–	61,001,670
<b>Segment liabilities</b>	781,547	14,695,999	224,012	15,701,558	–	15,701,558

### 36. Segment information (cont'd)

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

	Group	
	2020	2019
	\$	\$
<b>Revenue</b>		
Total revenue for reportable segments, representing total consolidated revenue	1,168,148	967,997
Profit or loss		
Total profit or loss for reportable segments, representing total consolidated loss before tax	(1,462,318)	(2,412,772)
<b>Assets</b>		
Total assets for reportable segments	60,672,338	61,001,670
Tax recoverable	18,399	15,960
Total consolidated assets	60,690,737	61,017,630
<b>Liabilities</b>		
Total liabilities for reportable segments	15,371,412	15,701,558
Deferred tax liabilities	2,659	69,141
Total consolidated liabilities	15,374,071	15,770,699

#### Geographic information

Revenues from external customers

	Malaysia	Asia and others	Consolidated
	\$	\$	\$
<b>31 December 2020</b>			
Sales to external customers and total revenue	1,145,926	22,222	1,168,148
<b>31 December 2019</b>			
Sales to external customers and total revenue	967,997	–	967,997

The revenue information above is based on the location of the customers. The revenue derived from Singapore, the country of domicile of the Company, amounted to \$4,000 (2019: \$Nil) during the financial year.

Location of non-current assets

	Malaysia	Ireland	Consolidated
	\$	\$	\$
<b>31 December 2020</b>			
Non-current assets	78,756	13,309,564	13,388,320
<b>31 December 2019</b>			
Non-current assets	115,391	11,965,192	12,080,583

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

### **36. Segment information (cont'd)**

#### **Major customer**

In the current financial year, approximately 37% (2019: 27%) of the revenue from IT operations were derived from a major third party customer.

### **37. Significant event**

The Covid-19 pandemic continues to impact the Group's hospitality and education portfolio. As the Group's operations are primarily located in Malaysia, the country's continued closure of borders and repeated movement control orders have prevented a sustained recovery in hotel occupancies and student marketing activities in the core markets of North Asia. Whilst the Group continues to focus on realising cost and operational efficiencies, most of these have been realised over the course of the past year and the near to medium-term outlook remains challenging.

### **38. Authorisation of financial statements for issue**

The financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 25 March 2021.

# Shareholders' Information as at 22 March 2021

## STATISTICS OF SHAREHOLDINGS AS AT 22 MARCH 2021

Number of issued shares	:	9,735,025
Issued and fully-paid capital	:	\$41,662,134.95
Class of Shares	:	Ordinary shares
Voting rights	:	One vote per share

The Company does not hold treasury shares and subsidiary holdings.

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	843	47.04	25,143	0.26
100 - 1,000	751	41.91	249,334	2.56
1,001 - 10,000	167	9.32	501,474	5.15
10,001 - 1,000,000	29	1.62	1,701,778	17.48
1,000,001 AND ABOVE	2	0.11	7,257,296	74.55
<b>TOTAL</b>	<b>1,792</b>	<b>100.00</b>	<b>9,735,025</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 22 March 2021)

	Direct Interest	%	Deemed Interest	%
Lim Kian Onn	-	-	6,344,865 <sup>(1)</sup>	65.18
Cosima Investments Pte Ltd	-	-	4,898,925 <sup>(2)</sup>	50.32

<sup>(1)</sup> Mr Lim Kian Onn ("LKO") is deemed interested in the (i) 4,898,925 shares held by Citibank Nominees Singapore Pte. Ltd. ("Citibank Nominees") for Bank Julius Baer (Singapore) Ltd ("BJB") for Cosima Investments Pte. Ltd. ("Cosima"), a company 100% owned by LKO and (ii) 1,445,940 shares held by OCBC Securities Private Limited for Kenanga Investment Bank Bhd for LKO.

<sup>(2)</sup> Cosima is deemed interested in the 4,898,925 shares held by Citibank Nominees for BJB for Cosima.

## TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	5,798,474	59.56
2	OCBC SECURITIES PRIVATE LIMITED	1,458,822	14.99
3	NG SU LYN	403,933	4.15
4	ONG PUAY HOON IRENE	373,220	3.83
5	MAYBANK KIM ENG SECURITIES PTE. LTD.	179,283	1.84
6	MICHELE SHARMINI RASANAYAGAM	150,000	1.54
7	DBS NOMINEES (PRIVATE) LIMITED	80,176	0.82
8	CHOO THIAM SOON	50,000	0.51
9	YIP WEI MUN	34,010	0.35
10	RAFFLES NOMINEES (PTE.) LIMITED	30,700	0.32
11	TAN TSU TSEN (CHEN SHUSHENG)	30,325	0.31
12	RAMESH S/O PRITAMDAS CHANDIRAMANI	28,780	0.30
13	NG TENG SIAK (HUANG ZHENCHENG)	27,500	0.28
14	UOB KAY HIAN PRIVATE LIMITED	27,339	0.28
15	LIM CHER KHIANG	25,879	0.27
16	FOO CHEK NAM	25,000	0.26
17	LIM SENG CHIANG	25,000	0.26
18	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	24,170	0.25
19	ANG CHIN YEOW (HONG ZHENYAO)	24,000	0.25
20	YONG KWET ON	22,840	0.23
	<b>TOTAL</b>	<b>8,819,451</b>	<b>90.60</b>

## PERCENTAGE OF SHAREHOLDING IN THE HANDS OF PUBLIC

As at 22 March 2021, 27.12% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Catalist Rules.

# Disclosure Notice

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

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

### RCULS

2. The RCULS may be converted into, validly allotted and issued, fully-paid and unencumbered ordinary shares in the share capital of the Company (“**Shares**”), at the option of Mr LKO, at any time, from and including the respective dates on which they are issued and registered in accordance with the RCULS Subscription Agreement up to the close of business on the day falling one month prior to the Maturity Date (“**Conversion Period**”). “**Maturity Date**” means 60 months from the date of issue of the RCULS.
3. The RCULS will bear interest at the rate of 0.5% per annum on the principal amount of the RCULS (“**Interest**”). Interest shall accrue on a daily basis (without compounding) and is payable on the Maturity Date. Each RCULS shall cease to bear Interest (a) on conversion into Shares (without prejudice to Interest accrued prior to the conversion date), or (b) from the due date for redemption hereof.
4. The Interest may, at the discretion of Mr LKO, be satisfied fully either in (i) cash or (ii) through the issue and allotment of Shares (“**Interest Shares**”) by the Company at the discretion of Mr LKO.
5. If Mr LKO elects to receive cash in satisfaction of the Interest, the Interest (including interest on converted and unconverted RCULS) shall only be payable on the Maturity Date.
6. If Mr LKO elects to receive Shares in lieu of cash in satisfaction of the Interest accrued on any RCULS (i) in the case of any RCULS which is to be converted prior to the Maturity Date, such election must be notified to the Company in a conversion notice and (ii) in all other cases, such election shall be notified to the Company by no later than the expiry of the Conversion Period.
7. The price at which each Share shall be issued upon conversion of the RCULS or the Interest is S\$0.13 (“**Conversion Price**”). The Conversion Price will be subject to adjustments under certain circumstances in accordance with the terms and conditions of the RCULS.
8. The number of Shares to which Mr LKO is entitled on conversion of any RCULS (“**Conversion Shares**”) or Interest shall be determined by dividing the aggregate principal amount of the RCULS or Interest (as the case may be) to be converted by the Conversion Price.

### Details of the Whitewash Waiver

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

10. The Whitewash Waiver may be invalidated if there are any purchases of voting rights by the Relevant Parties prior to the acquisition of the Conversion Shares and/or Interest Shares pursuant to the terms of the RCULS (“**Condition**”), save that:
  - (a) (i) notwithstanding the Condition, the Relevant Parties (including without limitation Mr LKO, Mr Gareth Lim and Ms LKF) may acquire Shares pursuant to the Plato Employee Share Option Scheme 2016 (“**Plato ESOS 2016**”) and/or the Plato Performance Share Plan 2016 (“**Plato PSP 2016**”) after the Whitewash Resolution is approved, provided that only new Shares are acquired while the Whitewash Waiver remains valid; and (ii) the Whitewash Waiver will only apply to the conversion of such number of Conversion Shares and/or Interest Shares that, when added to the acquisition of new Shares pursuant to the Plato ESOS 2016 and/or the Plato PSP 2016, do not exceed the total number of Conversion Shares and/or Interest Shares originally approved by the Shareholders in respect of the Whitewash Resolution; and
  - (b) notwithstanding the Condition, Mr LKO is free to purchase any number of existing Shares after he holds over 49% of the voting rights of the Company as a result of the acquisition of Conversion Shares and/or Interest Shares on the terms of the RCULS and the acquisition of new Shares pursuant to the Plato ESOS 2016 and/or the Plato PSP 2016. However, if Mr LKO’s interest in the Company subsequently falls below 49% for any reason following such purchase, he will not be able to rely on the Whitewash Waiver for any further acquisition of Shares that triggers an obligation to make a general offer under Rule 14 of the Code; and
11. Prior to the issue of the RCULS, Shareholders independent of Relevant Parties had, at an extraordinary general meeting of the Company held on 20 May 2016, passed an Ordinary Resolution waiving their rights to receive a mandatory general offer from Mr LKO, in the event an obligation to extend such an offer is incurred pursuant to Rule 14 of the Code, as a result of the acquisition of the Conversion Shares and/or the Interest Shares pursuant to the terms of the RCULS (“**Whitewash Resolution**”).
12. The acquisition of the Conversion Shares and/or the Interest Shares pursuant to the terms of the RCULS must be completed within five (5) years of the date of issue of the RCULS. Accordingly, the Whitewash Waiver is valid from 27 May 2016 to 26 May 2021. Further details of the RCULS and the Whitewash Waiver are set out in the Company’s circular dated 5 May 2016.

#### Share Consolidation

13. As set out in the Company’s announcement dated 22 July 2020, the Company has on 22 July 2020 completed the proposed consolidation of every twenty (20) existing issued Shares into one (1) Share (“**Share Consolidation**”), resulting in the Company having a post-consolidation issued share capital of S\$40,875,023, comprising 9,735,025 Shares. Further details of the Share Consolidation (including the adjustment to the Conversion Price) are set out in the Company’s circular dated 15 April 2020, and the Company’s announcements dated 23 March 2020, 15 April 2020, 8 June 2020, 23 June 2020, 3 July 2020, 13 July 2020 and 22 July 2020.

#### Holdings and Interests of the Relevant Parties

14. As at 26 March 2021 (“**LPD**”) (being the latest practicable date prior to the disclosure), the Relevant Parties collectively hold or are interested in the following:
  - (a) 7,094,654 Shares, representing approximately 72.88 per cent of all the Shares in issue as at the LPD; and
  - (b) convertibles comprising 2,754,491 Shares (including the RCULS, share options and share awards granted by the Company).
15. Save as disclosed above, none of the Relevant Parties holds any voting rights in the Company or instruments convertible into, rights to subscribe for and options in respect of the Shares as at the LPD.

#### Maximum Potential Interests of the Relevant Parties

16. The Relevant Parties would have a maximum potential interest of 78.32 per cent in the Company’s post consolidation issued enlarged share capital of 12,179,295 Shares assuming that: (a) Mr LKO exercises and converts all the RCULS and the entire Interest (at the prevailing Conversion Price and assuming no adjustments thereto); and (b) no other holders of either (i) instruments convertible into Shares, (ii) rights to subscribe for Shares or (iii) options in respect of Shares, exercise, subscribe or convert such instruments, rights or options.

17. The Relevant Parties would have a maximum potential interest of 78.86 per cent in the Company's post consolidation issued enlarged share capital of 12,489,516 Shares assuming that: (a) Mr LKO exercises and converts all the RCULS and the entire Interest (at the prevailing Conversion Price and assuming no adjustments thereto); (b) all the Shares comprised under the options and share awards granted under the Plato ESOS 2016 and Plato PSP 2016 (assuming no adjustments thereto) are allotted and issued to the Relevant Parties; (c) no other holders of either (i) instruments convertible into Shares, (ii) rights to subscribe for Shares or (iii) options in respect of Shares, exercise, subscribe or convert such instruments, rights or options.

**CAUTIONARY STATEMENT**

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

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



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

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**Annual General Meeting**” or “**AGM**”) of PLATO CAPITAL LIMITED (the “**Company**”) will be held via electronic means on Tuesday, 27 April 2021 at 2.00 p.m. for the following purposes:

### AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Auditors’ Report.  

**(Resolution 1)**
2. To re-elect Mr Navinderjeet Singh A/L Naranjan Singh retiring by rotation pursuant to Article 91 of the Constitution of the Company.  
**[See Explanatory Note (i)]**  

**(Resolution 2)**
3. To re-elect Mr Michael Kan Yuet Yun PBM retiring by rotation pursuant to Article 107 of the Constitution of the Company.  
**[See Explanatory Note (ii)]**  

**(Resolution 3)**
4. That pursuant to Rule 406(3)(d)(iii)(A) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”), shareholders to approve Mr Michael Kan Yuet Yun PBM’s continued appointment as an Independent Director, this Resolution to remain in force until the earlier of his retirement or resignation as a Director or the conclusion of the third AGM following the passing of this Resolution.  
**[See Explanatory Note (ii)]**  

**(Resolution 4)**
5. That contingent upon the passing of Ordinary Resolution 4 above, pursuant to Rule 406(3)(d)(iii)(B) of the Catalist Rules, shareholders (excluding the Directors and Chief Executive Officer of the Company, and associates of such Directors and Chief Executive Officer) to approve Mr Michael Kan Yuet Yun PBM’s continued appointment as an Independent Director, this Resolution to remain in force until the earlier of his retirement or resignation as a Director or the conclusion of the third AGM following the passing of this Resolution.  
**[See Explanatory Note (ii)]**  

**(Resolution 5)**
6. That pursuant to Rule 406(3)(d)(iii)(A) of the Catalist Rules, shareholders to approve Mr Chong Huai Seng’s continued appointment as an Independent Director, this Resolution to remain in force until the earlier of his retirement or resignation as a Director or the conclusion of the third AGM following the passing of this Resolution.  
**[See Explanatory Note (ii)]**  

**(Resolution 6)**
7. That contingent upon the passing of Ordinary Resolution 6 above, pursuant to Rule 406(3)(d)(iii)(B) of the Catalist Rules, shareholders (excluding the Directors and Chief Executive Officer of the Company, and associates of such Directors and Chief Executive Officer) to approve Mr Chong Huai Seng’s continued appointment as an Independent Director, this Resolution to remain in force until the earlier of his retirement or resignation as a Director or the conclusion of the third AGM following the passing of this Resolution.  
**[See Explanatory Note (ii)]**  

**(Resolution 7)**
8. To approve the payment of Directors’ fees of \$133,500 for the financial year ending 31 December 2021, payable half yearly in arrears on 1 July 2021 and 1 January 2022 (FY2020: \$178,000).  

**(Resolution 8)**
9. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company for the ensuing year and to authorise the Directors of the Company to fix their remuneration.  

**(Resolution 9)**
10. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

## AS SPECIAL BUSINESS

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

### 11. Authority to allot and issue shares (“Share Issue Mandate”)

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

- (a) (i) allot and issue shares in the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

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

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

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new Shares arising from the conversion or exercise of any convertible securities;
  - (b) new Shares arising from exercising share options or vesting of share awards provided the options or awards 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.

Adjustments in accordance with sub-paragraph (2)(a) or (2)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) all applicable requirements under the Companies Act and otherwise, and the Constitution for the time being of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law and the Catalist Rules to be held, whichever is earlier.

**[See Explanatory Note (iii)]**

**(Resolution 10)**

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

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

**[See Explanatory Note (iv)]**

**(Resolution 11)**

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

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

**[See Explanatory Note (v)]**

**(Resolution 12)**

By Order of the Board

Ngiam May Ling  
Secretary  
Singapore, 5 April 2021

**Explanatory Notes:**

- (i) Resolution 2 is for the re-election of Mr Navinderjeet Singh A/L Naranjan Singh, a Director of the Company who retires by rotation at this Annual General Meeting. Mr Navinderjeet Singh A/L Naranjan Singh will, upon re-election as a Director of the Company, remain as Non-Executive Director of the Company and will be considered non-independent. For more information on Mr Navinderjeet Singh A/L Naranjan Singh, please refer to the “Profile of Board of Directors” and “Additional Information on Directors Seeking Re-election and Directors seeking shareholders’ approval in respect of Rule 406(3)(d)(iii) of the Catalyst Rules” sections in the Annual Report 2020.
- (ii) Resolution 3 is for the re-election of Mr Michael Kan Yuet Yun PBM, a Director of the Company who retires by rotation at this Annual General Meeting.

Resolutions 4, 5, 6 and 7 – On 6 August 2018, the SGX-ST amended the Catalist Rules following the publication of the Code of Corporate Governance 2018 by the Monetary Authority of Singapore. As part of the amendments to the Code of Corporate Governance 2018, certain guidelines from the Code of Corporate Governance 2012 were shifted into the SGX-ST Catalist Rules for mandatory compliance. On 28 November 2018, the SGX-ST issued the Transitional Practice Note 2 to establish transitional arrangements for certain guidelines shifted into the SGX-ST Catalist Rules. Pursuant thereto and in respect of Rule 406(3)(d)(iii) of the Catalist Rules (effective from 1 January 2022), to ensure that the independence designation of a director who has served for more than 9 years as at and from 1 January 2022 is not affected, the Company is seeking to obtain shareholders' approvals for Mr Michael Kan Yuet Yun PBM's and Mr Chong Huai Seng's continued appointments as independent directors prior to 1 January 2022, as they have each served for more than 9 years on the Board of the Company. Rule 406(3)(d)(iii) provides that continued appointment as independent director, after an aggregate period of more than 9 years on the board, must be sought and approved in separate resolutions by (A) all shareholders and (B) shareholders excluding directors, chief executive officer, and their associates.

In the event that all of Resolutions 3, 4, and 5 are carried, Mr Michael Kan Yuet Yun PBM will, upon re-election as a Director of the Company, remain as Independent Director until the earlier of his retirement or resignation as a Director or at the conclusion of the AGM to be held in 2024. Mr Michael Kan Yuet Yun PBM will also remain as Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. For more information on Mr Michael Kan Yuet Yun PBM, please refer to the "Profile of Board of Directors" and "Additional Information on Directors Seeking Re-election and Directors seeking shareholders' approval in respect of Rule 406(3)(d)(iii) of the Catalist Rules" sections in the Annual Report 2020.

If Resolution 3 is carried, but Resolution 4 and/or Resolution 5 is/are not carried, Mr Michael Kan Yuet Yun PBM will, upon re-election, remain as Independent Director, Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees up to and including 31 December 2021 and shall thereafter be re-designated as Non-Executive and Non-Independent Director as of and from 1 January 2022. If Resolution 3 is not carried, Mr Michael Kan Yuet Yun PBM will cease to be a Director with effect from the date of the AGM of the Company, notwithstanding that Resolution 4 and/or Resolution 5 may be approved by shareholders at the AGM of the Company.

In the event that all of Resolutions 6 and 7 are carried, Mr Chong Huai Seng will remain as Independent Director until the earlier of his retirement or resignation as a Director or at the conclusion of the AGM to be held in 2024. Mr Chong Huai Seng will also remain as Chairman of the Remuneration and Nominating Committees and a member of the Audit Committee and he will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. For more information on Mr Chong Huai Seng, please refer to the "Profile of Board of Directors" and "Additional Information on Directors Seeking Re-election and Directors seeking shareholders' approval in respect of Rule 406(3)(d)(iii) of the Catalist Rules" sections in the Annual Report 2020.

If Resolution 6 and/or Resolution 7 is/are not carried, Mr Chong Huai Seng will remain as Independent Director, Chairman of the Remuneration and Nominating Committees and a member of the Audit Committee up to and including 31 December 2021 and shall thereafter be re-designated as Non-Executive and Non-Independent Director as of and from 1 January 2022.

Catalist Rule 406(3)(c) provides that independent directors must comprise at least one-third of the company's board and will come into effect from 1 January 2022. As such, if Mr Michael Kan Yuet Yun PBM and/or Mr Chong Huai Seng is/are to be re-designated as Non-Executive and Non-Independent Director as of and from 1 January 2022, the Company will take steps to appoint new independent director(s) prior to 1 January 2022 in compliance with Catalist Rule 406(3)(c).

- (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 and subsidiary holdings) as at the time of passing of the resolution approving the share issue mandate, of which the aggregate number of new Shares and convertible securities issued other than on a pro-rata basis to existing shareholders must not be more than 50% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company.

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

The Ordinary Resolution 10, if passed, will 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 10 (including shares to be issued in pursuance of Instruments made or granted) shall not exceed one hundred per centum (100%) of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company, with a sub-limit of fifty per centum (50%) for shares issued other than on a pro-rata basis (including shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution 10) to shareholders. As at 22 March 2021, the Company did not have treasury shares or subsidiary holdings.

- (iv) The Ordinary Resolution 11, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to all options granted or awards granted under share incentive schemes or share plans adopted by the Company for the time being in force, up to a number not exceeding in aggregate fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time. As at 22 March 2021, the Company did not have treasury shares or subsidiary holdings.
- (v) The Ordinary Resolution 12, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to all options granted or awards granted under share incentive schemes or share plans adopted by the Company for the time being in force, up to a number not exceeding in aggregate fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time. As at 22 March 2021, the Company did not have treasury shares or subsidiary holdings.

### Important Notes:

1. The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The printed copies of the Annual Report 2020 will be sent to shareholders. In addition, this Notice of Annual General Meeting, the Proxy Form and the Annual Report 2020 may be accessed at the Company's website at the URL <https://www.platocapital.com/AGM2021>, and will also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the Annual General Meeting of the Company by electronic means (including arrangements by which the meeting may be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Annual General Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at the Annual General Meeting and voting by appointing the Chairman of the Annual General Meeting as proxy at the Annual General Meeting, are set out in Note 3 below and in the Company's accompanying announcement dated 5 April 2021. This announcement may be accessed at the Company's website at the URL <https://www.platocapital.com/AGM2021>, and will also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

### 3. Alternative Arrangements

The following are the alternative arrangements which have been put in place for the AGM:

(a) *"Live" audio-visual broadcast and "live" audio feed*

The Chairman of the AGM will conduct the proceedings of the AGM by way of electronic means. Shareholders will be able to watch these proceedings through a "live" audio-visual broadcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, shareholders must follow these steps:

- Shareholders who wish to watch the "live" audio-visual broadcast or listen to the "live" audio feed must pre-register from 5 April 2021 till 2.00 p.m. on 23 April 2021 (the **"Registration Deadline"**), at the URL <https://bit.ly/PCLAGM2021>.

Following the authentication of the shareholders' status as shareholders, authenticated shareholders will receive email instructions on how to access the "live" audio-visual broadcast and "live" audio feed of the AGM proceedings by 2.00 p.m. on 26 April 2021 (the **"Confirmation Email"**).

- Shareholders who register by the Registration Deadline but do not receive the Confirmation Email by 2.00 p.m. on 26 April 2021 should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd by telephone at 6536 5355 during Monday to Friday, from 8.30 a.m. to 5.30 p.m. or by email to [srs.teamb@boardroomlimited.com](mailto:srs.teamb@boardroomlimited.com).
- Investors holding shares through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (other than CPF/SRS investors) who wish to participate in the AGM by (i) observing and/or listening to the AGM proceedings via "live" audio-visual broadcast or "live" audio feed; (ii) submitting questions in advance of the AGM; and/or (iii) appointing the Chairman as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

(b) *Submission of questions in advance*

Shareholders may also submit questions related to the resolutions to be tabled for approval at the AGM:

- All questions must be submitted by 2.00 p.m. on 19 April 2021:
  - via the pre-registration website at the URL <https://bit.ly/PCLAGM2021>;
  - by post by lodging the same at the registered office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
  - by email to [agm2021@platocapital.com](mailto:agm2021@platocapital.com).

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit questions by post, shareholders are strongly encouraged to submit questions electronically via the pre-registration website or by email as above stated.

- Shareholders will need to identify themselves when posing questions at pre-registration website or by post or by mail by providing the following details:
  - the shareholder's full name as it appears on his/her/its CDP/CPF/SRS share records;
  - the shareholder's NRIC/Passport/UEN number;
  - the shareholder's contact number and email address; and
  - the manner in which the shareholder holds his/her/its shares in the Company (e.g. via CDP, CPF or SRS).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

- The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from shareholders either before or during the AGM.
- The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNet and the Company's website, and the minutes will include the responses to the questions referred to above.
- Please note that shareholders will not be able to ask questions at the AGM "live" during the webcast and the audio feed, and therefore it is important for shareholders to submit their questions in advance of the AGM.

(c) *Proxy voting*

Shareholders will not be able to vote online on the resolutions to be tabled for approval at the AGM.

Instead, if shareholders (whether individual or corporate) wish to exercise their votes, they must submit a proxy form to appoint the Chairman of the AGM to vote on their behalf:

- Shareholders (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.
- The proxy form can be submitted to the Company in hard copy form or by email:
  - if by post, the proxy form must be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
  - if by email, the proxy form must be received by the Company at [agm2021@platocapital.com](mailto:agm2021@platocapital.com).

in either case, not less than 48 hours before the time for holding the AGM.



A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed Proxy Forms electronically via email.**

- Persons holding shares through Central Provident Fund (“CPF”) and Supplementary Retirement Scheme (“SRS”) (“CPF/SRS investors”) who wish to participate in the AGM by (i) observing and/or listening to the AGM proceedings via “live” audio-visual broadcast or “live” audio feed; and (ii) submitting questions in advance of the AGM, should follow the steps for pre-registration and pre-submission of questions set out under paragraphs 5(a) and (b) above. However, CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy to attend, speak and vote on their behalf should approach their respective CPF Agent Banks or SRS Operators by 2.00 p.m. on 16 April 2021 to submit their voting instructions.

#### 4. Key Dates/Deadlines

In summary, the key dates/deadlines which shareholders should take note of are set out in the table below:

Key dates/deadlines	Actions
<b>5 April 2021 (immediately upon release of this notice)</b>	Shareholders may begin to pre-register at <a href="https://bit.ly/PCLAGM2021">https://bit.ly/PCLAGM2021</a> for “live” audio-visual broadcast or “live” audio feed of the proceedings of the AGM.
<b>2.00 p.m. on 16 April 2021</b>	Deadline for CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes.
<b>2.00 p.m. on 19 April 2021</b>	Deadline for shareholders to submit questions in advance.
<b>2.00 p.m. on 23 April 2021</b>	Deadline for shareholders to pre-register for “live” audio-visual broadcast/“live” audio feed of the proceedings of the AGM.
<b>2.00 p.m. on 25 April 2021 for the proxy form for the AGM</b>	Deadline for shareholders to submit proxy form.
<b>2.00 p.m. on 26 April 2021</b>	<p>Authenticated shareholders will receive an email which will contain user ID and password details, as well as the link to access the “live” audio-visual broadcast and a toll-free telephone number to access the “live” audio of the proceedings of the AGM (the “<b>Confirmation Email</b>”).</p> <p>Shareholders who register by the Registration Deadline but do not receive the Confirmation Email by 2.00 p.m. on 26 April 2021 should contact the Company’s Share Registrar, Boardroom Corporate &amp; Advisory Services Pte Ltd by telephone at 6536 5355 during Monday to Friday, from 8.30 a.m. to 5.30 p.m. or by email to <a href="mailto:srs.teamb@boardroomlimited.com">srs.teamb@boardroomlimited.com</a>.</p>
<b>Date and time of AGM: 2.00 p.m. on 27 April 2021</b>	<ul style="list-style-type: none"> <li>• Click on the link in the Confirmation Email and enter the user ID and password to access the “live” audio-visual broadcast of the proceedings of the AGM; or</li> <li>• Call the toll-free telephone number in the Confirmation Email to access the “live” audio feed of the proceedings of the AGM.</li> </ul>

5. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the Annual General Meeting must appoint the Chairman of the Annual General Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.** The Proxy Form may be accessed at the Company’s website at the URL <https://www.platocapital.com/AGM2021>, and will also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

6. Where a member (whether individual or corporate) appoints the Chairman of the Annual General Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Annual General Meeting as proxy for that resolution will be treated as invalid.
7. Persons who hold shares in the Company through relevant intermediaries (as defined in section 181 of the Companies Act, Chapter 50), including CPF and SRS investors, and who wish to participate in the Annual General Meeting by:
  - (a) observing and/or listening to the Annual General Meeting proceedings via live audio-visual webcast or live audio-only stream;
  - (b) submitting questions in advance of the Annual General Meeting; and/or
  - (c) appointing the Chairman of the Annual General Meeting as proxy to attend, speak and vote on their behalf at the Annual General Meeting,

should contact the relevant intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the Annual General Meeting.

CPF or SRS investors who wish to appoint the Chairman of the Annual General Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators by 2.00 p.m. on 16 April 2021 to submit their votes.

8. The Chairman of the Annual General Meeting, as proxy, need not be a member of the Company.
9. The Proxy Form appointing the Chairman of the Annual General Meeting as proxy must be submitted to the Company in the following manner:
  - (a) if submitted by post, be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
  - (b) if submitted electronically, be submitted via email to at [agm2021@platocapital.com](mailto:agm2021@platocapital.com)

in either case by 2.00 p.m. on 25 April 2021, being 48 hours before the time appointed for holding the Annual General Meeting.

A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed Proxy Forms electronically via email.**

### Personal Data Privacy:

By submitting a Proxy Form appointing the Chairman of the Annual General Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Annual General Meeting as proxy 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 or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.



# Addendum to the Annual Report 2020

## Additional Information on Directors seeking re-election pursuant to Rule 720(5) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules") and Directors seeking shareholders' approval in respect of Rule 406(3)(d)(iii) of the Catalist Rules (effective from 1 January 2022).

Mr Michael Kan Yuet Yun PBM and Mr Navinderjeet Singh A/L Naranjan Singh are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 27 April 2021 ("AGM") under Ordinary Resolutions 2 and 3 as set out in the Notice of AGM dated 5 April 2021 (collectively, the "Retiring Directors" and each a "Retiring Director").

Mr Michael Kan Yuet Yun PBM and Mr Chong Huai Seng are the Directors seeking shareholders' approval at the forthcoming AGM under Ordinary Resolutions 4 to 7 pursuant to Catalist Rule 406(3)(d)(iii) which provides that the continued appointment of an independent director, after an aggregate period of more than 9 years on the board, must be sought and approved in separate resolutions by (A) all shareholders and (B) shareholders excluding directors, chief executive officer, and their associates (the "Two-Tier Voting").

Information relating to the Retiring Directors, pursuant to Rule 720(5) of the Catalist Rules, and information relating to the Directors subject to the Two-Tier Voting as set out in Appendix 7F of the Catalist Rules is as set out below:

NAME OF DIRECTOR	MICHAEL KAN YUET YUN PBM	CHONG HUAI SENG	NAVINDERJEET SINGH A/L NARANJAN SINGH
Date of Appointment	29 November 2002	12 September 2008	2 October 2020
Date of Last Re-Appointment (if applicable)	12 April 2018	10 April 2019	Not applicable
Age	81	70	34
Country of principal residence	Singapore	Singapore	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Based on the overall contribution and performance, the Board is satisfied and has recommended that Mr Michael Kan Yuet Yun PBM be reappointed as Independent Director <sup>(1)</sup> of the Company, Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee respectively.  The Board also considers Mr Michael Kan Yuet Yun PBM to be independent for the purpose of Rule 704(7) of the Catalist Rules.	Based on the overall contribution and performance, the Board is satisfied and has recommended that Mr Chong Huai Seng be reappointed as Independent Director <sup>(1)</sup> of the Company, Chairman of the Remuneration Committee and the Nominating Committee respectively and a member of the Audit Committee.  The Board also considers Mr Chong Huai Seng to be independent for the purpose of Rule 704(7) of the Catalist Rules.	Based on Mr Navinderjeet Singh A/L Naranjan Singh's work experience and his performance, the Board is satisfied and has recommended that Mr Navinderjeet Singh A/L Naranjan Singh be reappointed as a Non-Independent and Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member, etc.)	(i) Independent Director (ii) Audit Committee Chairman (iii) Remuneration Committee Member (iv) Nominating Committee Member	(i) Independent Director (ii) Remuneration Committee Chairman (iii) Nominating Committee Chairman (iv) Audit Committee Member	(i) Non-Independent & Non-Executive Director

NAME OF DIRECTOR	MICHAEL KAN YUET YUN PBM	CHONG HUI SENG	NAVINDERJEET SINGH A/L NARANJAN SINGH
Professional qualifications	<p>Bachelor of Economics (Honours) from University of Sydney</p> <p>Fellow of Institute of Chartered Accountants in England and Wales</p> <p>Member of Institute of Singapore Chartered Accountants</p> <p>Member of Singapore Institute of Directors</p>	<p>Degree in Polymer Physics (First Class Honours) from University of Manchester</p>	<p>Postgraduate Diploma in Finance from Massey University</p> <p>Degree in Bachelor of Commerce in Accounting &amp; Finance from University of Auckland</p>
Working experience and occupation(s) during the past 10 years	<p>2000 – 2010 Independent Director OSIM International Ltd</p> <p>2000 – 2015 Independent Director Vibropower Corporation Ltd</p>	<p>2003 – Current Director The China Art Foundation (BVI)</p> <p>2004 – Current Director Leading HR Private Limited</p> <p>2007 – Current Co-Founder/ Director The Culture Story Private Limited</p> <p>2008 – Current Director Plato Private Limited</p> <p>2012 – Current Director Red Pencil (Singapore)</p> <p>2014 – Current Director The Artling Private Limited</p> <p>2018 – Current Director ID Capital Pte Ltd</p>	<p>2009 – 2012 Graduate to Assistant Manager BDO Chartered Accountants</p> <p>2012 – 2013 Assistant Manager Coverage MIDF Investment Bank</p> <p>2013 – 2013 Manager Corporate Finance, TA Securities</p> <p>2014 – 2020 Corporate Finance Manager, Chief Financial Officer, Chief Operating Officer, Chief Commercial Officer and Chief Executive Officer Tune Hotels Group and Ormond Group</p> <p>2020 – Current Chief Financial Officer ECM Libra Group Berhad</p>
Shareholding interest in the listed issuer and its subsidiaries	Nil <sup>(2)</sup>	Nil <sup>(2)</sup>	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	Nil	Nil	Nil

NAME OF DIRECTOR	MICHAEL KAN YUET YUN PBM	CHONG HUI SENG	NAVINDERJEET SINGH A/L NARANJAN SINGH
Conflict of interest (including any competing business).	Nil	Nil	Mr Navinderjeet Singh A/L Naranjan Singh is currently the Chief Financial Officer of ECM Libra Group Berhad. ECM Libra Group Berhad is a joint venture partner of the Company, where the Company, vide its subsidiaries, and ECM Libra Group Berhad hold interest of equal proportions in several entities that are involved in hospitality business.
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer.	Yes	Yes	Yes
<b>Other Principal Commitments* Including Directorships#</b>			
<p>* "Principal Commitments" has the same meaning as defined in the Code – "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)</p> <p><u>Present</u></p>	Nil	<p>Principal Commitments:</p> <ul style="list-style-type: none"> <li>- Director of the Artling Pte Ltd</li> <li>- Co-founder and director of The Culture Story Private Limited</li> </ul> <p>Directorships:</p> <ul style="list-style-type: none"> <li>- The China Art Foundation (BVI)</li> <li>- Leading HR Private Limited;</li> <li>- The Culture Story Private Limited;</li> <li>- Red Pencil (Singapore);</li> <li>- The Artling Pte Ltd;</li> </ul>	<p>Principal Commitments:</p> <ul style="list-style-type: none"> <li>- Chief Financial Officer ECM Libra Group Berhad</li> </ul> <p>Directorships:</p> <ul style="list-style-type: none"> <li>- Tune Hotels Real Estate Holdings Limited (BVI)</li> <li>- Tune Hotels.com (BVI) Limited</li> <li>- Tune Hotels 2 Sdn Bhd</li> <li>- PT Tune Hotels Regional Services Indonesia</li> <li>- Tune Hotels India Services Pte Ltd</li> <li>- Tune Hotels Regional Services (UK) Limited</li> </ul>

NAME OF DIRECTOR	MICHAEL KAN YUET YUN PBM	CHONG HUAI SENG	NAVINDERJEET SINGH A/L NARANJAN SINGH
		<ul style="list-style-type: none"> <li>- ID Capital Pte Ltd</li> <li>- One In Shoes Pte Ltd</li> <li>- Plato Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>- Tune Hospitality Services (India) Pvt Ltd</li> <li>- Ormond Lifestyle Services Sdn Bhd</li> <li>- Positive Carry Sdn Bhd</li> <li>- TYK Capital Sdn Bhd</li> <li>- Ormond Group Sdn Bhd</li> <li>- ECML Hotels Sdn Bhd</li> <li>- Alchemist Management Services Sdn Bhd</li> </ul>
<u>Past (for the last 5 years)</u>	Nil	Directorships: <ul style="list-style-type: none"> <li>- TCS Capital Pte Ltd</li> <li>- Eastwood Way Pte Ltd</li> </ul>	Directorships: <ul style="list-style-type: none"> <li>- Tune Hotels Capital Sdn Bhd</li> <li>- Tune Hotel IP Sdn Bhd</li> <li>- Tune Hotels.Com Capital Partners 2 Sdn Bhd</li> <li>- Tune Hotels.Com Capital Partners Ltd</li> <li>- Tune Hotels Real Estates Pte Ltd</li> <li>- Tune Hotels Regional Services (Singapore) Pte Ltd</li> <li>- Tune Hotels Regional Services Australia Pty Ltd</li> <li>- THI Sdn Bhd</li> <li>- Tune Hotels Real Estate Sdn Bhd</li> <li>- OHG Services Sdn Bhd</li> <li>- TP International Pty Limited</li> <li>- TP Real Estate Holdings Pte Ltd</li> </ul>
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</b>			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be partner?	No	No	No

NAME OF DIRECTOR	MICHAEL KAN YUET YUN PBM	CHONG HUAI SENG	NAVINDERJEET SINGH A/L NARANJAN SINGH
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or any equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgement against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

NAME OF DIRECTOR	MICHAEL KAN YUET YUN PBM	CHONG HUAI SENG	NAVINDERJEET SINGH A/L NARANJAN SINGH
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has even been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

NAME OF DIRECTOR	MICHAEL KAN YUET YUN PBM	CHONG HUAI SENG	NAVINDERJEET SINGH A/L NARANJAN SINGH
<p>(j) Whether he has ever, to his knowledge, been concerned with the management of conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>(i) Any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) Any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) Any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p>	<p>No</p> <p>No</p> <p>No</p>	<p>No</p> <p>No</p> <p>No</p>	<p>No</p> <p>No</p> <p>No</p>

NAME OF DIRECTOR	MICHAEL KAN YUET YUN PBM	CHONG HUAI SENG	NAVINDERJEET SINGH A/L NARANJAN SINGH
(iv) Any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
<b>Disclosure applicable to the appointment of Director only</b>			
Any prior experience as a director of an issuer listed on the Exchange? (Yes/No) If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable. This is a re-election of director and for the Two-Tier Voting.	Not applicable. This is for the Two-Tier Voting.	Not applicable. This is a re-election of director.



**Notes:**

- (1) Notwithstanding that both Mr Michael Kan Yuet Yun PBM and Mr Chong Huai Seng have served beyond nine years since the date of their respective first appointments, the Board is of the view that Mr Michael Kan Yuet Yun PBM and Mr Chong Huai Seng are independent as they have:
- contributed constructively throughout their term in the Company;
  - sought clarification and amplification as they deemed necessary, including through direct access to key management personnel, Company Secretary, internal auditors and external auditors; and
  - provided impartial advice and insights, and has exercised their independent judgement in doing so.

For the foregoing reasons, the Board concluded that it is confident that both Michael Kan Yuet Yun PBM and Chong Huai Seng have the ability to continue exercising strong independent judgment in the discharge of their duties and has requested that they both continue as Independent Directors of the Company for the ensuing year.

- (2) Both Mr Michael Kan Yuet Yun PBM and Mr Chong Huai Seng have been granted 62,044\* share options under the Plato Employee Share Option Scheme 2016 and 31,022\* share awards under the Plato Performance Share Plan 2016. No share options have been exercised and no share awards have been released and vested since they have been granted.

\* *The Company had on 22 July 2020 announced that it has completed a share consolidation of every twenty (20) then existing ordinary shares in the capital of the Company ("Share") into one (1) Share. Accordingly, the number of share options and share awards have been revised.*



**PLATO CAPITAL LIMITED**

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

**IMPORTANT:**

1. The AGM (as defined below) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Annual Report 2020 were sent to members on 5 April 2021. The Notice of AGM and Proxy Form may also be accessed at the Company's website at the URL <https://www.platocapital.com/AGM2021>, and will also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the AGM by way of electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual broadcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Company's announcement dated 5 April 2021 titled "Alternative arrangements for Annual General Meeting to be held on 27 April 2021".
3. Due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
4. CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators by 2.00 p.m. on 16 April 2021 to submit their votes.
5. **Please read the notes overleaf which contains instructions on, inter alia, the appointment of the Chairman of the AGM as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

**PERSONAL DATA PRIVACY:** By submitting an instrument appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out overleaf.

**PROXY FORM**

*(Please see notes overleaf before completing this Form)*

I/We (Name) \_\_\_\_\_ (NRIC/Passport/UEN No.) \_\_\_\_\_

of (Address) \_\_\_\_\_

being a member/members of Plato Capital Limited (the "Company"), hereby appoint the Chairman of the Annual General Meeting (the "AGM") as my/our proxy to attend, speak and vote (whether to vote in favour of or against, or to abstain from voting) for me/us and on my/our behalf at the AGM of the Company to be convened and held by way of electronic means on Tuesday, 27 April 2021 at 2.00 p.m. and at any adjournment thereof, as indicated below.

No.	Resolutions relating to:	Number of Votes For <sup>^</sup>	Number of Votes Against <sup>^</sup>	Number of Votes Abstain <sup>^</sup>
<b>As Ordinary Business</b>				
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020			
2	Re-election of Mr Navinderjeet Singh A/L Naranjan Singh as a Director of the Company			
3	Re-election of Mr Michael Kan Yuet Yun PBM as a Director of the Company			
4	Approval of Mr Michael Kan Yuet Yun PBM's continued appointment as an Independent Director by shareholders			
5	Approval of Mr Michael Kan Yuet Yun PBM's continued appointment as an Independent Director by shareholders (excluding directors, chief executive officer, and their associates)			
6	Approval of Mr Chong Huai Seng's continued appointment as an Independent Director by shareholders			
7	Approval of Mr Chong Huai Seng's continued appointment as an Independent Director by shareholders (excluding directors, chief executive officer, and their associates)			
8	Approval of Directors' fees amounting to S\$133,500 for the financial year ending 31 December 2021, payable half yearly in arrears on 1 July 2021 and 1 January 2022			
9	Re-appointment of Ernst & Young LLP as the Auditor of the Company and to authorise the Directors of the Company to fix their remuneration			
<b>As Special Business</b>				
10.	Authority to allot and issue shares (Share Issue Mandate)			
11.	Authority to issue shares under the Plato Employee Share Option Scheme 2016			
12.	Authority to issue shares under the Plato Performance Share Plan 2016			

<sup>^</sup> Voting will be conducted by poll. If you wish the Chairman of the AGM as your proxy to cast all your votes "For" or "Against" a Resolution, please tick in the "For" or "Against" box provided in respect of that Resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the AGM to abstain from voting on a resolution, please tick in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the AGM as your proxy is directed to abstain from voting in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.**

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Total number of Shares in:	Number of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Member(s)  
or, Common Seal of Corporate Member

\*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. A member should insert the total number of shares held. If the member has shares entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited, he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the shares held by the member.
2. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.** This Proxy Form may be accessed at the Company's website at the URL <https://www.platocapital.com/AGM2021>, and will also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.  
CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators by 2.00 p.m. on 16 April 2021 to submit their votes.
3. The Chairman of the AGM, as proxy, need not be a member of the Company.
4. The Proxy Form appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:
  - (a) if submitted by post, be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
  - (b) if submitted electronically, be submitted via email to [agm2021@platocapital.com](mailto:agm2021@platocapital.com), in either case by **2.00 p.m. on 25 April 2021**, being 48 hours before the time appointed for holding the AGM.  
A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.  
**In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed Proxy Forms electronically via email.**
5. The Proxy Form appointing the Chairman of the AGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its seal or under the hand of a director or an officer or attorney duly authorised. Where the Proxy Form appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof must (failing previous registration with the Company), if the Proxy Form appointing the Chairman of the AGM as proxy is submitted by post, be deposited with the Proxy Form or, if the Proxy Form appointing the Chairman of the AGM as proxy is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
6. The Company shall be entitled to reject a Proxy Form appointing the Chairman of the AGM as proxy 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 on the Proxy Form appointing the Chairman of the AGM as proxy (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any Proxy Form appointing the Chairman of the AGM as proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

### PERSONAL DATA PRIVACY:

By submitting a Proxy Form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.





**REGISTERED OFFICE**

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

**BUSINESS OFFICE**

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Damansara Heights  
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