PLATO CAPITAL LIMITED
(Company Registration No. 199907443M)

Unaudited Financial Statement And Dividend Announcement For 6 Months Ended 30 June 2015

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

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

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

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

	Group For the 6 months ended 30 June 2015	Group For the 6 months ended 30 June 2014	Increase/ (Decrease) %
	S$'000	S$'000	
	(Unaudited)	(Unaudited)	
Revenue			
Sales of goods and services	840	636	32.1
Income from investment activities	14	13	7.7
Property management	23	25	(8.0)
Total revenue	**877**	**674**	**30.1**
Other income			
Interest income from bank deposits	8	36	(77.8)
Sundry income	-	52	NM
Total other income	**8**	**88**	**(90.9)**
Other items of income/(expense)			
(Loss)/gain on disposal of available-for-sale financial assets	(11)	886	NM
Purchase of software and services	(311)	(323)	(3.7)
Property management cost	(159)	(174)	(8.6)
Employee benefits expenses	(659)	(653)	0.9
Depreciation of property, plant and equipment	(21)	(17)	23.5
Foreign exchange (loss)/gain, net	(407)	122	NM
Other operating expenses	(373)	(329)	13.4
Bank charges	(2)	(2)	-
Finance costs	(428)	(388)	10.3

Share of loss from joint venture	(336)	(55)	NM
Share of (loss)/profit from associates	(2,499)	685	NM
(Loss)/profit before taxation	**(4,321)**	**514**	**NM**
Income tax expense	(16)	(20)	(20.0)
(Loss)/profit for the period	**(4,337)**	**494**	**NM**
Attributable to:			
Owners of the Company	**(3,850)**	**301**	**NM**
Non-controlling interests	**(487)**	**193**	**NM**
	(4,337)	**494**	**NM**

NM – not meaningful

In the financial period reported on, the Group increased its shareholdings in an associate, Educ8 Group Sdn Bhd ("EDUC8") from 27.57% to 29.55% in 6M2015, by subscribing to the rights entitlement of RM7,672,384 (equivalent to approximately S$2,823,509).

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

	Group For the 6 months ended 30 June 2015	Group For the 6 months ended 30 June 2014	Increase/ (Decrease) %
	S$'000	S$'000	
	(Unaudited)	(Unaudited)	
(Loss)/profit for the period	**(4,337)**	**494**	**NM**
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods :			
Change in fair value of available-for-sale financial assets	(67)	-	NM
Share of other comprehensive (loss)/income of joint venture	(36)	427	NM
Share of other comprehensive income/(loss) of associates	639	(179)	NM
Exchange differences arising from translating foreign operations	(219)	(169)	29.6
Non-controlling interests' share of exchange differences arising from translating foreign operations due to non-controlling interests	(124)	(26)	NM
Other comprehensive income for the period	**193**	**53**	**NM**
Total comprehensive (loss)/income for the period	**(4,144)**	**547**	**NM**
Total comprehensive (loss)/income attributable to:			
Owners of the Company	**(3,877)**	**433**	**NM**
Non-controlling interests	**(267)**	**114**	**NM**
	(4,144)	**547**	**NM**

NM – not meaningful

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

	Group		Company	
	As at 30 June 2015	As at 31 December 2014	As at 30 June 2015	As at 31 December 2014
	S$'000 (Unaudited)	S$'000 (Audited)	S$'000 (Unaudited)	S$'000 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	4,166	4,485	-	-
Investment property	-	4,049	-	-
Investment in subsidiaries	-	-	4,421	4,421
Investment in joint venture	19,885	20,256	20,390	20,390
Investment in associates	18,677	18,514	-	-
Available-for-sale financial assets	357	642	-	-
	43,085	**47,946**	**24,811**	**24,811**
Current assets				
Trade receivables	260	448	-	-
Other receivables and deposits	86	46	30	-*
Prepaid operating expenses	34	47	-	12
Deferred maintenance cost	178	213	-	-
Tax recoverable	38	37	-	-
Amounts due from subsidiaries	-	-	6,473	6,263
Amount due from joint venture	-	630	-	630
Cash and cash equivalents	1,671	2,900	432	695
Asset of disposal group classified as held for sale	3,829	-	-	-
	6,096	**4,321**	**6,935**	**7,600**
Total assets	**49,181**	**52,267**	**31,746**	**32,411**
EQUITY AND LIABILITIES				
Equity and reserves				
Share capital	37,149	37,149	37,149	37,149
Fair value reserve	-*	68	-	-
Foreign currency translation reserve	(4,972)	(5,012)	-	-
Retained earnings/(Accumulated losses)	(3,375)	475	(14,762)	(14,411)
Equity attributable to owners of the Company	**28,802**	**32,680**	**22,387**	**22,738**
Non-controlling interests	1,670	1,937	-	-
Total equity and reserves	**30,472**	**34,617**	**22,387**	**22,738**

Liabilities				
Non-current liabilities				
Finance lease payables	-	3,596	-	-
Amount due to related parties	5,587	5,582	839	829
	5,587	**9,178**	**839**	**829**
Current liabilities				
Trade payables	55	179	-	-
Other payables and accruals	2,228	1,876	673	167
Deferred revenue	232	363	-	-
Amounts due to subsidiaries	-	-	7,847	8,677
Income tax payable	3	-	-	-
Loan and borrowings	7,155	6,054	-	-
Liabilities of disposal group classified as held for sale	3,449	-	-	-
	13,122	**8,472**	**8,520**	**8,844**
Total liabilities	**18,709**	**17,650**	**9,359**	**9,673**
Total equity and liabilities	**49,181**	**52,267**	**31,746**	**32,411**

* Amount is less than S$1,000.

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

Amount repayable in one year or less, or on demand

Group			
As at 30 June 2015 (Unaudited)		As at 31 December 2014 (Audited)	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	7,155	-	6,054

Amount repayable after one year

Group			
As at 30 June 2015 (Unaudited)		As at 31 December 2014 (Audited)	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Details of any collateral

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

Others – Contingent liabilities

The Company has provided proportionate guarantees as follows:

1. For a principal sum of up to S$11.3 million in relation to a term loan facility granted by a licensed bank to Epsom College Malaysia Sdn Bhd., ("Espom College in Malaysia"), a subsidiary of EDUC8; and

2. For a principal sum of up to S$10.4 million in relation to a term loan facility and a bank guarantee facility of up to S$0.55 million granted by a licensed bank to TP Sepang Sdn Bhd., a subsidiary of joint venture, TP Real Estate Holdings Pte Ltd ("TPRE").

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

	Group For the 6 months ended 30 June 2015	Group For the 6 months ended 30 June 2014
	S$'000	S$'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	**(4,321)**	**514**
Adjustments for:		
Depreciation of property, plant and equipment	21	17
Share of loss from joint venture	336	55
Share of loss/(profit) from associates	2,499	(685)

Loss/(gain) on disposal of available-for-sale financial assets	11	(886)
Interest income from bank deposits	(8)	(36)
Interest expenses	428	388
Dividend income from investment securities	(14)	(13)
Unrealised foreign exchange loss/(gain), net	407	(122)
Operating loss before working capital changes	**(641)**	**(768)**
Amount due from a joint venture	630	-
Trade and other receivables	157	44
Trade and other payables	122	(391)
Cash flow generated from/(used in) operations	**268**	**(1,115)**
Income tax paid	(17)	(17)
Net cash flows generated from/(used in) operating activities	**251**	**(1,132)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of available-for-sale financial assets	218	2,612
Acquisition of property, plant and equipment	(9)	(88)
Investment in associates	(2,823)	(1,137)
Dividend income from investment securities	14	13
Net cash (used in)/generated from investing activities	**(2,600)**	**1,400**
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(222)	(227)
Interest received from bank deposits	8	36
Proceeds from bank borrowings	1,431	-
Net cash generated from/(used in) financing activities	**1,217**	**(191)**
Net (decrease)/increase in cash and cash equivalents	**(1,132)**	**77**
Net foreign exchange difference	**(97)**	**9**
Cash and cash equivalents at beginning of financial period	**2,900**	**3,457**
Cash and cash equivalents at end of financial period	**1,671**	**3,543**

* Amount is less than S$1,000.

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

	Share capital	Fair value reserve	Foreign currency translation reserve	Accumulated profits/ (losses)	Equity attributable to equity owners of the Company	Non-controlling interests	Total
GROUP	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance as at 1 January 2014 (Unaudited)	**37,149**	**-**	**(4,968)**	**6,637**	**38,818**	**3,031**	**41,849**
Profit for the period	-	-	-	301	301	193	494
Share of other comprehensive income of a joint venture	-	-	427	-	427	-	427
Share of other comprehensive loss of associates	-	-	(126)	-	(126)	(53)	(179)
Exchange differences arising from translating foreign operations	-	-	(169)	-	(169)	(26)	(195)
Total comprehensive income for the period	-	-	132	301	433	114	547
Balance as at 30 June 2014	**37,149**	**-**	**(4,836)**	**6,938**	**39,251**	**3,145**	**42,396**

Balance as at 1 January 2015 (Unaudited)	**37,149**	**68**	**(5,012)**	**475**	**32,680**	**1,937**	**34,617**
Loss for the period	-	-	-	(3,850)	(3,850)	(487)	(4,337)
Net change in fair value reserve for available-for-sale financial assets	-	(67)	-	-	(67)	-	(67)

Share of other comprehensive loss of a joint venture	-	-	(36)	-	(36)	-	(36)
Share of other comprehensive income of associates	-	-	295	-	295	344	639
Exchange differences arising from translating foreign operations	-	-	(219)	-	(219)	(124)	(343)
Total comprehensive income/(loss) for the year	-	(67)	40	(3,850)	(3,877)	(267)	(4,144)
Balance as at 30 June 2015	**37,149**	**-***	**(4,972)**	**(3,375)**	**28,802**	**1,670**	**30,472**

* Amount is less than S$1,000.

COMPANY	Share capital S$'000	Accumulated losses S$'000	Total S$'000
(Unaudited)			
Balance as at 1 January 2014	**37,149**	**(12,551)**	**24,598**
Total comprehensive loss for the period	-	(281)	(281)
Balance as at 30 June 2014	**37,149**	**(12,832)**	**24,317**

(Unaudited)			
Balance as at 1 January 2015	**37,149**	**(14,411)**	**22,738**
Total comprehensive loss for the period	-	(351)	(351)
Balance as at 30 June 2015	**37,149**	**(14,762)**	**22,387**

* Amount is less than S$1,000.

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

There has been no change in the Company's share capital from 31 December 2014 to 30 June 2015. The Company's share capital as at 31 December 2014 and 30 June 2015 remained at S$37,148,948 and comprised 165,451,344 shares.

Convertibles

The Company did not have any outstanding convertibles as at 30 June 2015 and 30 June 2014.

Treasury shares

The Company did not have any treasury shares as at 30 June 2015 and 30 June 2014.

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

	As at 30 June 2015	As at 31 December 2014
Total number of issued shares excluding treasury shares	165,451,344	165,451,344

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

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

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

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

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

Not applicable.

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

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation for the current financial period reported on as in the most recently audited annual financial statements for the financial period ended 31 December 2014.

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

The Group has adopted all the new and revised Financial Reporting Standards ("**FRS**") and Interpretations of FRS ("**INT FRS**") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015

The adoption of the new and revised FRS and INT FRS did not result in substantial changes to the Group's accounting policies and has no material effect on the financial results reported for the current or prior reporting periods.

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

	Group	
	For the 6 months ended 30 June 2015 (Unaudited)	**For the 6 months ended 30 June 2014 (Unaudited)**
Based on weighted average number of ordinary shares in issue (Singapore cents)*	(2.33)	0.18
On a fully diluted basis (Singapore cents)**	(2.33)	0.18

Notes:-
* (Loss) per ordinary share for the unaudited 6 months ended 30 June 2015 ("6M2015") was computed based on the loss attributable to owners of the Company of S$3.850 million divided by the weighted average number of ordinary shares in issue of 165,451,344 for the 6 months ended 30 June 2015. Earnings per ordinary share for the 6 months ended 30 June 2014 ("6M2014") was computed based on the profit attributable to owners of the Company of S$0.301 million divided by the weighted average number of ordinary shares in issue of 165,451,344 for 6M2014.

** Basic and diluted (loss)/earnings per share was the same as there were no potentially dilutive securities in issue as at the end of 6M2015 and 6M2014.

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

	Group		Company	
	As at 30 June 2015 (Unaudited)	**As at 31 December 2014 (Audited)**	**As at 30 June 2015 (Unaudited)**	**As at 31 December 2014 (Audited)**
Net asset value ("**NAV**") per ordinary share (Singapore cents)	18.42	20.92	13.53	13.74
Number of ordinary shares in issue	165,451,344	165,451,344	165,451,344	165,451,344

Note:-
The Group's and the Company's NAV per ordinary share as at 30 June 2015 and 31 December 2014 were calculated based on the net assets of the Group and the Company over the number of ordinary shares in issue at the respective balance sheet dates.

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

Six months ended 30 June 2015 ("6M2015") vs six months ended 30 June 2014 ("6M2014")

Income Statement

The overall group turnover increased by 30.1% from S$0.674 million in 6M2014 to S$0.877 million in 6M2015.

Sales of goods and services increased by 32.1% from S$0.636 million in 6M2014 to S$0.840 million in 6M2015, mainly due to an increase in selling prices in respect of the Group's IT implementation services.

Income from investment activities only increased marginally by 7.7% from S$0.013 million in 6M2014 to S$0.014 million in 6M2015 as the Group has disposed most of its investment in listed available-for-sale financial assets.

The income from property management, which was solely related to rental of the property adjoining the former Ormond Hotel in Dublin, Ireland, decreased marginally from S$0.025 million in 6M2014 to S$0.023 million in 6M2015 mainly due to exchange differences caused by the weakening of the Euro against the Singapore Dollars.

Interest income from bank deposits of S$0.008 million in 6M2015 was 77.8% lower than the interest income from bank deposits of S$0.036 million in 6M2014 as a result of lower available cash balances for placement of deposits in 6M2015 due to the Group's increased investment in EDUC8 as explained below.

The sundry income of S$0.052 million reported in 6M2014 consisted of vacant building allowances received from Kuala Lumpur City Hall authorities in respect of the Group's remaining investment property, the lease of Wisma Char Yong ("Investment Property"). However, the Group reported S$Nil in sundry income in 6M2015 as the Group is still awaiting the release of the vacant building allowance payments for the current period by the Kuala Lumpur City Hall authorities.

The loss on disposal of available-for-sale financial assets that amounted to S$0.011 million in 6M2015 compared to a gain on disposal of available-for-sale financial assets that amounted to S$0.886 million in 6M2014 was mainly due to lower share prices and the weakening of the Malaysian Ringgit against the United States Dollar in 6M2015.

Purchase of software and services decreased marginally by 3.7% from S$0.323 million in 6M2014 to S$0.311 million in 6M2015 despite an increase in sales of goods and services, mainly due to effective cost control measures implemented by the Group's IT division.

Property management cost represented the cost of operations in managing the Investment Property. The decrease from S$0.174 million in 6M2014 to S$0.159 million in 6M2015 was due to the lower maintenance costs incurred since there were no tenants leasing the Investment Property during 6M2015.

Employee benefits expenses increased marginally by 0.9% from S$0.653 million in 6M2014 to S$0.659 million in 6M2015 as the number of employees remained relative stable over the two comparative periods.

The increase in depreciation of property, plant and equipment from S$0.017 million in 6M2014 to S$0.021 million in 6M2015 was mainly due to the depreciation charge on a motor vehicle purchased by one of the Group's subsidiaries during the 2nd half of 2014.

The Group registered a foreign exchange loss of S$0.407 million in 6M2015 as compared to a foreign exchange gain S$0.122 million in 6M2014 mainly due to the weakening of both the Singapore Dollar and the Malaysian Ringgit against the United States Dollar.

The other operating expenses increased from S$0.329 million in 6M2014 to S$0.373 million in 6M2015 due to legal and professional fees incurred by the Group for its investment activities.

The increase in finance costs from S$0.388 million in 6M2014 to S$0.428 million in 6M2015 was attributable to interest expenses incurred on borrowings for the Group's additional investment in associates.

The Group's share of loss from joint venture increased from S$0.055 million in 6M2014 to S$0.336 million in 6M2015 mainly due to foreign exchange losses resulting from the weakening of the Malaysian Ringgit, Euro and Australian Dollar against the Singapore Dollar. The joint venture registered a foreign exchange loss of S$0.702 million in 6M2015 as compared to foreign exchange gain of S$1.251 million in 6M2014. Excluding foreign exchange fluctuations, these hotels registered an operating profit before tax of S$0.296 million in 6M2015 as compared to an operating loss before tax of S$1.356 million in 6M2014.

The share of loss from associates of S$2.499 million consists of the Group's share of loss of S$1.157 million from TYK Capital Sdn Bhd ("TYKC"), and share of loss from EDUC8 of S$1.342 million. The loss registered by TYKC's group of companies in 6M2015 was mainly attributable to the downturn of its hard disk drives ("HDD") manufacturing operations mainly as a result of decline in market demand for HDD. The loss registered by EDUC8 in 6M2015 was mainly due to the initial high operating costs incurred by Epsom College in Malaysia, which only commenced operation in the last quarter of 2014.

The income tax expense of S$0.016 million in 6M2015 and S$0.020 million in 6M2014 represented the provisional assessments by the Inland Revenue Board for one of the subsidiaries of the Group.

The above resulted in the Group recording a loss before tax of S$4.321 million in 6M2015, as compared to a profit before tax of S$0.514 million in 6M2014.

Statement of Financial Position

Decrease in property, plant and equipment by S$0.319 million as at 30 June 2015 consisted of:

i. a depreciation charge of S$0.021 million for plant and equipment in 6M2015;
ii. reduction in the carrying value of the former Ormond Hotel and its adjoining property in Dublin, Ireland due to negative exchange difference of S$0.306 million at 30 June 2015 resulting from the weakening of the Euro against the Singapore Dollar; offset by
iii. an increase in the carrying value of the former Ormond Hotel and its adjoining property in Dublin, Ireland due to the capitalisation of professional fees of S$0.008 million, incurred in its proposed redevelopment.

The Investment Property and the corresponding finance lease payables have been classified as assets and liabilities held for sale respectively in 6M2015 as the Company and the non-controlling interest holders had entered into a conditional share sale agreement with two independent third parties to dispose of the entire share capital of a 70% owned subsidiary of the Group, Plato-Straits Heritage Sdn. Bhd., which holds the registered lease of the Investment Property, for a total cash consideration of approximately S$3.725 million as announced on 6 April 2015 ("**Proposed Sale**"). The Proposed Sale has yet to be completed at the date of this announcement.

Investment in joint venture decreased from S$20.256 million as at 31 December 2014 to S$19.885 million as at 30 June 2015 due to the Group's share of loss of S$0.336 million and negative exchange difference of S$0.035 million for 6M2015.

The decrease in investment in associates from S$18.514 million as at 31 December 2014 to S$18.677 million as at 30 June 2015 was mainly due to the Group's share of loss in TYKC and EDUC8 of S$1.157 million and S$1.342 million respectively and a negative exchange difference of S$0.161 million, offset by an increased shareholding in EDUC8 amounting to S$2.823 million in 6M2015.

Available-for-sale financial assets decreased by S$0.285 million from S$0.642 million as at 31 December 2014 to S$0.357 million as at 30 June 2015, as a result of the disposal of available-for-sale financial assets in 6M2015.

Trade receivables decreased from S$0.448 million as at 31 December 2014 to S$0.260 million as at 30 June 2015 mainly due to improved collection from trade debtors.

Other receivables and deposits increased marginally by S$0.040 million from S$0.046 million as at 31 December 2014 to S$0.086 million as at 30 June 2015 mainly due to recoverable advance payments made in relation to the Proposed Sale.

Deferred maintenance cost decreased by S$0.035 million from S$0.213 million as at 31 December 2014 to S$0.178 million as at 30 June 2015 due to accrual accounting as most of the IT system maintenance contracts will be renewed in the second half of 2015.

The amount due from joint venture of S$0.630 million as at 31 December 2014, being shareholders' advances to TPRE has been fully repaid in 6M2015.

Cash and cash equivalents decreased by S$1.229 million from S$2.900 million as at 31 December 2014 to S$1.671 million as at 30 June 2015 mainly due to additional investment in EDUC8 of S$2.823 million, offset by a drawdown of revolving credit of S$1.431 million in 6M2015.

Increase in trade and other payables and accruals by S$0.228 million from S$2.055 million as at 31 December 2014 to S$2.283 million as at 30 June 2015 was mainly

due to 15% deposit received from the prospective buyers for the Proposed Sales mentioned above.

The deferred revenue under current liabilities decreased by S$0.131 million from S$0.363 million as at 31 December 2014 to S$0.232 million at 30 June 2015 due to accrual accounting as explained under deferred maintenance cost above.

Increase in bank borrowings of S$1.101 million as at 30 June 2015 was due to a drawdown of revolving credit of S$1.431 million, offset by a negative exchange differences of S$0.330 million resulting from the weakening of the Malaysian Ringgit against the Singapore Dollar.

The finance lease payables decreased from S$3.596 million as at 31 December 2014 to S$Nil at 30 June 2015 as the finance lease payables of S$3.449 million at 30 June 2015 has since been reclassified as liabilities of disposal group held for sale as explained above. The difference of S$0.147 million arose mainly from the negative exchange difference resulting from the weakening of the Malaysian Ringgit against the Singapore Dollar.

The amounts due to related parties of S$5.587 million as at 30 June 2015 (31 December 2014: S$5.582 million) were made up of long term advances due to a substantial shareholder, a company controlled by a substantial shareholder and a non-controlling interest of a subsidiary for S$1.969 million, S$0.839 million and S$2.779 million respectively. The repayment date for both the amounts due to a substantial shareholder and a company controlled by a substantial shareholder is 28 February 2017.

The decrease in the Group's foreign currency translation reserve of S$0.040 million from negative S$5.012 million as at 31 December 2014 to negative S$4.972 million as at 30 June 2015 was mainly due to the weakening of the Singapore Dollar against the United States Dollar, which arose on the re-translation of presentational currency.

Although the Group had a negative working capital of S$7.026 million as at 30 June 2015, the Directors are of the view that the Group will have continued access to banking facilities made available to the Group supported by Mr LKO as guarantor to those facilities. Mr LKO has committed to the Group to continue to provide and not withdraw such personal guarantees so as to enable the Group to have continuous access to these banking facilities. Further to that, the Directors are of the view that the Group will be able to secure additional borrowings by securing its long-term assets which are currently unencumbered.

Cash Flows Statement

Cash flows generated from operations was S$0.268 million, mainly as a result of an operating loss before working capital changes of S$0.641 million, offset by repayment of amount due from a joint venture of S$0.630 million, a decrease in trade and other receivables of S$0.157 million and an increase in trade and other payables of S$0.122 million.

After taking into account the cash flow from operations, income tax paid of S$0.017 million, the Group's net cash flows generated from operating activities was S$0.251 million in 6M2015.

The Group's net cash used in investing activities amounting to S$2.600 million in 6M2015 was mainly attributable to the additional investment in EDUC8 of S$2.823 million and acquisition of property, plant and equipment of S$0.009 million, offset by the proceeds from the disposal of available-for-sale financial assets of S$0.218 million.

The net cash generated from financing activities amounting to S$1.217 million in 6M2015 was attributable to the proceeds from bank borrowings for the increased

investment in EDUC8 and fixed deposit interest received of S$1.431 million and S$0.008 million respectively, and offset by finance costs of S$0.222 million.

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

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

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

For the next 12 months, we expect the Group's financials to be driven primarily by its exposure to three core sectors: precision engineering via the Group's investment in hard disk drive ("HDD") manufacturer TYKC, travel and hospitality through TPRE, and education through its investment in EDUC8, the investment holding company of Epsom College in Malaysia.

HDD Sector

Despite continued PC weakness in the sector resulting in HDD shipments hitting six year quarterly lows in 2Q2015, we expect shipment forecasts to now stabilise in 3Q2015 and slowly improve as we progress into the next 12 months. In light of the above and in order to improve profitability of TYKC, TYKC's management team will continue to focus on improving operational processes and right sizing operations with a view of resetting and realigning its current cost structure. Additionally, to supplement its HDD operations and to protect itself from the on-going volatility of HDD demand, management will continue to explore opportunities to diversify their precision engineering activities to cater to other areas such as automotive, oil and gas, and other consumer electronic products.

Hospitality Sector

All three hotels (Edinburgh, Melbourne and KILA2) under the Group's hospitality sector, via its 50% stake in TPRE are expected to generate improved returns year on year in the next 12 months as the sector continues to experience strong growth in demand for affordable travel. To improve TPRE's asset yields and to increase the Group's profitability, management will continue to focus its efforts on enhancing its revenue management strategies and exploring new distribution channels (both online and offline) to drive occupancies during weekday stays (via corporate and wholesale channels) and to improve average room rates on the weekends.

Additionally, in light of the continued resurgence within the Dublin hospitality sector; management is also working closely with its design consultants to submit a planning application to the Dublin City Council to redevelop its Ormond Quay properties.

Education

The Group's investment in the education sector via its 29.55% stake in EDUC8 is expected to continue to improve in the next 12 months as its 50 acre British branded boarding school moves into its second year of operations. While we anticipate continued healthy demand for the British boarding school experience in the 2015/2016 school term, management is expected to capitalise on Epsom's strong international brand name and growing local reputation to increase student enrolment numbers in order to increase asset utilisation and to improve the Group's investment's profitability.

IT

No major fluctuations are expected in the Group's IT division's revenue for the next 12 months. The Group will continue its efforts to engage contract staff for its implementation activities and maintain an optimum cost structure.

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

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

None

(b) (i) Amount per share:

Not applicable

(ii) Previous corresponding period:

None

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

Not applicable

(d) Date payable

Not applicable

(e) Books closure date

Not applicable

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

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

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

The Group does not have a general mandate for recurrent interested person transactions. There were no interested person transactions of S$100,000 or more during 6M2015.

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

We, Lim Kian Onn and Oh Teik Khim, being Directors of the Company do hereby confirm, for and on behalf of the Board of Directors of the Company ("**Board**") that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results of the Group for the six months ended 30 June 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lim Kian Onn
Director
14 August 2015

Oh Teik Khim
Director