PLATO CAPITAL LIMITED
(Company Registration No. 199907443M)

Unaudited Financial Statements And Dividend Announcement For The 6 Months Ended 30 June 2019

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 2019	Group for the 6 months ended 30 June 2018	Increase /(Decrease)
	S$'000	S$'000	%
	(Unaudited)	(Unaudited)	
Revenue [(1)]	429	581	(26.2)
Other income [(2)]	25	117	(78.6)
	454	**698**	**(35.0)**
Other items of income/(expense)			
Purchase of software and services	(188)	(242)	(22.3)
Employee benefits expenses	(631)	(811)	(22.2)
Depreciation of property, plant and equipment	(9)	(9)	0
Foreign exchange (loss)/gain, net	(12)	113	NM
Gain on dilution of interest in an associate	-	143	NM
Bank charges	(4)	(6)	(33.3)
Finance costs	(325)	(334)	(2.7)
Share based payments expense	(57)	(104)	(45.2)
Other operating expenses	(1,142)	(440)	NM
Share of profit from joint ventures	30	879	(96.6)
Share of loss from associates	(1,645)	(597)	NM
	-	-	
Loss before tax	**(3,529)**	**(710)**	**NM**
Income tax expense	**-**	-	NM
Loss for the period	**(3,529)**	**(710)**	**NM**
Attributable to:			
Owners of the Company	**(2,901)**	**(705)**	**NM**
Non-controlling interests	**(628)**	**(5)**	**NM**
	(3,529)	**(710)**	**NM**

NM – not meaningful

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

Notes:

1 Revenue comprises of the following items:

	Group for the 6 months ended 30 June 2019	Group for the 6 months ended 30 June 2018	Increase /(Decrease)
	S$'000	S$'000	%
	(Unaudited)	(Unaudited)	
Revenue from:			
- Sale of goods	3	42	(92.9)
- License fees and services	185	329	(43.8)
- Service maintenance	241	210	14.8
Total	429	581	(26.2)

2 Other income comprises of the following items:

	Group for the 6 months ended 30 June 2019	Group for the 6 months ended 30 June 2018	Increase /(Decrease)
	S$'000	S$'000	%
	(Unaudited)	(Unaudited)	
Interest income from bank deposits	25	18	38.9
Miscellaneous income	-	99	NM
Total	25	117	(78.6)

NM – not meaningful

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

	Group for the 6 months ended 30 June 2019	Group for the 6 months ended 30 June 2018	Increase /(Decrease)
	S$'000	S$'000	%
	(Unaudited)	(Unaudited)	
Loss for the period	**(3,529)**	**(710)**	**NM**
Other comprehensive income/(loss):			
Item that will not be reclassified to profit or loss:			
Share of fair value reserve for financial assets of an associate	-	26	NM
Fair value loss on financial assets at fair value through other comprehensive income	(498)	(247)	NM
Items that may be reclassified subsequently to profit or loss:			
Share of foreign currency translation reserve of joint ventures	(220)	(456)	(51.8)
Share of foreign currency translation reserve of associates	152	130	16.9
Foreign currency translation	412	(200)	NM
Reclassification to profit or loss upon derecognition of an associate	-	(119)	NM
Other comprehensive loss for the period, net of tax	**(154)**	**(866)**	**(82.2)**
Total comprehensive loss for the period	**(3,683)**	**(1,576)**	**NM**
Total comprehensive loss attributable to:			
Owners of the Company	**(2,952)**	**(1,561)**	**89.1**
Non-controlling interests	**(731)**	**(15)**	**NM**
	(3,683)	**(1,576)**	**NM**

NM – not meaningful

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

	Group		Company	
	As at	As at	As at	As at
	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
	S$'000	S$'000	S$'000	S$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Non-current assets				
Property, plant and equipment	11,272	10,565	-	-
Intangible assets	314	313	-	-
Investment in subsidiaries	-	-	26,218	24,540
Investment in joint ventures	17,412	17,602	6,343	6,343
Investment in associates	16,408	17,901	-	-
Financial asset at fair value through other comprehensive income	4,739	5,237	-	-
Financial asset at fair value through profit or loss	-	302	-	-
	50,145	**51,920**	**32,561**	**30,883**
Current assets				
Trade receivables	496	220	-	-
Other receivables and deposits	452	405	-	-
Prepaid operating expenses	3	58	3	12
Deferred maintenance cost	164	198	-	-
Tax recoverable	25	40	-	-
Amounts due from subsidiaries	-	-	6,431	11,056
Cash and cash equivalents	7,349	10,257	1,341	215
	8,489	**11,178**	**7,775**	**11,283**
Total assets	**58,634**	**63,098**	**40,336**	**42,166**
Current liabilities				
Trade payables	14	103	-	-
Other payables and accruals	2,016	5,879	266	210
Deferred revenue	272	361	-	-
Amounts due to subsidiaries	-	-	2,849	4,231
Amount due to joint ventures	-	749	1,057	1,057
Loans and borrowings	4,589	4,948	-	-
	6,891	**12,040**	**4,172**	**5,498**
Net current assets/(liabilities)	**1,598**	**(862)**	**3,603**	**5,785**

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

	Group		Company	
	As at	As at	As at	As at
	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
	S$'000	S$'000	S$'000	S$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Non-current liabilities				
Deferred tax liabilities	131	131	131	131
Redeemable convertible unsecured loan stocks ("RCULS") – liability component	5,607	5,427	5,607	5,427
Amounts due to related parties	2,355	2,374	-	-
	8,093	**7,932**	**5,738**	**5,558**
Total liabilities	**14,984**	**19,972**	**9,910**	**11,056**
Net assets	**43,650**	**43,126**	**30,426**	**31,110**
Equity				
Share capital	40,875	40,875	40,875	40,875
Fair value and other reserve	133	574	2,260	2,203
Foreign currency translation reserve	(7,852)	(8,299)	-	-
Retained earnings/(accumulated losses)	4,606	7,507	(12,709)	(11,968)
Equity attributable to owners of the Company	**37,762**	**40,657**	**30,426**	**31,110**
Non-controlling interests	5,888	2,469	-	-
Total equity	**43,650**	**43,126**	**30,426**	**31,110**
Total equity and liabilities	**58,634**	**63,098**	**40,336**	**42,166**

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 2019 (Unaudited)		As at 31 December 2018 (Audited)	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	4,589*	-	4,948*

* Loans and borrowings

Amount repayable after one year

Group			
As at 30 June 2019 (Unaudited)		As at 31 December 2018 (Audited)	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	5,607**	-	5,427**

** RCULS – liability component

Details of any collateral

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

Others – Contingent liabilities

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

1. For a principal sum of up to S$9.41 million in relation to a term loan facility granted by a licensed bank to Epsom College Malaysia Sdn Bhd ("**ECiM**"), a subsidiary of an associate, Educ8 Group Sdn Bhd ("**Educ8**"); and

2. For a principal sum of up to S$8.52 million in relation to a term loan facility and a bank guarantee facility of up to S$0.46 million granted by a licensed bank to TP Sepang Sdn Bhd, a joint venture company.

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

	Group for the 6 months ended 30 June 2019 S$'000	Group for the 6 months ended 30 June 2018 S$'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	**(3,529)**	**(710)**
Adjustments for:		
Interest income from bank deposits	(25)	(18)
Interest expenses	325	334
Depreciation of property, plant and equipment	9	9
Gain on dilution of interest in an associate	-	(143)
Share based payments expense	57	104
Share of profit from joint ventures	(30)	(879)
Share of loss from associates	1,645	597
Unrealised foreign exchange (gain)/loss, net	(306)	675
Operating loss before working capital changes	**(1,854)**	**(31)**
Receivables	(10)	(396)
Payables	(303)	(1,118)
Cash flows used in operations	**(2,167)**	**(1,545)**
Income tax credited	5	5
Net cash flows used in operating activities	**(2,162)**	**(1,540)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,649)	(1,271)
Trademark related expenses paid	(1)	(2)
Dividend received from associates	-	3,064
Dividend received from joint venture	-	11,488
Investment in associates	-	(439)
Investment in joint ventures	-	(1,011)
Proceeds from disposal of financial assets	283	-
Net cash (used in)/generated from investing activities	**(1,367)**	**11,829**

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

	Group for the 6 months ended 30 June 2019	Group for the 6 months ended 30 June 2018
	S$'000	S$'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(145)	(165)
Interest received from bank deposits	22	18
Capital contribution from non-controlling interest of a subsidiary	1,136	-
Repayment of bank borrowings	(328)	(337)
Net cash generated from/(used in) financing activities	**685**	**(484)**
Net (decrease)/increase in cash and cash equivalents	(2,844)	9,805
Effect of exchange rate changes on cash and cash equivalents	(64)	(103)
Cash and cash equivalents at 1 January	**10,257**	**4,321**
Cash and cash equivalents at 30 June	**7,349**	**14,023**
Cash at bank and on hand	3,884	13,373
Short-term deposits	3,465	650
Cash and cash equivalents	**7,349**	**14,023**

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

<---------- Attributable to owners of the Company ---------->										
	Share Capital	RCULS – equity component	Share-based payments reserve	Fair value reserve	Capital reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to equity owners of the Company	Non-controlling interests	Total
GROUP (Unaudited)	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance as at 1 January 2019 (SFRS(I) Framework)	**40,875**	**1,164**	**1,039**	**(1,672)**	**43**	**(8,299)**	**7,507**	**40,657**	**2,469**	**43,126**
Loss for the period	-	-	-	-	-	-	**(2,901)**	**(2,901)**	**(628)**	**(3,529)**
Other comprehensive income/(loss):										
Fair value loss on financial assets at fair value through other comprehensive income	-	-	-	**(498)**	-	-	-	**(498)**	-	**(498)**
Share of foreign currency translation reserve of joint ventures	-	-	-	-	-	(220)	-	**(220)**	-	**(220)**
Share of foreign currency translation reserve of associates	-	-	-	-	-	95	-	**95**	57	**152**
Foreign currency translation	-	-	-	-	-	572	-	**572**	(160)	**412**
Other comprehensive (loss)/income for the period, net of tax	-	-	-	**(498)**	-	**447**	-	**(51)**	**(103)**	**(154)**
Total comprehensive (loss)/income for the period	-	-	-	**(498)**	-	**447**	**(2,901)**	**(2,952)**	**(731)**	**(3,683)**
Transaction with owners:										
Issuance of share options and share awards	-	-	57	-	-	-	-	**57**	-	**57**
Issuance of shares by a subsidiary	-	-	-	-	-	-	-	-	4,150	**4,150**
Total transaction with owners	-	-	**57**	-	-	-	-	**57**	**4,150**	**4,207**
Balance as at 30 June 2019	**40,875**	**1,164**	**1,096**	**(2,170)**	**43**	**(7,852)**	**4,606**	**37,762**	**5,888**	**43,650**

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

	<---------- Attributable to owners of the Company ---------->									
	Share Capital	RCULS – equity component	Share-based payments reserve	Fair value reserve	Capital reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to equity owners of the Company	Non-controlling interests	Total
GROUP (Unaudited)	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance as at 1 January 2018	**40,875**	**1,164**	**832**	**84**	**43**	**(7,222)**	**11,016**	**46,792**	**2,420**	**49,212**
Loss for the period	-	-	-	-	-	-	**(705)**	**(705)**	**(5)**	**(710)**
Other comprehensive income/(loss):										
Share of other comprehensive loss on re-measurement of the defined benefit obligations of an associate	-	-	-	(247)	-	-	-	**(247)**	-	**(247)**
Share of fair value reserve for financial assets of an associate	-	-	-	26	-	-	-	**26**	-	**26**
Reclassifcation to profit or loss upon derecognition of an asociate	-	-	-	(153)	-	34	-	**(119)**	-	**(119)**
Share of foreign currency translation reserve of joint ventures	-	-	-	-	-	(456)	-	**(456)**	-	**(456)**
Share of foreign currency translation reserve of associates	-	-	-	-	-	204	-	**204**	(74)	**130**
Foreign currency translation	-	-	-	-	-	(264)	-	**(264)**	64	**(200)**
Other comprehensive loss for the period, net of tax	-	-	-	**(374)**	-	**(482)**	-	**(856)**	**(10)**	**(866)**
Total comprehensive loss for the period	-	-	-	**(374)**	-	**(482)**	**(705)**	**(1,561)**	**(15)**	**(1,576)**
Transactions with owners:										
Issuance of share options and share awards	-	-	104	-	-	-	-	**104**	-	**104**
Total transactions with owners	-	-	**104**	-	-	-	-	**104**	-	**104**
Balance as at 30 June 2018	**40,875**	**1,164**	**936**	**(290)**	**43**	**(7,704)**	**10,311**	**45,335**	**2,405**	**47,740**

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

	Share capital	RCULS – equity component	Share-based payments reserve	Accumulated losses	Total equity
COMPANY	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
(Unaudited)					
As at 1 January 2019	**40,875**	**1,164**	**1,039**	**(11,968)**	**31,110**
Loss for the period, representing total comprehensive loss for the period	**-**	**-**	**-**	**(741)**	**(741)**
Transaction with owners:					
Issuance of share options and share awards	**-**	**-**	**57**	**-**	**57**
At 30 June 2019	**40,875**	**1,164**	**1,096**	**(12,709)**	**30,426**
(Unaudited)					
As at 1 January 2018	**40,875**	**1,164**	**832**	**(21,738)**	**21,133**
Profit for the period, representing total comprehensive profit for the period	**-**	**-**	**-**	**10,951**	**10,951**
Transactions with owners:					
Grant of equity-settled share options and share awards	**-**	**-**	**104**	**-**	**104**
At 30 June 2018	**40,875**	**1,164**	**936**	**(10,787)**	**32,188**

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

Share Capital

There has been no change in the Company's share capital from 31 December 2018 to 30 June 2019. The Company's share capital as at 31 December 2018 and 30 June 2019 remained at S$40,875,023 and comprised 194,701,333 ordinary shares ("**Existing Issued Share Capital**").

Convertibles

Redeemable Convertible Unsecured Loan Stocks ("RCULS")

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

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

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

As such, as at 30 June 2019, there are 62 RCULS outstanding convertible into 47,692,307 Shares (30 June 2018: 47,692,307 Shares) and accrued interest of S$96,100 (30 June 2018: S$65,100) convertible into 739,231 Shares (30 June 2018: 500,769 Shares).

Accordingly, as at 30 June 2019, the aggregate number of Shares that may be issued on conversion of the RCULS and accrued interest is 48,431,538 Shares (30 June 2018: 48,193,076 Shares), representing approximately 24.9% (30 June 2018: 24.8%) of the Existing Issued Share Capital.

Employee Share Option Scheme ("Plato ESOS 2016")

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

As at 30 June 2019, a total of 1,240,885 Share Options had been forfeited and the remaining balance of Share Options outstanding is convertible into 9,237,699 Shares (30 June 2018: 9,237,699 shares), representing approximately 4.7% (30 June 2018: 4.7%) of the Existing Issued Share Capital.

Performance Share Plan ("Plato PSP 2016")

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

As at 30 June 2019, a total of 620,443 Share Awards had been forfeited and the remaining balance of Shares issuable under the Share Awards is 4,618,853 Shares (30 June 2018: 4,618,853), representing approximately 2.4% (30 June 2018: 2.4%) of the Existing Issued Share Capital.

Based on the foregoing, the total number of Shares that may be issued on conversion of all outstanding convertibles (including Share Options and Share Awards) as at 30 June 2019 is 62,288,090 Shares (30 June 2018: 62,049,628 Shares), representing approximately 32.0% (30 June 2018: 31.9%) of the Existing Issued Share Capital.

.

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

Save as disclosed, the Company did not have any other outstanding convertibles as at 30 June 2019 and 30 June 2018.

Treasury shares and subsidiary holdings

The Company did not have any treasury shares or subsidiary holdings as at 30 June 2019 and 30 June 2018.

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 2019	As at 31 December 2018
Total number of issued shares excluding treasury shares	194,701,333	194,701,333

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

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

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

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

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

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

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

Not applicable.

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

Save as disclosed in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation for the current financial year reported on as in the most recently audited annual financial statements for the financial year ended 31 December 2018.

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 also adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT-FRS(I)") that are effective from 1 January 2019.

The adoption of the new and revised SFRS(I) and INT-SFRS(I) 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	
Loss per Share ("LPS")	**For the 6 months ended 30 June 2019**	**For the 6 months ended 30 June 2018**
	(Unaudited)	**(Unaudited)**
Basic Based on weighted average number of ordinary shares in issue (Singapore cents)	(1.49)[(1)]	(0.36)[(3)]
Diluted On a fully diluted basis (Singapore cents)	(1.13)[(2)]	(0.23)[(4)]

Notes:-

(1) Computed based on the loss attributable to owners of the Company of S$2.901 million divided by the weighted average number of ordinary shares in issue of 194,701,333 for the six months financial period ended 30 June 2019 ("**6M2019**").

(2) Computed based on the loss of S$2.752 million, representing the total of (i) the loss attributable to owners of the Company of S$2.901 million and (ii) savings from reversal of RCULS accrued interest expense of S$0.149 million; divided by 244,337,788 Shares, being (i) the total of the weighted average number of ordinary shares in issue of 194,701,333 and (ii) assuming full conversion of outstanding RCULS and Plato ESOS 2016 into 49,636,455 ordinary shares of which are assumed to be issued on 1 January 2019, for 6M2019.

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 (cont'd)

(3) Computed based on the loss attributable to owners of the Company of S$0.705 million divided by the weighted average number of ordinary shares in issue of 194,701,333 for the six months financial period ended 30 June 2018 ("**6M2018**").

(4) Computed based on the loss of S$0.565 million, representing the total of (i) the loss attributable to owners of the Company of S$0.705 million and (ii) savings from reversal of RCULS accrued interest expense of S$0.140 million; divided by 244,099,326 Shares, being (i) the total of the weighted average number of ordinary shares in issue of 194,701,333 and (ii) assuming full conversion of outstanding RCULS and Plato ESOS 2016 into 49,397,993 ordinary shares of which are assumed to be issued on 1 January 2018, for 6M2018.

In accordance with the financial reporting standards, the weighted average number of ordinary shares upon full subscription of Plato PSP 2016 are not included in the fully diluted LPS computation.

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

	Group		Company	
	As at 30-Jun-19 (Unaudited)	As at 31-Dec-18 (Audited)	As at 30-Jun-19 (Unaudited)	As at 31-Dec-18 (Audited)
Net asset value ("**NAV**") per ordinary share (Singapore cents)	19.40	20.88	15.63	15.98
Number of ordinary shares in issue	194,701,333	194,701,333	194,701,333	194,701,333

The Group's and the Company's NAV per ordinary share as at 30 June 2019 and 31 December 2018 were calculated based on the net assets attributable to owners of the Company for the Group and the Company over the number of ordinary shares in issue at the respective balance sheet dates.

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

Six months ended 30 June 2019 vs six months ended 30 June 2018

Income Statement

The Group's revenue decreased by 26.2% to S$0.429 million as a result of the IT Division's lower license sales and implementation services compared to a year ago. This was reflected in a decrease in purchase of software products and services by 22.3%.

Miscellaneous income of S$0.099 million for 6M2018 was related to the claim against purchasers in relation to Plato Strait Heritage Sdn Bhd's vacant property allowance on assessment granted by Dewan Bandaraya Kuala Lumpur.

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 (cont'd)

Employee benefit expenses reduced by 22.2% as a result of ongoing cost rationalisation measures across the group to match revenues with costs.

Gain on dilution of interest decreased due to the absence of the dilution of interest of the Group's associate – ECM Libra Financial Group Berhad ("**ECMLFG**") following a corporate exercise undertaken by ECMLFG.

Share based expenses of S$0.057 million was related to the amortisation of share options and awards granted in 2016 pursuant to the Plato ESOS 2016 and Plato PSP 2016 scheme.

Other operating expenses of S$1.142 million was largely attributable to the legal cost of defending actions by neighbours of our Ormond Hotel development in Dublin who have sought an order to injunct a subsidiary of the Company, Monteco Holdings Ltd (**"Monteco**") from carrying on with the demolition and redevelopment of the Ormond Hotel.

The neighbours, being the owners ("**Owners**") and tenant ("**Tenant**") of the property adjoining to the development site owned by Monteco in Dublin (the "**Neighbour Property**") have respectively initiated Section 160 Planning and Development Act 2000 injunction (the "**Section 160 Planning Injunction**") applications and/or nuisance claims in the Dublin High Court against Monteco seeking court order to injunct Monteco from amongst others, carrying on with the demolition and redevelopment of the Ormond Hotel Project and/or from committing acts of nuisance to the Neighbour Property.

Monteco has since resolved the legal disputes with the Owners and the Section 160 Planning injunction and nuisance claims have been struck off in court.

However, the Section 160 Planning Injunction and nuisance claim initiated by the Tenant remains in place. Since Monteco's legal advisors have advised that Monteco's exposure in terms of damages and cost arising from the nuisance claim is limited, the Group has not made any provision for liability in relation to the nuisance claim.

Aside, Monteco's contractor had referred a payment dispute of Euros 983,000 ("**Adjudicated Sum"**) to adjudication for works done on the development site (the "**First Adjudication**"). Following the First Adjudication, the adjudicator had awarded the Adjudicated Sum in favour of Monteco's contractor which Adjudicated Sum had been fully paid to the contractor subject to Monteco reserving all its rights to pursue claims against the contractor pursuant to the contract entered with the contractor. The Adjudicated sum has been reflected in the Group's accounts.

Subsequent to the First Adjudication, the contractor referred a second payment dispute in an alleged sum of approximately Euros 479,000 ("**Alleged Sum"**) to the adjudicator. This payment dispute is pending as at the date of this announcement and the Alleged Sum has been provided for in the Group's accounts.

Reduction in share of profit from JV by 96.6% to S$0.030 million was resulted from the share of the profit from joint ventures held by TP Real Estate Holdings Pte Ltd amounting to S$0.123 million offset by losses incurred by Tune Plato Ventures Sdn Bhd of S$0.093 million.

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 (cont'd)

Share of loss from associates increased from S$0.597 million to S$1.645 million largely due to losses at TYK Capital Sdn Bhd (**"TYKC"**) of S$1.118 million as a result of quality issues in the hard disk drive sector and a smaller loss of S$0.527 million at Educ8 Group Sdn Bhd (**"Educ8"**) compared with the corresponding period in FY2018.

Fair value loss on financial assets at fair value through other comprehensive income (**"FVOCI"**) of S$0.498 million was recorded for our investment in ECMLFG.

Statement of Financial Position

Investment in associates decreased from S$17.901 million to S$16.408 million due to share of losses at TYKC and Educ8.

Financial asset at FVOCI decreased from S$5.237 million to S$4.739 million as a result of a decrease in market value of our investment in ECMLFG.

Trade receivables increased from S$0.220 million to S$0.496 million due to the increase in money lending activities in one of the subsidiary.

Cash and cash equivalents decreased from S$10.257 million to S$7.349 million as a result of project-related expenses in respect of the Ormond Hotel development.

Other payables and accruals decreased correspondingly from S$5.879 million to S$2.016 million due to capitalisation of shareholder's advances by a non-controlling shareholder of Monteco and payment of contractor's claims for the Ormond Hotel development.

Cash Flows Statement

The net cash flows used in operating activities of S$2.162 million for the first half ended 30 June 2019 was mainly due to loss incurred for the period and projects-related expenses in connection with the development of the hotel in Dublin.

Net cash used in investing activities amounting to S$1.367 million was due to the acquisition of property, plant and equipment, offset by the proceeds from disposal of investment in money market unit trust fund.

Net cash generated from financing activities of S$0.685 million mainly from the capital contribution from the non-controlling interest of Monteco proportionate to their shareholding for the development of Ormond Hotel, net of repayment of bank borrowing.

The net decrease in cash and cash equivalents amounting to S$2.844 million for the first half ended 30 June 2019 was mainly due to cash flow used in operating activities amounting to S$2.162 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

In the next reporting period and the next 12 months, the Group's financial will continue to be driven primarily by its exposure to its three core sectors: (1) Hospitality through TP Real Estate Holdings Pte Ltd and Monteco; (2) Education through Educ8 and (3) Precision engineering and manufacturing through the Group's investment in TYKC.

Hospitality

Tune Hotel KLIA2 continues to deliver robust operating and financial results and focus remains on enhancing profitability through more diverse ancillary income streams and achieving cost efficiencies. We have received planning consent for the Melbourne development and expect to commence work on the 533 rooms hotel there in early 2020. Works on the 120-key Dublin hotel are expected to commence at the same time and a key focus of the division going forward is on growing the development portfolio outside of these existing assets.

Education

Educ8 continues its focus on student recruitment from North Asia as the local Malaysian market remains highly competitive. Cost rationalisation initiatives are expected to take effect in the coming academic year commencing September 2019.

Precision Engineering and Manufacturing

In view of declining margins and demanding quality standards, the data storage industry no longer offer compelling returns for TYKC, hence the increasing focus on developing its business in the laser, automotive and other consumer electronics products which offer better margins and diversification of customer risk.

IT Division

In view of soft market conditions and a weak investment climate, businesses are generally cutting back on capex spending. Management will continue to focus on productivity improvements to remain competitive in offering cost-efficient delivery of services to customers.

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

11. If a decision regarding dividend has been made:

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

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

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

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

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

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

Save for the above, there were no other interested person transactions of S$100,000 or more entered into during 6M2019.

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

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

15. 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 2019 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lim Kian Onn
Director
8 August 2019

Oh Teik Khim
Director

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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

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