

**PLATO CAPITAL LIMITED**

(Company Registration No. 199907443M)

**Unaudited Financial Statement For The Financial Period Ended  
30 June 2020****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 2020	Group for the 6 months ended 30 June 2019	Increase/ (Decrease)
	S\$'000	S\$'000	%
	(Unaudited)	(Unaudited)	
<b>Revenue</b> <sup>(1)</sup>	599	429	39.6
Other income <sup>(2)</sup>	6	25	(76.0)
	<b>605</b>	<b>454</b>	<b>33.3</b>
<b>Other items of income/(expense)</b>			
Purchase of software and services	(140)	(188)	(25.5)
Employee benefits expenses	(406)	(631)	(35.7)
Depreciation of property, plant and equipment	(3)	(9)	(66.7)
Foreign exchange loss, net	(816)	(12)	>100
Other operating expenses	(621)	(1,142)	(45.6)
Bank charges	(2)	(4)	(50.0)
Finance costs	(317)	(325)	(2.5)
Share based payments expense	-	(57)	(100.0)
Share of (loss)/profit from joint ventures	(802)	30	(>100)
Share of (loss)/profit from associates	396	(1,645)	>100
<b>Loss before tax</b>	<b>(2,106)</b>	<b>(3,529)</b>	<b>(40.3)</b>
Income tax	-	-	-
<b>Loss for the period</b>	<b>(2,106)</b>	<b>(3,529)</b>	<b>(40.3)</b>
<b>Attributable to:</b>			
<b>Owners of the Company</b>	<b>(1,942)</b>	<b>(2,901)</b>	<b>(33.1)</b>
<b>Non-controlling interests</b>	<b>(164)</b>	<b>(628)</b>	<b>(73.9)</b>
	<b>(2,106)</b>	<b>(3,529)</b>	<b>(40.3)</b>

**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 2020	Group for the 6 months ended 30 June 2019	Increase/ (Decrease)
	S\$'000	S\$'000	%
	(Unaudited)	(Unaudited)	
Revenue from:			
- Sale of goods	-	3	(100.0)
- License fees and services	128	185	(30.8)
- Service maintenance	220	241	(8.7)
Interest income from provision of credit facilities	251	-	-
Total	599	429	39.6

2 Other income comprises of the following items:

	Group for the 6 months ended 30 June 2020	Group for the 6 months ended 30 June 2019	Increase/ (Decrease)
	S\$'000	S\$'000	%
	(Unaudited)	(Unaudited)	
Interest income from bank deposits	6	25	(76.0)
Total	6	25	(76.0)

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 2020	Group for the 6 months ended 30 June 2019	Increase/ (Decrease)
	S\$'000	S\$'000	%
	(Unaudited)	(Unaudited)	
<b>Loss for the period</b>	<b>(2,106)</b>	<b>(3,529)</b>	<b>(40.3)</b>
<b>Other comprehensive income/(loss):</b>			
<b>Item that will not be reclassified to profit or loss:</b>			
Fair value loss on quoted equity investment at fair value through other comprehensive income	(1,152)	(498)	>100
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Share of foreign currency translation reserve of joint ventures	(16)	(220)	(92.7)
Share of foreign currency translation reserve of associates	393	152	>100
Foreign currency translation loss	1,191	412	>100
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>416</b>	<b>(154)</b>	<b>&gt;100</b>
<b>Total comprehensive loss for the period</b>	<b>(1,690)</b>	<b>(3,683)</b>	<b>(54.1)</b>
<b>Total comprehensive (loss)/income attributable to:</b>			
<b>Owners of the Company</b>	<b>(1,831)</b>	<b>(2,952)</b>	<b>(38.0)</b>
<b>Non-controlling interests</b>	<b>141</b>	<b>(731)</b>	<b>&gt;100</b>
	<b>(1,690)</b>	<b>(3,683)</b>	<b>(54.1)</b>

**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-20	31-Dec-19	30-Jun-20	31-Dec-19
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Non-current assets</b>				
Property, plant and equipment	12,815	11,973	-	-
Right of use assets	107	108	-	-
Intangible assets	326	314	-	-
Investment in subsidiaries	-	-	33,154	33,154
Investment in joint ventures	16,351	17,171	-	-
Investment in associates	14,544	13,352	-	-
Investment securities	3,881	5,033	-	-
Trade receivables	8,452	8,502	-	-
	<b>56,476</b>	<b>56,453</b>	<b>33,154</b>	<b>33,154</b>
<b>Current assets</b>				
Trade receivables	99	295	-	-
Other receivables and deposits	166	231	-	-
Prepaid operating expenses	-	43	3	12
Deferred maintenance cost	106	222	-	-
Tax recoverable	2	16	-	-
Amounts due from subsidiaries	-	-	4,681	3,974
Cash and cash equivalents	2,323	3,758	940	1,928
	<b>2,696</b>	<b>4,565</b>	<b>5,624</b>	<b>5,914</b>
<b>Total assets</b>	<b>59,172</b>	<b>61,018</b>	<b>38,778</b>	<b>39,068</b>
<b>Current liabilities</b>				
Trade payables	1	127	-	-
Other payables and accruals	2,222	2,031	224	204
Lease liability	42	42	-	-
Deferred revenue	230	370	-	-
Amounts due to subsidiaries	-	-	4,061	4,025
Amount due to joint ventures	629	629	-	-
Loans and borrowings	3,912	4,275	-	-
	<b>7,036</b>	<b>7,474</b>	<b>4,285</b>	<b>4,229</b>
<b>Net current (liabilities)/assets</b>	<b>(4,340)</b>	<b>(2,909)</b>	<b>1,339</b>	<b>1,685</b>

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-20	31-Dec-19	30-Jun-20	31-Dec-19
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Non-current liabilities</b>				
Deferred tax liabilities	69	69	69	69
Lease liability	68	68	-	-
Redeemable convertible unsecured loan stocks ("RCULS") – liability component	5,986	5,793	5,986	5,793
Amounts due to a related party	2,456	2,367	-	-
	<b>8,579</b>	<b>8,297</b>	<b>6,055</b>	<b>5,862</b>
<b>Total liabilities</b>	<b>15,615</b>	<b>15,771</b>	<b>10,340</b>	<b>10,091</b>
<b>Net assets</b>	<b>43,557</b>	<b>45,247</b>	<b>28,438</b>	<b>28,977</b>
<b>Equity</b>				
Share capital	40,875	40,875	40,875	40,875
Fair value and other reserve	(724)	428	2,260	2,260
Foreign currency translation reserve	(6,907)	(8,171)	-	-
Retained earnings/(accumulated losses)	4,835	6,778	(14,697)	(14,158)
<b>Equity attributable to owners of the Company</b>	<b>38,079</b>	<b>39,910</b>	<b>28,438</b>	<b>28,977</b>
Non-controlling interests	5,478	5,337	-	-
<b>Total equity</b>	<b>43,557</b>	<b>45,247</b>	<b>28,438</b>	<b>28,977</b>
<b>Total equity and liabilities</b>	<b>59,172</b>	<b>61,018</b>	<b>38,778</b>	<b>39,068</b>

**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 2020		As at 31 December 2019	
(Unaudited)		(Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	3,912*	-	4,275*

\* Loans and borrowings

**Amount repayable after one year**

Group			
As at 30 June 2020		As at 31 December 2019	
(Unaudited)		(Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	5,986**	-	5,793**

\*\* RCULS – liability component

**Details of any collateral**

The bank borrowings 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 corporate guarantee of 28.74% of the outstanding amount under a term loan facility of RM100 million granted by a licensed bank to Epsom College Malaysia Sdn Bhd, a subsidiary of an associate company, Educ8 Group Sdn Bhd (“**Educ8**”).

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-2020	Group for the 6 months ended 30- June-2019
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(2,106)	(3,529)
<b>Adjustments for:</b>		
Interest income from bank deposits	(6)	(25)
Interest income from provision of credit facilities	(251)	-
Interest expenses	317	325
Depreciation of property, plant and equipment	3	9
Share based payments expense	-	57
Share of loss/(profit) from joint ventures	802	(30)
Share of loss/(profit) from associates	(396)	1,645
Unrealised foreign exchange gain, net	(590)	(306)
<b>Operating loss before working capital changes</b>	<b>(2,227)</b>	<b>(1,854)</b>
Receivables	(10)	(10)
Payables	1,082	(303)
<b>Cash flows used in operations</b>	<b>(1,155)</b>	<b>(2,167)</b>
Interest income from provision of credit facilities	251	-
Income tax (paid)/ refunded	(4)	5
<b>Net cash flows used in operating activities</b>	<b>(908)</b>	<b>(2,162)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(374)	(1,649)
Trademark related expenses	(1)	(1)
Investment in associates	(386)	-
Proceeds from disposal of investment securities	-	283
<b>Net cash flows used in investing activities</b>	<b>(761)</b>	<b>(1,367)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(124)	(145)
Interest received from bank deposits	6	22
Capital contribution from non-controlling interest	480	1,136
Repayment of bank borrowings	(326)	(328)
<b>Net cash flows generated from financing activities</b>	<b>36</b>	<b>685</b>
Net decrease in cash and cash equivalents	(1,633)	(2,844)
Effect of exchange rate changes	198	(64)
<b>Cash and cash equivalents at 1 January</b>	<b>3,758</b>	<b>10,257</b>
<b>Cash and cash equivalents at 30 June</b>	<b>2,323</b>	<b>7,349</b>
Cash at bank and on hand	1,123	3,884
Short-term deposits	1,200	3,465
<b>Cash and cash equivalents</b>	<b>2,323</b>	<b>7,349</b>

- 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 2020	40,875	1,164	1,096	(1,875)	43	(8,170)	6,777	39,910	5,337	45,247
Loss for the period	-	-	-	-	-	-	(1,942)	(1,942)	(164)	(2,106)
Other comprehensive income/(loss):										
Fair value loss on financial assets at fair value through other comprehensive income	-	-	-	(1,152)	-	-	-	(1,152)	-	(1,152)
Share of foreign currency translation reserve of joint ventures	-	-	-	-	-	(16)	-	(16)	-	(16)
Share of foreign currency translation reserve of associates	-	-	-	-	-	260	-	260	133	393
Foreign currency translation	-	-	-	-	-	1,019	-	1,019	172	1,191
Other comprehensive (loss)/income for the period, net of tax	-	-	-	(1,152)	-	1,263	-	111	305	416
Total comprehensive (loss)/income for the period	-	-	-	(1,152)	-	1,263	(1,942)	(1,831)	141	(1,690)
Balance as at 30 June 2020	40,875	1,164	1,096	(3,027)	43	(6,907)	4,835	38,079	5,478	43,557



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 2019	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:								-		-
Effects 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)**

	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)					
At 1 January 2020	40,875	1,164	1,096	(14,158)	28,977
Loss for the period, representing total comprehensive income for the period	-	-	-	(539)	(539)
At 30 June 2020	40,875	1,164	1,096	(14,697)	28,438
(Unaudited)					
At 1 January 2019	40,875	1,164	1,039	(11,968)	31,110
Loss for the period, representing total comprehensive income for the period	-	-	-	(742)	(742)
Transactions with owners:					
Effects of share options and share awards	-	-	57	-	57
At 30 June 2019	40,875	1,164	1,096	(12,710)	30,425

**1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 2019 to 30 June 2020. The Company's share capital as at 31 December 2019 and 30 June 2020 remained at S\$40,875,023 and comprised 194,701,333 ordinary shares ("**Existing Issued Share Capital**").

The Company on 22 July 2020 announced that it has completed a share consolidation of every twenty (20) existing ordinary shares in the share capital of the Company into one (1) consolidated ordinary share ("**Consolidated Shares**") ("**Share Consolidation Exercise**"). Accordingly the number of ordinary shares of the Company had been adjusted to 9,735,025 Consolidated Shares as of 22 July 2020. The share capital remains unchanged at S\$40,875,023.

## **Convertibles**

### **Redeemable Convertible Unsecured Loan Stocks (“RCULS”)**

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

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

As such, as at 30 June 2020, there are 62 RCULS outstanding convertible into 47,692,307 Shares (30 June 2019: 47,692,307 Shares) and accrued interest of S\$127,119 (30 June 2019: S\$96,100) convertible into 977,838 Shares (30 June 2019: 739,231 Shares).

Accordingly, as at 30 June 2020, the aggregate number of Shares that may be issued on conversion of the RCULS and accrued interest is 48,670,145 Shares (30 June 2019: 48,431,538 Shares), representing approximately 25.0% (30 June 2019: 24.9%) of the issued share capital as at 30 June 2020.

Pursuant to the Share Consolidation Exercise, the conversion price has been revised accordingly from S\$0.13 each to S\$2.60 each, and the aggregate number of Consolidated Shares that may be issued on conversion of the RCULS and accrued interest is 2,433,507 Consolidated Shares.

### **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 2020, 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 2019: 9,237,699 shares), representing approximately 4.7% (30 June 2019: 4.7%) of the issued share capital as at 30 June 2020.

Pursuant to the Share Consolidation Exercise, the number of Share Options has been adjusted accordingly from 9,237,699 to 461,884 at a revised exercise price of S\$2.00 per Consolidated Share.

### **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 2020, 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 2019: 4,618,853), representing approximately 2.4% (30 June 2019: 2.4%) of the issued share capital as at 30 June 2020.

Pursuant to the Share Consolidation Exercise, the number of Share Awards has been adjusted accordingly from 4,618,853 to 230,942.

Prior to the Share Consolidation Exercise, 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 2020 is 62,526,697 Shares (30 June 2019: 62,288,090 Shares), representing approximately 32.1% (30 June 2019: 31.9%) of the issued share capital as at 30 June 2020.

Subsequent to the Share Consolidation Exercise, the total number of Consolidated Shares that may be issued on conversion of all outstanding convertibles (including Share Options and Share Awards) is 3,126,333 Consolidated Share, representing approximately 32.1% of the revised share capital of 9,735,025 Consolidated Shares.

Save as disclosed, the Company did not have any other outstanding convertibles as at 30 June 2020 and 30 June 2019.

### **Treasury shares and subsidiary holdings**

The Company did not have any treasury shares or subsidiary holdings as at 30 June 2020 and 30 June 2019.

**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.**

	<b>As at 30 June 2020</b>	<b>As at 31 December 2019</b>
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 auditing 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 modifications or emphasis of a matter)**

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**  
**(a) Updates on the efforts taken to resolve each outstanding audit issue**  
**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed**

Not applicable.

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

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation for the current financial period reported on as in the most recently audited annual financial statements for the financial year ended 31 December 2019.

- 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 2020.

The adopting of the new and revised SFRS(I) and INT-SFRS(I) did not result in material changes to the Group's accounting policies and has no material effect on the financial result 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**

Loss per share	Group	
	For the 6 months ended 30 June 2020	For the 6 months ended 30 June 2019
	(Unaudited)	(Unaudited)
Basic loss per share (Singapore cents)	(1.00) <sup>(1)</sup>	(1.49) <sup>(2)</sup>
Diluted loss per share (Singapore cents)	(1.00) <sup>(3)</sup>	(1.49) <sup>(3)</sup>

**Notes:-**

- (1) Computed based on the loss attributable to owners of the Company of S\$1.94 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 2020 ("6M2020").
- (2) Computed based on the loss attributable to owners of the Company of S\$2.90 million divided by the weighted average number of ordinary shares in issue of 194,701,333 for the six months ended 30 June 2019 ("6M2019").
- (3) RCULS, Plato ESOS 2016 and Plato PSP 2016 have not been included in the calculation of diluted loss per share because they are anti-dilutive.

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

	Group		Company	
	As at 30-June-20 (Unaudited)	As at 31-Dec-19 (Audited)	As at 30-June-20 (Unaudited)	As at 31-Dec-19 (Audited)
Net asset value ("NAV") per ordinary share (Singapore cents)	19.56	20.50	14.61	14.88
Number of ordinary shares in issue (excluding treasury shares)	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 2020 and 31 December 2019 were calculated based on the net assets attributable to owners of the Company for the Group and the Company, respectively, 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 2020** ("6M2020") vs six months ended **30 June 2019** ("6M2019")

#### **Income Statement**

Overall, the Group narrowed its net loss by 40.3% to S\$2.11 million in 6M2020 from S\$3.53 million loss in 6M2019.

Revenue increased 39.6% to S\$0.60 million largely on interest income of S\$0.25 million from the provision of credit facilities generated by Plato Capital Sdn Bhd, a wholly-owned subsidiary. Revenue from IT Division fell 18.8% on lower license sales and implementation services. In tandem with lower IT Division revenue, the Group saw a drop of 25.5% in the purchase of software and services cost.

Other income was lower in 6M2020 on reduction in interest income from bank deposits, as a result of lower cash and bank balances position year-on-year.

Employees' benefit expenses reduced 35.7% on ongoing cost rationalisation measures across the Group to improve productivity and cost efficiency.

Foreign exchange loss of S\$0.82 million in 6M2020 was attributed largely to conversion loss with Malaysian Ringgit and Australian dollar.

Other operating expenses reduced to S\$0.62 million in 6M2020 from S\$1.1million in 6M2019 mainly on lower legal and professional fees in relation to the development of Ormond Hotel in Dublin by Monteco Holdings Ltd ("**Monteco**"), a subsidiary company. The fees incurred in 6M2019 were mostly one-off costs on defending actions initiated by neighbours (being the owners and tenant of the property adjoining to the development site of Ormond Hotel) to prevent Monteco carrying on with the demolition and re-development of the Ormond Hotel.

The Group recorded a share of loss from joint ventures of S\$0.80 million in 6M2020 from a share of profit of S\$0.03 million in 6M2019. The share of loss for the period under review came largely from the operating loss recorded by OHG Services Sdn Bhd, a 50% owned joint venture company that operates the Tune Hotel KLIA 2. The financial performance of Tune Hotel KLIA2 was affected by the effect of Covid-19 pandemic where demands for travel and hotel stay were negatively impacted in light of the suspension of air services and the closure of national borders regionally, and the Government of Malaysia mandated restriction of movement.

The Group recorded a share of profit from associates of S\$0.40 million in 6M2020 from a share of loss of S\$1.65 million in 6M2019, due largely to improvement in the financial performance of TYK Capital Sdn Bhd (“**TYKC**”) and a gain reported by Educ8 Group Sdn Bhd (“**Educ8**”) in 6M2020 on reversal of over provision made previously on royalty fees.

On other comprehensive income, the Group recorded a fair value loss on quoted equity investment of S\$1.15 million on lower market price of ECM Libra Group Berhad shares.

### **Statement of Financial Position**

Property, plant and equipment increased from S\$11.97 million to S\$12.81 million largely on capital expenditure incurred on the development of Ormond Hotel in Dublin.

Investment in joint ventures decreased from S\$17.17 million to S\$16.35 million due to share of loss of joint ventures in 6M2020.

Investment in associates increased from S\$13.35 million to S\$14.54 million on subscription of Educ8’s rights issue and on share of profits from associates in 6M2020.

Investment securities dropped from S\$5.03 million to S\$3.88 million as a result of lower market price of quoted investment.

Trade receivables under non-current assets amounting to S\$8.45 million as at 30 June 2020 relate to the provision of credit facilities by a wholly-owned subsidiary, Plato Capital Sdn Bhd.

Trade receivables under current assets decreased from S\$0.30 million to S\$0.10 million due largely to collections coupled with lower sales in IT Division for 6M2020.

Trade payables decreased from S\$127,000 to S\$1,000 due largely to payment made during the 6M2020.

Loans and borrowing decreased by S\$0.36 million from S\$4.27 million to S\$3.91 million due largely to repayment during the period.

On the outstanding RCULS, the Company has approached Mr LKO and is optimistic that Mr LKO would be exercising his right to convert the outstanding RCULS into ordinary shares instead of cash redemption. On this basis, the Company continues to classify the liability component of the outstanding RCULS amounting to S\$5.99 million as at 30 June 2020 as non-current liabilities.

The Group was in a net current liabilities position of S\$4.34 million as at 30 June 2020, of which S\$3.59 million was related to revolving credit facility (“**RC**”) which is expected to be rolled-over. Excluding the RC, the Group’s net current liabilities would drop to S\$0.75 million.

The Directors are of the view that the Group will have continued access to banking facilities made available to the Group. Mr LKO has committed to the Group not to withdraw his personal guarantees to the Group’s current banking facilities 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.

Notwithstanding the negative working capital position, the Directors confirm that the Group is able to meet its short term debt obligations as and when they fall due for the reasons set out above.

### **Cash Flows Statement**

Cash and cash equivalents dropped S\$1.44 million in 6M2020, used mainly on operating and investing activities.

The net cash flows used in operating activities amounting to S\$0.91 million, mainly on the Group's administrative expenses and project related expenses in connection with the development of Ormond Hotel in Dublin.

The net cash flows used in investing activities amounting to S\$0.76 million, largely used for subscribing to the rights issues of Educ8 and capital expenditure incurred on the development of Ormond Hotel in Dublin.

The net cash flows generated from financing activities amounting to S\$0.036 million, attributed to cash inflow from capital contribution from non-controlling interest of Monteco of S\$0.48 million offset by cash used for repayment of bank borrowings of S\$0.33 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**

The Group's investments across the hospitality, education and precision engineering spaces have been and continue to be impacted by the effect of COVID-19 pandemic. Tourism and non-essential travel have seen significant fall-off in light of the closure of national borders and compulsory quarantine measures leading to low occupancies and rates at Tune Hotel KLIA2. Similarly, recruitment of non-Malaysian students which constitute half of the student population at Epsom College in Malaysia has been hampered due to the inability to conduct school visits and the receipt of travel visas. Whilst the Group continues to optimise its costs, the outlook remains weak, in-line with general economic sentiment.

**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 and the reason(s) for the decision**
- No dividend has been declared or recommended during the current financial period reported on having considered the financial results for the period, the economic uncertainties amid the Covid-19 pandemic and the Group's need to conserve cash for working capital or 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. There were no interested person transactions of S\$100,000 or more entered into during 6M2020.
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 Lim Kam Choy, 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 2020 to be false or misleading in any material aspect.

**16. Disclosure of acquisition and realization of shares pursuant to Catalist Rule 706A**

Not applicable. There was no incorporation of new entities, acquisitions and realization of shares in 6M2020.

**BY ORDER OF THE BOARD**

**Lim Kian Onn**  
**Director**

**Lim Kam Choy**  
**Director**

13 August 2020

*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](mailto:sponsorship@ppcf.com.sg)).*