**PLATO CAPITAL LIMITED**
(Company Registration No. 199907443M)

# Unaudited Financial Statement And Dividend Announcement For The Financial Year Ended 31 December 2014

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

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

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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 financial year ended 31 December 2014 | Group For the financial year ended 31 December 2013 | Increase/ (Decrease) % |
|---|---|---|---|
| | S$'000 | S$'000 | |
| | (Unaudited) | (Audited) | |
| | | | |
| **Revenue** | | | |
| Sales of goods and services | 1,382 | 1,534 | (9.9) |
| Income from investment activities | 38 | 54 | (29.6) |
| Provision of credit facilities | - | 178 | NM |
| Property management | 48 | 14 | NM |
| **Total revenue** | **1,468** | **1,780** | **(17.5)** |
| | | | |
| **Other income** | | | |
| Interest income | 43 | 40 | 7.5 |
| Gain on disposal of investment property | - | 282 | NM |
| Sundry income | 132 | 61 | NM |
| | | | |
| **Total other income** | **175** | **383** | **(54.3)** |
| | | | |
| **Other items of income/(expense)** | | | |
| Gain/(loss) on disposal of available-for-sale financial assets | 963 | (333) | NM |
| Fair value loss on investment property | (4,655) | (768) | NM |
| Purchase of software and services | (638) | (522) | 22.2 |
| Cost of credit facilities | - | (112) | NM |
| Property management cost | (356) | (382) | (6.8) |
| Employee benefits expenses | (1,346) | (1,226) | 9.8 |

| | | | |
|---|---|---|---|
| Depreciation of property, plant and equipment | (38) | (32) | 18.8 |
| Foreign exchange loss | (109) | (105) | 3.8 |
| Write-back of allowance for doubtful trade debts | - | 8 | NM |
| Other operating expenses | (725) | (743) | (2.4) |
| Bank charges | (4) | (2) | NM |
| Share of (loss)/profit from joint venture | (611) | 3,584 | NM |
| Share of loss from associates | (191) | (1,896) | (89.9) |
| Impairment of available-for-sale financial assets | (648) | (829) | (21.8) |
| Gain on disposal of a subsidiary | - | 579 | NM |
| Finance costs | (768) | (634) | 21.1 |
| | | | |
| **Loss before taxation** | **(7,483)** | **(1,250)** | **NM** |
| | | | |
| Taxation | 125 | (421) | NM |
| | | | |
| **Loss for the year** | **(7,358)** | **(1,671)** | **NM** |
| | | | |
| **Attributable to:** | | | |
| **Owners of the Company** | **(6,125)** | **(682)** | **NM** |
| **Non-controlling interests** | **(1,233)** | **(989)** | **24.7** |
| | **(7,358)** | **(1,671)** | **NM** |

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 financial year ended 31 December 2014 | Group For financial year ended 31 December 2013 | Increase/ (Decrease) % |
|---|---|---|---|
| | S$'000 | S$'000 | |
| | (Unaudited) | (Audited) | |
| **Loss for the year** | **(7,358)** | **(1,671)** | **NM** |
| | | | |
| **Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:** | | | |
| Change in fair value of available-for-sale financial assets | 68 | 385 | (82.3) |
| Share of other comprehensive loss of joint venture | (479) | (1,321) | (63.7) |
| Share of foreign currency translation reserves of associates | 879 | (331) | NM |
| Realisation of foreign currency translation reserve to profit or loss upon disposal of subsidiary | - | (579) | NM |
| Foreign currency translation | (289) | 770 | NM |
| | | | |

| | | | |
|---|---|---|---|
| **Other comprehensive loss not reclassified to profit or loss in subsequent periods:** | | | |
| Share of other comprehensive loss upon re-measurement of the defined benefit plans of an associate | (53) | - | **NM** |
| | | | |
| **Other comprehensive income/(loss) for the year** | **126** | **(1,076)** | **NM** |
| | | | |
| **Total comprehensive loss for the year** | **(7,232)** | **(2,747)** | **NM** |
| | | | |
| **Total comprehensive loss attributable to:** | | | |
| **Owners of the Company** | **(6,138)** | **(1,823)** | **NM** |
| **Non-controlling interests** | **(1,094)** | **(924)** | **18.4** |
| | **(7,232)** | **(2,747)** | **NM** |

NM – not meaningful

The Group has increased its shareholding in Educ8 Group Sdn Bhd and its subsidiary ("EDUC8") from 27.36% to 27.57% in 12M2014, by subscribing to the rights entitlement of RM4,005,035 (equivalent to approximately S$1,620,365).

### 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 31 December 2014** | **As at 31 December 2013** | **As at 31 December 2014** | **As at 31 December 2013** |
| | **S$'000 (Unaudited)** | **S$'000 (Audited)** | **S$'000 (Unaudited)** | **S$'000 (Audited)** |
| **ASSETS** | | | | |
| | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 4,485 | 4,746 | - | - |
| Investment property | 4,049 | 8,853 | - | - |
| Investment in subsidiaries | - | - | 4,421 | 4,805 |
| Available-for-sale financial assets | 642 | 3,063 | - | - |
| Investment in joint venture | 20,256 | 21,346 | 20,390 | 20,390 |
| Investment in associates | 18,514 | 16,501 | - | - |
| | **47,946** | **54,509** | **24,811** | **25,195** |
| **Current assets** | | | | |
| Trade receivables | 448 | 520 | - | - |
| Other receivables and deposits | 46 | 75 | - | - |
| Prepaid operating expenses | 47 | 33 | 12 | 11 |
| Deferred maintenance cost | 213 | 217 | - | - |
| Amounts due from subsidiaries | - | - | 5,678 | 6,905 |
| Amount due from joint venture | 630 | 1,247 | 630 | 1,247 |
| Tax recoverable | 37 | - | - | - |
| Cash and cash equivalents | 2,900 | 3,457 | 696 | 42 |
| | **4,321** | **5,549** | **7,016** | **8,205** |

| | | | | |
|---|---|---|---|---|
| **Total assets** | **52,267** | **60,058** | **31,827** | **33,400** |
| | | | | |
| **EQUITY AND LIABILITIES** | | | | |
| | | | | |
| **Equity and reserves** | | | | |
| Share capital | 37,149 | 37,149 | 37,149 | 37,149 |
| Fair value reserve | 68 | - | - | - |
| Foreign currency translation reserve | (5,049) | (4,968) | - | - |
| Retained earnings/(Accumulated losses) | 512 | 6,637 | (14,410) | (12,551) |
| **Equity attributable to owners of the Company** | **32,680** | **38,818** | **22,739** | **24,598** |
| Non-controlling interests | 1,937 | 3,031 | - | - |
| **Total equity and reserves** | **34,617** | **41,849** | **22,739** | **24,598** |
| | | | | |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Deferred tax liabilities | - | 130 | - | - |
| Finance lease payables | 3,596 | 3,593 | - | - |
| Amounts due to related parties | 5,582 | 5,686 | 829 | 808 |
| | **9,178** | **9,409** | **829** | **808** |
| | | | | |
| **Current liabilities** | | | | |
| Trade payables | 179 | 227 | - | - |
| Other payables and accruals | 1,876 | 1,977 | 167 | 206 |
| Deferred revenue | 363 | 406 | - | - |
| Amounts due to subsidiaries | - | - | 8,092 | 7,788 |
| Income tax payable | - | 32 | - | - |
| Loan and borrowings | 6,054 | 6,158 | - | - |
| | **8,472** | **8,800** | **8,259** | **7,994** |
| **Total liabilities** | **17,650** | **18,209** | **9,088** | **8,802** |
| **Total equity and liabilities** | **52,267** | **60,058** | **31,827** | **33,400** |

* 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 31 December 2014 (Unaudited) | | As at 31 December 2013 (Audited) | |
| Secured | Unsecured | Secured | Unsecured |
| S$'000 | S$'000 | S$'000 | S$'000 |
| - | 6,054 | - | 6,158 |

**Amount repayable after one year**

| Group | | | |
|---|---|---|---|
| As at 31 December 2014 (Unaudited) | | As at 31 December 2013 (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, a substantial shareholder and director of the Company.

**Others – Contingent liabilities**

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

1. For a principal sum of up to S$11.3 million in relation to a term loan facility granted by a licensed bank to Epsom College Malaysia Sdn Bhd.; 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.

## 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 financial year ended 31 December 2014 | Group For the financial year ended 31 December 2013 |
|---|---|---|
| | S$'000 | S$'000 |
| | (Unaudited) | (Audited) |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| **Loss before taxation** | **(7,483)** | **(1,250)** |
| | | |
| **Adjustments for:** | | |
| Depreciation of property, plant and equipment | 38 | 32 |

| | | |
|---|---|---|
| Impairment of available-for-sale financial assets | 648 | 829 |
| Share of loss/(profit) from joint venture | 611 | (3,584) |
| Share of loss from associates | 191 | 1,896 |
| (Gain)/loss on sale of available-for-sale financial assets | (963) | 333 |
| Interest income | (43) | (40) |
| Write-back of allowance for doubtful trade debts | - | (8) |
| Property, plant and equipment written off | - | 1 |
| Fair value loss on investment property | 4,655 | 768 |
| Cost of credit facilities | - | (178) |
| Finance costs | - | 112 |
| Interest expenses | 768 | 634 |
| Dividend income from investment securities | (38) | (54) |
| Gain on disposal of a subsidiary | - | (579) |
| Gain on disposal of investment property | - | (281) |
| Unrealised foreign exchange loss, net | 107 | 407 |
| **Operating loss before working capital changes** | **(1,509)** | **(962)** |
| | | |
| Amount due from a joint venture | 617 | (1,246) |
| Trade and other receivables | 77 | 4,016 |
| Trade and other payables | (466) | 66 |
| **Cash flow(used in) / generated from operations** | **(1,281)** | **1,874** |
| | | |
| Income tax paid | (71) | (273) |
| **Net cash flows (used in) / generated from operating activities** | **(1,352)** | **1,601** |
| | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| | | |
| Proceeds from sale of available-for-sale financial assets | 2,921 | 3,743 |
| Proceeds from sale of investment property | - | 3,736 |
| Acquisition of property, plant and equipment | (147) | (4,632) |
| Investment in associates | (1,620) | (5,584) |
| Dividend income from investment securities | 38 | 54 |
| **Net cash generated from/(used in)investing activities** | **1,192** | **(2,683)** |
| | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Interest paid | (571) | (657) |
| Interest received | 43 | 40 |
| Interest received from provision of credit facilities | - | 178 |
| Shares subscribed by a non-controlling interest of a subsidiary | - | 1,697 |
| Loans from related party | - | 1,924 |
| Repayment of bank borrowings | - | (1,536) |
| **Net cash (used in) / generated from financing activities** | **(528)** | **1,646** |
| | | |
| **Net increase / (decrease) in cash and cash equivalents** | **(688)** | **564** |
| Net foreign exchange difference | **131** | **244** |
| **Cash and cash equivalents at beginning of financial period** | **3,457** | **2,649** |
| **Cash and cash equivalents at end of financial** | **2,900** | **3,457** |

| period | | |
|---|---|---|
| | | |
| | | |
| Fixed deposits | 759 | 2,785 |
| Cash and bank balances | 2,141 | 672 |
| **Cash and cash equivalents** | **2,900** | **3,457** |
| Less: Fixed deposit pledged for bank guarantee facilities | (7) | (7) |
| **Cash and cash equivalents** | **2,893** | **3,450** |

* 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** |
| | | | | | | | |
| **(Audited)**<br><br>**At1 January 2013, as previously reported** | **37,149** | **(385)** | **(3,262)** | **8,717** | **42,219** | **2,612** | **44,831** |
| Effects of finalisation of PPA of an associate ) | - | - | - | (825) | (825) | (354) | (1,179) |
| Restatement of share of results of an associate | - | - | - | (753) | (753) | - | (753) |
| Reclassification of share of foreign exchange translation reserve of joint venture | - | - | (180) | 180 | - | - | - |
| **At 1 January 2013, as restated** | 37,149 | (385) | (3,442) | 7,319 | 40,641 | 2,258 | 42,899 |
| Loss for the year | - | - | - | (682) | (682) | (989) | (1,671) |
| Change in fair value of available-for-sale financial assets | - | 385 | - | - | 385 | - | 385 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Share of other comprehensive loss of joint venture | - | - | (1,321) | - | (1,321) | - | (1,321) |
| Share of foreign currency translation reserves of associates | - | - | (300) | - | (300) | (31) | (331) |
| Realisation of foreign currency translation reserve to profit or loss upon disposal of subsidiary | - | - | (579) | - | (579) | - | (579) |
| Foreign currency translation | - | - | 674 | - | 674 | 96 | 770 |
| Total comprehensive loss for the year | - | 385 | (1,526) | (682) | (1,823) | (924) | (2,747) |
| Issue of shares to non-controlling interest of subsidiary | - | - | - | - | - | 1,697 | 1,697 |
| **At 31 December 2013** | **37,149** | **-** | **(4,968)** | **6,637** | **38,818** | **3,031** | **41,849** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **(Unaudited)**<br><br>**At 1 January 2014** | **37,149** | **-** | **(4,968)** | **6,637** | **38,818** | **3,031** | **41,849** |
| Loss for the year | - | - | - | (6,125) | (6,125) | (1,233) | (7,358) |
| Change in fair value of available-for-sale financial assets | - | 68 | - | - | 68 | - | 68 |
| Share of other comprehensive loss of a joint venture | - | - | (479) | - | (479) | | (479) |
| Share of other comprehensive income of associates | - | - | 527 | 37 | 564 | 315 | 879 |
| Share of other comprehensive loss upon re-measurement of the defined benefit plans of an associate | - | - | - | (37) | (37) | (16) | (53) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Exchange differences arising from translating foreign operations | - | - | (129) | - | (129) | (160) | (289) |
| Total comprehensive loss for the year | - | 68 | (81) | (6,125) | (6,138) | (1,094) | (7,232) |
| **At 31 December 2014** | **37,149** | **68** | **(5,049)** | **512** | **32,680** | **1,937** | **34,617** |

| COMPANY | Share capital<br>S$'000 | Accumulated losses<br>S$'000 | Total<br>S$'000 |
|---|---|---|---|
| | | | |
| **(Audited)** | | | |
| **At 1 January 2013** | **37,149** | **(12,326)** | **24,823** |
| Total comprehensive loss for the year | - | (225) | (225) |
| **At 31 December 2013** | **37,149** | **(12,551)** | **24,598** |
| | | | |
| **(Unaudited)** | | | |
| **At 1 January 2014** | **37,149** | **(12,551)** | **24,598** |
| Total comprehensive loss for the year | - | (1,859) | (1,859) |
| **At 31 December 2014** | **37,149** | **(14,410)** | **22,739** |

**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 30 June 2014 to 31 December 2014. The Company's share capital as at 30 June 2014 and 31 December 2014 remained at S$37,148,948 and comprised 165,451,344 shares.

Convertibles

The Company did not have any outstanding convertibles as at 31 December 2014 and 31 December 2013.

Treasury shares

The Company did not have any treasury shares as at 31 December 2014 and 31 December 2013.

**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 31 December 2014 | As at 31 December 2013 |
|---|---|---|
| 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 31December 2013.

**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 2014.

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

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

| | Group | |
|---|---|---|
| **Loss per ordinary share** | **For the financial year ended 31 December 2014 (Unaudited)** | **For the financial year ended 31 December 2013 (Audited)** |
| Based on weighted average number of ordinary shares in issue (Singapore cents)* | (3.70) | (0.41) |
| On a fully diluted basis (Singapore cents)** | (3.70) | (0.41) |

Notes:-
* Loss per ordinary share for the unaudited 12 months ended 31 December 2014 ("12M2014") was computed based on the loss attributable to owners of the Company of S$6.125 million divided by the weighted average number of ordinary shares in issue of 165,451,344for 12M2014. Loss per ordinary share for the audited 12 months ended 31 December 2013 ("12M2013") was computed based on the loss attributable to owners of the Company of S$0.682 million divided by the weighted average number of ordinary shares in issue of 165,451,344 for 12M2013.

** Basic and diluted loss per share was the same as there were no potentially dilutive securities in issue for the unaudited12M2014 and for the audited 12M2013.

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 31 December 2014 (Unaudited)** | **As at 31 December 2013 (Audited)** | **As at 31 December 2014 (Unaudited)** | **As at 31 December 2013 (Audited)** |
| Net asset value ("**NAV**") per ordinary share (Singapore cents) | 20.92 | 25.29 | 14.24 | 14.87 |
| 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 31 December 2014and 31 December 2013were 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**

**Unaudited 12M2014 vs audited 12M2013**

**Income Statement**

The overall group turnover decreased by 17.5% from S$1.780 million in 12M2013 to S$1.468 million in 12M2014.

Sales of goods and services decreased by 9.9% from S$1.534 million in 12M2013 to S$1.382 million in 12M2014, mainly due to a drop in sales of IT implementation services which is offset by increased license sales.

Income from investment activities decreased by 29.6% from S$0.054 million in 12M2013 to S$0.038 million in 12M2014. The decrease was mainly due to lower dividend income in 12M2014 as a result of the disposal of available-for-sale financial assets.

There was no interest income from the provision of credit facilities in 12M2014 (12M2013: S$0.178 million) as there was no provision of new loan in12M2014. The income from property management increased from S$0.014 million in 12M2013 to S$0.048 million in 12M2014. The increase was solely attributable to proceeds from the rental of the property adjoining the former Ormond Hotel in Dublin, Ireland.

Interest income from bank deposits of S$0.043 million in 12M2014 was higher marginally by 7.5% than the interest income from bank deposits of S$0.040 million in 12M2013 as a result of higher cash balances available for deposit placement in 12M2014 following the disposal of available-for-sale financial assets.

There was no disposal of investment property during the 12M2014 and the gain on disposal of investment property of S$0.282 million reported in 12M2013 was attributable to the 6 pieces of freehold lands disposed of by a subsidiary of the Group.

The increase in sundry income from S$0.061 million in 12M2013 to S$0.132 million in 12M2014 was mainly due to the proceeds from insurance claim in respect of loss sustained by a subsidiary of the Group over the theft of air-conditioning equipment from the Group’s investment property, Wisma Char Yong (“Investment Property”).

The gain on disposal of available-for-sale financial assets that amounted to S$0.963 million in 12M2014 compared to a loss on disposal of available-for-sale financial assets that amounted to S$0.333 million in 12M2013 was achieved as a result of improved public listed share prices during the second quarter of 12M2014.The impairment loss of S$0.648m was in respect of investment in unquoted available-for-sale financial assets of a subsidiary of the Group, based on an assessment conducted by the directors during 12M2014.

As a result of increased cost of royalties paid to principals and higher outsourcing of implementation services of third parties during the current financial year, purchase of software and services increased by 22.2% from S$0.522 million in 12M2013 to S$0.638 million in 12M2014.

The fair value loss of S$4.655 million on investment property represented the write down of fair value of the Investment Property of the Group, based on the valuation report provided by a licensed valuer in February 2015.

Property management cost represented the cost incurred in managing the Investment Property. The decrease from S$0.382 million in 12M2013 to S$0.356 million in 12M2014 was due to lower maintenance cost incurred as the Investment Property remained untenanted in 12M2014.

Employee benefits expenses increased by 9.8% from S$1.226 million in 12M2013 to S$1.346 million in 12M2014 due to an increase in the number of employees as well as higher salary costs.

Foreign exchange loss increased marginally by 3.8% resulting from S$0.105 million in 12M2013 to S$0.109 million in 12M2014 mainly due to the weakening of the Singapore Dollar and the Malaysian Ringgit against the United States Dollar.

There was no write-back of allowance for doubtful trade debts in 12M2014 as compared to S$0.008 million in 12M2013, as there was no recovery of doubtful debts since July 2013.

Other operating expenses in 12M2014 of S$0.725 million was relatively unchanged as compared to 12M2013.

The increase in finance costs from S$0.634 million in 12M2013 to S$0.768million in 12M2014 was attributable to a full year's of interest expense compared to only 3 months for some of the borrowings in 12M2013 and a hike in lending rates during 12M2014 in respect of borrowings for the Group's investment in associates.

The Group's share of loss from joint venture was S$0.611 million in 12M2014as compared to a share of profit ofS$3.584 million, as there was a one off gain on disposal of Tune Paddington in 12M2013. The loss in 12M2014 was mainly due to higher selling and marketing costs incurred in relation to the sale of apartments in Melbourne. The hotel operations under the joint venture is near to breakeven level in 12M2014 after the opening of the joint venture's latest hotel in KLIA2 in May 2014 and a full twelve months of operations for the joint venture's Melbourne hotel which opened in November 2013.

The share of loss from associates of S$0.191 million in 12M2014 was the result of off-setting the Group's share of profit of S$1.326 million from TYK Capital Sdn Bhd ("TYKC"), with its share of loss from EDUC8 of S$1.517 million. The profit registered by TYKC's group of companies in 12M2014 was mainly attributable to the turnaround of its hard disk drives manufacturing operations. The loss registered by EDUC8 in 12M2014 was mainly due to pre-operating costs from January 2014 to September 2014 as well as high operating cost incurred when Epsom College commenced operations in the last quarter of 12M2014.

The income tax credit of S$0.125 million in 12M2014 was due to the complete reversal of deferred tax liabilities for the Group's Investment Property pursuant to fair value loss in 12M2014 as well as due to over-provisioning and over payment for taxation based on the tax computation for one of the Group's subsidiaries. The said subsidiary is now awaiting a tax refund as shown under tax recoverable of S$0.037 million in the Statement of Financial Position. The higher income tax expense of S$0.421 million in 12M2013 was mainly due to real property gains tax as a result of the disposal of freehold lands and over provisioning for taxation by one of the Group's subsidiaries as explained above.

The above resulted in the Group recording a loss before tax of S$7.483 million in 12M2014, as compared to a loss before tax of S$1.250 million in 12M2013.

**Statement of Financial Position**

Decrease in property, plant and equipment by S$0.261 million as at 31 December 2014 was as a result of:

i. depreciation charge of S$0.038 million for plant and equipment in 12M2014; and
ii. reduction in the carrying value of the former Ormond Hotel and its adjoining property in Dublin, Ireland due to negative foreign exchange rate difference amounting to S$0.370 million at 31 December 2014 caused by the weakening of the Euro against the Singapore Dollar; offset by
iii. addition of motor vehicle and computer equipment totaling S$0.069 million; and
iv. 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$0.078 million, incurred for its proposed redevelopment.

Decrease in the Investment Property at fair value from S$8.853 million as at 31 December 2013 to S$4.049 million as at 31 December 2014 was due to a loss in fair value of S$4.655 million as explained above and a negative foreign exchange rate difference amounting to S$0.150 million resulting from the weakening of the Ringgit Malaysia against the Singapore Dollar.

Investment in joint venture decreased from S$21.346 million as at 31 December 2013 to S$20.256 million as at 31 December 2014 due to the Group's share of loss and other comprehensive loss of S$0.611 million and S$0.479 million respectively in 12M2014.

The increase in investment in associates from S$16.501 million as at 31 December 2013 to S$18.514 million as at 31 December 2014 was mainly due to the Group's share of profit in TYKC of S$1.326 million and increased shareholding in EDUC8 amounting to S$1.620 million, offset by the share of loss in EDUC8 amounting to S$1.517 million in 12M2014.

Available-for-sale financial assets decreased by S$2.421 million from S$3.063 million as at 31 December 2013 to S$0.642 million as at 31 December 2014, mainly as a result of the disposal of available-for-sale financial assets at carrying value of S$2.037 million, offset by an increase in fair value of the balance of available-for-sale financial assets of S$0.068 million at 31 December 2014.

Trade receivables decreased from S$0.520 million as at 31 December 2013 to S$0.448 million as at 31 December 2014 mainly due to improved collection from trade debtors.

There were minimal changes in the balances of other receivables and deposits, prepaid operating expenses and deferred maintenance cost at 31 December 2014 compared with as at 31 December 2013 mainly due to no major business fluctuations in the Group's IT division.

The amount due from joint venture reduced from S$1.247 million in 12M2013 to S$0.630 million in 12M2014 due to repayment of S$0.617 million received from the joint venture in 12M2014.

Cash and cash equivalents decreased by S$0.557 million from S$3.457 million as at 31 December 2013 to S$2.900 million as at 31 December 2014 mainly due to proceeds from the disposal of available-for-sale financial assets, which was offset by additional investment in EDUC8 and the additional capital expenditure incurred for the development of the former Ormond Hotel and its adjoining property in Dublin, Ireland and addition of motor vehicle and computer equipment as explained above.

Decrease in trade payables, other payables and accruals and deferred revenue by S$0.192 million from S$2.610 million as at 31 December 2013 to S$2.418 million as at 31 December 2014 was mainly due to full settlement of long outstanding liabilities.

Decrease in loan and borrowings of S$0.104 million as at 31 December 2014 was solely due to foreign exchange rate difference resulting from the weakening of the Malaysian Ringgit against the Singapore Dollar.

The complete reversal of deferred tax liabilities ofS$0.130 million as at 31 December 2013 during 12M2014 was due to fair value loss of the Investment Property as explained above.

The slight increase in finance lease payables of S$0.003 million as at 31 December 2014 arose from the foreign exchange rate difference resulted from the weakening of the Malaysian Ringgit against the Singapore Dollar.

The amounts due to related parties of S$5.582 million as at 31 December 2014 (31 December 2013: S$5.686 million) were made up of a loan from a substantial shareholder, an amount due to a company controlled by a substantial shareholder and advances from a non-controlling interest of a subsidiary for S$2.030 million, S$0.829 million and S$2.723 million respectively. The repayment dates of both the amounts due to a substantial shareholder and a company controlled by a substantial shareholder were extended from 28 February 2015 to 28 February 2017 during 12M2014.

The increase in the Group's foreign currency translation reserve of S$0.081 million from negative S$4.968 million as at 31 December 2013 to negative S$5.049 million as at 31 December 2014 was mainly due to the weakening of the Singapore Dollar against the United States Dollar, which arose on the re-translation to the presentational currency.

As at 31 December 2014, a subsidiary of the Company has short-term borrowings consisting of a revolving credit facility of RM10 million (approximately S$3.8 million). The terms and conditions of the revolving credit facility contains a requirement that inter-company advances shall be capped at up to RM6.7 million through the subsistence of the approved banking facilities. As at 31 December 2014, the net inter-company receivable balance in the books of this subsidiary amounted to RM9.6

million. The subsidiary has notified the bank about this non-compliance and has rectified this non-compliance subsequent to year end, by reducing the net inter-company receivable balance to an amount which is lower than RM6.7 million.

Although the Group had a negative working capital of S$4.151 million as at 31 December 2014, the Directors are of the view that the Group will have continued access to banking facilities made available to the Group supported by Mr Lim Kian Onn ("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 used in operations amounted to S$1.281 million, mainly as a result of an operating loss before working capital changes of S$1.509 million and a decrease in trade and other receivables as well as trade and other payables of S$0.077 million and S$0.466 million respectively.

After taking into account the cash flow from operations, income tax paid of S$0.071 million, the Group's net cash flows used in operating activities amounted to S$1.352 million in 12M2014.

The Group's net cash generated from investing activities amounting to S$1.192 million in 12M2014 was mainly attributable to proceeds from the disposal of available-for-sale financial assets of S$2.921 million offset by the additional investment in EDUC8 of S$1.620 million and the acquisition of property, plant and equipment of S$0.147 million.

The net cash used in financing activities amounting to S$0.528 million in 12M2014 was attributable to finance costs of S$0.571 million and was offset by fixed deposit interest received of S$0.043 million.

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

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

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

For the next reporting period, the Group's financials will continue to be driven primarily by its exposure to three core sectors: precision engineering via the Group's investment in hard disk drive ("HDD") manufacturer TYKC, travel and hospitality through Tune Plato Real Estate Holdings Pte Ltd ("TPRE"), and commercial real estate through its investment in the Investment Property.

<u>HDD Sector</u>
The HDD market bucked the trend of previous years posting a year-on-year volume growth of 2.2% in 2014 as desktop, mobile and consumer electronic HDD sales

exceeded earlier expectations driven primarily by 1H2014's XP and new gaming console refresh. Since then, sales for both client (desktop and mobile) and consumer electronic HDD have softened, and these driving factors are expected to have less of an impact in 2015. In line with the industry's sentiments, we anticipate a continued turnaround of TYKC's performance in the next reporting period to be driven primarily by TYKC's management's cost savings initiatives and improvement in its manufacturing processes.

To protect itself from the on-going volatility of HDD demand, TYKC will continue to focus its efforts on diversifying their precision engineering activities to cater to other areas such as automotive, oil and gas, and other consumer electronic products.

Hospitality Sector

With the opening of TPRE's latest hotel at the new KLIA2 airport in FY2014, all three hotels under the Group's investment in the hospitality sector vide its 50% stake in TPRE are operational (one in Edinburgh United Kingdom, one in Melbourne Australia and one in Sepang Malaysia). The Group would be able to see the full year contribution for all three hotels in FY2015.

Over the next 12 months, the Group expects improvement in the portfolio's returns as the occupancy level stabilises. Management remains optimistic on the portfolio's growth driven by improvement in the distribution channel in both the online and offline markets.

The Group is also looking to expand its hospitality portfolio through the Group's property in Dublin, Ireland in light of recovery of Dublin's hospitality sector.

Commercial Real Estate Portfolio

The office market in Kuala Lumpur remains soft as supply continues to exceed demand for the foreseeable future. Given the impending influx of prime office space available in the market, older buildings may continually lose tenants to newer buildings and are likely to require extensive renovations or be converted to other uses such as hotels or hostels to remain competitive from an investment standpoint.

IT

For 2015, the slump in oil prices coupled with higher cost of imports caused by a strong USD is expected to dampen overall business sentiment and delay investment decisions. However, this may be compensated in a small way by local initiatives like the implementation of Goods and Services Tax by the Malaysian government which will see SME's investing in GST compliant software. Although the job market has cooled off slightly, candidates for jobs are still hard to come by and we will continue to rely on contract staff and third party service providers to complete our jobs on time.

Education

The Group's interest in the education sector through its investment in EDUC8 is not anticipated to be profitable in the immediate future but is revenue generating after the recent opening of the Epsom College in Malaysia campus in September 2014. Immediate priorities for management lie in driving student enrolment through marketing and increasing awareness to leverage on interest around the region in the British boarding school experience and curriculum. The Group also continues to look at other opportunities to establish Epsom branded schools across the region.

**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.

| Name of Interested Person | Aggregated value of all interested person transactions during the financial year under review (excluding transactions less than S$ 100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$ 100,000) |
|---|---|---|
| Lim Kian Onn and/or Vindelta Limited[1] | S$1,254,505[2] | - |

Notes:

[1]Vindelta Limited is a company 100% owned by Mr Lim Kian Onn (the Non-Executive Non-Independent Chairman and controlling shareholder of the Company) ("Mr LKO") and his spouse.

[2]With regards to the interested person transactions relating to Mr LKO, that were announced on 12 September 2013 ("**Announcement'**), namely the acquisition of shares in Monteco Holdings Limited from Vindelta Limited ("**Shares Acquisition**") and the loan given by Mr LKO ("**Loan**"), of which the transaction values were S$831,911.93 and S$158,066.35 respectively as at the date of Announcement, the Company had on 30 June 2014, extended the payment deadlines of the Share Acquisition and the Loan from 28 February 2015 to 28 February 2017 on the same terms and interest rates ("**Extension**"). Interest is charged at 2.6% per annum on the outstanding amount for the Shares Acquisition while at 5.6% per annum on the outstanding amount for the Loan. As at the date of the Extension, the transaction values for the Share Acquisition and the Loan was S$874,284 and S$380,221 respectively totaling S$1,254,505 and the same have been duly announced on 13 August 2014 when the Company announced the financial results for half financial year ended 30 June 2014 .

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately proceeding year**

| | Group For the financial year ended 31 December 2014 S$'000 (Unaudited) | Group For the financial year ended 31 December 2013 S$'000 (Audited) |
|---|---|---|
| | | |
| **A. SEGMENT REVENUE** | | |
| (i) By Business segment: | | |
| IT operations | 1,382 | 1,534 |
| Investment activities | 86 | 246 |
| Corporate and others | - | - |
| **Total revenue** | **1,468** | **1,780** |
| | | |
| (ii) By Geographical region/market: | | |
| Malaysia | 1,382 | 1,713 |
| Asia/Other | 86 | 67 |
| **Total revenue** | **1,468** | **1,780** |
| | | |
| **B. PROFIT BEFORE INTEREST AND TAX** | | |
| (i) By Business segment: | | |
| IT operations | (434) | 764 |
| Investment activities | (5,583) | (1,335) |
| Corporate and others | (1,466) | (679) |
| **Profit before taxation** | **(7,483)** | **(1,250)** |
| | | |
| (ii) By Geographical region/market: | | |
| Malaysia | (5,073) | (2,593) |
| Asia/Other | (2,410) | 1,343 |
| **Profit before taxation** | **(7,483)** | **(1,250)** |
| | | |
| **C. SEGMENT ASSETS** | | |
| (i) By Business segment: | | |
| IT operations | 968 | 963 |
| Investment activities | 50,573 | 59,024 |
| Corporate and others | 726 | 71 |
| **Total assets** | **52,267** | **60,058** |
| | | |

| | | |
|---|---|---|
| (ii) By Geographical region/market: | | |
| Malaysia | 17,888 | 23,263 |
| Asia/Other | 34,379 | 36,795 |
| **Total assets** | **52,267** | **60,058** |
| | | |
| **D. SEGMENT LIABILITIES** | | |
| (i) By Business segment: | | |
| IT operations | 892 | 915 |
| Investment activities | 15,746 | 16,101 |
| Corporate and others | 1,012 | 1,031 |
| **Total liabilities - excluding income tax payable and deferred tax liabilities** | **17,650** | **18,047** |
| | | |
| (ii) By Geographical region/market: | | |
| Malaysia | 13,621 | 13,804 |
| Asia/Other | 4,029 | 4,243 |
| **Total liabilities - excluding income tax payable and deferred tax liabilities** | **17,650** | **18,047** |
| | | |

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments**

Please refer to Paragraph 8.

**16. A breakdown of sales**

| | Group | | |
|---|---|---|---|
| | **Financial year ended 31 December 2014 $'000 (Unaudited)** | **Financial year ended 31 December 2013 S$'000 (Unaudited)** | **Increase / (Decrease) %** |
| **(a) Sales reported for the first half year** | **674** | **882** | **(23.6)** |
| **(b) Profit/(loss) after tax before deducting minority interests reported for the first half year** | **494** | **(2,237)** | **NM** |
| **(c) Sales reported for the second half year** | **794** | **898** | **(11.6)** |
| **(d) (Loss)/profit after tax before deducting minority interests reported for the second half year** | **(7,852)** | **566** | **NM** |

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not applicable. No dividends have been declared during the financial years ended 31 December 2014 and 31 December 2013.

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

| Name | Age | Family relationship with any director, CEO and/or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|---|---|---|---|---|
| Gareth Lim Tze Xiang | 32 | Son of Mr Lim Kian Onn, the Non-Executive Chairman, non-independent, non-executive director and deemed substantial shareholder of the Company | Alternate Director to Mr Lim Kian Onn since 2009<br><br>Chief Executive Officer since 2010<br><br>Duties include overseeing the investments & development of the Group's businesses; provide insight & strategic direction to the Group's business entities<br>. | No change in duties and position held during the year |
| Lim Kian Fah | 48 | Sister of Mr Lim Kian Onn | Head of Legal and Corporate Affairs since 2004<br><br>Duties and responsibilities include overseeing all legal and regulatory compliance matters pertaining to the Group | No change in duties and position held during the year |

**BY ORDER OF THE BOARD**

**Lim Kian Onn**
**Director**
**28 February 2015**

**Oh Teik Khim**
**Director**