

plato

PLATO CAPITAL LIMITED
ANNUAL REPORT 2021

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

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

Corporate Information

Directors

Lim Kian Onn

Chairman, Non-Independent & Non-Executive Director

Gareth Lim Tze Xiang

Alternate Director to Lim Kian Onn & Chief Executive Officer

Navinderjeet Singh A/L Naranjan Singh

Non-Independent & Non-Executive Director

Michael Kan Yuet Yun PBM

Independent Director

Chong Huai Seng

Independent Director

Secretary

Ngiam May Ling

Audit Committee

Michael Kan Yuet Yun PBM (*Chairman*)

Chong Huai Seng

Lim Kian Onn

Remuneration Committee

Chong Huai Seng (*Chairman*)

Michael Kan Yuet Yun PBM

Lim Kian Onn

Nominating Committee

Chong Huai Seng (*Chairman*)

Michael Kan Yuet Yun PBM

Lim Kian Onn

Registered Office

1 Harbourfront Avenue #14-07

Keppel Bay Tower

Singapore 098632

Telephone : (65) 6536 5355

Facsimile : (65) 6536 1360

Business Office

Ground Floor, Bangunan ECM Libra

8 Jalan Damansara Endah, Damansara Heights

50490 Kuala Lumpur

Malaysia

Telephone : (603) 2092 2823

Facsimile : (603) 2092 2829

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.

1 Harbourfront Avenue #14-07

Keppel Bay Tower

Singapore 098632

Auditor

Ernst & Young LLP

Public Accountants and Chartered Accountants

One Raffles Quay

North Tower, Level 18

Singapore 048583

Partner-In-Charge

Low Yen Mei

(Appointed from the financial year ended

31 December 2018)

Company Sponsor

PrimePartners Corporate Finance Pte. Ltd.

16 Collyer Quay

#10-00 Income at Raffles

Singapore 049318

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors of Plato Capital Limited (the "Company" and together with its subsidiaries, the "Group"), I present to you our Annual Report for the financial year ended 31 December 2021 ("FY2021").

FY2021 was another challenging year for the Group and its investment portfolio in light of the continued impact of the COVID-19 pandemic and the constraints placed on travel by governments worldwide. However, in spite of the poor operating environment, our hotel and education assets are EBITDA positive owing to the quick identification and securing of alternative revenue channels (as elaborated below) and the implementation of effective operational and cost controls.

At the Group operating level, the continued decline in demand for the Information Technology ("IT") division's Enterprise Resource Planning products had led to the decision to cease IT operations with effect from 1 January 2022, as announced on 3 December 2021.

Owing to the challenging operating environment as detailed above, the Group experienced a loss of \$0.36 million for FY2021 as compared to a loss of \$1.40 million for FY2020.

A summary of the Group's performance across its key holdings is set out below:

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

The forced hibernation of airlines across the region for much of FY2021 yielded a significant fall-off in demand from traditional free independent travel, group travel and airline staff sources for the 452-key Tune Hotel KLIA2. A pivot to the provision of quarantine services helped defray the losses but these were provided at reduced daily rates leading to the property generating \$3.11 million of revenue in FY2021, a 36% reduction relative to revenue recorded in FY2020.

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

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

The Group registered a share of losses of \$1.59 million from its share of operations in EDUC8's subsidiary Epsom College in Malaysia. It is important to note that these losses stem predominantly from non-cash depreciation charges and a one-off impairment in asset value arising from the ill-effects of the pandemic and the school is operating at an EBITDA positive level.

The pandemic and resultant closure of borders and quarantine requirements has led to a significant pause in enrolment from North Asian parents and students - a key market for the school making up 50% of the student population. However, a forced pivot to the local Malaysian market has resulted a wider offering of programmes that tailor to a broader market and has led to increased Malaysian student interest and enrolment. As a result, the student population as at March 2022 has recovered to pre-COVID levels and we are encouraged that momentum will continue to build as borders re-open.

The school has also announced a partnership with the renowned Mouratoglou Tennis Academy to offer high performance tennis training alongside a robust academic curriculum to student athletes across the region and will continue to explore other ventures with similar sporting academies of repute.

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

TYKC had a banner year and had its best financial and operating year in FY2021 as compared to the past decade. This strong performance led to the Group's share of profit in TYKC amounting to \$2.73 million and the receipt of a \$6.13 million dividend over the course of the year. TYKC maintains a robust balance sheet with a net cash position of \$12.09 million at the end of FY2021.

Whilst 2021 remained challenging for the Group, I am encouraged by the emergence of green shoots amid the adversity and have no doubt that the measures taken to broaden revenues and implement cost and operating efficiencies during the year place the Group and its investment portfolio in a stronger position as we emerge from the pandemic.

The Board and I would like to thank our staff for their commitment and sacrifices over the course of a difficult FY2021 with many volunteering significant pay reductions over the period in order to help the Group navigate the turbulent period. I would also like to thank you, our shareholders for your unwavering confidence and trust in us steering the Group.

Lim Kian Onn
Chairman
Plato Capital Limited

Corporate Governance Report

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

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

This report outlines the Company’s corporate governance practices that were in place during the financial year ended 31 December 2021 (“**FY2021**”), with specific reference made to the principles of the Code of Corporate Governance 2018 (the “**Code**”) and its related practice guidance (“**PG**”) and pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) issued by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

No.	Code Description	Company’s Compliance or Explanation
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	The Company has complied with the principles, provisions and guidelines as set out in the Code. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2021.

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

No.	Code Description	Company's Compliance or Explanation																		
	<p><u>Trainings attended for FY2021</u></p>	<p>The table below shows the trainings attended by Directors in FY2021:</p> <table border="1" data-bbox="616 327 1445 1084"> <thead> <tr> <th colspan="3" data-bbox="616 327 1445 365">Table 1.2 – Training Profiles of Directors</th> </tr> <tr> <th data-bbox="616 365 892 405">Name of Director</th> <th data-bbox="892 365 1179 405">Course Attended</th> <th data-bbox="1179 365 1445 405">Training Provider</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 405 892 506">Mr Lim Kian Onn</td> <td data-bbox="892 405 1179 506">1. Revised Malaysian Code on Corporate Governance</td> <td data-bbox="1179 405 1445 506">Tricor Corporate Services Sdn Bhd</td> </tr> <tr> <td data-bbox="616 506 892 696">Mr Michael Kan Yuet Yun PBM</td> <td data-bbox="892 506 1179 696">1. ACRA-SGX-SID Audit Committee Seminar 2021 2. CTP 2 - Accelerating your Digital Transformation</td> <td data-bbox="1179 506 1445 696">Singapore Institute of Directors</td> </tr> <tr> <td data-bbox="616 696 892 797">Mr Chong Huai Seng</td> <td data-bbox="892 696 1179 797">1. ACRA-SGX-SID Audit Committee Seminar 2021</td> <td data-bbox="1179 696 1445 797">Singapore Institute of Directors</td> </tr> <tr> <td data-bbox="616 797 892 1084">Mr Navinderjeet Singh A/L Naranjan Singh</td> <td data-bbox="892 797 1179 1084">Listed Entity Director (“LED”) Programme 1. LED 1 - Listed Entity Director Essentials 2. LED 2 - Board Dynamics 3. LED 3 - Board Performance 4. LED 4 - Stakeholder Engagement</td> <td data-bbox="1179 797 1445 1084">Singapore Institute of Directors</td> </tr> </tbody> </table> <p>In addition, briefings and updates for Directors in FY2021 included the following:</p> <p>(a) The external auditor briefed the AC on new, changes and amendments to accounting standards.</p> <p>(b) The Company Secretary briefed the Board on changes in the Companies Act 1967 of Singapore (“Companies Act”), and notified/updated the Board on amendments to/new legislations, rules and regulations.</p>	Table 1.2 – Training Profiles of Directors			Name of Director	Course Attended	Training Provider	Mr Lim Kian Onn	1. Revised Malaysian Code on Corporate Governance	Tricor Corporate Services Sdn Bhd	Mr Michael Kan Yuet Yun PBM	1. ACRA-SGX-SID Audit Committee Seminar 2021 2. CTP 2 - Accelerating your Digital Transformation	Singapore Institute of Directors	Mr Chong Huai Seng	1. ACRA-SGX-SID Audit Committee Seminar 2021	Singapore Institute of Directors	Mr Navinderjeet Singh A/L Naranjan Singh	Listed Entity Director (“LED”) Programme 1. LED 1 - Listed Entity Director Essentials 2. LED 2 - Board Dynamics 3. LED 3 - Board Performance 4. LED 4 - Stakeholder Engagement	Singapore Institute of Directors
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1.3	<p><u>Matters requiring Board's approval</u></p>	<p>The Board has ultimate oversight and approval rights for material transactions in the Company. The Board has not delegated approval authorisation for such transactions to any committee(s) due to the size of the Company and the business needs of the organisation. Specifically, matters and transactions that require the Board's approval include all matters prescribed by law, amongst others, the following:</p> <ul style="list-style-type: none"> • Overall Group business and budget strategy; • Material capital expenditures; • Material investments, acquisitions and/or disposals; • Borrowings and financial commitments; • All capital-related matters including capital issuance and redemption; • Significant policies governing the operations of the Company; • Corporate strategic development and restructuring; • Material interested person transactions; and • Risk management strategies. <p>Matters and transactions that have received the Board's approval are communicated clearly to Management, when necessary such communication is made in writing. To optimise operational efficiency and enhance transparency, the Board has approved the delegation of authority for the establishment and operation of bank accounts and funds disbursement to Management, based on approved authority matrix.</p>																		

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1.4	<u>Delegation to Board Committees</u>	<p>The Board has delegated certain responsibilities to the AC, NC and RC (collectively, the "Board Committees").</p> <p>The compositions of the Board Committees are set out in Table 1.1 of Section 1.1 of this report.</p>																																																
1.5	<u>Attendance of Board and Board Committees</u>	<p>The Board conducts regular scheduled meetings and/or as and when circumstances require. Directors with multiple board representations will ensure that sufficient time and attention are given to the affairs of the Company.</p> <p>In FY2021, the number of General, Board and Board Committees meetings held and the attendance of each Board member are shown below:</p> <table border="1" data-bbox="614 656 1444 1115"> <thead> <tr> <th colspan="6">Table 1.5 – General, Board and Board Committee Meetings</th> </tr> <tr> <th></th> <th>Annual General Meeting</th> <th>Board Meeting</th> <th>AC Meeting</th> <th>RC Meeting</th> <th>NC Meeting</th> </tr> </thead> <tbody> <tr> <td>Number of meetings held</td> <td>1</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Name of Directors</td> <td colspan="5">Number of Meetings Attended</td> </tr> <tr> <td>Mr Lim Kian Onn (Alternate Director: Mr Gareth Lim Tze Xiang)</td> <td>1</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Mr Michael Kan Yuet Yun PBM</td> <td>1</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Mr Chong Huai Seng</td> <td>1</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Mr Navinderjeet Singh A/L Naranjan Singh</td> <td>1</td> <td>2</td> <td>2⁽¹⁾</td> <td>1⁽¹⁾</td> <td>1⁽¹⁾</td> </tr> </tbody> </table> <p>Note: ⁽¹⁾ By invitation.</p> <p>The Constitution allows for meetings to be held through telephone and/or video-conference.</p>	Table 1.5 – General, Board and Board Committee Meetings							Annual General Meeting	Board Meeting	AC Meeting	RC Meeting	NC Meeting	Number of meetings held	1	2	2	1	1	Name of Directors	Number of Meetings Attended					Mr Lim Kian Onn (Alternate Director: Mr Gareth Lim Tze Xiang)	1	2	2	1	1	Mr Michael Kan Yuet Yun PBM	1	2	2	1	1	Mr Chong Huai Seng	1	2	2	1	1	Mr Navinderjeet Singh A/L Naranjan Singh	1	2	2 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾
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1.6	<p><u>Access to information</u></p> <p>What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?</p>	<p>The Directors have separate and independent access to key members of Management of the Company if they seek information on its business affairs and shall be provided with such information if requested to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</p> <table border="1" data-bbox="616 450 1444 1032"> <thead> <tr> <th colspan="3" data-bbox="616 450 1444 517">Table 1.6 – Types of Information provided by Key Management Personnel to Independent Directors</th> </tr> <tr> <th data-bbox="616 517 667 555"></th> <th data-bbox="667 517 1125 555">Information</th> <th data-bbox="1125 517 1444 555">Frequency</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 555 667 689">1.</td> <td data-bbox="667 555 1125 689">Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td> <td data-bbox="1125 555 1444 689">At least half yearly</td> </tr> <tr> <td data-bbox="616 689 667 763">2.</td> <td data-bbox="667 689 1125 763">Updates to the Group's operations and the markets in which the Group operates in</td> <td data-bbox="1125 689 1444 763">At least half yearly</td> </tr> <tr> <td data-bbox="616 763 667 920">3.</td> <td data-bbox="667 763 1125 920">Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and External Auditors ("EA") and Internal Auditor ("IA") reports</td> <td data-bbox="1125 763 1444 920">Management accounts – at least half yearly Others – annually</td> </tr> <tr> <td data-bbox="616 920 667 994">4.</td> <td data-bbox="667 920 1125 994">Reports on on-going or planned corporate actions</td> <td data-bbox="1125 920 1444 994">As and when required</td> </tr> <tr> <td data-bbox="616 994 667 1032">5.</td> <td data-bbox="667 994 1125 1032">Shareholding statistics</td> <td data-bbox="1125 994 1444 1032">As and when required</td> </tr> </tbody> </table> <p>Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information for the Board meetings at least three days prior to the meetings to allow sufficient time for the Directors' review.</p> <p>Management will also, on best endeavours, encrypt documents which bear material price sensitive information when circulating documents electronically. Management will also provide any additional material information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</p> <p>The Board is satisfied with its access to information and information that was provided is complete, adequate and timely.</p>	Table 1.6 – Types of Information provided by Key Management Personnel to Independent Directors				Information	Frequency	1.	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	At least half yearly	2.	Updates to the Group's operations and the markets in which the Group operates in	At least half yearly	3.	Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and External Auditors ("EA") and Internal Auditor ("IA") reports	Management accounts – at least half yearly Others – annually	4.	Reports on on-going or planned corporate actions	As and when required	5.	Shareholding statistics	As and when required
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	<p>(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.</p> <p>(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.</p>	<p>There is no Director who is deemed independent by the Board notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.</p> <p>Not applicable.</p>
	<p><u><i>Independent Directors serving beyond nine years</i></u></p> <p>Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.</p>	<p>Both Mr Michael Kan Yuet Yun PBM and Mr Chong Huai Seng, the only Independent Directors of the Company, have served on the Board beyond nine years since the date of their respective first appointments. Pursuant to Catalist Rule 406(3)(d)(iii), to ensure that the independence of both Mr Michael Kan Yuet Yun PBM and Mr Chong Huai Seng were not affected, the Company had sought shareholders' approval for their continued appointments as Independent Directors by way of separate resolutions which were duly passed at the previous Annual General Meeting ("AGM") held on 27 April 2021. Both Mr Michael Kan Yuet Yun PBM and Mr Chong Huai Seng remain as Independent Directors until the earlier of their retirement or resignation as a Director or at the conclusion of the AGM to be held in 2024.</p> <p>The Board is of the view that Mr Michael Kan Yuet Yun PBM and Mr Chong Huai Seng are independent as they have:</p> <ul style="list-style-type: none"> • contributed constructively throughout their term in the Company; • sought clarification and amplification as they deemed necessary, including through direct access to key management personnel, Company Secretary, IA and EA; and • provided impartial advice and insights, and has exercised their independent judgement in doing so. <p>The following assessments were conducted and deliberated by the Board before arriving at the conclusion:</p> <ul style="list-style-type: none"> • Mr Michael Kan Yuet Yun PBM's declaration and individual evaluation; • Mr Chong Huai Seng's declaration and individual evaluation; and • performance assessment done by the other Directors. <p>For the foregoing reasons, the Board concluded that it is confident that both Mr Michael Kan Yuet Yun PBM and Mr Chong Huai Seng have the ability to continue exercising strong independent judgment in the discharge of their duties.</p>

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

No.	Code Description	Company's Compliance or Explanation																																	
	(a) What is the Board's policy with regard to diversity in identifying Director nominees?	<p>The Board's policy in identifying Director nominees is primarily to have an appropriate balance and mix of members with complementary skills, core competencies and experience for the Group, regardless of gender.</p> <p>The Board is mindful that diversity is not specific to gender or certain personal attributes and would strive to ensure the diversity would enhance the long-term success of the Group. The objective of the policy is to avoid groupthink and foster constructive debate and ensure that composition is optimal to support the Group's needs in the short and long term.</p> <p>While the NC is aware of the merits of gender diversity to the Board composition, the NC notes that it is only one of the many aspects of diversity. While due consideration would be given to female representation on the Board, the NC will continue to make its selection of candidates based on objective criteria which it believes is in the best interest of the Company.</p>																																	
	(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	<p>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:</p> <table border="1" data-bbox="616 837 1441 1346"> <thead> <tr> <th colspan="3" data-bbox="616 837 1441 875">Table 2.4 – Balance and Diversity of the Board</th> </tr> <tr> <th data-bbox="616 875 1107 949"></th> <th data-bbox="1107 875 1275 949">Number of Directors</th> <th data-bbox="1275 875 1441 949">Proportion of Board</th> </tr> </thead> <tbody> <tr> <td colspan="3" data-bbox="616 949 1441 987">Core Competencies</td> </tr> <tr> <td data-bbox="616 987 1107 1025">- Accounting or finance</td> <td data-bbox="1107 987 1275 1025">3</td> <td data-bbox="1275 987 1441 1025">75%</td> </tr> <tr> <td data-bbox="616 1025 1107 1064">- Business management</td> <td data-bbox="1107 1025 1275 1064">4</td> <td data-bbox="1275 1025 1441 1064">100%</td> </tr> <tr> <td data-bbox="616 1064 1107 1137">- Relevant industry knowledge or experience</td> <td data-bbox="1107 1064 1275 1137">4</td> <td data-bbox="1275 1064 1441 1137">100%</td> </tr> <tr> <td data-bbox="616 1137 1107 1176">- Strategic planning experience</td> <td data-bbox="1107 1137 1275 1176">4</td> <td data-bbox="1275 1137 1441 1176">100%</td> </tr> <tr> <td data-bbox="616 1176 1107 1214">- Customer based experience or knowledge</td> <td data-bbox="1107 1176 1275 1214">4</td> <td data-bbox="1275 1176 1441 1214">100%</td> </tr> <tr> <td colspan="3" data-bbox="616 1214 1441 1252">Gender</td> </tr> <tr> <td data-bbox="616 1252 1107 1290">- Male</td> <td data-bbox="1107 1252 1275 1290">4</td> <td data-bbox="1275 1252 1441 1290">100%</td> </tr> <tr> <td data-bbox="616 1290 1107 1328">- Female</td> <td data-bbox="1107 1290 1275 1328">0</td> <td data-bbox="1275 1290 1441 1328">0%</td> </tr> </tbody> </table>	Table 2.4 – Balance and Diversity of the Board				Number of Directors	Proportion of Board	Core Competencies			- Accounting or finance	3	75%	- Business management	4	100%	- Relevant industry knowledge or experience	4	100%	- Strategic planning experience	4	100%	- Customer based experience or knowledge	4	100%	Gender			- Male	4	100%	- Female	0	0%
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	(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	<p>The Board has taken the following steps to maintain or enhance its balance and diversity:</p> <ul style="list-style-type: none"> • Annual review by the Board to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and • Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board. <p>The Board will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.</p>																																	
2.5	<u>Meeting in the absence of the Management</u>	<p>The Non-Executive Directors are scheduled to meet regularly, or as warranted, in the absence of Management to discuss concerns or matters such as the effectiveness of Management.</p> <p>The Non-Executive Directors – Mr Lim Kian Onn, Mr Michael Kan Yuet Yun PBM and Mr Chong Huai Seng met once in the absence of Management in FY2021.</p> <p>The Independent Directors had met once in the absence of Management in FY2021.</p>																																	

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4.3	<p><u>Selecting, Appointment and Re-appointment of Directors</u></p> <p>Please describe the Board nomination process for the Company in the last financial year for (i) selecting and appointing new Directors and (ii) re-electing incumbent Directors.</p>	<p>The Board assesses and evaluates whether new Directors and/or retiring Directors to be re-appointed are properly qualified for appointment by virtue of their skills, experience and contributions, in line with the following processes:</p> <table border="1" data-bbox="616 387 1444 862"> <thead> <tr> <th colspan="3" data-bbox="616 387 1444 427">Table 4.3(a) – Process for the Selection and Appointment of New Directors</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 427 667 555">1.</td> <td data-bbox="667 427 874 555">Determination of selection criteria</td> <td data-bbox="874 427 1444 555"> <ul style="list-style-type: none"> The Board would identify the current needs of the Board in terms of skills/experience/knowledge to complement and strengthen the Board and increase its diversity. </td> </tr> <tr> <td data-bbox="616 555 667 683">2.</td> <td data-bbox="667 555 874 683">Search for suitable candidates</td> <td data-bbox="874 555 1444 683"> <ul style="list-style-type: none"> The Board would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary. </td> </tr> <tr> <td data-bbox="616 683 667 788">3.</td> <td data-bbox="667 683 874 788">Assessment of shortlisted candidates</td> <td data-bbox="874 683 1444 788"> <ul style="list-style-type: none"> The Board would meet and interview the shortlisted candidates to assess their suitability. </td> </tr> <tr> <td data-bbox="616 788 667 862">4.</td> <td data-bbox="667 788 874 862">Appointment of Director</td> <td data-bbox="874 788 1444 862"> <ul style="list-style-type: none"> The Board considers and approves the selected candidate for his/her appointment to the Board. </td> </tr> </tbody> </table> <table border="1" data-bbox="616 891 1444 1198"> <thead> <tr> <th colspan="3" data-bbox="616 891 1444 931">Table 4.3(b) – Process for the Re-electing Incumbent Directors</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 931 667 1093">1.</td> <td data-bbox="667 931 874 1093">Assessment of Director</td> <td data-bbox="874 931 1444 1093"> <ul style="list-style-type: none"> The Board assesses the performance of the Director in accordance with the performance criteria set by the Board; and The Board considers the current needs of the Board. </td> </tr> <tr> <td data-bbox="616 1093 667 1198">2.</td> <td data-bbox="667 1093 874 1198">Re-appointment of Director</td> <td data-bbox="874 1093 1444 1198"> <ul style="list-style-type: none"> Subject to the Board's satisfactory assessment and consideration, the Board would approve the proposed re-appointment of the Director. </td> </tr> </tbody> </table> <p>All existing Directors are subject to retirement according to the provisions of Article 107 of the Constitution ("Article 107") and Rule 720(4) of the Catalist Rules. Article 107 states that at each AGM, one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third, shall retire from office provided always that all Directors shall retire from office at least once every three years. Rule 720(4) of the Catalist Rules provides that a company must have all directors submit themselves for re-nomination and re-appointment at least once every three years.</p> <p>In the case of the Company, there are four Directors thus the number of Directors to be retired based on the number nearest to but not less than one-third shall be two Directors. A retiring Director is eligible for re-election by shareholders at the AGM.</p> <p>Pursuant to Article 107 and premised on the considerations of the Directors' overall contributions and performance, the Board recommended that two Directors, namely Mr Lim Kian Onn and Mr Chong Huai Seng be retired and be nominated for re-election at the forthcoming AGM.</p> <p>Mr Chong Huai Seng will, upon being re-elected as a Director of the Company, remain as Chairman of the NC and RC and member of the AC. The Board considers Mr Chong Huai Seng to be independent for the purpose of Rule 704(7) of the Catalist Rules.</p> <p>Mr Lim Kian Onn will, upon being re-elected as a Director of the Company, remain as the Chairman of the Board (Non-Executive Non-Independent Director) and a member of the AC, NC and RC. The Board considers Mr Lim Kian Onn to be non-independent for the purpose of Rule 704(7) of the Catalist Rules.</p>	Table 4.3(a) – Process for the Selection and Appointment of New Directors			1.	Determination of selection criteria	<ul style="list-style-type: none"> The Board would identify the current needs of the Board in terms of skills/experience/knowledge to complement and strengthen the Board and increase its diversity. 	2.	Search for suitable candidates	<ul style="list-style-type: none"> The Board would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary. 	3.	Assessment of shortlisted candidates	<ul style="list-style-type: none"> The Board would meet and interview the shortlisted candidates to assess their suitability. 	4.	Appointment of Director	<ul style="list-style-type: none"> The Board considers and approves the selected candidate for his/her appointment to the Board. 	Table 4.3(b) – Process for the Re-electing Incumbent Directors			1.	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4.5	<p><u>Assessment of Directors' duties</u></p> <p><u>Key information on Directors</u></p>	<p>Assessment of the individual Directors' performance was based on the criteria set out in Table 5.1(a) to Table 5.1(e) of Section 5.1. The following were used to assess the performance and consider competing time commitments of the Directors:</p> <ul style="list-style-type: none"> • Declarations by each Director of their other listed company directorships and principal commitments; and • Annual confirmations by each Director on his/her ability to devote sufficient time and attention to the Company's affairs, having regard to his/her other commitments. <p>The NC had reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and principal commitments of each of the Directors (if any), and is satisfied that all Directors were able to diligently discharge their duties for FY2021.</p> <p>The key information of the Directors, including their principal commitment(s), appointment dates and current directorships and that held in the past three years in other companies, are set out on page 35 and pages 117 and 122 of this Annual Report. The current principal commitments of Directors is set out at Table 4.5 below:</p> <table border="1" data-bbox="616 902 1445 1328"> <thead> <tr> <th colspan="3">Table 4.5 – Other listed company directorships and principal commitments of Directors</th> </tr> <tr> <th>Name of Director</th> <th>Other Listed Company Directorships</th> <th>Other Principal Commitments</th> </tr> </thead> <tbody> <tr> <td>Mr Lim Kian Onn</td> <td>1. ECM Libra Group Berhad 2. AirAsia X Berhad</td> <td>Deputy Chairman of AirAsia X Berhad</td> </tr> <tr> <td>Mr Michael Kan Yuet Yun PBM</td> <td>-</td> <td>-</td> </tr> <tr> <td>Mr Chong Huai Seng</td> <td>-</td> <td>-</td> </tr> <tr> <td>Mr Navinderjeet Singh A/L Naranjan Singh</td> <td>-</td> <td>Chief Financial Officer of ECM Libra Group Berhad</td> </tr> </tbody> </table>	Table 4.5 – Other listed company directorships and principal commitments of Directors			Name of Director	Other Listed Company Directorships	Other Principal Commitments	Mr Lim Kian Onn	1. ECM Libra Group Berhad 2. AirAsia X Berhad	Deputy Chairman of AirAsia X Berhad	Mr Michael Kan Yuet Yun PBM	-	-	Mr Chong Huai Seng	-	-	Mr Navinderjeet Singh A/L Naranjan Singh	-	Chief Financial Officer of ECM Libra Group Berhad
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Mr Navinderjeet Singh A/L Naranjan Singh	-	Chief Financial Officer of ECM Libra Group Berhad																		
	<p><u>Multiple Directorships</u></p> <p>(a) What is the maximum number of listed company board representations that the Company has prescribed for its Directors? What are the reasons for this number?</p>	<p>The Board has not capped the maximum number of listed company board representations each Director may hold.</p>																		
	<p>(b) If a maximum has not been determined, what are the reasons?</p>	<p>The Board is of the view that the effectiveness of each of the Directors is best determined by a qualitative assessment of the Director's contributions, after taking into account his other listed company board directorships and other principal commitments, and not guided by a numerical limit.</p> <p>The Board also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively.</p> <p>The Board does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board.</p>																		

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	(c) What are the specific considerations in deciding on the capacity of Directors?	<p>The considerations in assessing the capacity of Directors include the following:</p> <ul style="list-style-type: none"> • Expected and/or competing time commitments* of Directors, including whether such commitment is a full-time or part-time employment capacity; • Geographical location of Directors; • Size and composition of the Board; • Nature and scope of the Group's operations and size; • Capacity, complexity and expectations of the other listed directorships and principal commitments held; and • Assessment of individual performance. <p>* <i>Competing time commitments of the Directors comprise a consideration of (i) Declarations by individual Directors of their other listed company board directorships and principal commitments; (ii) Annual confirmations by each Director on his ability to devote sufficient time and attention to the Company's affairs.</i></p>
	(d) Have the Directors adequately discharged their duties?	<p>The Board has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties adequately for FY2021.</p>
PG 4	Are there Alternate Directors?	<p>The Chairman has appointed the CEO as his alternate on the Board of Directors of the Company. The Board is of the view that the CEO is appropriately qualified to bear the duties and responsibilities for the role and has considerable familiarity with the Company's affairs. An Alternate Director bears all the similar responsibilities of a Director.</p>

Principle 5: Board Performance

5.1	<u>Performance Criteria</u>	<p>The performance of the Directors and the Board Committees are formally evaluated on an annual basis. The evaluation is undertaken on the basis that there is a structured approach to assessing how the Directors have individually performed in his role and overall how they have contributed and added value to the Company achieving its objective for the year.</p> <p>Table 5.1(a) sets out the performance criteria to assess the contribution by each Director.</p> <table border="1" data-bbox="616 1424 1442 1682"> <thead> <tr> <th colspan="2" data-bbox="616 1424 1442 1464">Table 5.1(a) – Performance Criteria for Individual Director</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 1464 638 1496">1.</td> <td data-bbox="638 1464 1442 1496">Commitment of time</td> </tr> <tr> <td data-bbox="616 1496 638 1527">2.</td> <td data-bbox="638 1496 1442 1527">Knowledge of abilities</td> </tr> <tr> <td data-bbox="616 1527 638 1559">3.</td> <td data-bbox="638 1527 1442 1559">Teamwork</td> </tr> <tr> <td data-bbox="616 1559 638 1590">4.</td> <td data-bbox="638 1559 1442 1590">Independence and objectivity</td> </tr> <tr> <td data-bbox="616 1590 638 1621">5.</td> <td data-bbox="638 1590 1442 1621">Integrity</td> </tr> <tr> <td data-bbox="616 1621 638 1653">6.</td> <td data-bbox="638 1621 1442 1653">Overall effectiveness</td> </tr> <tr> <td data-bbox="616 1653 638 1684">7.</td> <td data-bbox="638 1653 1442 1684">Track record in good decision making</td> </tr> </tbody> </table>	Table 5.1(a) – Performance Criteria for Individual Director		1.	Commitment of time	2.	Knowledge of abilities	3.	Teamwork	4.	Independence and objectivity	5.	Integrity	6.	Overall effectiveness	7.	Track record in good decision making
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		<p>Table 5.1(b) below sets out the performance criteria, as approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole. The evaluations are designed to assess the Board's effectiveness to uncover strengths and challenges so that the Board is in a better position to provide the required expertise and oversight.</p> <table border="1" data-bbox="616 450 1445 680"> <thead> <tr> <th colspan="2" data-bbox="616 450 1445 488">Table 5.1(b) – Performance Criteria for Board Evaluation</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 488 639 517">1.</td> <td data-bbox="639 488 1445 517">Board composition</td> </tr> <tr> <td data-bbox="616 517 639 546">2.</td> <td data-bbox="639 517 1445 546">Board conduct of affairs</td> </tr> <tr> <td data-bbox="616 546 639 575">3.</td> <td data-bbox="639 546 1445 575">Internal controls and risk management</td> </tr> <tr> <td data-bbox="616 575 639 604">4.</td> <td data-bbox="639 575 1445 604">Board accountability</td> </tr> <tr> <td data-bbox="616 604 639 633">5.</td> <td data-bbox="639 604 1445 633">Expectation and responsibilities of the CEO</td> </tr> <tr> <td data-bbox="616 633 639 663">6.</td> <td data-bbox="639 633 1445 663">Standards of conduct</td> </tr> </tbody> </table> <p>Table 5.1(c) to 5.1(e) below sets out the performance criteria, as approved by the Board, to be relied upon to evaluate the effectiveness of each Board Committee. The evaluations are designed to assess the Board Committees' effectiveness in providing the required expertise and oversight.</p> <table border="1" data-bbox="616 864 1445 1341"> <thead> <tr> <th colspan="2" data-bbox="616 864 1445 902">Table 5.1(c) – Performance Criteria for NC Evaluation</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 902 639 931">1.</td> <td data-bbox="639 902 1445 931">Membership and appointments</td> </tr> <tr> <td data-bbox="616 931 639 960">2.</td> <td data-bbox="639 931 1445 960">NC conduct of meetings</td> </tr> <tr> <td data-bbox="616 960 639 990">3.</td> <td data-bbox="639 960 1445 990">Training and resources provided</td> </tr> <tr> <td data-bbox="616 990 639 1019">4.</td> <td data-bbox="639 990 1445 1019">Reporting and resolving of disagreement</td> </tr> <tr> <td data-bbox="616 1019 639 1048">5.</td> <td data-bbox="639 1019 1445 1048">Process for selection and appointment of new directors</td> </tr> <tr> <td data-bbox="616 1048 639 1077">6.</td> <td data-bbox="639 1048 1445 1077">Diversity of the Board Committee</td> </tr> <tr> <td data-bbox="616 1077 639 1106">7.</td> <td data-bbox="639 1077 1445 1106">Nomination of Directors for re-election</td> </tr> <tr> <td data-bbox="616 1106 639 1135">8.</td> <td data-bbox="639 1106 1445 1135">Independence of Directors</td> </tr> <tr> <td data-bbox="616 1135 639 1164">9.</td> <td data-bbox="639 1135 1445 1164">Board performance evaluation</td> </tr> <tr> <td data-bbox="616 1164 639 1193">10.</td> <td data-bbox="639 1164 1445 1193">Succession planning</td> </tr> <tr> <td data-bbox="616 1193 639 1223">11.</td> <td data-bbox="639 1193 1445 1223">Review of Directors with multiple board representations</td> </tr> <tr> <td data-bbox="616 1223 639 1252">12.</td> <td data-bbox="639 1223 1445 1252">Standards of conduct</td> </tr> <tr> <td data-bbox="616 1252 639 1281">13.</td> <td data-bbox="639 1252 1445 1281">Communication with shareholders</td> </tr> </tbody> </table> <table border="1" data-bbox="616 1352 1445 1615"> <thead> <tr> <th colspan="2" data-bbox="616 1352 1445 1391">Table 5.1(d) – Performance Criteria for RC Evaluation</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 1391 639 1420">1.</td> <td data-bbox="639 1391 1445 1420">Membership and appointments</td> </tr> <tr> <td data-bbox="616 1420 639 1449">2.</td> <td data-bbox="639 1420 1445 1449">RC conduct of meetings</td> </tr> <tr> <td data-bbox="616 1449 639 1478">3.</td> <td data-bbox="639 1449 1445 1478">Training and resources provided</td> </tr> <tr> <td data-bbox="616 1478 639 1507">4.</td> <td data-bbox="639 1478 1445 1507">Remuneration framework</td> </tr> <tr> <td data-bbox="616 1507 639 1536">5.</td> <td data-bbox="639 1507 1445 1536">Reporting and resolving disagreement</td> </tr> <tr> <td data-bbox="616 1536 639 1565">6.</td> <td data-bbox="639 1536 1445 1565">Standards of conduct</td> </tr> <tr> <td data-bbox="616 1565 639 1594">7.</td> <td data-bbox="639 1565 1445 1594">Communications with shareholders</td> </tr> </tbody> </table> <table border="1" data-bbox="616 1653 1445 2036"> <thead> <tr> <th colspan="2" data-bbox="616 1653 1445 1691">Table 5.1(e) – Performance Criteria for AC Evaluation</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 1691 639 1720">1.</td> <td data-bbox="639 1691 1445 1720">Membership and appointments</td> </tr> <tr> <td data-bbox="616 1720 639 1749">2.</td> <td data-bbox="639 1720 1445 1749">AC conduct of meetings</td> </tr> <tr> <td data-bbox="616 1749 639 1778">3.</td> <td data-bbox="639 1749 1445 1778">Training and resources provided</td> </tr> <tr> <td data-bbox="616 1778 639 1807">4.</td> <td data-bbox="639 1778 1445 1807">Financial reporting</td> </tr> <tr> <td data-bbox="616 1807 639 1836">5.</td> <td data-bbox="639 1807 1445 1836">Internal controls and risk management systems</td> </tr> <tr> <td data-bbox="616 1836 639 1865">6.</td> <td data-bbox="639 1836 1445 1865">Internal audit process</td> </tr> <tr> <td data-bbox="616 1865 639 1895">7.</td> <td data-bbox="639 1865 1445 1895">External audit process</td> </tr> <tr> <td data-bbox="616 1895 639 1924">8.</td> <td data-bbox="639 1895 1445 1924">Whistle-blowing</td> </tr> <tr> <td data-bbox="616 1924 639 1953">9.</td> <td data-bbox="639 1924 1445 1953">Relationship with the Board</td> </tr> <tr> <td data-bbox="616 1953 639 1982">10.</td> <td data-bbox="639 1953 1445 1982">Standards of conduct</td> </tr> <tr> <td data-bbox="616 1982 639 2011">11.</td> <td data-bbox="639 1982 1445 2011">Communications with shareholders</td> </tr> </tbody> </table>	Table 5.1(b) – Performance Criteria for Board Evaluation		1.	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		<p>The Board would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval. The NC reviews the effectiveness of the Board as a whole, Board Committees and the contribution of each individual Director to the effectiveness of the Board.</p> <p>No external facilitator was used in the evaluation process.</p>
5.2	<p><u>Performance Review</u></p> <p>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?</p> <p>(b) Has the Board met its performance objectives?</p>	<p>The review of the performance of the Board is conducted by the Board annually.</p> <p>For FY2021, the review process was as follows:</p> <ol style="list-style-type: none"> 1. All Directors individually completed a board evaluation questionnaire on the effectiveness of the Board based on criteria disclosed in Table 5.1(b) of Section 5.1 above; 2. The Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a summary; and 3. The Board discussed the summary and concluded the performance results during the Board meeting. <p>Yes, the Board has met its performance objectives.</p>
REMUNERATION MATTERS		
Principle 6: Procedures for Developing Remuneration Policies		
6.1 6.3	<u>Role of the RC</u>	<p>The RC is guided by key terms of reference as follows:</p> <ol style="list-style-type: none"> (a) Reviews and recommends to the Board a framework of remuneration and the specific remuneration package for the Board and key management personnel to ensure that the structure is competitive and sufficient to attract, retain and motivate senior management to run the Company successfully in order to maximise shareholder value; (b) Reviews the fairness and reasonableness of the termination clauses of the service agreements of the Executive Directors and key management personnel; and (c) Review and ensure that the remuneration package offered to the Non-Executive Directors is appropriate to their individual level of contribution, which takes into account factors such as effort, time spent and responsibilities. <p>The RC's review and recommendations cover all aspects including fees, salaries, allowance, bonuses, options, share-based incentives, awards and benefits-in-kind.</p> <p>The RC members are familiar with executive compensation matters as they manage their own businesses and/or are holding directorships in the boards of other listed companies. In addition, the members of the RC do not participate in any decisions concerning their own remuneration.</p>

No.	Code Description	Company's Compliance or Explanation		
6.4	<u>Engagement of Remuneration Consultants</u>	<p>No remuneration consultants were engaged by the Company in FY2021 as the Company is of the view that the annual review by the RC, is currently sufficient to ensure the continued relevance of its remuneration packages to the Group's strategic business objectives and alignment with market practices.</p> <p>Nevertheless, the RC may have access to appropriate external expert advice in the field of executive compensation, if necessary, and may obtain advice from external consultants for benchmarking, where necessary.</p>		
Principle 7: Level and Mix of Remuneration				
Principle 8: Disclosure on Remuneration				
7.1 7.2 7.3 8.1	<u>Remuneration Policy</u>	<p>The Company's remuneration policy which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards, is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff the link that total compensation has to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market.</p>		
	<p><u>Remuneration Structure for Executive Directors' and key management personnel</u></p> <p>(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</p>	<p>The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2021. Their remuneration was made up of fixed and variable compensations. The fixed compensation consists of an annual base salary and fixed allowances. The variable compensation is determined based on the level of achievement of individual performance objectives. Since FY2016, the Company has adopted Plato ESOS 2016 and Plato PSP 2016, details of which can be found in Section 8.3 of this report.</p>		
	<p><u>Performance Criteria</u></p> <p>(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</p>	<p>The following performance conditions are used by the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:</p> <table border="1" data-bbox="616 1547 1445 1749"> <thead> <tr> <th data-bbox="616 1547 1445 1619">Table 7.1 – Performance Conditions for Short-term Incentives (such as performance bonus) and Long-term Incentives (Plato ESOS 2016)</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 1619 1445 1749"> <ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork </td> </tr> </tbody> </table>	Table 7.1 – Performance Conditions for Short-term Incentives (such as performance bonus) and Long-term Incentives (Plato ESOS 2016)	<ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork
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	<p>(c) Were all of these performance conditions met? If not, what were the reasons?</p>	<p>Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2021.</p>		

No.	Code Description	Company's Compliance or Explanation																																																
7.2	<u>Remuneration Structure of Non-Executive Directors</u>	<p>Directors' fees are subjected to shareholders' approval at a general meeting. The fees for the financial year in review are determined in the previous financial year, proposed by Management submitted to the RC for review and thereafter recommended to the Board for approval.</p> <p>The RC has reviewed and assessed that the remuneration of the Non-Executive Directors for FY2021 is appropriate, considering the effort, time spent and responsibilities.</p>																																																
8.1(a) 8.1(b)	(a) Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/ fixed salary, variable or performance-related income/ bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	<p>The breakdown for the remuneration of the Directors and the CEO for FY2021 is as follows:</p> <p>I. Fixed/Variable Remuneration</p> <table border="1" data-bbox="667 685 1444 1261"> <thead> <tr> <th colspan="6" data-bbox="667 685 1444 730">Table 8.1 (a) – Directors' Remuneration</th> </tr> <tr> <th data-bbox="667 730 903 775"></th> <th colspan="5" data-bbox="903 730 1444 775">Cash-based remuneration</th> </tr> <tr> <th data-bbox="667 775 903 875">Name</th> <th data-bbox="903 775 1002 875">Salary (%)</th> <th data-bbox="1002 775 1099 875">Bonus (%)</th> <th data-bbox="1099 775 1222 875">Directors Fees (%)</th> <th data-bbox="1222 775 1345 875">Benefits-in-kind (%)</th> <th data-bbox="1345 775 1444 875">Total⁽²⁾ (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="667 875 903 913">Mr Lim Kian Onn</td> <td data-bbox="903 875 1002 913">-</td> <td data-bbox="1002 875 1099 913">-</td> <td data-bbox="1099 875 1222 913">100</td> <td data-bbox="1222 875 1345 913">-</td> <td data-bbox="1345 875 1444 913">100</td> </tr> <tr> <td data-bbox="667 913 903 1077">Mr Gareth Lim Tze Xiang⁽¹⁾ (CEO and Alternate Director to Mr Lim Kian Onn)</td> <td data-bbox="903 913 1002 1077">100</td> <td data-bbox="1002 913 1099 1077">-</td> <td data-bbox="1099 913 1222 1077">-</td> <td data-bbox="1222 913 1345 1077">-</td> <td data-bbox="1345 913 1444 1077">100</td> </tr> <tr> <td data-bbox="667 1077 903 1149">Mr Michael Kan Yuet Yun PBM</td> <td data-bbox="903 1077 1002 1149">-</td> <td data-bbox="1002 1077 1099 1149">-</td> <td data-bbox="1099 1077 1222 1149">100</td> <td data-bbox="1222 1077 1345 1149">-</td> <td data-bbox="1345 1077 1444 1149">100</td> </tr> <tr> <td data-bbox="667 1149 903 1187">Mr Chong Huai Seng</td> <td data-bbox="903 1149 1002 1187">-</td> <td data-bbox="1002 1149 1099 1187">-</td> <td data-bbox="1099 1149 1222 1187">100</td> <td data-bbox="1222 1149 1345 1187">-</td> <td data-bbox="1345 1149 1444 1187">100</td> </tr> <tr> <td data-bbox="667 1187 903 1261">Mr Navinderjeet Singh A/L Naranjan Singh</td> <td data-bbox="903 1187 1002 1261">-</td> <td data-bbox="1002 1187 1099 1261">-</td> <td data-bbox="1099 1187 1222 1261">-</td> <td data-bbox="1222 1187 1345 1261">-</td> <td data-bbox="1345 1187 1444 1261">-</td> </tr> </tbody> </table> <p>Notes:</p> <p>⁽¹⁾ Mr Gareth Lim Tze Xiang is the son of Mr Lim Kian Onn.</p> <p>⁽²⁾ Excluding share options and awards. In FY2021, no share options or share awards were granted under the respective schemes to the Directors.</p> <p>II. Share based Incentives and Awards</p> <p>The Company has also established incentive schemes, namely the Plato ESOS 2016 (as defined in Section 8.3 of this report) and Plato PSP 2016 (as defined in Section 8.3 of this report) (collectively, the "Schemes") to remunerate Directors, the CEO and the key management personnel for their contributions to the Company. The details of the Schemes and details on the grant of stock options and share awards under the respective Schemes to Directors and the CEO since FY2016 can be found in Section 8.3 of this report.</p>	Table 8.1 (a) – Directors' Remuneration							Cash-based remuneration					Name	Salary (%)	Bonus (%)	Directors Fees (%)	Benefits-in-kind (%)	Total ⁽²⁾ (%)	Mr Lim Kian Onn	-	-	100	-	100	Mr Gareth Lim Tze Xiang ⁽¹⁾ (CEO and Alternate Director to Mr Lim Kian Onn)	100	-	-	-	100	Mr Michael Kan Yuet Yun PBM	-	-	100	-	100	Mr Chong Huai Seng	-	-	100	-	100	Mr Navinderjeet Singh A/L Naranjan Singh	-	-	-	-	-
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		<p>III. Directors' Fees</p> <p>Shareholders of the Company had, at the annual general meeting of the Company held on 27 April 2021, approved the compensation of the Non-Executive Directors for their services as Directors of the Company in FY2021 with a directors' fee in the aggregate amount of \$133,500.</p> <p>The remuneration of the Directors and the CEO individually for FY2021 was less than \$250,000.</p> <p>A disclosure of the individual remuneration details would involve revealing internal confidential information and possibly, trade secrets of the Company. Therefore, after reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director and key management personnel, the Company is of the view that such disclosure would be prejudicial to its business interest given the foregoing reasons.</p> <p>There was no termination, retirement or post-employment benefits that may be granted to the Directors, the CEO and the key management personnel.</p>																																										
	<p>(b) Has the Company disclosed each key management personnel's remuneration, in bands of \$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</p>	<p>The Company has four key management personnel during FY2021.</p> <p>The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) for FY2021 is as follows:</p> <table border="1" data-bbox="616 1048 1445 1395"> <thead> <tr> <th colspan="6" data-bbox="616 1048 1445 1088">Table 8.1(b) – Remuneration of Key Management Personnel</th> </tr> <tr> <th data-bbox="616 1088 911 1128"></th> <th colspan="5" data-bbox="911 1088 1445 1128">Cash-based remuneration</th> </tr> <tr> <th data-bbox="616 1128 911 1234">Name</th> <th data-bbox="911 1128 1010 1234">Salary (%)</th> <th data-bbox="1010 1128 1109 1234">Bonus (%)</th> <th data-bbox="1109 1128 1230 1234">Benefits-in-kind (%)</th> <th data-bbox="1230 1128 1345 1234">Others⁽¹⁾ (%)</th> <th data-bbox="1345 1128 1445 1234">Total⁽²⁾ (%)</th> </tr> </thead> <tbody> <tr> <td colspan="6" data-bbox="616 1234 1445 1272">Below \$250,000</td> </tr> <tr> <td data-bbox="616 1272 911 1312">Mr Choo Seng Lai⁽³⁾</td> <td data-bbox="911 1272 1010 1312">72</td> <td data-bbox="1010 1272 1109 1312">-</td> <td data-bbox="1109 1272 1230 1312">-</td> <td data-bbox="1230 1272 1345 1312">28</td> <td data-bbox="1345 1272 1445 1312">100</td> </tr> <tr> <td data-bbox="616 1312 911 1352">Ms Lim Kian Fah</td> <td data-bbox="911 1312 1010 1352">100</td> <td data-bbox="1010 1312 1109 1352">-</td> <td data-bbox="1109 1312 1230 1352">-</td> <td data-bbox="1230 1312 1345 1352">-</td> <td data-bbox="1345 1312 1445 1352">100</td> </tr> <tr> <td data-bbox="616 1352 911 1395">Ms Wong Choy Ling</td> <td data-bbox="911 1352 1010 1395">100</td> <td data-bbox="1010 1352 1109 1395">-</td> <td data-bbox="1109 1352 1230 1395">-</td> <td data-bbox="1230 1352 1345 1395">-</td> <td data-bbox="1345 1352 1445 1395">100</td> </tr> </tbody> </table> <p>Notes:</p> <p>⁽¹⁾ Comprise of sales commissions.</p> <p>⁽²⁾ Excluding share options and awards. In FY2021, no share options or share awards were granted under the respective Schemes to the key management personnel.</p> <p>⁽³⁾ Mr Choo Seng Lai resigned on 31 December 2021.</p> <p>The Company has granted share options and share awards pursuant to the respective Schemes to key management personnel, save for Ms Wong Choy Ling since FY2016, details of which can be found in Section 8.3 of this report.</p>	Table 8.1(b) – Remuneration of Key Management Personnel							Cash-based remuneration					Name	Salary (%)	Bonus (%)	Benefits-in-kind (%)	Others⁽¹⁾ (%)	Total⁽²⁾ (%)	Below \$250,000						Mr Choo Seng Lai ⁽³⁾	72	-	-	28	100	Ms Lim Kian Fah	100	-	-	-	100	Ms Wong Choy Ling	100	-	-	-	100
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	Cash-based remuneration																																											
Name	Salary (%)	Bonus (%)	Benefits-in-kind (%)	Others⁽¹⁾ (%)	Total⁽²⁾ (%)																																							
Below \$250,000																																												
Mr Choo Seng Lai ⁽³⁾	72	-	-	28	100																																							
Ms Lim Kian Fah	100	-	-	-	100																																							
Ms Wong Choy Ling	100	-	-	-	100																																							
	<p>(c) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</p>	<p>The total remuneration paid to the three key management personnel (who are not Directors or the CEO) for FY2021 was \$282,375.</p>																																										

No.	Code Description	Company's Compliance or Explanation												
8.2	<p><u>Related Employees</u></p> <p>Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds \$100,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.</p>	<p>Save for the CEO and Ms Lim Kian Fah who is the son of and sister of the Chairman respectively, there is no other employee of the Group who is an immediate family of a Director or the CEO and whose remuneration exceeded \$100,000 in FY2021.</p> <p>The CEO's and Ms Lim Kian Fah's cash-based remuneration in FY2021 was within the bands of \$100,000 to \$200,000.</p>												
8.3	<p><u>Employee Share Scheme(s)</u></p>	<p>The Company had adopted the Plato Employee Share Option Scheme 2016 ("Plato ESOS 2016") and the Plato Performance Share Plan 2016 ("Plato PSP 2016") following the approval of the shareholders at an Extraordinary General Meeting ("EGM") on 20 May 2016.</p> <p>The RC, comprising Mr Michael Kan Yuet Yun PBM, Mr Chong Huai Seng and Mr Lim Kian Onn, has been duly authorised by the Board to administer the Plato ESOS 2016 and the Plato PSP 2016.</p> <p>The share options granted on 17 June 2016 under the Plato ESOS 2016 ("Options") are expiring on the tenth anniversary of the grant namely 16 June 2026, save for Options granted to Mr Lim Kian Onn, Mr Michael Kan Yuet Yun PBM and Mr Chong Huai Seng which had expired on the fifth anniversary of the grant on 16 June 2021.</p> <p>The duration of Plato PSP 2016 was 5 years commencing 17 June 2016 and had expired on 16 June 2021. No share awards under the Plato PSP 2016 ("Awards") have been released and vested and the Awards had lapsed on 16 June 2021.</p> <p>As at 31 December 2021, details of the Awards granted under the Plato PSP 2016 on the unissued Shares of the Company are as follows:</p> <table border="1" data-bbox="616 1352 1447 1619"> <caption data-bbox="855 1361 1209 1384">Table 8.3(a) – Movement of Plato PSP 2016</caption> <thead> <tr> <th data-bbox="616 1391 775 1576">Date of Grant of Awards</th> <th data-bbox="775 1391 919 1576">Number of Shares which are the subject of Awards granted as at 1 Jan 2021</th> <th data-bbox="919 1391 1062 1576">Number of Shares which are the subject of Awards granted during FY2021</th> <th data-bbox="1062 1391 1206 1576">Number of Shares which are the subject of Awards which had lapsed/ were cancelled during FY2021</th> <th data-bbox="1206 1391 1350 1576">Number of Shares which are the subject of Awards granted as at 31 Dec 2021</th> <th data-bbox="1350 1391 1447 1576">Number of holders</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 1576 775 1619">17 June 2016</td> <td data-bbox="775 1576 919 1619">230,942</td> <td data-bbox="919 1576 1062 1619">-</td> <td data-bbox="1062 1576 1206 1619">(230,942)</td> <td data-bbox="1206 1576 1350 1619">-</td> <td data-bbox="1350 1576 1447 1619">-</td> </tr> </tbody> </table> <p>Plato ESOS 2016</p> <p>Employees, Group Executive Directors and Group Non-Executive Directors (including Independent Directors) who have attained the age of 21 years on or before the date of grant of an option under the Plato ESOS 2016, provided that none of them is a discharged bankrupt and must not have entered into a composition with creditors, and controlling shareholders or associates of controlling shareholders who meet the aforesaid criteria but are subject to shareholders' approval based on the rules of the Plato ESOS 2016, are eligible to participate in the Plato ESOS 2016.</p> <p>Further details on the Plato ESOS 2016 can be found in the circular to shareholders dated 5 May 2016.</p>	Date of Grant of Awards	Number of Shares which are the subject of Awards granted as at 1 Jan 2021	Number of Shares which are the subject of Awards granted during FY2021	Number of Shares which are the subject of Awards which had lapsed/ were cancelled during FY2021	Number of Shares which are the subject of Awards granted as at 31 Dec 2021	Number of holders	17 June 2016	230,942	-	(230,942)	-	-
Date of Grant of Awards	Number of Shares which are the subject of Awards granted as at 1 Jan 2021	Number of Shares which are the subject of Awards granted during FY2021	Number of Shares which are the subject of Awards which had lapsed/ were cancelled during FY2021	Number of Shares which are the subject of Awards granted as at 31 Dec 2021	Number of holders									
17 June 2016	230,942	-	(230,942)	-	-									

No.	Code Description	Company's Compliance or Explanation																																				
		<p>The Plato ESOS 2016 is to provide an opportunity for Directors (including Non-Executive Directors and Independent Directors) and employees of the Group to participate in the equity performance of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Group.</p> <p>As at 31 December 2021, details of the Options granted under the Plato ESOS 2016 on the unissued Shares of the Company are as follows:</p> <table border="1" data-bbox="616 568 1445 958"> <caption data-bbox="863 577 1198 607">Table 8.3(b) – Movement of Plato ESOS 2016</caption> <thead> <tr> <th data-bbox="616 607 687 745">Date of Grant of Options</th> <th data-bbox="687 607 759 745">Exercise Price of Options</th> <th data-bbox="759 607 831 745">Options Outstanding as at 1 Jan 2021</th> <th data-bbox="831 607 903 745">Options Granted during FY2021</th> <th data-bbox="903 607 975 745">Options Exercised during FY2021</th> <th data-bbox="975 607 1046 745">Options Forfeited/ Expired during FY2021</th> <th data-bbox="1046 607 1118 745">Options Outstanding as at 31 Dec 2021</th> <th data-bbox="1118 607 1190 745">Number of Option Holders as at 31 Dec 2021</th> <th data-bbox="1190 607 1445 745">Validity Period of the Options</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 745 687 835">17 June 2016</td> <td data-bbox="687 745 759 835">\$2.00</td> <td data-bbox="759 745 831 835">268,858</td> <td data-bbox="831 745 903 835">-</td> <td data-bbox="903 745 975 835">-</td> <td data-bbox="975 745 1046 835">(62,044)</td> <td data-bbox="1046 745 1118 835">206,814</td> <td data-bbox="1118 745 1190 835">3</td> <td data-bbox="1190 745 1445 835">17 June 2016 to 16 June 2026</td> </tr> <tr> <td data-bbox="616 835 687 925">17 June 2016 ⁽¹⁾</td> <td data-bbox="687 835 759 925">\$2.00</td> <td data-bbox="759 835 831 925">193,026</td> <td data-bbox="831 835 903 925">-</td> <td data-bbox="903 835 975 925">-</td> <td data-bbox="975 835 1046 925">(193,026)</td> <td data-bbox="1046 835 1118 925">-</td> <td data-bbox="1118 835 1190 925">-</td> <td data-bbox="1190 835 1445 925">17 June 2016 to 16 June 2021</td> </tr> <tr> <td data-bbox="616 925 687 958">Total</td> <td data-bbox="687 925 759 958"></td> <td data-bbox="759 925 831 958">461,884</td> <td data-bbox="831 925 903 958">-</td> <td data-bbox="903 925 975 958">-</td> <td data-bbox="975 925 1046 958">(193,026)</td> <td data-bbox="1046 925 1118 958">206,814</td> <td data-bbox="1118 925 1190 958">3</td> <td data-bbox="1190 925 1445 958"></td> </tr> </tbody> </table> <p data-bbox="616 987 683 1016">Notes:</p> <p data-bbox="616 1032 1445 1093">⁽¹⁾ The Options granted to Mr Lim Kian Onn, Mr Michael Kan Yuet Yun PBM and Mr Chong Huai Seng had expired on 16 June 2021.</p>	Date of Grant of Options	Exercise Price of Options	Options Outstanding as at 1 Jan 2021	Options Granted during FY2021	Options Exercised during FY2021	Options Forfeited/ Expired during FY2021	Options Outstanding as at 31 Dec 2021	Number of Option Holders as at 31 Dec 2021	Validity Period of the Options	17 June 2016	\$2.00	268,858	-	-	(62,044)	206,814	3	17 June 2016 to 16 June 2026	17 June 2016 ⁽¹⁾	\$2.00	193,026	-	-	(193,026)	-	-	17 June 2016 to 16 June 2021	Total		461,884	-	-	(193,026)	206,814	3	
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No.	Code Description	Company's Compliance or Explanation																																																															
		<p>Details of Options granted under the Plato ESOS 2016 to Directors, controlling shareholders and their associates, and participants who have received 5% or more of the total Options available under the Schemes are as follows:</p> <table border="1" data-bbox="616 387 1447 1335"> <caption data-bbox="874 394 1190 421">Table 8.3(c) – Details of Plato ESOS 2016</caption> <thead> <tr> <th data-bbox="616 421 767 600">Name</th> <th data-bbox="767 421 895 600">Position Held</th> <th data-bbox="895 421 979 600">Options granted during FY2021</th> <th data-bbox="979 421 1118 600">Aggregate Options granted since commencement of Plato ESOS 2016 to 31 December 2021</th> <th data-bbox="1118 421 1257 600">Aggregate options exercised since commencement of Plato ESOS 2016 to 31 December 2021</th> <th data-bbox="1257 421 1342 600">Aggregate options forfeited/ expired during FY2021</th> <th data-bbox="1342 421 1447 600">Aggregate options outstanding as at 31 December 2021</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 600 767 712">Mr Lim Kian Onn ⁽¹⁾</td> <td data-bbox="767 600 895 712">Chairman/Non-Independent/ Non-Executive Director</td> <td data-bbox="895 600 979 712">-</td> <td data-bbox="979 600 1118 712">68,938</td> <td data-bbox="1118 600 1257 712">-</td> <td data-bbox="1257 600 1342 712">(68,938)</td> <td data-bbox="1342 600 1447 712">-</td> </tr> <tr> <td data-bbox="616 712 767 797">Mr Gareth Lim Tze Xiang⁽¹⁾</td> <td data-bbox="767 712 895 797">CEO/Alternate Director to Mr Lim Kian Onn</td> <td data-bbox="895 712 979 797">-</td> <td data-bbox="979 712 1118 797">68,938</td> <td data-bbox="1118 712 1257 797">-</td> <td data-bbox="1257 712 1342 797">-</td> <td data-bbox="1342 712 1447 797">68,938</td> </tr> <tr> <td data-bbox="616 797 767 860">Mr Michael Kan Yuet Yun PBM</td> <td data-bbox="767 797 895 860">Independent Director</td> <td data-bbox="895 797 979 860">-</td> <td data-bbox="979 797 1118 860">62,044</td> <td data-bbox="1118 797 1257 860">-</td> <td data-bbox="1257 797 1342 860">(62,044)</td> <td data-bbox="1342 797 1447 860">-</td> </tr> <tr> <td data-bbox="616 860 767 922">Mr Chong Huai Seng</td> <td data-bbox="767 860 895 922">Independent Director</td> <td data-bbox="895 860 979 922">-</td> <td data-bbox="979 860 1118 922">62,044</td> <td data-bbox="1118 860 1257 922">-</td> <td data-bbox="1257 860 1342 922">(62,044)</td> <td data-bbox="1342 860 1447 922">-</td> </tr> <tr> <td data-bbox="616 922 767 1034">Mr Navinderjeet Singh A/L Naranjan Singh</td> <td data-bbox="767 922 895 1034">Non-Independent/ Non-Executive Director</td> <td data-bbox="895 922 979 1034">-</td> <td data-bbox="979 922 1118 1034">-</td> <td data-bbox="1118 922 1257 1034">-</td> <td data-bbox="1257 922 1342 1034">-</td> <td data-bbox="1342 922 1447 1034">-</td> </tr> <tr> <td data-bbox="616 1034 767 1137">Ms Lim Kian Fah ⁽¹⁾</td> <td data-bbox="767 1034 895 1137">Director of Legal /associate of controlling shareholder</td> <td data-bbox="895 1034 979 1137">-</td> <td data-bbox="979 1034 1118 1137">68,938</td> <td data-bbox="1118 1034 1257 1137">-</td> <td data-bbox="1257 1034 1342 1137">-</td> <td data-bbox="1342 1034 1447 1137">68,938</td> </tr> <tr> <td data-bbox="616 1137 767 1200">Mr Oh Teik Khim⁽²⁾</td> <td data-bbox="767 1137 895 1200">Director of subsidiaries</td> <td data-bbox="895 1137 979 1200">-</td> <td data-bbox="979 1137 1118 1200">68,938</td> <td data-bbox="1118 1137 1257 1200">-</td> <td data-bbox="1257 1137 1342 1200">-</td> <td data-bbox="1342 1137 1447 1200">68,938</td> </tr> <tr> <td data-bbox="616 1200 767 1335">Mr Choo Seng Lai⁽²⁾</td> <td data-bbox="767 1200 895 1335">Head of Business Enterprise Division, Plato Solutions Sdn Bhd</td> <td data-bbox="895 1200 979 1335">-</td> <td data-bbox="979 1200 1118 1335">62,044</td> <td data-bbox="1118 1200 1257 1335">-</td> <td data-bbox="1257 1200 1342 1335">(62,044)</td> <td data-bbox="1342 1200 1447 1335">-</td> </tr> </tbody> </table> <p data-bbox="616 1361 687 1388">Notes:</p> <p data-bbox="616 1406 1447 1559">⁽¹⁾ Mr Lim Kian Onn is the controlling shareholder of the Company. His son, Mr Gareth Lim Tze Xiang and his sister, Ms Lim Kian Fah are therefore associates of Mr Lim Kian Onn. Each of their participation in the Plato ESOS 2016 and grant of Options as set out in the table, had been approved by shareholders at the EGM held on 20 May 2016.</p> <p data-bbox="616 1559 1447 1621">⁽²⁾ Participant other than Directors, controlling shareholders and their associates who have received 5% or more of the total Options available under the Schemes.</p> <p data-bbox="616 1648 1447 1776">Other than Options granted above, there were no participants of the Group who have been granted more than 5% of the total options available under Plato ESOS 2016 and there were no other Options granted to directors and employees of the Company's subsidiaries. The Company does not have a parent company.</p>	Name	Position Held	Options granted during FY2021	Aggregate Options granted since commencement of Plato ESOS 2016 to 31 December 2021	Aggregate options exercised since commencement of Plato ESOS 2016 to 31 December 2021	Aggregate options forfeited/ expired during FY2021	Aggregate options outstanding as at 31 December 2021	Mr Lim Kian Onn ⁽¹⁾	Chairman/Non-Independent/ Non-Executive Director	-	68,938	-	(68,938)	-	Mr Gareth Lim Tze Xiang ⁽¹⁾	CEO/Alternate Director to Mr Lim Kian Onn	-	68,938	-	-	68,938	Mr Michael Kan Yuet Yun PBM	Independent Director	-	62,044	-	(62,044)	-	Mr Chong Huai Seng	Independent Director	-	62,044	-	(62,044)	-	Mr Navinderjeet Singh A/L Naranjan Singh	Non-Independent/ Non-Executive Director	-	-	-	-	-	Ms Lim Kian Fah ⁽¹⁾	Director of Legal /associate of controlling shareholder	-	68,938	-	-	68,938	Mr Oh Teik Khim ⁽²⁾	Director of subsidiaries	-	68,938	-	-	68,938	Mr Choo Seng Lai ⁽²⁾	Head of Business Enterprise Division, Plato Solutions Sdn Bhd	-	62,044	-	(62,044)	-
Name	Position Held	Options granted during FY2021	Aggregate Options granted since commencement of Plato ESOS 2016 to 31 December 2021	Aggregate options exercised since commencement of Plato ESOS 2016 to 31 December 2021	Aggregate options forfeited/ expired during FY2021	Aggregate options outstanding as at 31 December 2021																																																											
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No.	Code Description	Company's Compliance or Explanation
ACCOUNTABILITY AND AUDIT		
Principle 9: Risk Management and Internal Controls		
9 9.1	<p><i>Risk Governance by the Board</i></p> <p><i>Identification of the Group's risks</i></p> <p><i>Management of risks</i></p>	<p>The Board, with the assistance of the AC, is responsible for the overall risk governance, risk management and internal control framework of the Group and is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks.</p> <p>The Board also oversees Management in the design, implementation and monitoring of the risk management and internal control systems and is responsible for determining the Company's risk policies and levels of risk tolerance. The Board works closely with the CEO and key management personnel to assess the adequacy and effectiveness of the framework and the need for any extension or adjustments to such structure taking into consideration the overall business of the Company including the risk profile, risk tolerance and risk strategy.</p> <p>The CEO meets with key management personnel on a monthly basis to discuss operational, business and strategic matters. During these meetings, key projects and operational risks are identified and discussed, along with proposed mitigating measures to address these risks to ensure residual risks are mitigated to an acceptable level. Follow-ups are then performed in subsequent meetings to ensure mitigating actions are executed. Any significant issues identified from these meetings are brought to the attention of the AC and/or Board as appropriate.</p> <p>The Group has in place a structured and systematic approach to risk management, and aims to mitigate the exposures through appropriate risk management strategies and internal controls. Risk management in the Group is a continuous, iterative and integrated process which has been incorporated into various planning, approval, execution, monitoring, review and reporting systems. The Group adopts a top-down as well as bottom-up approach on risk management to ensure strategic, business, operational, financial, reporting, compliance and information technology risk exposures are identified and appropriately managed.</p> <p>The Board has been working closely with Management in monitoring challenges posed by the COVID-19 pandemic. Detailed disclosures on the issues reviewed by the Board in the face of the COVID-19 pandemic (including changes to business fundamentals, the significant risks facing the Group as a result of the pandemic and the acceleration of digitisation efforts within the Group) can be found in the Company's Sustainability Report which will be made available to shareholders on the SGXNet and published at www.platocapital.com by 31 May 2022.</p> <p>During the course of the year under review, the Board was promptly informed of the Company's COVID-19 business continuity plan which was implemented to ensure appropriate systems and procedures within the Group to specifically address the impact of the pandemic on business operational risks. Management closely monitored developments on the COVID-19 situation within the Group and coordinated the escalation of information regarding any impact and mitigation measures to the Board.</p> <p>The Board was also regularly updated on relevant legal and regulatory requirements in light of the rapidly evolving COVID-19 situation.</p>

No.	Code Description	Company's Compliance or Explanation
9.2	<p><u>Confirmation of Internal Controls</u></p> <p>(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.</p> <p>(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?</p>	<p>The Board and the AC are of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to address the financial, operational, and compliance risks which the Company considered relevant and material for its business and environment in FY2021.</p> <p>The bases for the Board and AC's views are as follows:</p> <ol style="list-style-type: none"> 1. Assurance has been received from the CEO and FC; 2. Key management personnel regularly evaluates, monitors and reports to the AC on material risks; and 3. Discussions were held between the AC and EA and IA in the absence of the key management personnel to review and address any potential concerns. <p>The Company acknowledges that it is important to have sustainability and have implemented appropriate policies and programmes in line with the requirements of SGX-ST and good practice.</p> <p>Yes, the Board has obtained such assurance from the CEO and FC in respect of FY2021.</p> <p>The Board has additionally relied on its interaction with the EA and IA to verify the assurances provided by the CEO and FC, in their meetings in the absence of management.</p>

No.	Code Description	Company's Compliance or Explanation
Principle 10: Audit Committee		
10.1 10.3	<u>Role of the AC</u>	<p>The AC comprises three members, the majority of whom, including the Chairman, is independent. All the members of the AC are Non-Executive Directors.</p> <p>The AC does not comprise of former partners or Directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or Director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.</p> <p>The AC is guided by the following key terms of reference:</p> <ul style="list-style-type: none"> (a) reviews the audit plans and reports of the Company's IA and EA; (b) reviews the financial statements before submission to the Board for approval as well as the assurance from the CEO and FC on the financial statements; (c) reviews the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and of the Company and any announcements relating to the Company's financial performance; (d) reviews and report to the Board at least annually on the effectiveness and adequacy of the Company's risk management systems and internal controls, including financial, operational, compliance and information technology controls; (e) reviews the interested person transactions (within the definition of the Catalist Rules) involving the Group in accordance with the Catalist Rules; (f) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function; (g) making recommendations to the Board on matters relating to the proposals to the shareholders on the appointment and removal of EA and the remuneration and terms of engagement of the EA; (h) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and (i) generally undertakes such other functions and other duties as may be required by the Catalist Rules.
	<u>Whistle-blowing policy</u>	<p>The AC is responsible for the oversight and monitoring of the whistle-blowing policy that serves to provide a channel to employees to report in good faith and in confidence, without fear of reprisals and concerns about any improper conduct within the Group. In relation to whistle blowing by anyone else other than employees, the whistle blower may report any impropriety and/or concern in writing to the Company Secretary at the registered address of the Company. The Company Secretary has been tasked to forward any such report to the Chairman of the AC.</p> <p>Whistle blower reports are investigated by the AC in a timely manner. All complaints will be treated as confidential.</p> <p>In the event that the report is about a Director, that Director will not be involved in the review and any decision making with respect to that report. The policy aims to encourage reporting of such matters in good faith, with the confidence that any employees and any other persons making such reports will be treated fairly and be protected from reprisals. Details of the whistleblowing policy have been made available to all employees.</p> <p>The whistleblowers' identities will not be disclosed without prior consent (except where disclosure obligations are required under law and regulations). Where concerns are unable to be resolved without revealing the identity of the whistleblower (e.g. if their evidence is required in court), a dialogue will be entered into with the whistleblower as to whether and how to proceed.</p>

No.	Code Description	Company's Compliance or Explanation
10.2	<p><u>Qualification of the AC members</u></p> <p>What are the AC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?</p>	<p>Yes. The Board considers Mr Michael Kan Yuet Yun PBM, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC. The other AC members are also trained in accounting and financial management and/or possess finance related working experiences.</p> <p>In FY2021, the AC:</p> <ul style="list-style-type: none"> • Have attended courses as disclosed in Table 1.2 of Section 1.2 of this report; and • Was kept abreast by the EA of changes to accounting standards and issues which have impact on financial statements.
10.4	<p><u>Internal Audit Function</u></p>	<p>For FY2021, the Group has appointed Crowe Governance Sdn Bhd ("Crowe") to conduct two internal audits. Crowe has presented their findings to the two internal audit plans to the AC and has report directly to the AC and administratively, to the Management. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.</p> <p>The AC is satisfied that Crowe is independent, effective, adequately qualified and resourced, and has the appropriate standing to discharge its duties effectively due to the following reasons:</p> <ul style="list-style-type: none"> • Crowe is adequately qualified, given that it is a member of the Institute of Internal Auditors and it adheres to the Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors; • Crowe is adequately resourced as there is a team of 4 members assigned to the Company's internal audit, led by Mr Amos Law who has over 25 relevant years of diverse audit experience in hotel, leisure & hospitality, manufacturing, construction and property development; and • Crowe has the appropriate standing in the Company, given, <i>inter alia</i>, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC. <p>As part of the annual statutory audit of the financial statements, the EA also reports to the AC where there are any material weaknesses in the Group's internal controls and provide recommendation on other significant matters such as risk management which have come to their attention during the course of the audit. There were no material weaknesses in the Group's internal controls reported by the EA.</p>
10.5	<p><u>Met Auditors in Management's Absence</u></p>	<p>Yes, the AC has met with the IA and EA once in the absence of key management personnel in FY2021.</p>

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

No.	Code Description	Company's Compliance or Explanation
11.5	<u>Publication of Minutes</u>	<p>Minutes for general meetings (including substantial and relevant comments and questions raised by shareholders in relation to the meeting agenda and the responses from, <i>inter alia</i>, the Board and/or Management) are prepared at the conclusion of each meeting. A copy of minutes is made available on the Company's corporate website as soon as practicable. A copy of the minutes is made available to a shareholder upon request in writing. The minutes shall be sent to the shareholders' last known address within 14 days of the Company's receipt of their request.</p> <p>All Directors, Company Secretary and EA were present at the last annual general meeting held on 27 April 2021.</p> <p>For FY2021, in complying with the requirements stipulated in the First Schedule of the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020 and the (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("Order"), the Company will publish the minutes of the AGM to be held on 28 April 2022 on SGXNet and the Company's corporate website as soon as practicable, and in any event, within one month from the date of the AGM. For FY2021, in accordance with the COVID-19 (Temporary Measures) Act 2020 and the Order, the Company will apply and adopt the alternative arrangements for the convening, holding and conducting of the AGM, as set out in the second column of the First Schedule of the Order.</p>
11.6	<p><u>Dividend Policy</u></p> <p>(a) Does the Company have a dividend policy?</p> <p>(b) Is the Company is paying dividends for the financial year? If not, please explain why.</p>	<p>The Company currently does not have a formal dividend policy. Generally, the Board looks into factors such as the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other factors before determining whether any dividend is to be declared and/or paid.</p> <p>The Board has not declared or recommended any dividends for FY2021 as the Company was not profitable for FY2021.</p>
Principle 12: Engagement with Shareholders		
12.1 12.2 12.3 13.3	<p><u>Communication with Shareholders</u></p> <p>(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?</p>	<p>In line with the continuous disclosure obligations under the relevant rules, the Board informs shareholders promptly of all major developments that may have a material impact on the Group.</p> <p>The Board embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. Information is disseminated to shareholders and investors on a timely basis through:</p> <ol style="list-style-type: none"> a. SGXNet announcements; b. Annual Reports and Notices of AGM issued to all shareholders; and c. The Company's AGMs. <p>In addition, if the need arises, the Company may organise media/analyst briefings to enable a better appreciation of the Group's performance and developments, which will also act as platforms to solicit and understand the views of shareholders and investors.</p> <p>The Company's CEO and Company Secretary are responsible for the Company's communication with shareholders and serve as the dedicated contact point for investor relations. The Company embraces openness and feedback from its shareholders at the Company's AGM, which serves as the Company's principal forum for engagement with its shareholders. Shareholders are welcomed to raise queries or present their views regarding the proposed resolutions as well as the Company's overall business and corporate strategy.</p>

No.	Code Description	Company's Compliance or Explanation
		<p>In light of the COVID-19 pandemic, the forthcoming AGM of the Company to be held in respect of FY2021 will be convened and held by electronic means similar to the AGMs held in 2020 and 2021 pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The alternative arrangements put in place by the Company to allow shareholders to participate in its AGMs by electronic means are announced by the Company via SGXNet and published on its corporate website..</p> <p>The Company welcomes shareholders and all other stakeholders to reach out and may send feedback to the Company at info@platocapital.com. All announcements, sustainability reports, annual reports are released via SGXNet and can be accessed via www.platocapital.com.</p>
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arises.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNet announcements and the Annual Report?	Apart from the SGXNet announcements and its Annual Report, the Company may, if it considers necessary and appropriate, release press releases or organise media/analyst briefings to keep shareholders informed of corporate developments.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 13: Managing Stakeholders Relationships and Engagement with Stakeholders

13.1 13.2	<u>Stakeholders Management</u>	<p>The Company undertakes an annual review in identifying its material stakeholders. It assesses the material environmental, social and governance factors that affects the Group.</p> <p>Please refer to the Company's latest sustainability report dated 28 May 2021 for the assessment process and how such relationships with stakeholders are managed.</p>
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COMPLIANCE WITH APPLICABLE CATALIST RULES

Catalist Rule	Rule Description	Company's Compliance or Explanation
711A, 711B	<u>Sustainability Report</u>	<p>The Company is working towards the issuance of its sustainability report by 31 May 2022 and such a report will be made available to shareholders on the SGXNet and published at www.platocapital.com.</p> <p>Such report will highlight the key economic, environmental, social and governance (ESG) factors such as economic performance, talent attraction and retention, employees' life-long learning, product and services quality and leakage of customer data and private information.</p>
712, 715 or 716	<u>Appointment of Auditors</u>	The Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditors.

COMPLIANCE WITH APPLICABLE CATALIST RULES		
Catalist Rule	Rule Description	Company's Compliance or Explanation
720(5)	Information relating to Directors seeking re-election and Directors seeking shareholders' approval in respect of Rule 406(3)(d)(iii) of the Catalist Rules (effective from 1 January 2022)	The information relating to the Directors seeking re-election as per Appendix 7F of the Catalist Rules are set out on pages 117 to 122 of this Annual Report.
1204(6)(B)	<u>Independence of External Auditors</u>	The AC reviewed and is satisfied with the independence and objectivity of the EA, and has recommended the re-appointment of the EA at the forthcoming AGM. The AC is also satisfied with the adequacy and effectiveness of the services provided by the EA for FY2021.
	(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.	The fees paid/payable by the Company to the EA for audit and non-audit services for FY2021 amounted to \$194,662 and \$11,554 respectively.
	(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.	There was no substantial volume of non-audit services rendered in respect of FY2021.
1204(8)	<u>Material Contracts</u>	There was no material contract entered into by the Company (involving the interest of the CEO, any Director, or controlling shareholder) and was still subsisting as at 31 December 2021.
1204(10)	<u>Confirmation of adequacy and effectiveness of internal controls</u>	<p>Both the Board and AC are of the opinion that the internal controls are adequate and effective to address the financial, operational, compliance and information technology controls and risk management systems which the Group considers relevant and material to its operations based on the following:</p> <ul style="list-style-type: none"> • internal controls and the risk management system established by the Company; • work performed by the EA and the IA; • assurance from the CEO and the FC; and • reviews done by the various Board Committees and key management personnel. <p>Both the Board and the AC did not identify any material weaknesses in the Group's internal controls in FY2021.</p> <p>The Board notes that no system of internal control could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.</p>

COMPLIANCE WITH APPLICABLE CATALIST RULES		
Catalist Rule	Rule Description	Company's Compliance or Explanation
1204(17)	<u>Interested Persons Transaction</u>	<p>The Group does not have a general mandate for recurrent interested person transactions.</p> <p>There were no interested person transactions of \$100,000 or more entered into during FY2021.</p>
1204(19)	<u>Dealing in Securities</u>	<p>The Company has adopted and implemented an Internal Code of Conduct on Dealing in Securities which prohibits dealings in the Company's securities by Directors and Officers while in possession of price-sensitive information. The Company, its Directors and Officers are prohibited from dealing in the Company's shares during one month prior to the announcement of half and full year results. The Directors and Officers are discouraged from dealing in the Company's securities on short-term considerations.</p> <p>Directors and Officers are also expected to observe insider trading laws at all times even when dealing in securities within permitted trading periods. The implications of insider trading are clearly set out in the procedures and guidelines.</p>
1204(21)	<u>Non-sponsor fees</u>	<p>No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2021.</p>

Profile of Board of Directors

MICHAEL KAN YUET YUN PBM

Independent Director

Appointed on 29 November 2002, last re-elected on 27 April 2021; Age 82

Mr Michael Kan Yuet Yun was the Finance Director of BAT (Singapore) Ltd and Singapore Tobacco Co (Private) Ltd (“**BAT group**”) from 1973 to 1999. Prior to joining the BAT group, Mr Kan was a practising accountant with Peat Marwick Mitchell & Company (now KPMG) in Singapore from 1967. Mr Kan had been an independent director of Singapore Exchange-listed Vibropower Corporation Ltd and OSIM International Ltd before he resigned in 2015 and 2010 respectively.

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

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

CHONG HUAI SENG

Independent Director

Appointed on 12 September 2008, last re-elected on 10 April 2019; Age 71

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

Mr Chong previously served as senior investment officer with the Economic Development Board of Singapore for two years, before joining the financial services sector in 1979. Mr Chong was the Managing Director of Vickers Da Costa Securities and John Govett Asia from 1984 to 1994. Between 1994 and 1997, he was the Managing Director of Sesdaq-listed Pan Pacific Public Company Ltd, and was the Vice Chairman and substantial shareholder of Panpac Media Limited from 1998 to 2003.

Mr Chong graduated from the University of Manchester with a Degree in Polymer Physics (First Class Honours).

LIM KIAN ONN

Chairman, Non-Independent & Non-Executive Director

Appointed on 28 December 1999, last re-elected on 23 June 2020; Age 65

Mr Lim Kian Onn is a member of the Institute of Chartered Accountants in England and Wales and the Malaysian Institute of Accountants. He served his articleship with KMG Thomson McLintock in London and was a consultant with Andersen Consulting from 1981 to 1984. Between 1984 and 1993, Mr Lim was with Hong Leong Group, Malaysia, as Executive Director in the stockbroking arm responsible for corporate finance, research and institutional sales.

Mr Lim founded the Libra Capital Group in 1994 and co-founded the ECM Libra Group in 2002. The holding company of the ECM Libra Group, ECM Libra Group Berhad (“**ECMLG**”), is listed on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”). Mr Lim is also the Non-Executive Director and substantial shareholder of ECMLG, Deputy Chairman of AirAsia X Berhad, a company listed on Bursa Malaysia, and a trustee of ECM Libra Foundation.

NAVINDERJEET SINGH A/L NARANJAN SINGH

Non-Independent & Non-Executive Director

Appointed on 2 October 2020, last re-elected on 27 April 2021; Age 35

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

Mr Navinderjeet was a Chief Executive Officer of Tune Hotels. Mr Navinderjeet has over 14 years of working experience, seven of which were with Tune Hotels Group and Ormond Group. During the course of Mr Navinderjeet’s employment at Tune Hotels Group and Ormond Group, Mr Navinderjeet has held several senior management positions where Mr Navinderjeet was involved in heading the finance, operations and commercial functions of Tune Hotels Group and Ormond Group. Mr Navinderjeet also has experience in corporate finance, auditing and investment banking.

Profile of Key Management

GARETH LIM TZE XIANG

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

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

WONG CHOY LING

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

Ms Wong is a fellow member of the Association of Chartered Certified Accountant and also a member of the Malaysian Institute of Accountants. She served her articleship with KPMG Malaysia and has over 11 years of working experience in financial accounts, consolidation and financial reporting.

LIM KIAN FAH

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

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

Directors' Statement

The Directors present their statement to the members together with the audited consolidated financial statements of Plato Capital Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2021.

Opinion of the Directors

In the opinion of the Directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

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

Arrangements to enable Directors to acquire shares or debentures

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

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings, required to be kept under Section 164 of the Singapore Companies Act 1967 (the "Act"), the particulars of interests of the Directors, who held office at the end of the financial year, in shares, share options and share awards of the Company are as follows:

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

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the Company				
Lim Kian Onn	–	–	6,344,865	8,943,125
Share options pursuant to the Plato Employee Share Option Scheme 2016 of the Company				
Lim Kian Onn	68,938	–	–	–
Gareth Lim Tze Xiang	68,938	68,938	–	–
Michael Kan Yuet Yun, PBM	62,044	–	–	–
Chong Huai Seng	62,044	–	–	–
Share awards pursuant to the Plato Performance Share Plan 2016 of the Company				
Lim Kian Onn	34,469	–	–	–
Gareth Lim Tze Xiang	34,468	–	–	–
Michael Kan Yuet Yun, PBM	31,022	–	–	–
Chong Huai Seng	31,022	–	–	–

By virtue of Section 7 of the Act, Lim Kian Onn ("Mr LKO") is deemed to have an interest in 8,943,125 shares (4,898,925 shares are held by Citibank Nominees Singapore Pte. Ltd. for Bank Julius Baer (Singapore) Ltd for Cosima Investments Pte. Ltd. ("Cosima"), a company wholly-owned by Mr LKO, 2,443,160 shares are held by Citibank Nominees Singapore Pte. Ltd. for Bank of Singapore for Cosima, and 1,601,040 shares are held by OCBC Securities Private Limited for Kenanga Investment Bank for Mr LKO). Pursuant to the same section of the Act, Mr LKO is also deemed to have interest in all shares held by the Company in its subsidiaries.

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of its related corporations, either at the beginning, or at the end of the financial year.

The Directors' interests as at 21 January 2022 in the shares of the Company have not changed from those disclosed as at 31 December 2021.

Share options and share awards

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

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

The Company had on 17 June 2016 granted 10,478,584 share options under the Plato ESOS 2016 ("Options") and 5,239,296 share awards under the Plato PSP 2016 ("Awards"). This grant of the Options and Awards were accepted by the Directors and eligible employees of the Group in July 2016.

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

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

On 16 June 2021, a total of 193,026 Options granted to the eligible directors had expired and not exercised by any of the eligible directors. Meanwhile, a total of 62,044 Options granted to an eligible key management personnel had lapsed upon his resignation on 31 December 2021.

Share options and share awards (cont'd)

Details of all the Options to subscribe for ordinary shares of the Company pursuant to the Plato ESOS 2016 as at 31 December 2021 are as follows:

Expiry date	Exercise price (\$)	Number of Options Outstanding as at 1 January 2021	Number of Options Expired/Cancelled during the year	Number of Options Outstanding as at 31 December 2021
16 June 2021	2.00	193,026	(193,026)	–
16 June 2026	2.00	268,858	(62,044)	206,814
Total		461,884	(255,070)	206,814

No Awards have been released and vested, and the Awards had lapsed on 16 June 2021.

Details of all the Awards granted pursuant to the Plato PSP 2016 as at 31 December 2021 are as follows:

	Number of Awards Outstanding as at 1 January 2021	Number of Awards Lapsed during the year	Number of Awards Outstanding as at 31 December 2021
Plato PSP 2016	230,942	(230,942)	–

Included in the granted Options are 68,938 Options granted to Gareth Lim Tze Xiang and Lim Kian Fah each, who are associates of Mr LKO, pursuant to the Plato ESOS 2016 which grant have been duly approved by the shareholders at the 2016 EGM.

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

Audit Committee

The Audit Committee (the "AC") of the Company is chaired by Michael Kan Yuet Yun, PBM, an Independent Director, and includes Chong Huai Seng, an Independent Director and Mr LKO, a Non-Independent and Non-Executive Director. The AC performed its functions in accordance with Section 201B(5) of the Act as follows:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, the internal auditor's evaluation of the adequacy and effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management and the assistance given by the Group and the Company's management to the internal and external auditors;
- Reviewed the half-yearly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors (the "Board");
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Recommended to the Board the nomination and compensation of the external auditor and reviewed the scope and results of the external audit;
- Reported actions, recommendations and minutes of the AC to the Board;
- Reviewed interested person transactions in accordance with the requirements of the Catalist Listing Manual of the Singapore Exchange Securities Trading Limited; and
- Reviewed all non-audit services provided by the external auditor to the Group to ascertain that the nature and extent of such services would not affect the independence of the external auditor.

The AC convened two meetings during the year with full attendance from all members. The AC has also met with external auditor, without the presence of the Company's management, at least once a year.

Auditor

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

On behalf of the Board of Directors:

Lim Kian Onn
Director

5 April 2022

Navinderjeet Singh A/L Naranjan Singh
Director

Independent Auditor's Report for the financial year ended 31 December 2021

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Plato Capital Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2021, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Equity accounting for investments in associates and joint ventures

As at 31 December 2021, the carrying value of Group's investment in associates and joint ventures amounted to approximately \$8,792,000 and \$14,650,000, which accounted for 17% and 28% of the Group's total assets respectively. The Group accounts for its investments in associates and joint ventures using the equity method. Given the significance of the carrying amount of the investment in associates and joint ventures as at 31 December 2021, we determined the equity accounting for investments in associates and joint ventures to be a key audit matter.

As part of our audit procedures, we reviewed the equity accounting workings and journal entries prepared by management by comparing them to the financial statements of the relevant associates and joint ventures. We assessed the reliability of the financial statements of the associates and joint ventures through our involvement in the work of the component auditors. We discussed with component auditors on the identified significant risks of material misstatements and the nature, timing and extent of audit procedures to address these risks. We also evaluated the significant accounting policies of the associates and joint ventures to ensure alignment with the group's accounting policy. In addition, we assessed the adequacy of the disclosures made in Note 15 and Note 16 to the financial statements.

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

5 April 2022

Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2021

	Note	2021 \$	2020 \$
Revenue	4	1,064,328	1,168,148
Other income	5	805,670	520,720
		1,869,998	1,688,868
Other items of income/(expense)			
Purchase of software and services		(215,637)	(286,800)
Employee benefits expenses	6	(913,554)	(909,148)
Depreciation of property, plant and equipment	11	(3,074)	(5,984)
Amortisation of right-of-use assets	12	(49,091)	(49,834)
Foreign exchange gain/(loss), net		18,713	(533,186)
Loss on strike-off/liquidation of a subsidiary	8	(140,613)	(257,822)
Other operating expenses		(659,590)	(1,092,192)
Finance costs	7	(349,159)	(627,629)
Share of loss from joint ventures		(1,053,686)	(1,010,126)
Share of profit from associates		1,134,514	1,621,535
Loss before tax	8	(361,179)	(1,462,318)
Income tax (expense)/credit	9	(3,480)	66,781
Loss for the year		(364,659)	(1,395,537)

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

	Note	2021	2020
		\$	\$
Loss for the year		(364,659)	(1,395,537)
Other comprehensive (loss)/income:			
Items that will not be reclassified to profit or loss			
Fair value loss on quoted equity investment at fair value through other comprehensive income		(982,638)	(743,313)
		<u>(982,638)</u>	<u>(743,313)</u>
Items that may be reclassified subsequently to profit or loss			
Share of foreign currency translation reserve of joint ventures		(447,737)	732,848
Share of foreign currency translation reserve of associates		(632,309)	(590,910)
Foreign currency translation		(484,966)	1,282,069
Reclassification to profit or loss upon strike-off/liquidation of a subsidiary		140,613	257,822
		<u>(1,424,399)</u>	<u>1,681,829</u>
Other comprehensive (loss)/income for the year, net of tax		<u>(2,407,037)</u>	<u>938,516</u>
Total comprehensive loss for the year		<u><u>(2,771,696)</u></u>	<u><u>(457,021)</u></u>
(Loss)/profit for the year attributable to:			
Owners of the Company		(1,456,075)	(1,789,907)
Non-controlling interests		1,091,416	394,370
		<u>(364,659)</u>	<u>(1,395,537)</u>
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		(3,385,849)	(1,012,931)
Non-controlling interests		614,153	555,910
		<u>(2,771,696)</u>	<u>(457,021)</u>
Loss per share (cents) attributable to owners of the Company	10		
Basic		(11.96)	(18.39)
Diluted		<u>(11.96)</u>	<u>(18.39)</u>

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

Balance Sheets as at 31 December 2021

	Note	Group		Company	
		2021 \$	2020 \$	2021 \$	2020 \$
Non-current assets					
Property, plant and equipment	11	12,967,060	13,313,476	–	–
Right-of-use assets	12	24,578	74,844	–	–
Intangible asset	13	315,594	309,061	–	–
Investment in subsidiaries	14	–	–	33,474,422	33,650,747
Investment in joint ventures	15	14,650,205	16,894,134	50	50
Investment in associates	16	8,792,174	14,414,649	–	–
Investment securities	17	3,474,759	4,457,397	–	–
Trade receivables	18	424,932	8,541,490	–	–
		<u>40,649,302</u>	<u>58,005,051</u>	<u>33,474,472</u>	<u>33,650,797</u>
Current assets					
Trade receivables	18	8,053,696	230,654	–	–
Other receivables and deposits	19	51,873	60,873	–	–
Prepaid operating expenses		54,689	77,086	15,261	13,272
Capitalised contract costs – deferred maintenance cost	4	–	140,026	–	–
Tax recoverable		13,411	18,399	–	–
Amounts due from subsidiaries	20	–	–	3,769,390	3,522,220
Amount due from a joint venture	24	95,474	94,133	–	–
Cash and cash equivalents	21	3,531,536	2,064,515	494,110	274,797
		<u>11,800,679</u>	<u>2,685,686</u>	<u>4,278,761</u>	<u>3,810,289</u>
Total assets		<u>52,449,981</u>	<u>60,690,737</u>	<u>37,753,233</u>	<u>37,461,086</u>
Current liabilities					
Trade payables	22	80	96,016	–	–
Other payables and accruals	23	484,133	1,440,851	204,034	190,215
Contract liabilities – deferred revenue	4	–	278,043	–	–
Amounts due to subsidiaries	20	–	–	5,449,788	3,999,427
Amounts due to joint ventures	24	50	976,423	50	50
Loans and borrowings	25	2,943,573	3,999,843	–	–
Redeemable convertibles unsecured loan stocks (“RCULS”) – liability component	25	–	6,184,360	–	6,184,360
		<u>3,427,836</u>	<u>12,975,536</u>	<u>5,653,872</u>	<u>10,374,052</u>
Net current assets/(liabilities)		<u>8,372,843</u>	<u>(10,289,850)</u>	<u>(1,375,111)</u>	<u>(6,563,763)</u>
Non-current liabilities					
Deferred tax liabilities	26	–	2,659	–	2,659
Loans and borrowings	25	–	27,076	–	–
Amount due to a related party	27	–	2,368,800	–	–
		<u>–</u>	<u>2,398,535</u>	<u>–</u>	<u>2,659</u>
Total liabilities		<u>3,427,836</u>	<u>15,374,071</u>	<u>5,653,872</u>	<u>10,376,711</u>
Net assets		<u>49,022,145</u>	<u>45,316,666</u>	<u>32,099,361</u>	<u>27,084,375</u>
Equity					
Share capital	28	48,391,558	40,875,023	48,391,558	40,875,023
Fair value and other reserves	29	(3,557,905)	(315,416)	–	2,259,851
Foreign currency translation reserve	30	(7,597,163)	(6,650,027)	–	–
Retained earnings/(accumulated losses)		4,627,141	4,987,685	(16,292,197)	(16,050,499)
Equity attributable to owners of the Company		<u>41,863,631</u>	<u>38,897,265</u>	<u>32,099,361</u>	<u>27,084,375</u>
Non-controlling interests		7,158,514	6,419,401	–	–
Total equity		<u>49,022,145</u>	<u>45,316,666</u>	<u>32,099,361</u>	<u>27,084,375</u>
Total equity and liabilities		<u>52,449,981</u>	<u>60,690,737</u>	<u>37,753,233</u>	<u>37,461,086</u>

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

Statements of Changes in Equity

for the financial year ended 31 December 2021

	Attributable to owners of the Company						
	Share capital	Fair value and other reserves	Foreign currency translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	\$	\$	\$	\$	\$	\$	\$
Group							
At 1 January 2021	40,875,023	(315,416)	(6,650,027)	4,987,685	38,897,265	6,419,401	45,316,666
(Loss)/profit for the year	–	–	–	(1,456,075)	(1,456,075)	1,091,416	(364,659)
Other comprehensive (loss)/income:							
Fair value loss on quoted equity investment at fair value through other comprehensive income (“FVOCI”)	–	(982,638)	–	–	(982,638)	–	(982,638)
Share of foreign currency translation reserve of joint ventures	–	–	(447,737)	–	(447,737)	–	(447,737)
Share of foreign currency translation reserve of associates	–	–	(454,186)	–	(454,186)	(178,123)	(632,309)
Foreign currency translation	–	–	(185,826)	–	(185,826)	(299,140)	(484,966)
Reclassification to profit or loss upon strike-off of a subsidiary	–	–	140,613	–	140,613	–	140,613
Other comprehensive loss for the year, net of tax	–	(982,638)	(947,136)	–	(1,929,774)	(477,263)	(2,407,037)
Total comprehensive (loss)/income for the year	–	(982,638)	(947,136)	(1,456,075)	(3,385,849)	614,153	(2,771,696)
Transactions with owners:							
Capitalisation of advances from non-controlling interests	–	–	–	–	–	124,960	124,960
Conversion of RCULS	7,516,535	(1,164,320)	–	–	6,352,215	–	6,352,215
Reclassification of share options and share awards upon expiry	–	(1,095,531)	–	1,095,531	–	–	–
At 31 December 2021	48,391,558	(3,557,905)	(7,597,163)	4,627,141	41,863,631	7,158,514	49,022,145

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

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

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

	Share capital	Other reserves	Accumulated losses	Total equity
	\$	\$	\$	\$
Company				
2021				
At 1 January 2021	40,875,023	2,259,851	(16,050,499)	27,084,375
Loss for the year, representing total comprehensive loss for the year	–	–	(1,337,229)	(1,337,229)
Transactions with owners:				
Conversion of RCULS	7,516,535	(1,164,320)	–	6,352,215
Reclassification of share options and share awards upon expiry	–	(1,095,531)	1,095,531	–
At 31 December 2021	<u>48,391,558</u>	<u>–</u>	<u>(16,292,197)</u>	<u>32,099,361</u>
2020				
At 1 January 2020	40,875,023	2,259,851	(14,158,311)	28,976,563
Loss for the year, representing total comprehensive loss for the year	–	–	(1,892,188)	(1,892,188)
At 31 December 2020	<u>40,875,023</u>	<u>2,259,851</u>	<u>(16,050,499)</u>	<u>27,084,375</u>

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

Consolidated Cash Flow Statement for the financial year ended 31 December 2021

	2021	2020
	\$	\$
Cash flows from operating activities		
Loss before tax	(361,179)	(1,462,318)
Adjustments for:		
Interest income from bank deposits	(9,056)	(10,874)
Interest income from provision of credit facilities	(502,150)	(509,751)
Interest expenses	349,159	627,629
Depreciation of property, plant and equipment	3,074	5,984
Amortisation of right-of-use assets	49,091	49,834
Loss on strike-off/liquidation of a subsidiary	140,613	257,822
Share of loss from joint ventures	1,053,686	1,010,126
Share of profit from associates	(1,134,514)	(1,621,535)
Unrealised foreign exchange (gain)/loss, net	(20,490)	419,494
Gain on disposal of property, plant and equipment	257	(58)
Property, plant and equipment written-off	835	–
Operating loss before working capital changes	(430,674)	(1,233,647)
Decrease/(increase) in receivables	463,598	(498,431)
(Decrease)/increase in payables	(1,330,696)	606,553
Cash flows used in operations	(1,297,772)	(1,125,525)
Interest received from provision of credit facilities	480,416	486,816
Income tax paid	(6,854)	(21,541)
Net cash flows used in operating activities	(824,210)	(660,250)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(458,522)	(425,308)
Investment in associates	–	(386,307)
Investment in joint venture	(16,205)	–
Dividends received from an associate	6,124,680	354,456
Dividends received from a joint venture	758,711	–
Acquisition of investment securities	–	(167,288)
Trademark related expenses paid	–	(487)
Proceeds from disposal of property, plant and equipment	1,009	58
Net cash flows generated from/(used in) investing activities	6,409,673	(624,876)

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

	2021	2020
	\$	\$
Cash flows from financing activities		
Interest paid	(186,812)	(230,391)
Interest received from bank deposits	9,056	10,874
Advances from non-controlling interest of a subsidiary controlled by a substantial shareholder	124,960	332,517
Repayment of amounts due to joint ventures	(828,074)	(27,638)
Repayment of amount due to a related party	(2,332,402)	–
Repayment of bank borrowings	(972,900)	(328,600)
Repayment of principal portion of lease liabilities	(54,192)	(55,012)
Net cash flows used in financing activities	(4,240,364)	(298,250)
Net increase/(decrease) in cash and cash equivalents	1,345,099	(1,583,376)
Effect of exchange rate changes on cash and cash equivalents	121,922	(109,942)
Cash and cash equivalents at 1 January	2,064,515	3,757,833
Cash and cash equivalents at 31 December (Note 21)	3,531,536	2,064,515

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

**Notes to the
Financial Statements
for the financial
year ended
31 December 2021**

1. Corporate information

Plato Capital Limited (the "Company") is a limited liability company incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office is located at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632. The principal place of business of the Group is located at Ground Floor, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 14.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Singapore Dollars (\$).

Fundamental accounting concept

The consolidated financial statements have been prepared on a going concern basis notwithstanding that the Group recorded a loss after tax of \$364,659 for the financial year ended 31 December 2021 (2020: \$1,395,537) and generated negative operating cash flows of \$824,210 (2020: \$660,250), as the Directors are of the view that the Group will continue as a going concern.

The Directors' view is based on the following:

- the Group's ability to continue to have access to the revolving credit facility available to the Group with the support of Mr LKO as guarantor to the revolving credit facility. As at the date of these financial statements, Mr LKO has provided a commitment to the Group to continue to provide and not withdraw such personal guarantee so as to enable the Group to have continuous access to the revolving credit facility;
- the Group will be able to generate sufficient cash flows from its investing activities; and
- the Group will be able to secure additional borrowings by securing its long-term assets which are currently unencumbered.

2.2 Changes in accounting policies and disclosures

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

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

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 <i>Sales or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

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

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

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

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

(b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination whether non-controlling interest in the acquiree (if any) (i.e. present interests which entitle their holders to a proportionate share of net assets in the event of liquidation), is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by SFRS(I).

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

2.5 Transactions with non-controlling interests

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

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

2.6 Foreign currencies

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

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

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

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

2.6 Foreign currencies (cont'd)

(b) Consolidated financial statements

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

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

2.7 Property, plant and equipment

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

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

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

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

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 Intangible assets

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

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

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

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

2.8 Intangible assets (cont'd)

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

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

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.10 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.12.

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

2.12 Associates and joint ventures

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associates or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from associates or joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associates or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates or joint ventures.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates or joint ventures and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates or joint ventures are prepared as of the same reporting date as the Company unless it is impracticable to do so. When the financial statements of an associate or joint venture used in applying the equity method are prepared as of a different reporting date from that of the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company.

When the financial statements of an associate or joint venture used in applying the equity method are as of a reporting date or for a period that is different from that of the Company, the reporting date of the financial statements of the associates or joint ventures and the reason for using a different reporting date or different period shall be disclosed.

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

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

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

2.13 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement

Investments in debt instruments

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

(i) Amortised cost

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

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

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

(iii) Fair value through profit or loss

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

Investments in equity instruments

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

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

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

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

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

2.14 Impairment of financial assets

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

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

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

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

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

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

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19 RCULS

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

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

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

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

2.20 Employee benefits

(a) Defined contribution plans

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

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

2.20 Employee benefits (cont'd)

(b) Employee leave entitlement

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

(c) Defined benefit plans

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

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Re-measurements are not reclassified to profit or loss in subsequent periods.

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

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

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

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

(d) Employee share options and share awards

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

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

2.21 Leases

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

Group as a lessee

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

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

2.21 Leases (cont'd)

Group as a lessee (cont'd)

(a) Right-of-use assets

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

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

(b) Lease liabilities

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

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

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

2.22 Revenue

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

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

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

(a) Sale of goods

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

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

2.22 Revenue (cont'd)

(b) *Rendering of services*

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

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

Revenue from maintenance services is recognised when the services are rendered.

(c) *Interest income from provision of credit facilities*

Interest income from provision of credit facilities is recognised by using effective interest method and is accounted for monthly by reference to periods that are stipulated in the financing agreement.

(d) *Interest income from bank deposits*

Interest income is recognised using the effective interest method.

(e) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

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

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

2.23 Taxes

(a) *Current tax*

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

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

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

2.23 Taxes (cont'd)

(b) Deferred tax

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

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

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

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

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

- Where the SST or VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the SST or VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of SST or VAT included.

2.24 Share capital and share issuance expenses

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

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

2.25 Contingencies

A contingent liability is:

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

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

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

3. Significant accounting judgements and estimates

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

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

4. Revenue

(a) Disaggregation of revenue:

	Group	
	2021	2020
	\$	\$
Revenue from major products/services:		
- sales of goods	–	18,426
- license fees	3,616	47,922
- implementation services	190,812	164,464
- maintenance services	367,750	427,585
Interest income from provision of credit facilities	502,150	509,751
	1,064,328	1,168,148
Timing of transfer of goods and services		
- At a point in time	3,616	66,348
- Over time	1,060,712	1,101,800
	1,064,328	1,168,148

4. Revenue (cont'd)

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

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

(c) **Contract assets and contract liabilities**

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

	Group	
	2021	2020
	\$	\$
Receivables from contracts with customers (Note 18)	–	230,654
Capitalised contract costs – deferred maintenance cost	–	140,026
Contract liabilities – deferred revenue	–	(278,043)

	Group	
	2021	2020
	\$	\$
Capitalised contract costs – deferred maintenance cost		
At 1 January	140,026	221,794
Costs incurred	187,406	127,790
Recognised as expense during the year	(325,180)	(209,851)
Exchange differences	(2,252)	293
At 31 December	–	140,026

	Group	
	2021	2020
	\$	\$
Contract liabilities – deferred revenue		
At 1 January	278,043	369,697
Billings made during the year	94,623	335,838
Recognised as revenue during the year	(367,750)	(427,585)
Exchange differences	(4,916)	93
At 31 December	–	278,043

5. Other income

	Group	
	2021	2020
	\$	\$
Interest income from bank deposits		
- debt instruments at amortised cost	9,056	10,874
Miscellaneous income	796,614	509,846
	805,670	520,720

Included in the miscellaneous income is reversal of provision for legal and professional fees of \$777,185 (2020: \$Nil) in relation to the development of Ormond Hotel in Dublin by a subsidiary company. In the previous financial year, included in the miscellaneous income was insurance claim pay-out of \$492,364 from an agreed reimbursement on the professional fees incurred from the development and construction works at the Group's freehold land (Note 11).

6. Employee benefits expenses

	Group	
	2021	2020
	\$	\$
Salaries and wages	787,588	802,208
Defined contribution plans	89,904	64,370
Other employee benefits	36,062	42,570
	913,554	909,148

Employee benefits expenses include the amounts shown as Directors' remuneration in Note 31.

Fair value of share options granted

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

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

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

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

6. Employee benefits expenses (cont'd)

Fair value of share awards granted

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

7. Finance costs

	Group	
	2021	2020
	\$	\$
Interest expense on:		
- bank borrowings carried at amortised cost	178,119	230,391
- RCULS – liability component carried at amortised cost	167,855	391,074
- lease liabilities (Note 25)	3,185	6,164
	349,159	627,629
	349,159	627,629

8. Loss before tax

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

	Group	
	2021	2020
	\$	\$
Audit fees:		
- auditors of the Company	178,855	131,294
- other auditors	15,807	53,059
Non-audit fees:		
- auditors of the Company	7,319	–
- other auditors	4,235	4,460
Expenses relating to short-term leases and leases of low-value assets	–	6,572
Legal and professional fees	270,603	822,067
Loss on strike-off/liquidation of a subsidiary	140,613	257,822
Gain on disposal of property, plant and equipment	(257)	(58)
Property, plant and equipment written off	835	–
	835	–
	835	–

9. Income tax expense/(credit)

Major components of income tax expense/(credit)

The major components of income tax expense/(credit) for the years ended 31 December 2021 and 2020 are as follows:

	Group	
	2021	2020
	\$	\$
Current income tax		
- Current year	4,598	20
- Under/(over) provision in respect of prior years	1,541	(319)
Deferred tax (Note 26)		
- Reversal of temporary differences	(2,659)	(66,482)
Income tax expense/(credit) recognised in profit or loss	3,480	(66,781)

Reconciliation between tax expense/(credit) and loss before tax

A reconciliation between income tax expense/(credit) and the loss before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2021 and 2020 are as follows:

	Group	
	2021	2020
	\$	\$
Loss before tax	(361,179)	(1,462,318)
Tax at the domestic rates applicable to losses in the countries where the Group operates	(101,430)	(215,608)
Adjustments:		
Non-deductible expenses	55,886	404,776
Income not subject to tax	(138,432)	-
Deferred tax assets not recognised	(56,593)	(17,272)
Share of results of joint ventures and associates	(242,508)	(238,358)
Under/(over) provision in respect of prior years	1,541	(319)
Income tax expense/(credit) recognised in profit or loss	3,480	(66,781)

10. Loss per share

Basic loss per share is calculated by dividing loss net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share is calculated by dividing loss net of tax, attributable to owners of the Company (after adjusting for interest expense on RCULS, net of tax) by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

10. Loss per share (cont'd)

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

	Group	
	2021	2020
Loss attributable to owners of the Company (\$)	<u>(1,456,075)</u>	<u>(1,789,907)</u>
Weighted average number of ordinary shares for basic and diluted loss per share computation*	<u>12,178,185</u>	<u>9,735,025</u>
Basic loss per share (cents)	(11.96)	(18.39)
Diluted loss per share (cents)	<u>(11.96)</u>	<u>(18.39)</u>

* The weighted average number of ordinary shares for 2020 had included the effect of the share consolidation exercise as disclosed in Note 28. The weighted average number of ordinary shares for 2021 has included the effect of conversion of RCULS.

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

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

11. Property, plant and equipment

Group	Freehold land	Computer equipment	Motor vehicles	Furniture and fittings	Office renovation	Office equipment	Asset under construction	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
At 1 January 2020	3,822,833	186,475	48,610	6,361	71,872	29,127	8,142,360	12,307,638
Additions	–	2,142	–	–	–	–	423,166	425,308
Disposal/written-off	–	(100,639)	–	(3,676)	(5,379)	(277)	–	(109,971)
Exchange differences	294,030	107	27	3	40	16	627,177	921,400
At 31 December 2020 and 1 January 2021	4,116,863	88,085	48,637	2,688	66,533	28,866	9,192,703	13,544,375
Additions	–	1,780	–	–	–	–	456,742	458,522
Disposal/written-off	–	(67,704)	(47,913)	(1,481)	(65,542)	(27,654)	–	(210,294)
Exchange differences	(246,669)	(1,309)	(724)	(40)	(991)	(430)	(554,386)	(804,549)
At 31 December 2021	3,870,194	20,852	–	1,167	–	782	9,095,059	12,988,054

11. Property, plant and equipment (cont'd)

Group	Freehold land	Computer equipment	Motor vehicles	Furniture and fittings	Office renovation	Office equipment	Asset under construction	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Accumulated depreciation								
At 1 January 2020	–	179,887	48,610	5,848	71,872	28,475	–	334,692
Depreciation charge for the year	–	5,539	–	208	–	237	–	5,984
Disposal/written-off	–	(100,639)	–	(3,676)	(5,379)	(277)	–	(109,971)
Exchange differences	–	106	27	3	40	18	–	194
At 31 December 2020 and 1 January 2021	–	84,893	48,637	2,383	66,533	28,453	–	230,899
Depreciation charge for the year	–	2,704	–	146	–	224	–	3,074
Disposal/written-off	–	(66,945)	(47,913)	(1,481)	(65,542)	(27,578)	–	(209,459)
Exchange differences	–	(1,344)	(724)	(36)	(991)	(425)	–	(3,520)
At 31 December 2021	–	19,308	–	1,012	–	674	–	20,994
Net carrying amount								
At 31 December 2020	4,116,863	3,192	–	305	–	413	9,192,703	13,313,476
At 31 December 2021	3,870,194	1,544	–	155	–	108	9,095,059	12,967,060

The freehold land of the Group consists of the cost of acquisition of certain properties in Ireland by a subsidiary, Monteco Holdings Limited (“Monteco”). The entire acquisition cost has been allocated to the cost of freehold land, as the current intention of the Group is to re-develop the properties into a hotel known as the Ormond Hotel (“Ormond Hotel Project”).

In year 2019, the Section 160 Planning and Development Act 2000 injunction application (“Section 160”) and nuisance claims initiated by the tenant (“Tenant”) of the property adjoining to the development site of Ormond Hotel has been dismissed by the Dublin High Court with certain order on costs made in favour of Monteco. The Group had accrued for the related legal fees and nuisance claims in its financial statements since then.

During the financial year, the Section 160 and nuisance claims had been settled and struck out by court, hence the legal and professional fees that were previously accrued for, has now been reversed and classified as other income.

12. Right-of-use assets

	Group	
	2021	2020
	\$	\$
At 1 January	74,844	107,637
Addition	–	17,021
Amortisation	(49,091)	(49,834)
Exchange differences	(1,175)	20
At 31 December	24,578	74,844

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

13. Intangible asset

	Group	
	2021	2020
	\$	\$
Trademark		
At 1 January	309,061	313,626
Addition	–	487
Exchange differences	6,533	(5,052)
At 31 December	315,594	309,061

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

14. Investment in subsidiaries

	Company	
	2021	2020
	\$	\$
Unquoted shares, at cost	27,897,899	27,713,101
Quasi-equity balances	17,701,075	17,134,365
Share options and share awards granted to Directors and employees of subsidiaries pursuant to the Plato ESOS 2016 and Plato PSP 2016	646,419	646,419
	46,245,393	45,493,885
Less: Accumulated impairment losses	(12,770,971)	(11,843,138)
	33,474,422	33,650,747

(a) Composition of the Group

The Group has the following investment in subsidiaries:

Name of subsidiaries	Country of incorporation	Principal activities	Percentage of interest held by the Group	
			2021	2020
			%	%
Held by the Company:				
+ Plato Private Limited	Singapore	Investment holding	100	100
+ Truesource Pte. Ltd. (“TSPL”)	Singapore	Investment holding	100	100
# Plato Capital Sdn Bhd	Malaysia	Provision of credit facilities	100	100
# Plato-Straits Heritage Properties Sdn Bhd	Malaysia	In the process of striking off	100	100

14. Investment in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

	Name of subsidiaries	Country of incorporation	Principal activities	Percentage of interest held by the Group	
				2021 %	2020 %
Held by the Company (cont'd):					
#	Truesource Sdn Bhd ("TSSB")	Malaysia	Investment holding	100	100
*	Plato Aviation Holdings Limited	British Virgin Islands	Dormant	100	100
*	Monteco Holdings Limited	British Virgin Islands	Development and operation of hotel	60	60
*	Asian Strategic Investments Group Limited	British Virgin Islands	Investment holding	100	100
@	Plato Hong Kong Limited	Hong Kong	Dormant	100	100
##	PT PKTech Indonesia	Indonesia	Dormant	100	100
@	Ormond (HK) Limited	Hong Kong	Investment holding	100	100
*	Plato Capital Holdings Limited	British Virgin Islands	Investment holding	100	100
+	TP Real Estate Holdings Pte Ltd ("TPRE")	Singapore	Investment holding	100	100
Held through the subsidiaries:					
#	Plato Solutions Sdn Bhd	Malaysia	Provision of systems integration related activities and eCommerce systems and services	100	100
++	Plato Management Sdn Bhd	Malaysia	Struck off during the year	–	100
*	Positive Carry Limited	British Virgin Islands	Investment holding	70	70
#	Positive Carry Sdn Bhd	Malaysia	Investment holding	70	70
++	Plato Capital Investment Fund	Cayman Islands	Struck off during the year	–	100
@@	Monteco Dublin Management Limited	Ireland	Investment holding	60	60
#	TP Melbourne Sdn Bhd	Malaysia	In the process of member's voluntary liquidation	100	100

14. Investment in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Percentage of interest held by the Group	
			2021 %	2020 %
Held through the subsidiaries (cont'd):				
++ TP Hotel (Melbourne) Trust	Australia	Struck off during the year	–	100
++ TP Melbourne Pty Limited	Australia	Struck off during the year	–	100
++ TP Services (Melbourne) Pty Limited	Australia	Struck off during the year	–	100
++ TP Colombo Airport (Private) Limited	Sri Lanka	Struck off during the year	–	100

Notes:

- + Audited by Ernst & Young LLP, Singapore.
- # Audited by member firm of EY Global in Malaysia.
- @@ Audited by member firm of EY Global in Ireland.
- @ Audited by RSM Nelson Wheeler, Hong Kong.
- * Not required to be audited under laws of the countries of incorporation.
- ## No auditors were appointed.
- ++ These companies were struck off during the year.

(b) Interest in subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group:

Name of subsidiaries	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period
		%	\$	\$
31 December 2021:				
Monteco Holdings Limited ("Monteco")	Ireland	40	266,291	5,280,745
Positive Carry Limited/Positive Carry Sdn Bhd ("Positive Carry")	British Virgin Islands/Malaysia	30	825,125	1,877,769
			1,091,416	7,158,514
31 December 2020:				
Monteco	Ireland	40	18,511	5,206,200
Positive Carry	British Virgin Islands/Malaysia	30	375,859	1,213,201
			394,370	6,419,401

14. Investment in subsidiaries (cont'd)

(c) Summarised financial information about subsidiaries with material NCI

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

	Monteco		Positive Carry	
	2021	2020	2021	2020
	\$	\$	\$	\$
Summarised balance sheets				
Current				
Assets	258,813	598,886	10,321	3,137,995
Liabilities	(23,733)	(894,479)	(6,472)	(7,001,149)
Net current assets/(liabilities)	235,080	(295,593)	3,849	(3,863,154)
Non-current				
Assets	12,966,782	13,311,092	6,244,320	10,275,957
Liabilities	–	–	–	(2,368,800)
Net non-current assets	12,966,782	13,311,092	6,244,320	7,907,157
Net assets	13,201,862	13,015,499	6,248,169	4,044,003
Summarised statements of comprehensive income				
Revenue	–	–	–	–
Profit before tax	665,726	46,278	2,750,414	1,252,864
Income tax expense	–	–	–	–
Profit after tax	665,726	46,278	2,750,414	1,252,864
Other comprehensive (loss)/income	(791,764)	876,755	(535,508)	(630,540)
Total comprehensive (loss)/income	(126,038)	923,033	2,214,906	622,324
Other summarised information				
Net cash flows generated from operations	665,726	46,278	6,138,957	348,590

(d) Impairment testing of investment in subsidiaries

During the financial year, the management has written down the investment in TSPL and TSSB to the recoverable amount based on the net assets at the end of the reporting period which approximates the fair value less cost to sell. Accordingly, a total impairment loss of \$927,833 was recognised for the financial year ended 31 December 2021 (2020: \$293,867).

(e) Additional investment in an existing subsidiary

During the financial year, the Company has subscribed for an additional 136,240 shares in Monteco (2020: 610,102 shares) which amounted to \$184,798 (2020: \$790,134) by way of capitalisation of advances.

(f) Strike-off/liquidation of a subsidiary

During the financial year, the Group has struck-off a subsidiary, which a loss on strike-off amounted to \$140,613 (2020: \$257,822) has been recognised and was wholly related to realisation of foreign exchange translation reserve.

15. Investment in joint ventures

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Shares, at cost	8,377,087	8,360,882	50	50
Share of post-acquisition results	10,719,281	12,531,678	–	–
Share of other comprehensive loss	(4,446,163)	(3,998,426)	–	–
	14,650,205	16,894,134	50	50

During the financial year, the Group subscribed for additional 50,000 shares in Tune Plato Ventures Sdn Bhd (representing 50% of the interest in the joint venture company) for a consideration of \$16,205.

The details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Effective percentage of interest held by the Group	
			2021 %	2020 %
Held by the Company:				
* Ormond Group Pte Ltd (“OGPL”)	Singapore	Dormant	50	50
Held by TPRE and/or its subsidiaries:				
^ Ormond Lifestyle Services Sdn Bhd (“OLSSB”)	Malaysia	Food catering services	50	50
# TP Hotel (Flinders) Trust (“TPHFT”)	Australia	Property holding	40	40
# TP International Pty Limited (“TPIPL”)	Australia	Trustee of TP Hotel (Flinders) Trust	50	50
^ OHG Services Sdn Bhd (“OHGSB”)	Malaysia	Hotel operation	50	50
Held by TSSB:				
^ Tune Plato Ventures Sdn Bhd (“TPV”)	Malaysia	Investment holding	50	50
Held by TPV:				
^ LSA Ventures Sdn Bhd	Malaysia	Investment holding	50	50
Held by OLSSB:				
^ Asiana Ventures Sdn Bhd	Malaysia	Property holding	25	25
^ Prompt Business Sdn Bhd	Malaysia	Investment holding	30	30
^ Alchemist Management Services Sdn Bhd	Malaysia	Food and beverage management	40	–

Notes:

- * Audited by Ernst & Young LLP, Singapore.
- # Audited by member firm of EY Global in Australia.
- ^ Audited by BDO PLT, Malaysia.

The Group’s commitments in respect of its interest in the joint ventures are disclosed in Note 32.

The Group’s contingent liabilities in respect of its investment in joint ventures are disclosed in Note 33.

15. Investment in joint ventures (cont'd)

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

Summarised balance sheets

	OHGSB		TPIPL		TPHFT		OLSSB		TPV	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	971,744	752,320	3,552	110,828	390,143	629,259	288,446	2,716,204	7,797	4,306
Other current assets	442,773	680,587	4,516	40,086	52,979	972,962	168,360	277,712	814	1,810
Total current assets	1,414,517	1,432,907	8,068	150,914	443,122	1,602,221	456,806	2,993,916	8,611	6,116
Non-current assets	16,835,092	18,739,330	-	-	22,263,349	23,148,824	6,316,625	5,383,885	2,413,309	2,489,345
Total assets	18,249,609	20,172,237	8,068	150,914	22,706,471	24,751,045	6,773,431	8,377,801	2,421,920	2,495,461
Trade and other payables and provisions	(440,279)	(490,572)	(234,193)	(341,421)	(616,732)	(716,671)	(298,171)	(317,869)	(4,949)	(6,251)
Other current liabilities	(752,955)	(1,585,264)	-	-	-	-	(5,864)	(78,436)	-	-
Total current liabilities	(1,193,234)	(2,075,836)	(234,193)	(341,421)	(616,732)	(716,671)	(304,035)	(396,305)	(4,949)	(6,251)
Total non-current liabilities	(8,374,598)	(8,221,892)	-	-	-	-	(28,593)	(39,686)	-	-
Total liabilities	(9,567,832)	(10,297,728)	(234,193)	(341,421)	(616,732)	(716,671)	(332,628)	(435,991)	(4,949)	(6,251)
Non-controlling interests	-	-	-	-	-	-	(5,666,695)	(5,543,702)	-	-
Net assets/(liabilities)	8,681,777	9,874,509	(226,125)	(190,507)	22,089,739	24,034,374	774,108	2,398,108	2,416,971	2,489,210
	50%	50%	50%	50%	40%	40%	50%	50%	50%	50%
Group's share of net assets/(liabilities), representing the carrying amount of the investment	4,430,889	4,937,254	(113,063)	(95,254)	8,837,000	9,614,951	387,054	1,199,054	1,208,486	1,244,605

15. Investment in joint ventures (cont'd)

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

Summarised statements of comprehensive income

	OHGSB		TPIPL		TPHFT		OLSSB		TPV	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	3,105,414	4,845,799	11,839	10	95,818	49,248	688,356	1,018,256	–	6,968
Interest income	–	163,722	5	–	68	39,153	2,954	21,791	–	–
Depreciation expense	(1,624,738)	(1,758,545)	–	–	(387)	(398)	(131,199)	(107,560)	–	–
Gain on disposal of investment	–	–	–	–	–	–	–	1,095,303	–	–
Other operating expenses, net	(2,345,097)	(4,581,886)	(44,412)	(51,166)	(1,079,081)	(783,519)	(804,031)	(1,083,560)	(69,434)	(20,561)
Interest expense	(453,733)	(538,939)	–	–	–	–	(3,435)	(5,356)	–	–
(Loss)/profit before tax	(1,318,154)	(1,869,849)	(32,568)	(51,156)	(983,582)	(695,516)	(247,355)	938,874	(69,434)	(13,593)
Income tax credit/(expenses)	273,781	2,675	–	–	–	–	61,455	12,231	–	(5)
(Loss)/profit after tax	(1,044,373)	(1,867,174)	(32,568)	(51,156)	(983,582)	(695,516)	(185,900)	951,105	(69,434)	(13,598)
Non-controlling interest	–	–	–	–	–	–	18,775	(477,776)	–	–
(Loss)/profit after tax attributable to owners	(1,044,373)	(1,867,174)	(32,568)	(51,156)	(983,582)	(695,516)	(167,125)	473,329	(69,434)	(13,598)
Other comprehensive (loss)/income attributable to owners	(148,359)	4,239	(3,050)	(11,148)	(961,053)	1,836,762	60,546	2,139	(35,214)	874
Total comprehensive (loss)/income attributable to owners	(1,192,732)	(1,862,935)	(35,618)	(62,304)	(1,944,635)	1,141,246	(106,579)	475,468	(104,648)	(12,724)

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

16. Investment in associates

	Group	
	2021 \$	2020 \$
Shares, at cost	22,913,619	22,913,619
Share of post-acquisition loss	(11,441,516)	(6,451,350)
Share of other comprehensive loss	(2,679,929)	(2,047,620)
	8,792,174	14,414,649

The details of the associates are as follows:

Name of associates	Country of incorporation	Principal activities	Effective percentage of interest held by the Group	
			2021 %	2020 %
Held through Positive Carry Sdn Bhd:				
[^] TYK Capital Sdn Bhd ("TYKC")	Malaysia	Investment holding and provision of management services	18.90	18.90
Held through TYKC:				
[^] Eng Teknologi Holdings Sdn Bhd	Malaysia	Dormant	18.90	18.90
[^] Eng Hardware Engineering Sdn Bhd	Malaysia	Renting of properties	18.90	18.90
[^] Eng Teknologi Sdn Bhd	Malaysia	Manufacture and sale of precision mechanical components, automation system for computer peripherals and semiconductor industries	18.90	18.90
[^] Seleкта Inovatif (M) Sdn Bhd	Malaysia	Renting of properties	18.90	18.90
⁺ Engtek Philippines, Inc. ("ETPI")	Philippines	Facility provider	18.90	18.90
[#] Altum Precision Pte. Ltd. ("APS")	Singapore	Liquidated during the year	–	18.90
[^] Altum Precision Sdn Bhd ("APM")	Malaysia	Automated die-casting and precision machining	18.90	–
Held through ETPI:				
⁺ Engtek Precision Philippines, Inc.	Philippines	Manufacture of precision engineering components and assemblies, precision tools, fixtures, jigs, moulds and dies	18.90	18.90
Held through APS:				
[^] APM	Malaysia	Automated die-casting and precision machining	–	18.90

16. Investment in associates (cont'd)

Name of associates	Country of incorporation	Principal activities	Effective percentage of interest held by the Group	
			2021 %	2020 %
Held through Asian Strategic Investments Group Limited/Plato Capital Sdn Bhd:				
* Educ8 Group Sdn Bhd ("Educ8")	Malaysia	Investment holding	25.03	25.03
Held through Educ8:				
* Epsom College Malaysia Sdn Bhd	Malaysia	Operator of preparatory and senior boarding schools	25.03	25.03
@ Gloryfield Sdn Bhd (formerly known as Spanish Sports Ventures Sdn Bhd)	Malaysia	Operator of sports clinics	25.03	25.03
* Horizon Educate Sdn Bhd	Malaysia	Investment holding	25.03	25.03

Notes:

- ^ Audited by Grant Thornton Malaysia PLT, Malaysia.
+ Audited by member firm of Grant Thornton International Limited.
* Audited by BDO PLT, Malaysia.
@ Audited by Chew & Associates, Malaysia.
The company has been dissolved during the year.

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

Summarised balance sheets

	TYKC		Educ8	
	2021 \$	2020 \$	2021 \$	2020 \$
Cash and cash equivalents	12,089,305	10,274,176	2,742,256	1,848,119
Other current assets	43,079,087	28,580,148	1,913,562	2,065,845
Total current assets	55,168,392	38,854,324	4,655,818	3,913,964
Non-current assets	25,964,637	22,054,482	44,765,828	51,007,159
Total assets	81,133,029	60,908,806	49,421,646	54,921,123
Trade and other payables and provisions	(24,547,707)	(12,184,429)	(6,403,336)	(8,110,132)
Other current liabilities	(16,035,012)	(6,631,756)	(4,443,096)	(675,216)
Total current liabilities	(40,582,719)	(18,816,185)	(10,846,432)	(8,785,348)
Total non-current liabilities	(17,424,080)	(4,074,551)	(28,395,432)	(29,557,189)
Total liabilities	(58,006,799)	(22,890,736)	(39,241,864)	(38,342,537)
Net assets	23,126,230	38,018,070	10,179,782	16,578,586
Group's share of net assets, representing the carrying amount of the investment	6,244,082	10,264,879	2,548,092	4,149,770

16. Investment in associates (cont'd)

Summarised statements of comprehensive income

	TYKC		Educ8	
	2021	2020	2021	2020
	\$	\$	\$	\$
Revenue	86,548,096	57,316,678	8,274,426	10,228,050
Interest income	54,389	38,261	25,042	37,578
Depreciation expense	(6,133,454)	(3,891,195)	(127,743)	(1,563,687)
Other operating expenses, net	(66,590,868)	(47,161,620)	(13,191,950)	(5,852,779)
Interest expense	(549,421)	(402,101)	(1,351,391)	(1,342,000)
Profit/(loss) before tax	13,328,742	5,900,023	(6,371,616)	1,507,162
Income tax expense	(3,219,901)	(1,238,062)	–	–
Profit/(loss) after tax	10,108,841	4,661,961	(6,371,616)	1,507,162
Other comprehensive (loss)/income	(2,316,596)	(2,198,779)	(27,188)	11,027
Total comprehensive income/(loss)	7,792,245	2,463,182	(6,398,804)	1,518,189

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

In the previous financial year, included in the share of results of Educ8 was a net loss of \$14,437, representing the effects of the dilution of the Group's interest.

Investment in TYKC

The effective interest of the Group in TYKC is 18.90%. The Group exercises significant influence by virtue of its representation on the board of directors of TYKC as provided by the shareholders' agreement.

At the reporting date, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of certain foreign subsidiaries of TYKC. TYKC has determined that these undistributed earnings of the subsidiaries will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax liability has been recognised aggregate to \$26,058,784 (2020: \$28,311,887). The deferred tax liability is estimated to be \$3,908,818 (2020: \$4,246,783). The Group's share of the deferred tax liability is estimated to be \$1,055,381 (2020: \$1,146,631).

Investment in Educ8

In 2019, the Group disposed 24,691,400 shares in Educ8 for a consideration of RM24,691,400 (equivalent to approximately \$8,037,565). There was no cash inflow upon the disposal as the consideration was fully converted into a loan given to the purchaser, which was included as part of the trade receivables of the Group (Note 18).

In 2020, the Group's cost of investment in Educ8 increased by \$386,307, following the subscription of rights issued by Educ8. The Group's effective interest in Educ8 increased from 25.00% to 25.03% resulted from this subscription.

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

The Group's contingent liabilities in respect of its investment in associates are disclosed in Note 33.

17. Investment securities

	Group	
	2021	2020
	\$	\$
At fair value through other comprehensive income		
- Quoted securities	3,307,471	4,290,109
At fair value through profit or loss		
- Unquoted preference shares	167,288	167,288
	3,474,759	4,457,397
	3,474,759	4,457,397

The fair values of the quoted equity securities are based on closing quoted market prices on the last market day of the financial year (Level 1 of the fair value hierarchy) (Note 34).

The investment in unquoted preference shares as at 31 December 2021 and 31 December 2020 represents the Group's subscriptions of preference shares in Educ8. The investment is categorised at fair value through profit or loss.

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

	Group	
	2021	2020
	\$	\$
Malaysian Ringgit	3,474,759	4,457,397
	3,474,759	4,457,397

18. Trade receivables

	Group	
	2021	2020
	\$	\$
Current		
Loans to customers	8,002,483	–
Trade receivables	51,213	230,654
	8,053,696	230,654
Non-current		
Loans to customers	424,932	8,541,490
	8,478,628	8,772,144
	8,478,628	8,772,144

Trade receivables are generally on 30 to 90 (2020: 30 to 90) days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The loans to customers are secured by quoted and unquoted investments and are expected to be repaid in October 2022 and June 2023. The interest is charged at 6.00% (2020: 6.00%) per annum.

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

	Group	
	2021	2020
	\$	\$
Malaysian Ringgit	8,478,628	8,772,144
	8,478,628	8,772,144

18. Trade receivables (cont'd)

Expected credit losses

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

19. Other receivables and deposits

	Group	
	2021	2020
	\$	\$
Sundry deposits	21,477	27,503
Sundry receivables	30,396	33,370
	51,873	60,873

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

	Group	
	2021	2020
	\$	\$
Malaysian Ringgit	19,895	24,378
Euro	31,684	34,257
Others	294	292

20. Amounts due from/(to) subsidiaries

The amounts due from/(to) subsidiaries are non-trade related, unsecured, interest-free, repayable on demand and are expected to be settled in cash. During the financial year, certain balances due from subsidiaries for which no repayment are expected have been assessed as "quasi-equity" and reflected as part of the investment in subsidiaries (Note 14).

21. Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Cash at banks and on hand	1,198,016	1,270,811	494,110	274,797
Short-term deposits	2,333,520	793,704	–	–
	3,531,536	2,064,515	494,110	274,797

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 1 day and 30 days (2020: between 1 day and 14 days), depending on the between immediate cash requirements of the Group and the Company, and earn interest at the respective short-term deposit rates. The range of effective interest rates as at 31 December 2021 for the Group was 0.09% to 3.70% (2020: 0.08% to 0.81%) per annum.

21. Cash and cash equivalents (cont'd)

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

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Malaysian Ringgit	2,581,976	878,401	–	–
United States Dollar	53,099	35,576	4,826	5,024
Hong Kong Dollar	5,525	5,815	–	–
Euro	185,650	533,508	21,851	23,236
British Pound	77,727	280,606	21,983	22,285
Others	164,870	87,770	5,068	5,180

22. Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 90 (2020: 30 to 90) days term.

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

	Group	
	2021	2020
	\$	\$
Malaysian Ringgit	80	20,826
United States Dollar	–	75,190

23. Other payables and accruals

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Other payables	41,463	112,472	15,900	–
Accrued staff expenses, bonuses and benefits	60,924	59,676	–	–
Accruals for directors' fees	68,973	88,870	59,250	79,000
Other accrued expenses	312,773	1,179,833	128,884	111,215
	484,133	1,440,851	204,034	190,215

In the previous financial year, included in other accrued expenses of the Group are accruals for cost of \$820,224 provided for the legal dispute in relation to Ormond Hotel Project (Note 11).

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

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Malaysian Ringgit	209,780	409,770	43,534	–
Euro	30,838	885,745	–	–
Others	8,379	11,250	–	–

24. Amounts due from/(to) joint ventures

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

25. Loans and borrowings

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Current				
Revolving credits	2,916,900	3,948,000	–	–
Lease liabilities	26,673	51,843	–	–
	2,943,573	3,999,843	–	–
RCULS	–	6,184,360	–	6,184,360
	2,943,573	10,184,203	–	6,184,360
Non-current				
Lease liabilities	–	27,076	–	–
RCULS	–	–	–	–
	–	27,076	–	–
Total loans and borrowings				
Revolving credits	2,916,900	3,948,000	–	–
Lease liabilities	26,673	78,919	–	–
	2,943,573	4,026,919	–	–
RCULS	–	6,184,360	–	6,184,360
	2,943,573	10,211,279	–	6,184,360

Revolving credits

The effective interest rates range from 4.66% to 4.91% (2020: ranged from 4.94% to 5.24%) per annum and are rolled over for periods ranging from 4 to 12 months (2020: 6 to 12 months). The effective interest rates ranging from 1.75% to 2.25% (2020: 1.75% to 2.25%) plus cost of funds.

Revolving credits are obtained by subsidiaries of the Company, secured by corporate guarantee by the Company and personal guarantee by Mr LKO.

The revolving credits are denominated in Malaysian Ringgit.

RCULS

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

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

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

25. Loans and borrowings (cont'd)

RCULS (cont'd)

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

On 15 July 2016, Mr LKO had converted 38 RCULS valued at \$3,800,000 and accrued interest of \$2,499 into ordinary share in the capital of the Company. An aggregate of 29,249,989 ordinary shares had been allocated and issued pursuant to the said conversion of the 38 RCULS ("2016 Conversion").

Following the 2016 Conversion, there were 62 RCULS outstanding. Resulting from the completion of the share consolidation exercise as disclosed in Note 28, the conversion price was revised from \$0.13 to \$2.60. Accordingly, the 62 RCULS outstanding were convertible into 2,384,615 new ordinary shares in the capital of the Company and accrued interest of \$142,704 were convertible into 54,886 new ordinary shares in the capital of the Company as at 31 December 2020.

On 26 April 2021, Mr LKO had converted all the remaining 62 RCULS valued at \$6,200,000 and accrued interest of \$152,216 into 2,443,160 new ordinary shares in the Company at the conversion price of \$2.60 per new ordinary shares.

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

	Group and Company	
	2021	2020
	\$	\$
Equity component:		
Face value at 1 January	1,164,320	1,164,320
Conversion during the year	(1,164,320)	–
Face value at 31 December	–	1,164,320
Liability component:		
Liability component at 1 January	6,184,360	5,793,286
Interest charged during the year	167,855	391,074
Conversion during the year	(6,352,215)	–
Liability component at 31 December	–	6,184,360

Lease liabilities

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

	Group	
	2021	2020
	\$	\$
At 1 January	78,919	110,724
Addition	–	17,021
Payments	(54,192)	(55,012)
Accretion of interest	3,185	6,164
Exchange differences	(1,239)	22
At 31 December	26,673	78,919

25. Loans and borrowings (cont'd)

Lease liabilities (cont'd)

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

Group	1 January	Cash flows	Accretion of interest	Non-cash changes			31 December
				Capitalisation of advances from non-controlling interest	Conversion of RCULS	Foreign exchange movement	
	\$	\$	\$	\$	\$	\$	\$
2021							
Revolving credits	3,948,000	(972,900)	–	–	–	(58,200)	2,916,900
RCULS	6,184,360	–	167,855	–	(6,352,215)	–	–
Lease liabilities	78,919	(54,192)	3,185	–	–	(1,239)	26,673
Advances from non-controlling interest of a subsidiary controlled by a substantial shareholder	–	124,960	–	(124,960)	–	–	–
Amounts due to joint ventures	976,423	(828,074)	–	–	–	(148,299)	50
Amount due to a related party	2,368,800	(2,332,402)	–	–	–	(36,398)	–
Total	13,556,502	(4,062,608)	171,040	(124,960)	(6,352,215)	(244,136)	2,943,623

Group	1 January	Cash flows	Accretion of interest	Non-cash changes			31 December
				Capitalisation of advances from non-controlling interest	Additions to lease liabilities	Foreign exchange movement	
	\$	\$	\$	\$	\$	\$	\$
2020							
Revolving credits	4,274,628	(328,600)	–	–	–	1,972	3,948,000
RCULS	5,793,286	–	391,074	–	–	–	6,184,360
Lease liabilities	110,724	(55,012)	6,164	–	17,021	22	78,919
Advances from non-controlling interest of a subsidiary controlled by a substantial shareholder	211,316	332,517	–	(526,756)	–	(17,077)	–
Amounts due to joint ventures	629,466	(27,638)	–	–	–	374,595	976,423
Amount due to a related party	2,367,402	–	–	–	–	1,398	2,368,800
Total	13,386,822	(78,733)	397,238	(526,756)	17,021	360,910	13,556,502

26. Deferred tax liabilities

Deferred tax as at 31 December relates to the following:

	Group and Company			
	Balance sheet		Statement of comprehensive income	
	2021	2020	2021	2020
	\$	\$	\$	\$
Deferred tax liabilities:				
RCULS	–	2,659	(2,659)	(66,482)
	–	2,659		
Income tax credit (Note 9)			(2,659)	(66,482)

Unrecognised tax losses and unabsorbed capital allowances

At the end of the reporting period, the Group has tax losses of approximately \$4,126,793 (2020: \$4,062,176) and unabsorbed capital allowances of approximately \$84,927 (2020: \$385,349) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses and capital allowances are subject to the agreement of the tax authorities and compliance with provisions of the tax legislation of the countries in which the companies operate.

27. Amount due to a related party

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

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

	Group	
	2021	2020
	\$	\$
Malaysian Ringgit	–	2,368,800

28. Share capital

	Group and Company			
	2021		2020	
	Number of shares	\$	Number of shares	\$
Issued and fully paid ordinary shares				
At 1 January	9,735,025	40,875,023	194,701,333	40,875,023
Share consolidation on 22 July 2020	–	–	(184,966,308)	–
Conversion of RCULS on 26 April 2021	2,443,160	7,516,535	–	–
Balance as at 31 December	12,178,185	48,391,558	9,735,025	40,875,023

28. Share capital (cont'd)

On 22 July 2020, the Company announced that it had completed a share consolidation of every twenty (20) then existing ordinary shares into one (1) ordinary share.

On 26 April 2021, share capital increased from \$40,875,023 to \$48,391,558 pursuant to the conversion by Mr LKO of the remaining 62 RCULS into 2,443,160 new ordinary shares in the Company amounted to \$7,516,535.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

29. Fair value and other reserves

	Fair value reserve \$	Share-based payments reserve \$	Equity component of RCULS \$	Total \$
Group				
At 1 January 2021	(2,575,267)	1,095,531	1,164,320	(315,416)
Other comprehensive income:				
Fair value loss on quoted equity investment at FVOCI	(982,638)	–	–	(982,638)
Transactions with owners:				
Conversion of RCULS	–	–	(1,164,320)	(1,164,320)
Reclassification of share options and share awards upon expiry	–	(1,095,531)	–	(1,095,531)
At 31 December 2021	(3,557,905)	–	–	(3,557,905)
At 1 January 2020	(1,831,954)	1,095,531	1,164,320	427,897
Other comprehensive income:				
Fair value loss on quoted equity investment at FVOCI	(743,313)	–	–	(743,313)
At 31 December 2020	(2,575,267)	1,095,531	1,164,320	(315,416)
		Share-based payments reserve \$	Equity component of RCULS \$	Total \$
Company				
At 1 January 2021		1,095,531	1,164,320	2,259,851
Transactions with owners:				
Conversion of RCULS		–	(1,164,320)	(1,164,320)
Reclassification of share options and share awards upon expiry		(1,095,531)	–	(1,095,531)
At 31 December 2021		–	–	–
At 1 January 2020 and 31 December 2020		1,095,531	1,164,320	2,259,851

29. Fair value and other reserves (cont'd)

(a) Fair value reserve

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

(b) Capital reserve

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

(c) Share-based payments reserve

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

(d) Equity component of RCULS

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

30. Foreign currency translation reserve

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

31. Related party transactions

(a) Significant transactions between the Group and related parties

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

	Group	
	2021	2020
	\$	\$
Lease payments to Nobleman Holdings Sdn Bhd, a company in which Mr LKO has interest	54,192	55,012
RCULS interest payable to Mr LKO	9,512	31,000

31. Related party transactions (cont'd)

(b) Compensation of key management personnel

	2021	2020
	\$	\$
Directors' fees	118,500	166,361
Short-term employee benefits	404,217	334,655
Defined contribution plans	42,271	21,715
Total compensation paid to key management personnel	564,988	522,731
Comprise amounts paid to:		
- Directors of the Company	169,300	318,761
- Other key management personnel	395,688	203,970
	564,988	522,731

In the previous financial year, the key management personnel above also received compensation of \$59,679 from joint ventures of the Group.

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

32. Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2021	2020
	\$	\$
Approved and contracted for in respect of repairs works for property held by Monteco Holdings Limited	-	188,757
	-	188,757

33. Contingent liabilities

Proportionate guarantee

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

- a proportionate guarantee for a principal sum of up to RM28,740,000 (equivalent to approximately \$9,314,634) (2020: RM28,740,000 (equivalent to approximately \$9,455,460)) in relation to a term loan facility granted by a licensed bank to Epsom College Malaysia Sdn Bhd ("Epsom"), a subsidiary of an associate.

As at 31 December 2021, Epsom is in compliance with the covenant of the term loan. The Group has assessed and concluded that there is no indication that the proportionate guarantee would be called given that the term loan is also secured over the freehold land and buildings of Epsom which have been valued by professional valuer to be higher than the loan amount.

Continuing financial support

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

At the end of the financial year, these subsidiaries had capital deficiencies totalling \$8,594,328 (2020: \$10,414,874) including amounts due from the subsidiaries to the Company totalling \$3,769,390 (2020: \$3,522,220).

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

34. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

The following table shows the Group's financial instruments which are measured at fair value at the reporting date analysed by various levels within the fair value hierarchy:

Group	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2021				
Financial assets				
Financial assets at fair value through other comprehensive income				
- Quoted shares	3,307,471	-	-	3,307,471
Financial assets at fair value through profit or loss				
- Unquoted preference shares	-	-	167,288	167,288
	3,307,471	-	167,288	3,474,759
2020				
Financial assets				
Financial assets at fair value through other comprehensive income				
- Quoted shares	4,290,109	-	-	4,290,109
Financial assets at fair value through profit or loss				
- Unquoted preference shares	-	-	167,288	167,288
	4,290,109	-	167,288	4,457,397

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

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

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

	Group	
	2021	2020
	\$	\$
Unquoted preference shares		
At beginning of the financial year	167,288	–
Purchases	–	167,288
At end of the financial year	167,288	167,288

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

(d) **Financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

The following are classes of financial assets and financial liabilities that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value:

	Note
Trade and other receivables	18 & 19
Amounts due from/(to) subsidiaries	20
Cash and cash equivalents	21
Trade and other payables	22 & 23
Amounts due from/(to) joint ventures	24
Loans and borrowings	25
Amount due to a related party	27

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

In the previous financial year, included in loans and borrowings is the carrying amount of the liability portion of the RCULS carried at amortised cost, which fair value at inception was initially estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing.

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

(e) Classification of financial instruments

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Financial assets				
Investment securities at fair value through profit or loss	167,288	167,288	–	–
Investment securities at fair value through other comprehensive income	3,307,471	4,290,109	–	–
Total financial assets measured at fair value	3,474,759	4,457,397	–	–
Trade receivables	8,478,628	8,772,144	–	–
Other receivables and deposits	51,873	60,873	–	–
Amounts due from subsidiaries	–	–	3,769,390	3,522,220
Amount due from a joint venture	95,474	94,133	–	–
Cash and cash equivalents	3,531,536	2,064,515	494,110	274,797
Total financial assets measured at amortised cost	12,157,511	10,991,665	4,263,500	3,797,017
Financial liabilities				
Trade payables	80	96,016	–	–
Other payables and accruals	484,133	1,440,851	204,034	190,215
Amounts due to subsidiaries	–	–	5,449,788	3,999,427
Loans and borrowings	2,943,573	10,211,279	–	6,184,360
Amounts due to joint ventures	50	976,423	50	50
Amount due to a related party	–	2,368,800	–	–
Total financial liabilities measured at amortised cost	3,427,836	15,093,369	5,653,872	10,374,052

35. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Directors review and agree policies and procedures for the management of these risks, which are executed by the management. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

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

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables (including amounts due from subsidiaries and joint venture). For other financial assets (including investment securities and cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

It is the Group's policy to enter into transactions with creditworthy parties to mitigate any significant concentration of credit risk. The Group ensures that the goods sold and services rendered are to customers with appropriate credit history and has internal mechanisms to monitor the granting of credit and management of credit exposures. The trade and other receivables represent the Group's maximum exposure to credit risk in the event the counterparties fail to perform their obligations.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

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

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

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

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment

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

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

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

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

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

(a) Credit risk (cont'd)

Excessive risk concentration

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

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

Exposure to credit risk

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

- A principal sum of up to RM28,740,000 (equivalent to approximately \$9,314,634) (2020: RM28,740,000 (equivalent to approximately \$9,455,460)) relating to a corporate guarantee provided by the Company to the bank in relation to a term loan facility to a subsidiary of the Group's associate.
- A principal sum of RM9,000,000 (equivalent to approximately \$2,916,900) (2020: RM12,000,000 (equivalent to approximately \$3,948,000)) relating to a corporate guarantee provided by the Company to a bank on its subsidiary's revolving credit facility.

Credit risk concentration profile

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

	Group			
	2021		2020	
	\$	% of total	\$	% of total
By country:				
Malaysia	8,478,628	100.00	8,770,769	99.98
Singapore	-	-	1,375	0.02
	8,478,628	100.00	8,772,144	100.00

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and operational flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with different banks. The Group has RM9,000,000 (equivalent to approximately \$2,916,900) of revolving credit facility, which is fully utilised as at the end of the reporting period. Mr LKO has provided a commitment to the Group to continue to provide and not withdraw his personal guarantee to the bank for at least one-year period from the date of the financial statements so as to enable the Group to have continuous access to the revolving credit facility to meet liquidity needs. The Directors are also of the view that the Group will be able to secure additional borrowings by securing its long-term assets which are currently unencumbered.

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

(b) Liquidity risk (cont'd)

In addition, the Directors are of the view that the Group is in a position to raise funds from capital markets and financial institutions and balance its portfolio with some short-term funding. The Group ensures availability of funds through an adequate amount of cash and where necessary, fund-raising exercises can be considered via rights issues, private placements, or equity-related exercises.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability of sufficient balance of cash.

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

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	One year or less \$	One to five years \$	Over five years \$	Total \$
2021				
Financial assets:				
Trade receivables	8,429,648	467,510	–	8,897,158
Amount due from a joint venture	95,474	–	–	95,474
Other receivables and deposits	51,873	–	–	51,873
Cash and cash equivalents	3,531,536	–	–	3,531,536
Total undiscounted financial assets	12,108,531	467,510	–	12,576,041
Financial liabilities:				
Financial guarantees**	(9,314,634)	–	–	(9,314,634)
Trade payables	(80)	–	–	(80)
Other payables and accruals	(484,133)	–	–	(484,133)
Amount due to a joint venture	(50)	–	–	(50)
Loans and borrowings	(2,995,819)	–	–	(2,995,819)
Total undiscounted financial liabilities	(12,794,716)	–	–	(12,794,716)
Total net undiscounted financial (liabilities)/assets	(686,185)	467,510	–	(218,675)

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

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

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

Group	One year or less \$	One to five years \$	Over five years \$	Total \$
2020				
Financial assets:				
Trade receivables	718,062	8,916,677	–	9,634,739
Amount due from a joint venture	94,133	–	–	94,133
Other receivables and deposits	60,873	–	–	60,873
Cash and cash equivalents	2,064,515	–	–	2,064,515
Total undiscounted financial assets	2,937,583	8,916,677	–	11,854,260
Financial liabilities:				
Financial guarantees**	(9,455,460)	–	–	(9,455,460)
Trade payables	(96,016)	–	–	(96,016)
Other payables and accruals	(1,440,851)	–	–	(1,440,851)
Amounts due to joint ventures	(976,423)	–	–	(976,423)
Loans and borrowings	(10,437,828)	(27,540)	–	(10,465,368)
Amount due to a related party	–	–	(2,368,800)	(2,368,800)
Total undiscounted financial liabilities	(22,406,578)	(27,540)	(2,368,800)	(24,802,918)
Total net undiscounted financial (liabilities)/assets	(19,468,995)	8,889,137	(2,368,800)	(12,948,658)

** This represents the maximum amount of the proportionate guarantee in relation to a term loan facility granted by a licensed bank to an associate, in the event the bank calls for repayment, as disclosed in Note 33.

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

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

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

Company	One year or less \$	One to five years \$	Over five years \$	Total \$
2021				
Financial assets:				
Amounts due from subsidiaries	3,769,390	–	–	3,769,390
Cash and cash equivalents	494,110	–	–	494,110
Total undiscounted financial assets	4,263,500	–	–	4,263,500
Financial liabilities:				
Financial guarantees*	(12,231,534)	–	–	(12,231,534)
Other payables and accruals	(204,034)	–	–	(204,034)
Amounts due to subsidiaries	(5,449,788)	–	–	(5,449,788)
Amount due to a joint venture	(50)	–	–	(50)
Total undiscounted financial liabilities	(17,885,406)	–	–	(17,885,406)
Total net undiscounted financial liabilities	(13,621,906)	–	–	(13,621,906)
2020				
Financial assets:				
Amounts due from subsidiaries	3,522,220	–	–	3,522,220
Cash and cash equivalents	274,797	–	–	274,797
Total undiscounted financial assets	3,797,017	–	–	3,797,017
Financial liabilities:				
Financial guarantees*	(13,448,000)	–	–	(13,448,000)
Other payables and accruals	(190,215)	–	–	(190,215)
Amounts due to subsidiaries	(3,999,427)	–	–	(3,999,427)
Amounts due to joint ventures	(50)	–	–	(50)
Loans and borrowings	(6,355,000)	–	–	(6,355,000)
Total undiscounted financial liabilities	(23,992,692)	–	–	(23,992,692)
Total net undiscounted financial liabilities	(20,195,675)	–	–	(20,195,675)

* At the reporting date, the counterparties to the financial guarantees do not have a right to demand payment of cash as there is no default on the borrowings obtained by the subsidiaries, associates and joint ventures. In the analysis above, the maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantee could be called.

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

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 12 months (2020: less than 12 months) from the end of the reporting period.

The Group's policy is to manage interest cost using floating rate loans and borrowings, depending on the liquidity needs of the Group, with the objective of ensuring that there is sufficient net cash for the Group's operations at reasonable interest rates. The Group's revolving credit facility provide the Group with the flexibility to roll its loans and borrowings over a period of 4 to 12 months. The interest rates are determined based on ranges from 1.75% to 2.25% (2020: 1.75% to 2.25%) plus cost of funds.

Sensitivity analysis for interest rate risk

The sensitivity analysis below was determined based on the exposure to interest rate risks for short-term deposits and bank borrowings at the end of the financial year. The sensitivity analysis assumes an instantaneous 0.50% change in the interest rate from the end of the financial year, with all variables held constant.

	Group	
	Loss before tax	
	Increase/(decrease)	
	2021	2020
	\$	\$
Short-term deposits		
Increase in interest rate	(11,668)	(3,969)
Decrease in interest rate	11,668	3,969
Bank borrowings		
Increase in interest rate	14,585	19,740
Decrease in interest rate	(14,585)	(19,740)

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily Malaysian Ringgit ("RM"). The foreign currencies in which these transactions are denominated are mainly RM. The Group's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. The foreign currency balances are disclosed in Note 21.

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

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

(d) **Foreign currency risk (cont'd)**

Sensitivity analysis for foreign currency risk

The following table details the Group's sensitivity to a 10% change in Singapore Dollar ("SGD"), Malaysian Ringgit ("RM") and United States Dollar ("USD") and against the respective functional currencies of the Group entities. The sensitivity analysis assumes an instantaneous 10% change in the foreign currency exchange rates from the end of financial year, with all variables held constant.

	Group	
	Loss before tax (Decrease)/increase	
	2021	2020
	\$	\$
SGD		
Strengthens against USD	(94,950)	(121,337)
Weakens against USD	94,950	121,337
Strengthens against RM	267,970	187,667
Weakens against RM	(267,970)	(187,667)
Strengthens against EUR	(2,894)	(3,981)
Weakens against EUR	2,894	3,981
Strengthens against GBP	(7,452)	(27,745)
Weakens against GBP	7,452	27,745
Strengthens against AUD	(14,571)	(16,556)
Weakens against AUD	14,571	16,556
Strengthens against HKD	(95)	(94)
Weakens against HKD	95	94
RM		
Strengthens against USD	290,131	1,348,701
Weakens against USD	(290,131)	(1,348,701)
Strengthens against SGD	192,961	344,045
Weakens against SGD	(192,961)	(344,045)
Strengthens against EUR	(1,476)	(1,117)
Weakens against EUR	1,476	1,117

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

(d) **Foreign currency risk (cont'd)**

Sensitivity analysis for foreign currency risk (cont'd)

	Group	
	Loss before tax	
	(Decrease)/increase	
	2021	2020
	\$	\$
EUR		
Strengthens against RM	–	1,117
Weakens against RM	–	(1,117)
Strengthens against SGD	–	533
Weakens against SGD	–	(533)
Strengthens against GBP	(320)	–
Weakens against GBP	320	–
USD		
Strengthens against RM	(1,075,916)	(1,105,658)
Weakens against RM	1,075,916	1,105,658
Strengthens against SGD	129,140	192,998
Weakens against SGD	(129,140)	(192,998)
Strengthens against EUR	(1,270)	(1,361)
Weakens against EUR	1,270	1,361
Strengthens against HKD	(457)	(464)
Weakens against HKD	457	464

(e) **Market price risk**

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity securities. These securities are quoted on the Bursa Securities Malaysia Berhad in Malaysia. The Group does not have exposure to commodity price risk.

Further details of these marketable financial assets and their classification can be found in Note 17.

The Group's invest in quoted securities with the objective of deriving potential returns from capital appreciation and dividend income streams. Management monitors a rolling forecast of the Group's liquidity reserve which comprises of cash and cash equivalents and marketable securities.

Sensitivity analysis for equity price risk

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of financial year. The sensitivity analysis assumes an instantaneous 10% change in the equity prices from the end of financial year, with all variables held constant.

	Group	
	Equity Increase	
	2021	2020
	\$	\$
Quoted investment securities	330,747	429,011

36. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 2020.

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

	Group	
	2021	2020
	\$	\$
Trade payables	80	96,016
Other payables and accruals	484,133	1,440,851
Loans and borrowings	2,943,573	10,211,279
Amounts due to joint ventures	50	976,423
Amount due to a related party	–	2,368,800
Less: Cash and cash equivalents	(3,531,536)	(2,064,515)
Net debt	(103,700)	13,028,854
Equity attributable to owners of the Company, representing total capital	41,863,631	38,897,178
Capital and net debt	41,759,931	51,926,032
Gearing ratio	NM*	25%

* NM – Not meaningful

37. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker.

The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

The Group has three reportable segments being IT operations, investment activities and corporate and others segments. Segments in Malaysia are generally engaged in IT operations and investment activities while segments classified under Asia and others are engaged in investment, corporate and other activities.

The IT operations segment provides e-Commerce services, system integration related services, and distribution and marketing of computer hardware and software.

The investment activities segment manages investments in quoted and unquoted equity shares including investment in joint ventures and associates and performs money lending services.

37. Segment information (cont'd)

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

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

Income taxes are managed on a Group basis.

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

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

Business segments

Group	IT operations \$	Investment activities \$	Corporate and others \$	Total \$	Eliminations and adjustments \$	Consolidated \$
At 31 December 2021						
Revenue						
Sales to external customers and total revenue	562,178	502,150	–	1,064,328	–	1,064,328
Results						
Interest income from bank deposits	1,557	7,499	–	9,056	–	9,056
Finance costs	–	(349,159)	–	(349,159)	–	(349,159)
Depreciation of property, plant and equipment	–	(3,074)	–	(3,074)	–	(3,074)
Amortisation of right-of-use assets	–	(49,091)	–	(49,091)	–	(49,091)
Share of profit from associates and joint ventures, net	–	80,828	–	80,828	–	80,828
Segment profit/(loss) before tax	138,669	9,416,366	777,577	10,332,612	(10,693,791)	(361,179)
Assets						
Additions to non-current assets	–	458,522	–	458,522	–	458,522
Investment in associates and joint ventures	–	23,442,379	–	23,442,379	–	23,442,379
Segment assets	71,118	48,685,318	3,680,134	52,436,570	–	52,436,570
Segment liabilities	2,994,572	394,577	38,687	3,427,836	–	3,427,836

37. Segment information (cont'd)

Business segments (cont'd)

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

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

	Group	
	2021 \$	2020 \$
Revenue		
Total revenue for reportable segments, representing total consolidated revenue	1,064,328	1,168,148
Profit or loss		
Total profit or loss for reportable segments, representing total consolidated loss before tax	(361,179)	(1,462,318)
Assets		
Total assets for reportable segments	52,436,570	60,672,338
Tax recoverable	13,411	18,399
Total consolidated assets	52,449,981	60,690,737
Liabilities		
Total liabilities for reportable segments	3,427,836	15,371,412
Deferred tax liabilities	–	2,659
Total consolidated liabilities	3,427,836	15,374,071

37. Segment information (cont'd)

Geographic information

Revenues from external customers

	Malaysia \$	Asia and others \$	Consolidated \$
31 December 2021			
Sales to external customers and total revenue	1,064,328	–	1,064,328
31 December 2020			
Sales to external customers and total revenue	1,145,926	22,222	1,168,148

The revenue information above is based on the location of the customers. The revenue derived from Singapore, the country of domicile of the Company, amounted to \$Nil (2020: \$4,000) during the financial year.

Location of non-current assets

	Malaysia \$	Ireland \$	Consolidated \$
31 December 2021			
Non-current assets	26,385	12,965,253	12,991,638
31 December 2020			
Non-current assets	78,756	13,309,564	13,388,320

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

Major customer

In the current financial year, approximately 21% (2020: 37%) of the revenue from IT operations were derived from a major third-party customer.

38. Subsequent event

On 3 December 2021, the Group had announced that its wholly-owned subsidiary, Plato Solutions Sdn Bhd shall cease ("Cessation") its information technology systems integration and distribution of software business with effect from 1 January 2022.

The Cessation did not have any material effect on the Group's net tangible assets per share and loss per share for the financial year ended 31 December 2021. The contribution and results of the IT operations segment for the current financial year is disclosed in Note 37.

39. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 5 April 2022.

Shareholders' Information as at 1 April 2022

STATISTICS OF SHAREHOLDINGS AS AT 1 APRIL 2022

Number of issued shares	:	12,178,185
Issued and fully-paid capital	:	\$48,014,351.39
Class of Shares	:	Ordinary shares
Voting rights	:	One vote per share

The Company does not hold treasury shares and subsidiary holdings.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	849	48.21	25,531	0.21
100 - 1,000	720	40.89	239,986	1.97
1,001 - 10,000	161	9.14	489,799	4.02
10,001 - 1,000,000	29	1.65	1,518,068	12.47
1,000,001 AND ABOVE	2	0.11	9,904,801	81.33
TOTAL	1,761	100.00	12,178,185	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 1 April 2022)

	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾
Lim Kian Onn	-	-	8,943,125 ⁽²⁾	73.44
Cosima Investments Pte Ltd	-	-	7,342,085 ⁽³⁾	60.29

Notes:

⁽¹⁾ Based on the total issued share capital of 12,178,185 ordinary shares (excluding treasury shares) of the Company as at 1 April 2022.

⁽²⁾ Mr Lim Kian Onn ("LKO") is deemed interested in the following:

(a) 4,898,925 shares held by Citibank Nominees Singapore Pte. Ltd. ("Citibank") for Bank Julius Baer (Singapore) Ltd ("Julius Bar") for Cosima Investments Pte Ltd ("Cosima"), a company 100% owned by LKO;

(b) 2,443,160 shares held by Citibank for Bank of Singapore ("BOS") for Cosima; and

(c) 1,601,040 shares held by OCBC Securities Pte Ltd for Kenanga Investment Bank Bhd for LKO.

⁽³⁾ Cosima is deemed interested in the following:

(a) 4,898,925 shares held by Citibank for Julius Bar for Cosima; and

(b) 2,443,160 shares held by Citibank for BOS for Cosima.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	8,240,884	67.67
2	OCBC SECURITIES PRIVATE LIMITED	1,663,917	13.66
3	NG SU LYN	403,933	3.32
4	ONG PUAY HOON IRENE	373,220	3.06
5	MICHELE SHARMINI RASANAYAGAM	114,900	0.94
6	DBS NOMINEES (PRIVATE) LIMITED	64,886	0.53
7	CHOO THIAM SOON	50,000	0.41
8	IFAST FINANCIAL PTE. LTD.	44,950	0.37
9	YIP WEI MUN	34,010	0.28
10	KAM TEOW CHONG	30,800	0.25
11	TAN TSU TSEN (CHEN SHUSHENG)	30,325	0.25
12	RAFFLES NOMINEES (PTE.) LIMITED	30,200	0.25
13	NG TENG SIAK (HUANG ZHENCHENG)	27,500	0.23
14	UOB KAY HIAN PRIVATE LIMITED	27,339	0.22
15	LIM CHER KHIANG	25,879	0.21
16	LIM SENG CHIANG	25,000	0.21
17	MAYBANK SECURITIES PTE. LTD.	24,283	0.20
18	ANG CHIN YEOW (HONG ZHENYAO)	24,000	0.20
19	YONG KWET ON	22,840	0.19
20	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	19,970	0.16
	TOTAL	11,278,836	92.61

PERCENTAGE OF SHAREHOLDING IN THE HANDS OF PUBLIC

As at 1 April 2022, 20.41% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Catalist Rules.

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

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of PLATO CAPITAL LIMITED (the “Company”) will be held via electronic means on Thursday, 28 April 2022 at 2.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Auditors’ Report. **(Resolution 1)**
2. To re-elect Mr Lim Kian Onn retiring by rotation pursuant to Article 107 of the Constitution of the Company. **[See Explanatory Note (i)]** **(Resolution 2)**
3. To re-elect Mr Chong Huai Seng retiring by rotation pursuant to Article 107 of the Constitution of the Company. **[See Explanatory Note (ii)]** **(Resolution 3)**
4. To approve the payment of Directors’ fees of \$158,000 for the financial year ending 31 December 2022, payable half yearly in arrears on 1 July 2022 and 1 January 2023 (FY2021: \$133,500). **(Resolution 4)**
5. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company for the ensuing year and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at the AGM.

AS SPECIAL BUSINESS

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

7. **Authority to allot and issue shares (“Share Issue Mandate”)**
 - (a) That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “Companies Act”) and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Catalist Rules”), the Directors of the Company be authorised and empowered to:
 - (i) allot and issue shares in the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
 - (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (i) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from exercising share options provided the options were granted in compliance with Part VIII of the Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares.

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

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

[See Explanatory Note (iii)]

(Resolution 6)

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

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

[See Explanatory Note (iv)]

(Resolution 7)

By Order of the Board

Ngiam May Ling
Secretary
Singapore, 13 April 2022

Explanatory Notes:

- (i) Resolution 2 is for the re-election of Mr Lim Kian Onn, a Director of the Company who retires by rotation at this AGM. Mr Lim will, upon re-election as a Director of the Company, remain as the Chairman of the Board and a member of the Audit, Remuneration and Nominating Committees and will be considered non-independent. For more information on Mr Lim, please refer to the "Profile of Board of Directors" and "Additional Information on Directors Seeking Re-election" sections in the Annual Report 2021.
- (ii) Resolution 3 is for the re-election of Mr Chong Huai Seng, a Director of the Company who retires by rotation at this AGM. Mr Chong will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration and Nominating Committees and a member of the Audit Committee and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. For more information on Mr Chong, please refer to the "Profile of Board of Directors" and "Additional Information on Directors Seeking Re-election" sections in the Annual Report 2021.
- (iii) Under the Catalist Rules of the SGX-ST, a share issue mandate approved by shareholders as an ordinary resolution will enable directors of an issuer to issue an aggregate number of new Shares and convertible securities of the issuer of up to 100% of the issued share capital of the issuer (excluding treasury shares and subsidiary holdings) as at the time of passing of the resolution approving the share issue mandate, of which the aggregate number of new Shares and convertible securities issued other than on a pro-rata basis to existing shareholders must not be more than 50% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company.

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

The Ordinary Resolution 6, if passed, will empower the Directors of the Company to allot and issue Shares in the capital of the Company and/or Instruments. The aggregate number of Shares to be issued pursuant to this Ordinary Resolution 6 (including shares to be issued in pursuance of Instruments made or granted) shall not exceed one hundred per centum (100%) of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company, with a sub-limit of fifty per centum (50%) for shares issued other than on a pro-rata basis (including shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution 6) to shareholders. As at 1 April 2022, the Company did not have treasury shares or subsidiary holdings.

- (iv) The Ordinary Resolution 7, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to all options granted under share incentive schemes adopted by the Company for the time being in force, up to a number not exceeding in aggregate fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time. As at 1 April 2022, the Company did not have treasury shares or subsidiary holdings.

Important Notes:

- (1) The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The printed copies of the Annual Report 2021 will be sent to shareholders. In addition, this Notice of AGM, the Proxy Form and the Annual Report 2021 may be accessed at the Company's website at the URL <https://www.platocapital.com/AGM2022>, and will also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
- (2) Alternative arrangements relating to attendance at the AGM of the Company by electronic means (including arrangements by which the meeting may be electronically accessed via "live" audio-visual broadcast or "live" audio only feed), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in Note (3) below and the Company's accompanying announcement dated 12 April 2022. This announcement may be accessed at the Company's website at the URL <https://www.platocapital.com/AGM2022>, and will also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

(3) **Alternative Arrangements**

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

(a) *“Live” audio-visual broadcast and “live” audio only feed*

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

- Shareholders who wish to watch the “live” audio-visual broadcast or listen to the “live” audio only feed must pre-register from **13 April 2022 till 2.00 p.m. on Monday, 25 April 2022** (the “**Registration Deadline**”), at the URL <https://bit.ly/PCLAGM2022>.

Following the authentication of the shareholders’ status as shareholders, authenticated shareholders will receive email instructions on how to access the “live” audio-visual broadcast and “live” audio only feed of the AGM proceedings by **2.00 p.m. on Wednesday, 27 April 2022** (the “**Confirmation Email**”).

- Shareholders who register by the Registration Deadline but do not receive the Confirmation Email by **2.00 p.m. on Wednesday, 27 April 2022** should contact the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. by telephone at 6536 5355 during Monday to Friday, from 8.30 a.m. to 5.30 p.m. or by email to srs.teamb@boardroomlimited.com.
- Investors holding shares through relevant intermediaries as defined in Section 181 of the Companies Act (other than CPF/SRS investors) who wish to participate in the AGM by (i) observing and/or listening to the AGM proceedings via “live” audio-visual broadcast or “live” audio only feed; (ii) submitting questions in advance of the AGM; and/or (iii) appointing the Chairman as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

(b) *Submission of questions in advance*

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

- All questions must be submitted by **2.00 p.m. on Thursday, 21 April 2022**:
 - via the pre-registration website at the URL <https://bit.ly/PCLAGM2022>;
 - by post by lodging the same at the registered office of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - by email to agm2022@platocapital.com.

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

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

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

- The Company will address substantial and relevant questions received from shareholders by **2.00 pm on Sunday, 24 April 2022** and publish them on the Company's website at the URL <https://www.platocapital.com/AGM2022>, and will also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. During the AGM itself, the Company will endeavour to address as many substantial and relevant questions related to the Ordinary Resolutions to be tabled at the AGM for approval, which are submitted after **2.00 pm on Thursday, 21 April 2022** and have not already been addressed prior to the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
- The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNet and the Company's website, and the minutes will include the responses to the questions referred to above.
- Please note that shareholders will not be able to ask questions at the AGM "live" during the webcast and the audio only feed, and therefore it is important for shareholders to submit their questions in advance of the AGM.

(c) *Proxy voting*

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

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

- Shareholders (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.
- The proxy form can be submitted to the Company in hard copy form or by email:
 - if by post, the proxy form must be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - if by email, the proxy form must be received by the Company at agm2022@platocapital.com.

in either case by **2.00 p.m. on Tuesday, 26 April 2022**, being 48 hours before the time appointed for holding the AGM.

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

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

- Persons holding shares through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors") who wish to participate in the AGM by (i) observing and/or listening to the AGM proceedings via "live" audio-visual broadcast or "live" audio only feed; and (ii) submitting questions in advance of the AGM, should follow the steps for pre-registration and pre-submission of questions set out under paragraphs (3)(a) and (3)(b) above. However, CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy to attend, speak and vote on their behalf should approach their respective CPF Agent Banks or SRS Operators by **2.00 p.m. on Monday, 18 April 2022** to submit their voting instructions.

(4) **Key Dates/Deadlines**

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

Key dates/deadlines	Actions
Wednesday, 13 April 2022 (immediately upon release of this notice)	Shareholders may begin to pre-register at https://bit.ly/PCLAGM2022 for “live” audio-visual broadcast or “live” audio only feed of the proceedings of the AGM.
2.00 p.m. on Monday, 18 April 2022	Deadline for CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes.
2.00 p.m. on Thursday, 21 April 2022	Deadline for shareholders to submit questions in advance.
2.00 p.m. on Monday, 25 April 2022	Deadline for shareholders to pre-register for “live” audio-visual broadcast/“live” audio only feed of the proceedings of the AGM.
2.00 p.m. on Tuesday, 26 April 2022	Deadline for shareholders to submit proxy form.
2.00 p.m. on Wednesday, 27 April 2022	<p>Authenticated shareholders will receive a Confirmation Email which will contain user ID and password details, as well as the link to access the “live” audio-visual broadcast and a toll-free telephone number to access the “live” audio of the proceedings of the AGM.</p> <p>Shareholders who register by the Registration Deadline but do not receive the Confirmation Email by 2.00 p.m. on Wednesday, 27 April 2022 should contact the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. by telephone at 6536 5355 during Monday to Friday, from 8.30 a.m. to 5.30 p.m. or by email to srs.teamb@boardroomlimited.com.</p>
Date and time of AGM: 2.00 p.m. on Thursday, 28 April 2022	<ul style="list-style-type: none"> • Click on the link in the Confirmation Email and enter the user ID and password to access the “live” audio-visual broadcast of the proceedings of the AGM; or • Call the toll-free telephone number in the Confirmation Email to access the “live” audio only feed of the proceedings of the AGM.

- (5) **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.** The Proxy Form may be accessed at the Company’s website at the URL <https://www.platocapital.com/AGM2022>, and will also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
- (6) Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
- (7) Persons who hold shares in the Company through relevant intermediaries (as defined in section 181 of the Companies Act), including CPF and SRS investors, and who wish to participate in the AGM by:
- (a) observing and/or listening to the AGM proceedings via “live” audio-visual broadcast or “live” audio only feed;
 - (b) submitting questions in advance of the AGM; and/or
 - (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM,

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

CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators by **2.00 p.m. on Monday, 18 April 2022** to submit their votes.

- (8) The Chairman of the AGM, as proxy, need not be a member of the Company.
- (9) The Proxy Form appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:
- (a) if submitted by post, be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) if submitted electronically, be submitted via email to at agm2022@platocapital.com

in either case by **2.00 p.m. on Tuesday, 26 April 2022**, being 48 hours before the time appointed for holding the AGM.

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

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

Personal Data Privacy:

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

Addendum to the Annual Report 2021

Additional Information on Directors seeking re-election pursuant to Rule 720(5) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst ("Catalist Rules").

Mr Lim Kian Onn and Mr Chong Huai Seng are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 28 April 2022 ("AGM") under Ordinary Resolutions 2 and 3 as set out in the Notice of AGM dated 13 April 2022 (collectively, the "Retiring Directors" and each a "Retiring Director").

Information relating to the Retiring Directors, pursuant to Rule 720(5) of the Catalist Rules as set out in Appendix 7F of the Catalist Rules is as set out below:

NAME OF DIRECTOR	LIM KIAN ONN	CHONG HUAI SENG
Date of Appointment	28 December 1999	12 September 2008
Date of Last Re-Appointment (if applicable)	23 June 2020	10 April 2019
Age	65	71
Country of principal residence	Malaysia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>Based on the overall contribution and performance, the Board is satisfied and has recommended that Mr Lim Kian Onn be reappointed as Non-Independent & Non-Executive Director of the Company and a member of the Audit Committee, Remuneration Committee and Nominating Committee respectively.</p> <p>The Board also considers Mr Lim Kian Onn to be non-independent for the purpose of Rule 704(7) of the Catalist Rules.</p>	<p>Based on the overall contribution and performance, the Board is satisfied and has recommended that Mr Chong Huai Seng be reappointed as Independent Director⁽¹⁾ of the Company, Chairman of the Remuneration Committee and the Nominating Committee respectively and a member of the Audit Committee.</p> <p>The Board also considers Mr Chong Huai Seng to be independent for the purpose of Rule 704(7) of the Catalist Rules.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member, etc.)	(i) Chairman, Non-Independent & Non-Executive Director (ii) Audit Committee Member (iii) Remuneration Committee Member (iv) Nominating Committee Member	(i) Independent Director (ii) Audit Committee Member (iii) Remuneration Committee Chairman (iv) Nominating Committee Chairman
Professional qualifications	Member of Institute of Chartered Accountants in England and Wales Member of Malaysian Institute of Accountants	Degree in Polymer Physics (First Class Honours) from University of Manchester

NAME OF DIRECTOR	LIM KIAN ONN	CHONG HUAI SENG
Working experience and occupation(s) during the past 10 years	<p>2010 – Current Chairman, Non-Independent & Non-Executive Director Plato Capital Limited</p> <p>2010 – Current Trustee ECM Libra Foundation</p> <p>2010 – 2015 Non-Executive Director; 2015 – 2020 Managing Director; and 2020 – Current Non-Executive Director ECM Libra Group Berhad</p>	<p>2004 – Current Director Leading HR Pte. Ltd.</p> <p>2007 – Current Co-Founder/ Director The Culture Story Pte. Ltd.</p> <p>2008 – Current Independent Director Plato Capital Limited</p> <p>2008 – Current Director Plato Private Limited</p> <p>2012 – Current Director The Red Pencil (Singapore)</p> <p>2014 – Current Director The Artling Pte. Ltd.</p> <p>2021 – Current Director Family Office For Art Private Limitd</p> <p>2003 – 2021 Director The China Art Foundation (BVI)</p> <p>2018 – 2021 Director ID Capital Pte. Ltd.</p>
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest: 73.44% or 8,943,125 shares in the Company.	NIL
<p>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.</p> <p>Conflict of interest (including any competing business).</p>	<p>Mr Lim is the father of Mr Gareth Lim Tze Xiang, his Alternate Director and also existing Chief Executive Officer of the Company; and</p> <p>Mr Lim is the brother of Ms Lim Kian Fah, existing Director of Legal of the Company.</p> <p>Lim Kian Onn is currently the Non-Executive Director of ECM Libra Group Berhad. ECM Libra Group Berhad is a joint venture partner of the Company, where the Company, vide its subsidiaries, and ECM Libra Group Berhad hold interest of equal proportions in several entities that are involved in hospitality business.</p>	<p>NIL</p> <p>NIL</p>
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer.	Yes	Yes

NAME OF DIRECTOR	LIM KIAN ONN	CHONG HUAI SENG
Other Principal Commitments* Including Directorships#		
<p>* "Principal Commitments" has the same meaning as defined in the Code – "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)</p> <p><u>Present</u></p>	<p>Other Principal Commitments:</p> <ul style="list-style-type: none"> - Deputy Chairman of AirAsia X Berhad <p>Directorships:</p> <ul style="list-style-type: none"> - AirAsia X Berhad - ECM Libra Group Berhad - Cosima Investments Pte. Ltd. - ECM Libra Partners Sdn. Bhd. - Garynma Investments Pte. Ltd. - Libra Capital Holdings Pte. Ltd. - Libra Capital Pte. Ltd. - Libra Capital Sdn. Bhd. - Noblemen Holdings Sdn. Bhd. - OMT Hotels Sdn. Bhd. - Prosperous Millennium Sdn. Bhd. - Tune Hotels.Com Limited. - Ynyshir Capital Sdn. Bhd. 	<p>Other Principal Commitments: NIL</p> <p>Directorships:</p> <ul style="list-style-type: none"> - Leading HR Pte. Ltd. - The Culture Story Pte. Ltd. - The Red Pencil (Singapore) - The Artling Pte. Ltd. - Plato Private Limited - Family Office For Art Private Limited
<p><u>Past (for the last 5 years)</u></p>	<p>Directorships:</p> <ul style="list-style-type: none"> - BIG Loyalty Sdn. Bhd. - Thai AirAsia X Co., Ltd. - Sideflex Sdn. Bhd. - Educ8 Group Sdn. Bhd. - Tulus Tenaga Sdn. Bhd. - Tune Labs Sdn. Bhd. 	<p>Directorships:</p> <ul style="list-style-type: none"> - TCS Capital Pte. Ltd. - Eastwood Way Pte. Ltd. - One In Shoes Pte. Ltd. - ID Capital Pte. Ltd. - The China Art Foundation (BVI)
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</p>		
<p>(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be partner?</p>	<p>No</p>	<p>No</p>

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

NAME OF DIRECTOR	LIM KIAN ONN	CHONG HUAI SENG
(g) Whether he has even been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management of conduct, in Singapore or elsewhere, of the affairs of:-		
(i) Any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) Any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) Any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) Any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

NAME OF DIRECTOR	LIM KIAN ONN	CHONG HUAI SENG
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of an issuer listed on the Exchange? (Yes/No) If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable. This is a re-election of director.	Not applicable. This is a re-election of director.

Note:

- (1) Mr Chong Huai Seng has served on the Board as an independent director beyond nine years since 12 September 2008, the date of his first appointment. Pursuant to Catalist Rule 406(3)(d)(iii), to ensure that the independence of Mr Chong Huai Seng were not affected, the Company had sought shareholders' approval for his continued appointment as Independent Director by way of separate resolutions which were duly passed at the previous Annual General Meeting ("**AGM**") held on 27 April 2021. Mr Chong Huai Seng remain as Independent Director until the earlier of his retirement or resignation as a Director or at the conclusion of the AGM to be held in 2024.

The Board is of the view that Mr Chong Huai Seng is independent as he has:

- contributed constructively throughout his term in the Company;
- sought clarification and amplification as he deemed necessary, including through direct access to key management personnel, Company Secretary, internal auditors and external auditors; and
- provided impartial advice and insights, and has exercised his independent judgement in doing so.

For the foregoing reasons, the Board concluded that it is confident that Mr Chong Huai Seng has the ability to continue exercising strong independent judgment in the discharge of his duties.



PLATO CAPITAL LIMITED

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

IMPORTANT:

1. The AGM (as defined below) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Annual Report 2021 were sent to members on 13 April 2022. The Notice of AGM, Proxy Form and Annual Report 2021 may also be accessed at the Company's website at the URL <https://www.platocapital.com/AGM2022>, and will also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the AGM by electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual broadcast or "live" audio only feed), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Company's announcement dated 12 April 2022 titled "Annual General Meeting to be held on 28 April 2022".
3. Due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
4. CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators by **2.00 p.m. on Monday, 18 April 2022** to submit their votes.
5. **Please read the notes overleaf which contains instructions on, *inter alia*, the appointment of the Chairman of the AGM as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

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

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We (Name) _____ (NRIC/Passport/UEN No.) _____

of (Address) _____

being a member/members of Plato Capital Limited (the "Company"), hereby appoint the Chairman of the Annual General Meeting (the "AGM") as my/our proxy to attend, speak and vote (whether to vote in favour of or against, or to abstain from voting) for me/us and on my/our behalf at the AGM of the Company to be convened and held by way of electronic means on Thursday, 28 April 2022 at 2.00 p.m. and at any adjournment thereof, as indicated below.

No.	Resolutions relating to:	Number of Votes For [^]	Number of Votes Against [^]	Number of Votes Abstain [^]
As Ordinary Business				
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021			
2	Re-election of Mr Lim Kian Onn as a Director of the Company			
3	Re-election of Mr Chong Huai Seng as a Director of the Company			
4	Approval of Directors' fees amounting to \$158,000 for the financial year ending 31 December 2022, payable half yearly in arrears on 1 July 2022 and 1 January 2023			
5	Re-appointment of Ernst & Young LLP as the Auditor of the Company and to authorise the Directors of the Company to fix their remuneration			
As Special Business				
6.	Authority to allot and issue shares (Share Issue Mandate)			
7.	Authority to issue shares under the Plato Employee Share Option Scheme 2016			

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

Dated this _____ day of _____ 2022

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

*Delete where inapplicable

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

8

Affix
Postage
Stamp

The Registrar PLATO CAPITAL LIMITED

c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue #14-07
Keppel Bay Tower
Singapore 098632

NOTES:

1. A member should insert the total number of shares held. If the member has shares entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited, he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the shares held by the member.
2. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.** This Proxy Form may be accessed at the Company's website at the URL <https://www.platocapital.com/AGM2022>, and will also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators by **2.00 p.m. on Monday, 18 April 2022** to submit their votes.
3. The Chairman of the AGM, as proxy, need not be a member of the Company.
4. The Proxy Form appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) if submitted electronically, be submitted via email to agm2022@platocapital.com, in either case by **2.00 p.m. on Tuesday, 26 April 2022**, being 48 hours before the time appointed for holding the AGM.

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

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

5. The Proxy Form appointing the Chairman of the AGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its seal or under the hand of a director or an officer or attorney duly authorised. Where the Proxy Form appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof must (failing previous registration with the Company), if the Proxy Form appointing the Chairman of the AGM as proxy is submitted by post, be deposited with the Proxy Form or, if the Proxy Form appointing the Chairman of the AGM as proxy is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
6. The Company shall be entitled to reject a Proxy Form appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form appointing the Chairman of the AGM as proxy (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any Proxy Form appointing the Chairman of the AGM as proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

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

REGISTERED OFFICE

1 Harbourfront Avenue #14-07
Keppel Bay Tower
Singapore 098632
Telephone : (65) 6536 5355
Facsimile : (65) 6536 1360

BUSINESS OFFICE

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