

BOARD STATEMENT

This report outlines the annual Sustainability Report¹ of Plato Capital Limited (“**Plato**” or the “**Company**”) for the financial year 1 January 2019 to 31 December 2019 (“**FY2019**”). There were no significant changes to the organisation’s structure and ownership during this reporting period.

The Board is pleased to demonstrate its commitment to create long-term sustainable value and business growth for all internal and external stakeholders and is committed to carrying out businesses in a socially responsible and sustainable manner so as to enhance the quality of life of our society while pursuing business sustainability. The Board having considered sustainability issues as part of its strategic formulation, determined the material environmental, social and governance (“**ESG**”) factors and overseen the management and monitoring of the material ESG factors.

STAKEHOLDERS ENGAGEMENT

In building long-term business growth, it is essential to understand and be responsive to the stakeholders’ concerns or expectations of the Group. The table below summarises the potential sustainability issues and the mode of communication with each stakeholder.

| Stakeholders | Potential Issues | Mode of Communication |
|----------------------------------|--|---|
| Customers | <ul style="list-style-type: none"> - Product and service quality - Leakage of customer data and private information | <ul style="list-style-type: none"> - Customer feedback surveys - Personal Data Protection Act (“PDPA”) policy in place to protect customer’s data and privacy |
| Investors | <ul style="list-style-type: none"> - Economic performance | <ul style="list-style-type: none"> - Announcement of financial results on the SGXNet - Announcement on on-going or planned corporate actions as and when required - Annual/Extraordinary General Meeting |
| Management | <ul style="list-style-type: none"> - Economic performance | <ul style="list-style-type: none"> - Budget and forecast with variance analysis provided during monthly exco meetings - Reports on on-going or planned corporate actions as and when required - Board meetings |
| Employees | <ul style="list-style-type: none"> - Talent attraction and retention - Employees’ life-long learning | <ul style="list-style-type: none"> - Staff gatherings - Internal and external staff trainings - Performance review |
| Community | <ul style="list-style-type: none"> - Operations with implemented local communities, impact assessment and development program | <ul style="list-style-type: none"> - Company website - SGX announcement - Annual/Extraordinary General Meeting |
| Government and Regulatory Bodies | <ul style="list-style-type: none"> - Compliance issues with laws and regulations | <ul style="list-style-type: none"> - Advice from professionals such as solicitors, external auditor, tax agent and consultants |

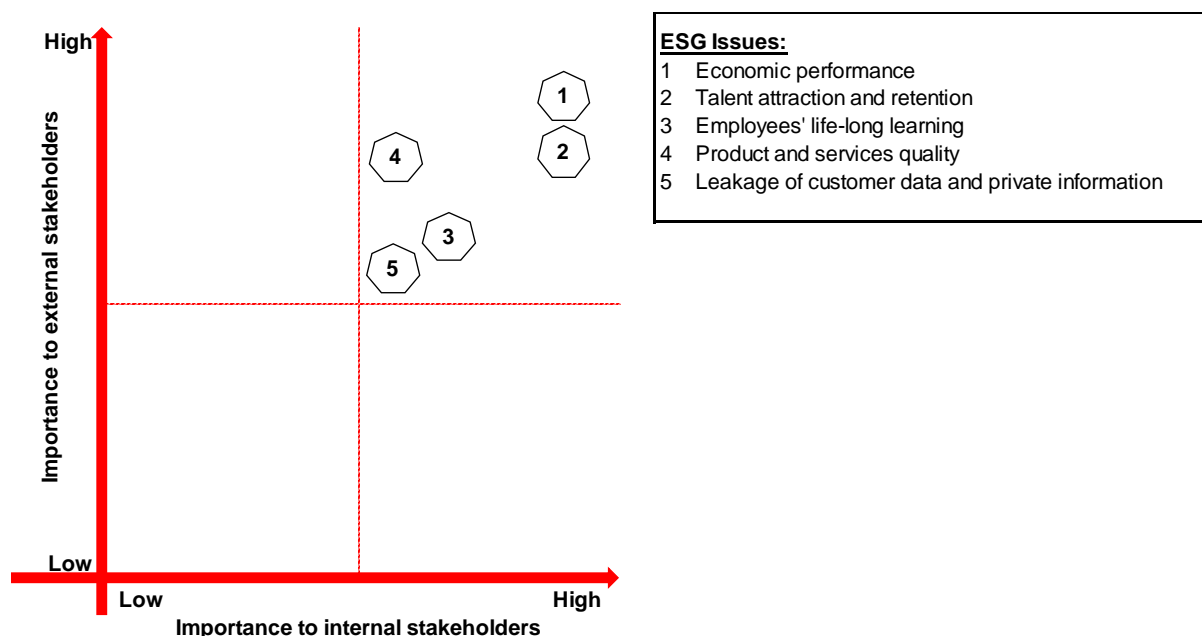
¹ For the purpose of this report, only the Group’s subsidiaries are included. The subsidiaries of the Group are principally engaged in provision of systems integration related activities and eCommerce systems and services, development and operation of hotel, provision of credit facilities, and investment holding.

MATERIALITY ASSESSMENT

This Sustainability Report has been guided and prepared by reference to the globally recognised Global Reporting Initiative (“GRI”) Standards, Rule 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited (“SGX”) Listing Manual Section B: Rules of Catalist. The GRI Standards were chosen as GRI represents the global best practices for reporting on economic, environmental and social topics. Although the data and statistics disclosed in this report have not been assured by an independent external party, internal verification has been performed to ensure their accuracy.

As guided, a materiality assessment had been conducted by the management to determine and rank the significance of the Group’s ESG issues, identify strategic direction and set performance targets. From the above exercise, all potential material topics have been plotted in a materiality matrix as shown in Figure 1 based on their possible impact to the Group’s business, and against their importance to both internal and external stakeholders.

Figure 1: Materiality Matrix



Material Aspects and Indicators

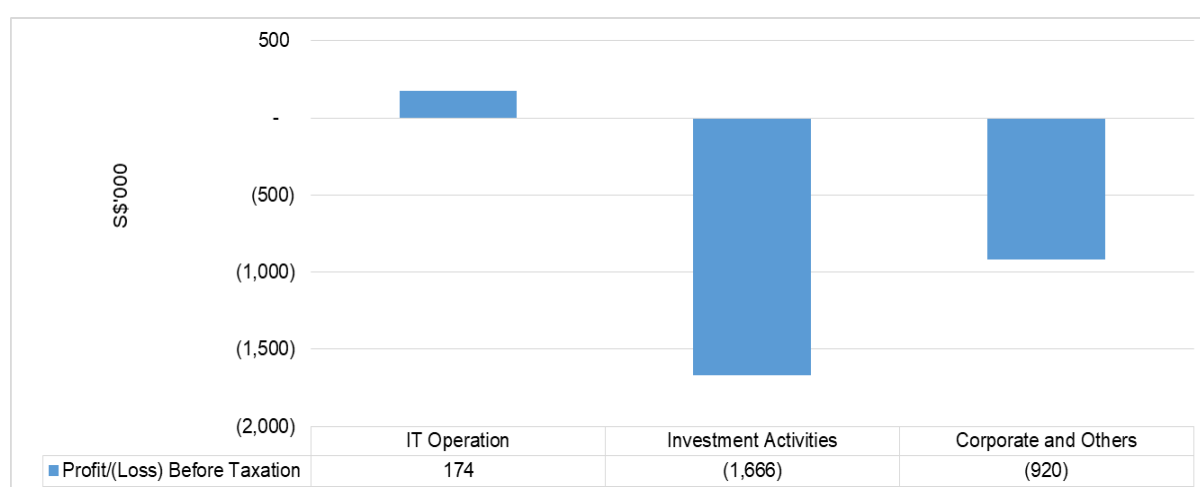
| Category | ESG Factors | GRI reference | Where the Impact Occurs |
|----------|---------------------------------|---|------------------------------|
| Economic | Economic performance | 201: Direct economic value generated and distributed | Within and outside the Group |
| People | Talent attraction and retention | 401: Total number and rates of new employee hires and employee turnover by age group, gender and region | Within the Group |
| People | Employees’ life-long learning | 404: Average hours of training per year per employee by gender, and by employee category | Within the Group |

| Category | ESG Factors | GRI reference | Where the Impact Occurs |
|-------------|--|--|-------------------------|
| Marketplace | Product and services quality | 102: Results of surveys measuring customer satisfaction | Outside the Group |
| Marketplace | Leakage of customer data and private information | 418: Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data | Outside the Group |

ECONOMIC

Financial Highlights

Figure 2: Results for FY2019 (in S\$'000)



Please refer to the chairman’s statement on page 3 and the Group’s financial statements on pages 44 to 111 of the Company’s Annual Report 2019 for further details on the financial performance of the Group.

PEOPLE

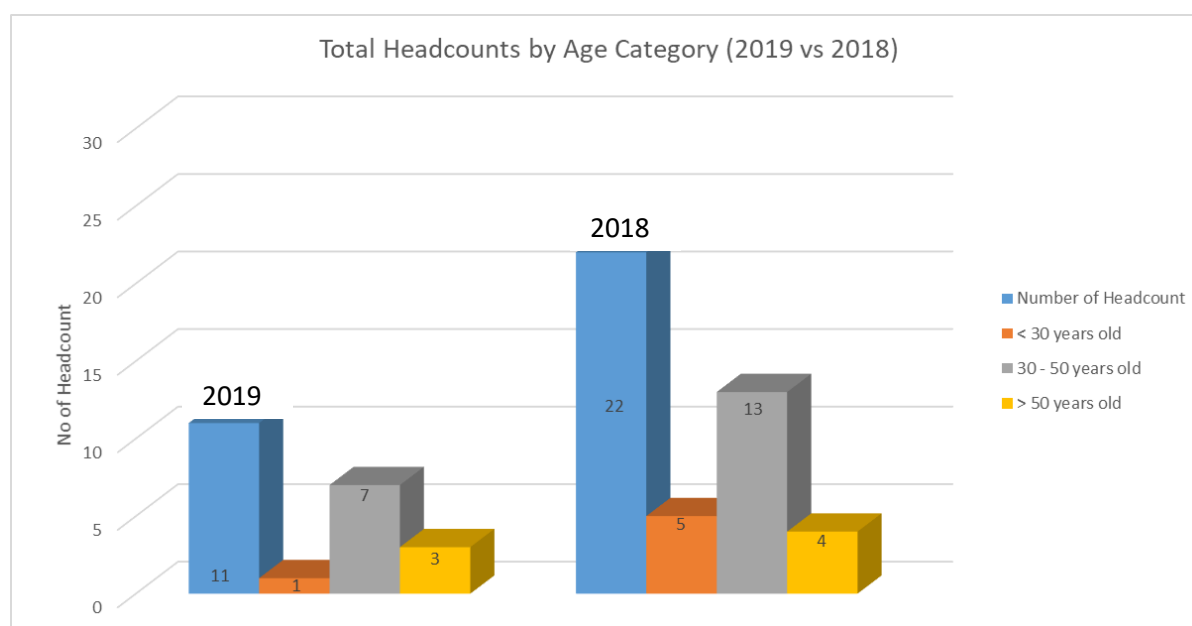
Employees’ Practices

The Group recognises that employees are the key driver of organisations to ensure sustainable business growth. We provide equal employment opportunity to all regardless of race, ethnicity, gender or age group. On talent attraction and retention, the Group practices fair and equal employment opportunity based on qualifications, working experiences, skills and competency of employees. The Group is also committed to protect and respect human rights of employees in accordance with relevant laws and regulations as well as ensuring employees’ safety and well-being.

The Group strives to achieve workforce diversity. As at the end of FY2019, the Group has a total of 11 headcount, of which 45% are male and 55% are female. The Group encourage employees to work beyond Malaysia’s statutory retirement age of 60.

Figure 3: Workforce Composition in FY2019

| By Gender | Total Headcount | % | By Age Group | Total Headcount | % |
|--------------|-----------------|-------------|-------------------|-----------------|-------------|
| Male | 5 | 45% | < 30 years old | 1 | 9% |
| Female | 6 | 55% | 30 – 50 years old | 7 | 64% |
| Total | 11 | 100% | > 50 years old | 3 | 27% |
| | | | Total | 11 | 100% |



As at 31 December 2019, the male/female ratio is 45%/55% and 64% of employees in the preferred category of 30-50 age group. The target as stated in the 2018 sustainability report was 60% for both the male/female ratio and 30-50 age group. The target for the male/female ratio was not met as the Group was in the process of rightsizing its manpower which saw the headcount drop from 22 in 2018 to 11 in 2019.

Nevertheless, the present male/female ratio of 45%/55% and 64% of employees in the preferred category of 30-50 age group are considered appropriate for an organisation of our size and the Group would like to maintain these ratios in 2020.

The Group reviews remuneration and benefits of employees on an annual basis by reference to the market rate and conditions, aimed at creating a productive and motivated workforce, and attracting talent and employees’ retention. As the economic environment and businesses are severely impacted by the effect of Covid-19 pandemic, it is not appropriate at this point in time to set a target on employees’ retention rate but will do so when the situation is back to normal.

The Group has a whistle-blowing policy that serves to provide a platform for employees to report in good faith and in confidence, and without fear of reprisals and concerns, about any improper conduct within the Group. During the year, the Group has not received any grievances on labour practices or human rights issues. The Group aims to maintain zero incidence of grievance on labour practices or human rights issue in 2020.

Training and Learning

The Group recognises that enhancing employees’ skills is important towards achieving sustainability and growth of organisations. We strive to build a strong culture of learning and to continuously improve employees’ skills through on-the-job and off-the-job trainings. The Group also encourages its employees to pursue continuous professional development to gain further qualifications.

During the year, our employees had participated in a range of training courses to enhance their skills and knowledge. These courses include accounting and information technology (“IT”) training and job specific training.

Figure 4: Average Hours of Training in FY2019

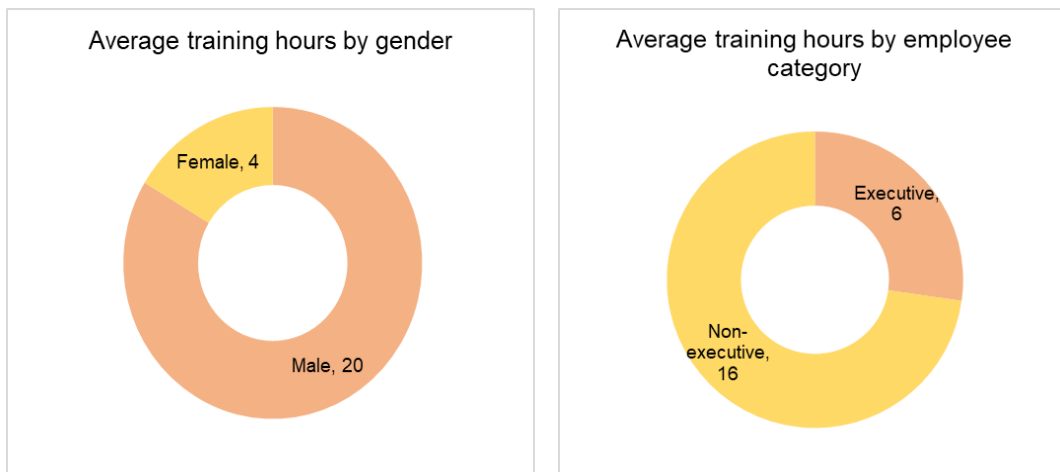


Figure 5: Total Training Hours by Gender Category

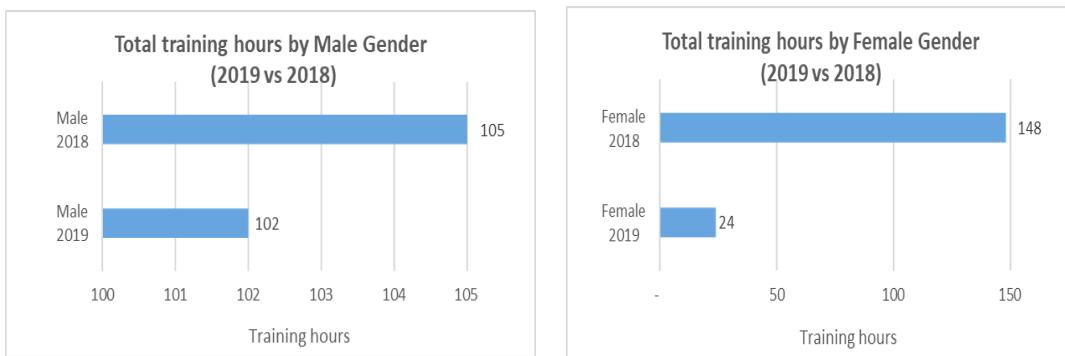
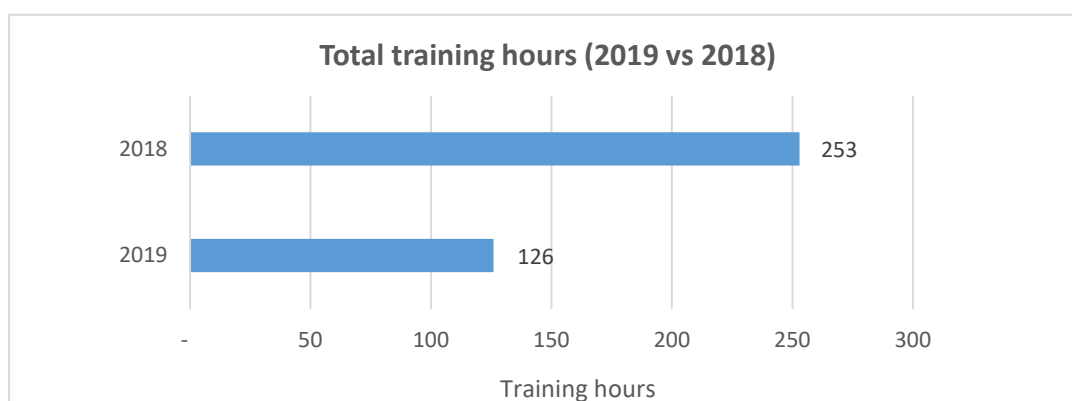


Figure 6: Total Training Hours In 2019 and 2018



Total employees' participation in training programmes in 2019 totalled 126 hours as compared to 253 hours in 2018. On average per employee basis, the Group achieved 11.45 training hours per employee in 2019 vis-à-vis 11.5 training hours in 2018, and hence considered has achieved the target.

The Group aims to achieve an average of 12 to 16 training hours per employee in 2020.

MARKETPLACE

Customers' Satisfaction

The Group strives to raise customer satisfaction by offering good service to its customers and respond to their feedbacks promptly.

Customer Privacy

The Group is committed to ensuring customers' personal data are kept confidential in compliance with the PDPA. We highly respect personal data privacy and will not disclose the data without first obtaining consent from the customers unless it is required by law.

The Group aims for zero complaint and there were no reported complaint concerning breaches or leakage of customer privacy data during the year.

ENVIRONMENTAL

We are concerned about environmental issues such as pollution and climate change which affect everyone's quality of life. We are committed to minimising, as far as possible, our environmental footprint by adopting responsible approaches on resources usage.

We encourage our employees to reduce electricity usage wherever possible and to promote energy conservation and efficiency. The Group reduced electricity usage in 2019 by 9.5% from S\$7,017 to S\$ 6,433, approximate the target of 10% reduction. As it is not practical to see year-on-year reduction in electricity usage which is dependent upon many factors such as the level of business activities, the size of the office space and number of employees, the Group considers that it is more appropriate to set a long term target of an average of 5% reduction over the next three years. We also promote eco-friendly practices in workplace which include emphasising on the use of recycled paper and practices "no printing unless absolutely necessary" policy. The Group will start collecting data for reporting in next sustainability report.

CORPORATE GOVERNANCE

The Group is committed to sustainable growth by integrating strong corporate governance and risk management practices, as outlined in our Corporate Governance Report on pages 4 to 34 of the 2019 Annual Report, with reference to the principles of the Code of Corporate Governance 2018, its related practice guidance, guidelines from Code of Corporate Governance 2012 which are still in effect as well as the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in January 2015.

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

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

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