

PLATO CAPITAL LIMITED

(Company Registration No. 199907443M)

Unaudited Full Year Financial Statement And Dividend Announcement**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS****1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group S\$'000 30 June 2005	Group S\$'000 30 June 2004	% Increase/ (Decrease)
Revenue			
Sales of goods and services	2,589	3,443	(24.8)
Cost of Sales			
Costs of goods and services sold	(724)	(1,478)	(51.0)
Gross Profit from Operations	1,865	1,965	(5.1)
Costs, Expenses and Other Income			
Salaries and employee benefits	(1,414)	(1,736)	(18.5)
Depreciation and amortisation	(83)	(181)	(54.1)
Fixed assets written off	(6)	(4)	NM
Amortisation of software license	(299)	-	NM
Recovery / (Provision) for bad debts (Note 1)	1,857	(2,195)	NM
Other operating expenses	(1,135)	(1,522)	(25.4)
Other income (Note 2)	1,474	224	NM
Total Costs, Expenses and Other Income	394	(5,414)	(107.3)
Profit / (Loss) from Operating Activities	2,259	(3,449)	(165.5)
Investment income	171	72	237.5
Financial charges	(6)	(20)	(70.0)
Profit / (Loss) from Operations before Taxation	2,424	(3,397)	171.4
Taxation (Note 3)	287	136	111.0
Profit / (Loss) from Operations after Tax attributable to members of the Company	2,711	(3,261)	(183.1)

Profit / (Loss) from operations before taxation is stated after crediting / (charging) the following:

	Group S\$'000 30 June 2005	Group S\$'000 30 June 2004
Net provision for doubtful debts	1,647	(2,195)
(Loss) / gain on disposal of fixed assets	-	(103)
Net unrealized foreign exchange gain/(loss)	109	3

NM - Not Meaningful

Note:

- 1) Certain comparative figures have been reclassified to conform to current year's presentation. The recovery of bad debts includes an amount of S\$ 1.4 million in respect of the settlement of arbitration proceedings with Temenos Holdings N.V. The balance of the recoveries came from our operations in Malaysia and the Philippines.
- 2) Included in Other Income is a write back of S\$ 660K equivalent in respect of accruals of software costs no longer required and a cash amount recovered of S\$ 766K in respect of the liquidation of eXtropa.com Pte Ltd.
- 3) A subsidiary received a tax refund of S\$ 580K equivalent, which resulted in an overprovision of tax of S\$ 317K in prior years.

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

	Group		Company	
	30 June 2005	30 June 2004	30 June 2005	30 June 2004
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed assets	81	192	-	-
Subsidiary companies	-	-	1,277	6,289
Current assets				
Trade receivables	782	1,809	-	-
Other receivables	369	3,237	74	2,289
Amount due from subsidiaries	-	-	142	290
Tax recoverable	-	263	-	-
Cash and cash equivalents	11,700	8,109	7,566	26
	12,851	13,418	7,782	2,605
Current liabilities				
Trade payables	647	1,578	-	-
Other payables	2,659	4,813	276	559
Amount due to subsidiaries	-	-	8,199	3,438
Taxation	37	8	-	-
	3,343	6,399	8,475	3,997
Net current assets/(liabilities)	9,508	7,019	(693)	(1,392)
Net Assets	9,589	7,211	584	4,897
Represented by:				
Shareholders' fund:				
Share capital	6,144	6,144	6,144	6,144
Share premium	4,042	4,042	4,042	4,042
Accumulated losses	(1,208)	(3,919)	(9,602)	(5,289)
Other reserves	611	944	-	-
Total Equity	9,589	7,211	584	4,897

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

Nil

Amount repayable after one year

Nil

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

	Group S\$'000 30 June 2005	Group S\$'000 30 June 2004
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	2,424	(3,397)
Adjustments for:		
Depreciation of property, plant and equipment	83	181
Amortisation of software rights	299	-
Write back of accruals	(700)	-
Interest income	(171)	(72)
Interest expense	-	15
Loss/(gain) on disposal of property, plant and equipment	-	103
(Write back)/Provision for doubtful debts (net)	(1,647)	2,195
Loss on liquidation of investment	307	-
Fixed assets written off	6	4
Operating profit / (loss) before reinvestment of capital	601	(971)
Decrease in trade and other receivables	5,278	727
Decrease in trade and other payables	(2,474)	(186)
Cash flows generated from / (used in) operations	3,405	(430)
Interest received	171	72
Interest paid	-	(15)
Net tax refunded	580	223
Net cash flows generated from / (used in) operating activities	4,156	(150)

CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	-	746
Purchase of property, plant and equipment	(16)	(424)
Proceeds received from sale of Globus Business	-	344
Net cash out flow on liquidation of eXtropia	(277)	-
Net cash flows (used in)/generated from investing activities	(293)	666
CASH FLOW FROM FINANCING ACTIVITIES		
Pledge fixed deposits (placed with a licensed bank)/withdrawn from financial institutions	-	200
Repayment of hire purchase and lease liabilities	-	(92)
Capital reduction	-	(10,240)
Net cash flows used in financing activities	-	(10,132)
Effects of exchange rate changes on cash and cash equivalents	(168)	239
Net increase/(decrease) in cash and cash equivalents	3,695	(9,377)
Cash and cash equivalents at beginning of year	8,109	17,870
Effects of exchange rate changes on opening cash	(104)	(384)
Cash and cash equivalents at end of year	11,700	8,109
Cash and cash equivalents at 30 June comprise the following:		
Fixed deposits	11,342	7,705
Cash and bank balances	358	404
Total cash and cash equivalents	11,700	8,109

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

	Share Capital	Share Premium	Reserve on consolidation	Foreign currency translation	Accumulated profits/(losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
GROUP						
Balance as at 01 July 2003	10,240	10,186	856	219	(658)	20,843
Loss for the year	-	-	-	-	(3,261)	(3,261)
Exchange reserves on consolidation	-	-	-	(131)	-	(131)
Capital reduction	(4,096)	(6,144)	-	-	-	(10,240)
Balance as at 30 June 2004	6,144	4,042	856	88	(3,919)	7,211
Profit for the year	-	-	-	-	2,711	2,711
Exchange reserves on consolidation	-	-	-	(333)	-	(333)
Balance as at 30 June 2005	6,144	4,042	856	(245)	(1,208)	9,589

	Share Capital	Share Premium	Accumulated profits/(losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000
COMPANY				
Balance as at 01 July 2003	10,240	10,186	(3,793)	16,633
Loss for the year	-	-	(1,496)	(1,496)
Capital reduction	(4,096)	(6,144)	-	(10,240)
Balance as at 30 June 2004	6,144	4,042	(5,289)	4,897
Profit / (loss) for the year	-	-	(4,313)	(4,313)
Balance as at 30 June 2005	6,144	4,042	(9,602)	584

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

N/A

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed.

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

N/A

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

The same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

N/A

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

	Group	Group
	30 June 2005	30 June 2004
Based on weighted average number of ordinary shares in issue (cents)	1.32	(1.59)
On a fully diluted basis (cents)	1.32	(1.59)

* Profit / (Loss) per share for the year ended 30 June 2005 and 2004 are computed based on 204,802,000 shares in issue.

** There have been no potentially dilutive securities in issue during the year.

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

	Group	Group	Company	Company
	30 June 2005	30 June 2004	30 June 2005	30 June 2004
Net asset value per share (cents)	4.68	3.52	0.29	2.39

* The net asset value per share is computed based on the number of shares in issue as at 30 June 2005 and 2004.

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

Turnover decreased by 24.8% from S\$3.4 million in FY 2004 to S\$2.6 million in FY 2005 as a result of difficult operating conditions.

Staff costs fell by 18.5% to S\$ 1.4 million due to lower headcount while the reduction in depreciation was a result of minimal capital expenditure.

There was a write back of bad debts of S\$ 1.8 million arising from a recovery of S\$ 1.4 (US\$ 0.8) million equivalent from Temenos Holdings N.V with the balance from recoveries from our operations in Malaysia and Philippines.

Other income of S\$ 1.4 million arose mainly from the write back of accruals of software costs no longer required (S\$ 0.7 million) and the liquidation of our investment in eXtropia.com Pte Ltd (S\$ 0.7 million).

Stringent cost management coupled with aggressive recovery efforts have resulted in a profit before tax of S\$ 2.4 million for the Group.

Other receivables decreased by S\$ 2.9 million mainly as a result of the refund of escrow monies of S\$ 2.0 million while other payables decreased by S\$ 2.1 million mainly due to write back of accruals no longer required.

For the period under review, the Group achieved a profit after tax of S\$ 2.7 million and an overall improvement of cash flow by S\$ 3.6 million.

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

N/A

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

The IT environment remains challenging amidst tough operating conditions and keen competition. Major international enterprise resource planning vendors are competing aggressively in the small and medium sized enterprises market with products that are affordably priced. Overall, IT budgets in the financial services industry sector continue to be tight.

The last 2 years of rationalizing the Group's operations have resulted in a leaner cost structure. The Group is seeking to broaden its income base and is currently reviewing opportunities in non – IT related sectors.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

N/A

(d) Books closure date

N/A

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared or recommended.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

	Group 30 June 2005	Group 30 June 2004
A. SEGMENT REVENUE		
(i) By Business segment:	S\$'000	S\$'000
Licensing of software	201	442
Maintenance and support services	1,356	1,774
Project implementation/consulting services	1,032	1,207
Hardware sales	-	11
Other business segments	-	9
	2,589	3,443
(ii) By Geographical region/market:		
America	430	213
Europe	-	-
Malaysia	1,925	2,740
Africa/Middle East	-	-
Philippines	226	457
Asia/Other	8	33
	2,589	3,443
B. PROFIT BEFORE INTEREST AND TAX		
(i) By Business segment:	S\$'000	S\$'000
Licensing of software (Note 1)	749	187
Maintenance and support services	(630)	(1,612)
Project implementation/consulting services	303	(3)
Hardware sales	-	(12)
Other business segments	1,837	(2,009)
	2,259	(3,449)
(ii) By Geographical region/market:		
America	228	159
Europe	-	-
Malaysia	368	(1,708)
Africa/Middle East	-	-
Philippines	157	73
Asia/Other	1,506	(1,973)
	2,259	(3,449)

	30 June 2005	30 June 2004
C. SEGMENT ASSETS		
(i) By Business segment:	S\$'000	S\$'000
Licensing of software	183	389
Maintenance and support services	1,151	2,937
Project implementation/consulting services	2,193	7,567
Hardware sales	-	9
Other business segments	9,405	2,445
Unallocated assets	-	263
	12,932	13,610
(ii) By Geographical region/market:		
America	346	182
Europe	-	874
Malaysia	1,304	2,373
Africa/Middle East	-	18
Philippines	469	725
Asia/Other	10,813	9,175
Unallocated assets	-	263
	12,932	13,610
D. SEGMENT LIABILITIES		
(i) By Business segment:	S\$'000	S\$'000
Licensing of software	224	321
Maintenance and support services	2,037	4,378
Project implementation/consulting services	467	972
Hardware sales	-	29
Other business segments	615	699
Unallocated liabilities	-	-
	3,343	6,399

Note 1: The profit before interest and tax of S\$749K was mainly due to a write back of S\$660K equivalent in respect of accruals of software costs no longer required.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

The factors leading to material changes in contributions to turnover and earnings by the business and geographical segments have been explained in item 8 above.

15. A breakdown of sales

	Group S\$'000 30 June 2005	Group S\$'000 30 June 2004	% Increase/ (Decrease)
Sales reported for first half year	1,431	1,826	(21.6)
Operating profit/(loss) after tax for the first half of the year	776	(414)	(287.4)
Sales reported for second half year	1,158	1,617	(28.4)
Operating profit/(loss) after tax for the second half of the year	1,935	(2,847)	(168.0)

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

N/A

BY ORDER OF THE BOARD

Oh Teik Khim
Director
18 August 2005