PLATO CAPITAL LIMITED

Company Registration Number: 199907443M
Incorporated in Singapore

DISPOSAL OF PROPERTY AND BUSINESS

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1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of Plato Capital Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce that on 28 April 2017, the following contract had been entered into:

Contract of Sale of Property and Business (collectively, "**Disposals**") between TP Hotel (Edinburgh) Limited ("**Property Vendor**") and TP Services (Edinburgh) Limited ("**Business Vendor**") (collectively, the "**Property and Business Vendor**") and two (2) independent third parties (the "**Property and Business Purchaser**") whereby the Property and Business Vendor has agreed to sell and the Property and Business Purchaser has agreed to buy the property at the former Haymarket House, Clifton Terrace, Edinburgh (the "**Property**") and its hotel business ("**Business**") for a total consideration of GBP 23.5 million *(equivalent to approximately S$42.257 million[(1)])* (the "**Aggregate Sale Consideration**"); and

*[(1)] based on an exchange rate of British Pound ("**GBP**") 1.00: S$1.79819 ("**Exchange Rate**").*

The Property and Business Vendor are 100% subsidiaries of TP Real Estate Holdings Pte. Ltd. ("**TPRE**") which is the joint venture company in which the Company has a 50% effective interest.

2. INFORMATION ON THE PROPERTY AND THE BUSINESS

The Property is where the Business Vendor operates the Business under the Tune Hotel - branded limited services hotel.

3. SALE CONSIDERATION

The Aggregate Sale Consideration was negotiated at arms' length and concluded on a willing-buyer willing-seller basis, taking into consideration the net book value of the Property of GBP 11.082 million *(equivalent to approximately S$19.928 million [(1)])* and of the Business of GBP 0.009 million *(equivalent to approximately S$0.017 million [(1)])* as at 31 December 2016. The Company's 50% interest in the Property and the Business thus carried a net book value of GBP 5.541 million *(equivalent to approximately S$9.964 million [(1)])* and GBP 0.005 million *(equivalent to approximately S$0.008 million [(1)])* respectively.

The Aggregate Sale Consideration will be utilised towards redeeming the Property from the existing financier with an outstanding loan of GBP 7.980 million *(equivalent to approximately S$14.350 million [(1)])* as at 31 December 2016. After accounting for the redemption, selling expenses and taxes, the Company's 50% share of the Aggregate Sale Consideration will be in the approximate amount of GBP 7.602 million *(equivalent to approximately S$13.670 million [(1)])* (the "**Company's Portion of the Sale Consideration**"). The Company's Portion of the Sale Consideration is expected to result in a gain of GBP 6.046 million *(equivalent to approximately S$10.872 million [(1)])* by the Company.

As at the date of this announcement, a deposit of GBP 2.350 million *(equivalent to approximately S$4.226 million [(1)])* which constitutes 10% of the Aggregate Sale Consideration has been paid by the Property and the Business Purchaser. The balance 90% of the Aggregate Sale Consideration of GBP 21.150 million *(equivalent to approximately S$38.032 million [(1)])* is due and payable to the Property and Business Vendor no later than 30 May 2017.

Other principal terms of the Disposals include, *inter alia*, the Property Purchaser shall purchase the Property on an "as is where is basis" as at the completion date and (ii) the completion of the sale of the Property and the Business are interdependent.

4. RATIONALE FOR THE DISPOSALS

The Board is of the view that the Disposals are in the best interest of the Group as it gives the Group the opportunity to realise a gain from its investment and to use the realised proceeds from the Disposals towards the development of the Group's hotel property in Melbourne, Australia and/or acquisition of other properties or sites in line with the Group's ordinary course of business in providing hospitality services.

5. FINANCIAL EFFECTS OF THE DISPOSAL

5.1 For illustrative purposes only, the financial effects on the Company in connection with the Disposals set out below are prepared based on the audited consolidated financial statements of the Group for the year ended 31 December 2016 ("**FY2016**") as set out in the Company's 2016 Annual Report and subject to the following assumptions:

a) the effect of the Disposals on the Group's consolidated net tangible assets ("**NTA**") per ordinary share in the capital of the Company ("**Share**") is based on the assumption that the Disposals had been effected as at 31 December 2016; and

b) the effect of the Disposals on the Group's consolidated loss/earnings per Share is based on the assumption that the Disposals had been effected as at 1 January 2016 and operational performance attributable to the Disposals for FY2016 is disregarded.

5.2 The financial effects as set out below are purely for illustrative purposes and are therefore not to be construed as the actual or potential financial results of the Group after completion of the Disposals:

a) NTA per Share

Based on the assumptions in paragraph 5.1 and the Exchange Rate, the Group's consolidated NTA per Share will increase from 20.66 Singapore cents to 26.24 Singapore cents after completion of the Disposals.

b) Loss/Earnings per Share

Based on the assumptions in paragraph 5.1 and the Exchange Rate, the Group will improve from an earnings per share of 3.20 Singapore cents to earnings per share of 9.07 Singapore cents after completion of the Disposals.

6 INTEREST OF DIRECTORS OR CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, directly or indirectly in the Disposals, except for their shareholdings in the Company.

7 DOCUMENT FOR INSPECTION

The agreement in respect of the Disposals are available for inspection during normal business hours at the Company's registered office at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 for a period of three (3) months from the date hereof.

BY ORDER OF THE BOARD

Oh Teik Khim
Director
29 April 2017

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

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

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.