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DISPOSAL OF SUBSIDIARY PLATO-STRAITS HERITAGE SDN BHD

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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 the Company and another two (2) shareholders (collectively the “**Vendors**”) of Plato-Straits Heritage Sdn Bhd (“**PSH**”) have on 6 April 2015 entered into a conditional share sale agreement (the “**Agreement**”) with two (2) independent third party purchasers (the “**Purchasers**”) to dispose of the entire share capital of PSH (the “**Sale Shares**”) at a total cash consideration of RM9,918,830 (equivalent to approximately S\$3,675,918<sup>(1)</sup>) (the “**Sale Consideration**”).

**2. INFORMATION ON PSH**

PSH is a 70% subsidiary of the Company. It holds the registered lease of an office building known as Wisma Char Yong in Kuala Lumpur, Malaysia (the “**Lease**”) and has a 100% owned subsidiary Plato-Straits Heritage Properties Sdn Bhd (“**PSHPSB**”).

**3. SALE CONSIDERATION**

The Sale Consideration was negotiated at arms’ length and concluded on a willing-buyer willing-seller basis, taking into consideration the negative net book value of PSH on its own, of RM4,554,350 (equivalent to approximately negative S\$1,687,842<sup>(2)</sup>) as at 31 December 2014. The Company’s 70% interest in PSH thus carried a negative net book value of RM3,188,045 (equivalent to approximately negative S\$1,181,489<sup>(3)</sup>). The Company’s 70% share of the Sale Consideration is in the amount of RM6,943,181 (equivalent to approximately S\$2,573,143<sup>(4)</sup>) (the “**Sale Proceeds**”).

The market value of the Lease was RM10,700,000 (equivalent to approximately S\$3,965,420<sup>(5)</sup>) as at 31 December 2014 based on a valuation report dated 25 February 2015, issued by TD Aziz Sdn Bhd, a registered valuer in Malaysia.

After accounting for selling expenses and taxes, the Group’s disposal of its 70% interest in PSH (the “**Disposal**”) is expected to result in a gain of approximately RM5,445,347 (equivalent to approximately S\$1,879,922<sup>(6)</sup>).

As at the date of this announcement, a deposit of RM1,487,824.50 (equivalent to approximately S\$551,388<sup>(7)</sup>) which constitutes 15% of the Sale Consideration has been paid by the purchasers. The balance 85% of the Sale Consideration is due and payable to the Vendors on completion of the sale and purchase of the Sale Shares within four (4) months from the date of the Agreement, failing which the Purchasers shall be granted an automatic extension of time of one (1) month to pay the said balance. Other terms of the Disposal include, *inter alia*, (i) a due diligence to be conducted as per the terms of the Agreement; and (ii) the Purchasers shall take over PSH on an “as is where is basis” as at the completion date of the Disposal (the “**Completion Date**”) free from all assets and liabilities, save and except for the rights in connection with the Lease, which is held in the name of PSH. Accordingly PSHPSB, which has a negative net book value of RM4,033 (equivalent to approximately S\$1,495<sup>(8)</sup>), shall be transferred from PSH to become a

direct 100% subsidiary of the Company at a nominal sum of RM2 (equivalent to approximately S\$1<sup>(9)</sup>) before the Completion Date.

**Notes:** <sup>(1)</sup> and <sup>(2)</sup> and <sup>(3)</sup> and <sup>(4)</sup> and <sup>(5)</sup> and <sup>(6)</sup> and <sup>(7)</sup> and <sup>(8)</sup> and <sup>(9)</sup> are based on an exchange rate of RM1.00: S\$0.3706 as at 3 April 2015

#### 4. RATIONALE FOR THE DISPOSAL

The Board is of the view that the Disposal is in the interest of the Group as it gives the Group the opportunity to recover its cost of investment and to use the realised proceeds from the Disposal towards the re-development of the Group's hotel property in Dublin and/or acquisition of other properties or sites in line with the Group's ordinary course of business in providing hospitality services.

#### 5. Relative Figures under Rule 1006 of Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited ("Catalist Rules")

The relative figures computed on the bases set out in Rule 1006 of the Catalyst Rules, which have been based on the latest announced consolidated financial statements of the Group for the financial year ended 31 December 2014 are as follows:

		S\$ (million) (A)	S\$ (million) (B)	Relative Figures (A)/(B) in (%)
Rule 1006(a)	Net asset value of assets disposed of (A) compared with the net assets value of the Group (B).	Not meaningful <sup>(10)</sup>		
Rule 1006(b)	The net profit (net loss) attributable to the assets acquired or disposed of (A), compared with the consolidated net profits of the Group (B).	(2.2)	(6.1)	36.1
Rule 1006(c)	The aggregate value of the consideration given or received (A), compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares (B).	2.6	25.6 <sup>(11)</sup>	10.2
Rule 1006(d)	Number of equity securities issued by the Company as consideration for the acquisition (A), compared with the number of equity securities previously in issue (B).	Not applicable		
Rule 1006(e)	Aggregate volume or amount of proven and probable reserves to be disposed of (A), compared with the Group's proven and probable reserves (B).	Not applicable		

**Notes:**

- (10) ***Not meaningful. As at 31 December 2014, the net asset value of the PSH and the Company is negative S\$1.2 million and S\$34.6 million respectively. As such, the computation of the relative figure pursuant to Rule 1006(a) is negative, and hence the basis of comparison is not meaningful.***
- (11) ***Based on the Company's market capitalisation of approximately S\$25.645 million determined by multiplying the 165,451,344 shares of the Company ("Shares") in issue as at the date of this announcement, by the volume weighted average price ("VWAP") of the Company's Shares of S\$0.155 per Share based on trades done on Catalist of the Singapore Exchange Securities Trading Limited on 2 April 2015 (being the last full market day preceding the date of the Agreement).***

The Disposal constitutes a discloseable transaction pursuant to Chapter 10 of the Catalist Rules.

**6. FINANCIAL EFFECTS OF THE DISPOSAL**

The financial effects of the Disposal set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Disposal. The table below sets out the financial effects of the Disposal based on the following bases and assumptions:

- (a) the latest announced unaudited financial statements of the Group for the financial year ended 31 December 2014 ("FY2014");
- (b) the financial effect on the loss per share ("LPS") is computed based on the assumption that the Disposal was completed on 1 January 2014;
- (c) the financial effect on the consolidated net tangible assets ("NTA") per Share is computed based on the assumption that the Disposal was completed on 31 December 2014;

**NTA per Share**

	Before the Disposal	After the Disposal
NTA (S\$'000)	34,617	36,878
Number of Shares	165,451,344	165,451,344
NTA per Share (cents)	20.92	22.29

**LPS**

	Before the Disposal	After the Disposal
Loss attributable to Shareholders (S\$'000)	(6,125)	(4,125)
Weighted average number of Shares	165,451,344	165,451,344
LPS per Share (cents)	(3.70)	(2.49)

**7. INTERESTS OF DIRECTORS OR CONTROLLING SHAREHOLDERS**

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

**8. DOCUMENT FOR INSPECTION**

The Agreement in respect of the Disposal and the Valuation Report 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

6 April 2015

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 Catalyst. The Sponsor has not verified the contents of this announcement.

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

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.