

PLATO CAPITAL LIMITED

Company Registration Number: 199907443M
Incorporated in Singapore

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Plato Capital Limited (the “**Company**”) and together with its subsidiaries (the “**Group**”), wish to announce that Tune Plato Ventures Sdn Bhd (“**TP Ventures**”), a 50:50 joint venture company between ECM Libra Financial Group Berhad (“**ECMLFG**”) and the Company’s wholly owned subsidiary, Truesource Sdn Bhd, has on 20 September 2019 entered into a share sale agreement (the “**Share Sale Agreement**”) to sell all of TP Ventures’ equity interest in LSA Ventures Sdn Bhd (formerly known as Tune Plato Subhome Sdn Bhd) (“**LSA Ventures**”) to an independent third party for a cash consideration (the “**Sale Consideration**”) of Ringgit Malaysia (**RM**) One (RM 1) (equivalent to approximately Singapore Dollars Thirty Three cents (**SGD**) 0.33) (the “**Disposal**”).

2. INFORMATION ON LSA VENTURES

LSA Ventures is a 100% owned subsidiary of TP Ventures. LSA Ventures in turn holds a 50% equity interest in Subhome Management Sdn Bhd (“**Subhome Management**”). The unaudited management accounts of LSA Ventures as at 30 June 2019 showed a negative net book value of RM 29,233 (equivalent to approximately SGD 9,618).

3. SALE CONSIDERATION AND COMPLETION

The Disposal and the Sale Consideration were negotiated at arm’s length and concluded on a willing-buyer willing-seller basis, taking into consideration the audited financial statements of LSA Ventures as at 31 December 2018 which showed a negative net book value of RM 24,760 (equivalent to approximately SGD 8,171). LSA Ventures’ total cost of investment in Subhome Management as at 31 December 2018 was RM 772,500 (equivalent to approximately SGD 254,950) and the Group’s share of the cost of investment in Subhome Management was RM 386,250 (equivalent to approximately SGD 127,475). Out of the total investment cost of RM 386,250 (equivalent to approximately SGD 127,475) by the Group, a loss of RM 177,605 (equivalent to approximately SGD 58,615) has been recognised in the Group’s audited financial statements for the financial year ended on 31 December 2018. The remaining balance of the cost of investment RM 208,645 (equivalent to approximately SGD 68,860) will be recognised by the Group as loss on the Disposal in the financial year ending 31 December 2019.

The Sale Consideration is payable on the date of the Share Sale Agreement. The Disposal is deemed completed on the date of the Share Sale Agreement. Upon the completion of the Disposal, LSA Ventures and Subhome Management shall cease to be part of the investments in a joint venture of the Company.

4. RATIONALE FOR THE DISPOSAL

The Disposal is part of the Company's strategic plan to streamline the Group's investments. The Group does not intend to continue with its investments in Subhome Management through LSA Ventures as the Group's management intends to focus on the Group's existing investments and other potential investment opportunities.

5. FINANCIAL EFFECTS OF THE DISPOSAL

The Disposal is not expected to have any material impact on the Group's earnings per share and/or net tangible assets per share for the financial year ending 31 December 2019.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS IN THE DISPOSAL

Mr Lim Kian Onn ("**LKO**") is a Director and controlling shareholder of the Company. LKO is also a Director and currently holds more than 30% of the shareholdings of ECMLFG. Mr Gareth Lim Tze Xiang the Chief Executive Officer of the Company and the son of LKO, is also a Director of ECMLFG. Save as disclosed herein and save for LKO's shareholdings in the Company, none of the other Directors or controlling shareholders of the Company have any interest, directly or indirectly in the Disposal.

By Order of the Board
Plato Capital Limited

Oh Teik Khim
Director
20 September 2019

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") 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 Catalist.

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

The contact person for the Sponsor is Ms Jennifer Tan, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).