PLATO CAPITAL LIMITED
(Company Registration No. 199907443M)
(Incorporated in Singapore)

UPDATES TO PROPOSED RCULS ISSUE

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcement dated 25 February 2016 ("**Announcement**").

1. INTRODUCTION

The Board of Directors refers to the Announcement and wishes to update shareholders of the Company ("**Shareholders**") on the Proposed RCULS Issue.

2. RCULS SUBSCRIPTION AGREEMENT

2.1 Introduction

As stated in the Announcement, Mr Lim Kian Onn ("**Mr LKO**") has by a letter of undertaking dated 23 February 2016 ("**Undertaking Letter**") issued to the Company agreed to subscribe for S$10 million in aggregate principal amount of redeemable convertible unsecured stocks ("**RCULS**") on the basis of the principal terms of the RCULS set out in the Undertaking Letter and paragraph 2 of Section III of the Announcement ("**Principal Terms**").

The Board would like to announce that on 19th of April the Company and Mr LKO have entered into an RCULS subscription agreement ("**Subscription Agreement**") relating to the issue of 0.5% RCULS due 2021 each with a principal value of S$100,000 amounting in aggregate to a principal amount of S$10 million, on the basis of the Principal Terms.

The issuance of the RCULS is undertaken by way of a private placement in accordance with Section 272B of the Securities and Futures Act (Chapter 289 of Singapore). As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

2.2 Salient Terms of the Subscription Agreement

The salient terms of the Subscription Agreement and terms and conditions of the RCULS ("**Conditions**") are summarised and described. The summary in this paragraph 2.2 does not purport to be complete and is qualified in its entirety by reference to the detailed information in the Subscription Agreement, which is available for inspection as set out in paragraph 8 of this announcement. Shareholders should refer to the actual terms and conditions of the Subscription Agreement and the Conditions.

(a) **Conditions Precedent**

Mr LKO shall not be obliged to subscribe and pay for the RCULS unless the conditions precedent of the Subscription Agreement have been satisfied on or before 31 May 2016. The conditions precedent of the Subscription Agreement include generally the following:

(i) the approval of Shareholders obtained at a general meeting of the Company for (i) the Whitewash Resolution (defined below) in respect of and (ii) the offer or sale, or invitation for subscription or purchase, or the issue, of the RCULS, the allotment and issue of, the Converted Shares and the Interest Shares upon the exercise of the conversion rights in respect of the RCULS and the Interest (as defined below) and all other matters in relation thereto and in connection therewith shall have been obtained, and such approval shall not have been amended, withdrawn, revoked or

cancelled on or before the fifth business day immediately after the last of the conditions precedent is fulfilled or waived ("**Closing Date**") ("**Shareholders Approvals**");

(ii) Mr LKO and/or his concert parties obtaining the Whitewash Waiver (defined below) from the SIC in respect of the issue of the Converted Shares and the Interest Shares; and

(iii) all the Approvals for the transactions contemplated under the Subscription Agreement shall have been duly obtained, and such Approvals shall not have been amended, withdrawn, revoked or cancelled and, where any of the Approvals are obtained subject to any conditions, such conditions being acceptable to Mr LKO, and to the extent that any such conditions are required to be fulfilled on or before the Closing Date, they are fulfilled.

"**Approvals**" refer to all necessary approvals and/or consents (including but not limited to the relevant listing and quotation notice by the SGX-ST) of all requisite regulatory authorities (including the SGX-ST) in respect of (i) the offer or sale, or invitation for subscription or purchase or issue of the RCULS, (ii) the allotment and issue of the Converted Shares and the Interest Shares upon the exercise of the Conversion Rights in respect of the RCULS on the terms of the Subscription Agreement and the Conditions, and (iii) the listing of and quotation for the Converted Shares and the Interest Shares on the SGX-ST.

(b) **Status of RCULS, Converted Shares and Interest Shares**

The RCULS constitute (a) direct, unconditional, unsubordinated and unsecured obligations of the Company, rank *pari passu* and rateably without any preference among themselves, and, subject as mentioned above and save as otherwise provided under any applicable law or regulations, equally with all other unsecured obligations (other than subordinated obligations, if any) of the Company from time to time outstanding, and (b) valid and binding legal obligations of the Company to pay to Mr LKO, the sums represented thereby.

The RCULS will not be listed on the SGX-ST.

The Converted Shares and Interest Shares, when allotted and issued on conversion of the RCULS or Interest (as the case may be) will, with effect from the relevant date the relevant Converted Shares or Interest Shares are credited to the RCULS Holder's nominated securities account or the RCULS Holder is registered as such in the Company's register of members (the "**Registration Date**"), rank *pari passu* in all respects with the other Shares then outstanding, except for any dividends, rights, allotments or other distributions, the record date for which is prior to the relevant Registration Date.

(c) **Conversion Right**

Any RCULS may be converted into, validly allotted and issued, fully-paid and unencumbered Shares with all rights attached, at the option of the holder thereof, at any time, from and including the respective dates on which they are issued and registered in accordance with the Subscription Agreement up to the close of business (at the place where the RCULS is deposited for conversion, namely, Singapore) on the day falling one month prior to the Maturity Date (the "**Conversion Period**"). "**Maturity Date**" means 60 months from the date of the issue of the RCULS.

The number of Shares to which a RCULS Holder is entitled on conversion of the RCULS or Interest shall be determined by dividing the aggregate principal amount of the RCULS or Interest (as the case may be) to be converted by the Conversion Price, determined as hereinafter provided, in effect on the relevant Conversion Date (. Fractions of a Share will not

be issued on conversion of the RCULS or Interest and no adjustment or cash payment will be made in respect thereof.

(d) **Conversion Price**

The price at which each Share shall be issued upon conversion of the RCULS or the Interest is S$0.13 (subject to the adjustments provided in the Conditions). The Conversion Price of S$0.13 represents a (i) 26.21% premium above the volume weighted average price of the Company's Shares of S$0.103 per Share based on trades done on Catalist of the SGX-ST on 17 February 2016 (being the last full market day preceding the date of the SSA (as defined in the Announcement) on which the Company's shares were traded on SGX-ST); and (ii) 31.3% premium above the volume weighted average price of the Company's Shares of S$0.099 per Share based on trades done on Catalist of the SGX-ST on 19th April 2016 (being the full market day on which this Subscription Agreement is signed).

(e) **Interest**

The RCULS will bear interest at the rate of 0.5% per annum on the principal amount of the RCULS ("**Interest**"). Interest shall accrue on an annual basis (without compounding) and is payable on the Maturity Date. Each RCULS shall cease to bear Interest (a) on conversion into Shares (without prejudice to Interest accrued prior to the conversion date), or (b) from the due date for redemption hereof.

The Interest may, at the discretion of Mr LKO, be satisfied fully either in (i) cash or (ii) through the issue and allotment of Interest Shares by the Company at the discretion of Mr LKO.

If Mr LKO elects to receive cash in satisfaction of the Interest, the Interest (including interest on converted and unconverted RCULS) shall only be payable on the Maturity Date.

If Mr LKO elects to receive Shares in lieu of cash in satisfaction of the Interest accrued on any RCULS (i) in the case of any RCULS which is to be converted prior to the Maturity Date, such election must be notified to the Company in the Conversion Notice (as defined below) and (ii) in all other cases, such election shall be notified to the Company by no later than the expiry of the Conversion Period.

(f) **Redemption Right**

The RCULS which are not converted by Mr LKO on or prior to the Maturity Date shall be redeemed by the Company at 100% of the principal amount of the RCULS together with the Interest. All RCULS which are redeemed or converted will forthwith be cancelled by the Company and may not be reissued or resold.

(g) **Adjustments to the Conversion Price**

Under the Conditions, the Conversion Price is generally subject to adjustment following the occurrence of, *inter alia*:

(i) a consolidation, sub-division or re-classification;

(ii) a capital distribution;

(iii) rights issues of Shares or options over Shares or other securities; and

(iv) such other customary adjustment events.

Whenever the Conversion Price is adjusted, the Company shall promptly notify Mr LKO setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment and the effective date thereof.

(f) Covenants

The Company covenants with and undertakes to Mr LKO that, so long as any of the RCULS are outstanding:-

(i) it will keep available free from pre-emptive or other rights for the purpose of effecting the conversion of the RCULS such number of its unissued Shares to satisfy fully the conversion rights under the outstanding RCULS and will ensure that all Shares delivered upon conversion of RCULS pursuant to the Conditions will be validly issued, fully-paid and unencumbered Shares that form part of the issued share capital of the Company;

(ii) it will use (i) its best endeavours to procure the maintenance of listing of all the issued and outstanding Shares on the Official List of the Catalist of the SGX-ST and (ii) its best endeavours to obtain and maintain a listing on the Official List of the Catalist of the SGX-ST for the Shares which will be allotted on the exercise of the Conversion Right; and

(iii) if any offer is made to all holders of Shares (or such holders other than the offeror and/or any company controlled by the offeror and/or persons associated or acting in concert with the offeror) to acquire all, or a portion of the Shares and such offer comes to the actual knowledge of the Company, it will give notice of such offer to Mr LKO within 14 Business Days after obtaining such knowledge.

(g) Liquidation

In the event that the Company goes into liquidation, the RCULS will rank:

(i) subordinate to any present and future secured debt obligations of the Company;

(ii) *pari passu* among themselves;

(iii) at least *pari passu* with all other unsecured obligations (other than subordinated obligations and priorities created by law) of the Company; and

(iv) in priority to all Shares.

(h) Announcements and Approvals

The Company will:

(i) announce any adjustment made to the Conversion Price and resulting number of the Shares, in the event of rights, bonus or other capitalisation issues; and

(ii) announce the expiry of the RCULS on the Maturity Date, and notice of the expiry will be sent to Mr LKO at least one (1) month before the Maturity Date.

(i) Modifications

The Company will obtain Shareholders' approval for any material modification to the Conditions which is for the benefit of Mr LKO, unless such modification is made pursuant to the terms of the RCULS.

2.3 Use of Proceeds and Financial Effects

The use of proceeds and financial effects of the Proposed RCULS Issue and the Proposed Acquisition are set out in the Announcement.

3. INTERESTED PERSON TRANSACTION

Rule 906 of the Catalist Rules provides that an issuer must obtain Shareholder's approval for any interested person transaction of a value equal to, or more than, *inter alia*, five per cent. (5%) of the Group's latest audited NTA.

Mr LKO, being a director and controlling shareholder of the Company is defined as an "Interested Person" of the Company whilst the Company is an "Entity at Risk" under Chapter 9 of the Catalist Rules. Accordingly, the issue of the RCULS to Mr LKO constitutes an "Interested Person Transaction" within the ambit of Chapter 9 of the Catalist Rules.

The value of the Proposed RCULS Issue as an Interested Person Transaction is S$10.25 million (being the maximum value assuming all RCULS are redeemed/converted at, and Interest are borne up to Maturity) and represents approximately 32.72% of the Group's latest audited net tangible asset of S$31.33 million as at 31 December 2015 (**"Audited NTA**"). As the value of the Proposed RCULS Issue exceeds five per cent. (5%) of the Group's latest Audited NTA, the Company will be seeking the approval of Shareholders for the Proposed RCULS Issue pursuant to Rule 906 of the Catalist Rules.

Save for the above, the Group has not entered into any transaction with Mr LKO or any other interested person since the beginning of this financial year ending 31 December 2016.

The Audit Committee of the Company will be obtaining an opinion from an independent financial adviser in relation to the Proposed RCULS which will be set out in the Circular.

4. WHITEWASH WAIVER FROM MAKING A MANDATORY GENERAL OFFER

As stated in the Announcement, should Mr LKO convert the RCULS into Shares, the Converted Shares and/or Interest Shares issued to Mr LKO may result in an obligation on Mr LKO to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Merger ("**Code**").

In this regard, an application has been made on behalf of the Company and Mr LKO to, *inter alia*, obtain a waiver from the SIC from the obligation for him and his concert parties to make a mandatory general offer under Rule 14 of the Code in the event such obligation is incurred resulting from the acquisition of the Converted Shares and/or the Interest Shares.

The SIC had on 11 April 2016, ruled that Mr LKO will incur an obligation to make a general offer under Rule 14 of the Code by reason of the acquisition of the Converted Shares and/or the interest Shares and waived the obligation for Mr LKO to make a mandatory general offer under Rule 14 of the Code for the Company in the event he triggers an obligation to do so as a result of his acquisition of the Converted Shares and/or the Interest Shares pursuant to the terms of the RCULS ("**Whitewash Waiver**"), subject to the following conditions:

(a) a majority of holders of voting rights of the Company approve at a general meeting, before the issue of the RCULS to Mr LKO, the resolution ("**Whitewash Resolution**") by way of poll to waive their rights to receive a general offer from Mr LKO;

(b) the Whitewash Resolution is separate from other resolutions;

(c) Mr LKO, Ms Quek Siow Leng (wife of Mr LKO), Ms Lim Kian Fah (sister of Mr LKO), Mr Lim Khiang Wee (brother of Mr LKO) and parties acting in concert with them (together, the "**Relevant Parties**") and parties not independent of them abstain from voting on the Whitewash Resolution;

(d) the Relevant Parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the Circular (as defined below)):

(i) during the period between the Announcement and the date on which shareholders' approval is obtained for the Whitewash Resolution; and

(ii) in the six (6) months prior to the Announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to such issue;

(e) the Company appoints an independent financial adviser for the purpose of advising its independent shareholders on the Whitewash Resolution;

(f) the Company sets out clearly in the Circular:

(i) details of the Proposed RCULS Issue;

(ii) the dilution effect to the existing holders of voting rights in the Company upon the acquisition of the Converted Shares and/or the Interest Shares pursuant to the terms of the RCULS to be issued;

(iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares, which are held by the Relevant Parties as at the latest practicable date;

(iv) the number and percentage of voting rights to be acquired by the Relevant Parties as a result of the issue of the Converted Shares and/or the Interest Shares pursuant to the terms of the RCULS to be issued;

(v) specific and prominent reference to the fact that the acquisition of the Converted Shares and/or the Interest Shares by the Relevant Parties pursuant to the terms of the RCULS could result in Mr LKO holding Shares carrying over 49% of the voting rights of the Company based on its enlarged issued share capital, and the fact that Mr LKO will as a result be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer;

(vi) specific and prominent reference to the fact that Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from Mr LKO at the highest price paid by the Relevant Parties for the Shares in the past six (6) months preceding the commencement of the offer; and

(vii) specific and prominent reference to the fact that Shareholders, by voting for the Whitewash Resolution, could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the RCULS to be issued;

(g) the Circular states that the waiver granted by the SIC to Mr LKO from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated in conditions (a) to (f) above;

(h) the Company obtain the approval of the SIC in advance for those parts of the Circular that refer to the Whitewash Resolution;

(i) to rely on the Whitewash Resolution, (aa) the issue of the RCULS must be completed within three (3) months of the approval of the Whitewash Resolution; and (bb) the acquisition of the Converted Shares and/or the Interest Shares must be completed within five (5) years of the date of the RCULS are issued; and

(j) the Relevant Parties provide a written undertaking to the SIC that they will comply or procure the appropriate person(s) to comply with the disclosure requirements set out in Note 2 on Section 2 of Appendix 1 of the Code,

(collectively, the "**SIC Conditions**").

5. SHAREHOLDING EFFECT

As noted above, Mr LKO may in its sole and absolute discretion elect to convert the RCULS and the Interest due thereunder into the Converted Shares and Interest Shares respectively. Assuming that the RCULS and the Interest are converted to the fullest extent and the Conversion Price has not been adjusted according to the Conditions of the RCULS, the Company will issue and allot 78,846,152 Shares, comprising 76,923,076 Converted Shares and 1,923,076 Interest Shares ("**Full Conversion**").

In the event of a Full Conversion, the issue share capital of the Company will increase from 165,451,344 Shares as at the date of this announcement ("**Existing Issued Share Capital**") to 244,297,496 Shares ("**Enlarged Issued Share Capital**"). The aggregate number of Converted Shares and Interest Shares represents 47.7% of the Existing Issued Share Capital and 32.3% of the Enlarged Issued Share Capital.

The effects of the Proposed RCULS Issue (assuming the occurrence of a Full Conversion) on the shareholding interest of Directors and substantial shareholders of the Company are set out in the table below:

	As at the date of this announcement **Based on the Existing Issued Share Capital**		**After Full Conversion** **Based on the Enlarged Issued Share Capital**	
	Direct and deemed interest (Number of Shares)	**Total Interest (%)**	**Direct and deemed interest (Number of Shares)**	**Total Interest (%)**
Directors				
Mr LKO	68,415,627[(1)]	41.35	147,261,779[(2)]	60.28
Gareth Lim Tze Xiang	-	-	-	-
Michael Kan Yuet Yun PBM	-	-	-	-
Chong Huai Seng	-	-	-	-
Oh Teik Khim	-	-	-	-

Substantial Shareholders				
Mr LKO and Ms QSL	68,415,627[(1)]	41.35	147,261,779[(2)]	60.28
Ng Kok Hin	10,578,675	6.39	10,578,675	4.33
Tan Sri Dr. Anthony Francis Fernandes[(3)]	12,325,000	7.45	12,325,000	5.04
Datuk Kamarudin Bin Meranun[(4)]	12,325,000	7.45	12,325,000	5.04

(1) (i) 40,415,627 Shares are held by Citibank Nominees Singapore Pte. Ltd. for Bank Julius Baer (Singapore) Ltd for Mr LKO and Ms QSL jointly and (ii) 28,000,000 Shares are held by DBSN Services Pte. Ltd. for A/c JPMorgan Bank Luxembourg SA re JP Morgan Private Bank for Mr LKO and Ms QSL jointly.

(2) Assuming Full Conversion, Mr LKO's direct and deemed interest in the Shares will increase from 68,415,627 Shares to 147,261,779 Shares

(3) Held by HSBC (Singapore) Noms Pte. Ltd. for Tan Sri Dr. Anthony Francis Fernandes

(4) Held by Citibank Nominees Singapore Pte. Ltd. for Datuk Kamarudin Bin Meranun

6. CAUTIONARY STATEMENT

The Board would like to advise the Shareholders that although the waiver from the SIC has been obtained, the conditions precedent of the Subscription Agreement is subject to other conditions being fulfilled (as set out in paragraph 2.2(a) above) and there is no assurance that the Proposed RCULS Issue would be completed. Accordingly, Shareholders are advised to exercise caution before making any decision in respect of their dealings in the Company's Shares.
Shareholders who are in any doubt about this announcement should consult their stockbroker, bank manager, solicitor or other professional adviser.

7. ADDITIONAL LISTING APPLICATION

The Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. will be submitting an application on behalf of the Company to the SGX-ST for the listing and quotation of the Converted Shares and Interest Shares on the SGX-ST. The Company will make the necessary announcements upon receipt of the approval-in-principle from the SGX-ST or the listing and quotation of the Converted Shares and Interest Shares on the official list of the SGX-ST.

For the avoidance of doubt, the RCULS will not be listed on the SGX-ST.

8. SHAREHOLDERS' APPROVAL AND CIRCULAR

The Company will be seeking Shareholders' approval at an extraordinary general meeting for, *inter alia*, the following:

(a) the Proposed Acquisition;

(b) the Proposed RCULS Issue; and

(c) the Whitewash Resolution.

A circular ("**Circular**"), containing further information on, *inter alia*, the Proposed Acquisition, the Proposed RCULS Issue and the Whitewash Resolution, will be despatched to Shareholders in due course.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SSA, Letter of Guarantee, Undertaking Letter and the Subscription Agreement 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 of this announcement.

BY ORDER OF THE BOARD
PLATO CAPITAL LIMITED

Oh Teik Khim
19th April 2016

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 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.