

PLATO CAPITAL LIMITED

Company Registration Number: 199907443M
Incorporated in Singapore

DISPOSAL OF PROPERTY AND BUSINESS

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 10 February 2016, the following two (2) interdependent contracts have been entered into:

- (a) Contract of Sale of Real Estate between TP Melbourne Pty Limited as trustee for TP Hotel (Melbourne) Trust (the “**Property Vendor**”) and one (1) independent third party (the “**Property Purchaser**”) whereby the Property Vendor has agreed to sell and the Property Purchaser has agreed to buy the property known as 609 Swanston Street, Melbourne Victoria (the “**Property**”) for a consideration of AUD 51.700 million (*equivalent to approximately S\$52.148 million⁽¹⁾*) (the “**Property Sale Consideration**”); and
- (b) Sale of Business Agreement between TP Services (Melbourne) Pty Limited (the “**Business Vendor**”) and another independent third party (the “**Business Purchaser**”) whereby the Business Vendor has agreed to sell and the Business Purchaser has agreed to buy the hotel business owned by the Business Vendor (the “**Business**”) for a consideration of AUD0.300 million (*equivalent to approximately S\$0.303 million⁽¹⁾*) (the “**Business Sale Consideration**”).

(collectively, the “**Disposals**”)

The Property Vendor and the Business Vendor are both 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 Property Sale Consideration and the Business Sale Consideration (collectively the “**Aggregate Sale Consideration**”) were negotiated at arms’ length and concluded on a willing-buyer willing-seller basis, taking into consideration the net book value of the Property of AUD 33.040 million (*equivalent to approximately S\$33.326 million⁽¹⁾*) and of the Business of AUD 0.048 million (*equivalent to approximately S\$0.049 million⁽¹⁾*) as at 31 December 2015. The Company’s 50% interest in the Property and the Business thus carried a net book value of AUD 16.520 million (*equivalent to approximately S\$16.663 million⁽¹⁾*) and AUD 0.0244 million (*equivalent to approximately S\$0.0246 million⁽¹⁾*) respectively.

⁽¹⁾ based on an exchange rate of Australian Dollar (“AUD”) 1.00: S\$1.00867 (“**Exchange Rate**”).

The Property Sale Consideration will be utilised towards redeeming the Property from the existing financier with an outstanding loan of AUD 20.500 million (*equivalent to approximately S\$20.678 million⁽¹⁾*) as at 31 December 2015. 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 AUD 13.140 million (*equivalent to approximately S\$13.253 million⁽¹⁾*) (the "**Company's Sale Consideration**"). The Company's Sale Consideration is expected to result in a gain of AUD 6.845 million (*equivalent to approximately S\$6.905 million⁽¹⁾*) by the Company.

As at the date of this announcement, a deposit of AUD5.200 million (*equivalent to approximately S\$5.245 million⁽¹⁾*) which constitutes 10% of the Aggregate Sale Consideration has been paid by the Property Purchaser and the Business Purchaser. The balance 90% of the Aggregate Sale Consideration of AUD46.800 million (*equivalent to approximately S\$47.206 million⁽¹⁾*) is due and payable to the Property Vendor and the Business Vendor no later than 4 March 2016. Other principal terms of the sale 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 re-development of the Group's hotel property in Dublin Ireland 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 DISPOSALS

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 2014 ("FY2014") as set out in the Company's 2014 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 completed as at 31 December 2014; 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 completed as at 1 January 2014.

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 by 20.0% from 20.92 Singapore cents to 25.10 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 a loss per share of 3.7 Singapore cents to earnings per share of 0.5 Singapore cents after completion of the Disposals.

6. INTERESTS 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 agreements 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
10 February 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.