PLATO CAPITAL LIMITED
Company Registration Number: 199907443M
Incorporated in Singapore

JOINT VENTURE IN MALAYSIA

SECTION I. JOINT VENTURE

1. **INTRODUCTION**

The Board of Directors (the "**Board**" or the "**Directors**") of Plato Capital Limited (the "**Company**") is pleased to announce that the Company's wholly owned Malaysia incorporated subsidiary, Truesource Sdn Bhd (Company No. 1176029-K) ("**Truesource SB**") has on 16 May 2018 formed a joint venture company, Tune Plato Ventures Sdn Bhd ("**JV Company**") in equal proportion (50:50) with ECM Libra Financial Group Berhad **ECMLFG**") (collectively, ECMLFG and Truesource SB are referred to as the "JV Parties") to venture into joint investments of up to Ringgit Malaysia (RM) 14million (equivalent to approximately Singapore Dollar (SGD) 4.7 million) (the "**Joint Venture**"). Subsequent to the establishment of the JV Company, the JV Parties will participate up to RM7 million (equivalent to approximately SGD2.4 million) each ("**Investment**"), vide subscription of securities in the JV Company.

2. **INFORMATION ON THE JV COMPANY**

The JV Company was incorporated with an initial share capital of RM2.00 (equivalent to approximately SGD0.68). The share capital of the JV Company may increase from time to time subject to the mutual approval of the JV Parties.

The board of directors of the JV Company shall comprise equal number of directors representing each of the JV Parties.

The principal business activity of the JV Company is that of investment in the hospitality industry, and potentially any other businesses as may be agreed upon by the JV Parties from time to time.

4. **RATIONALE FOR THE JOINT VENTURE**

The Joint Venture is consistent with the Company's effort to further expand its business into the travel and hospitality industry.

5. **FINANCIAL EFFECTS OF THE JOINT INVESTMENT**

The establishment of the JV Company 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 2018. Truesource SB shall fund the cash of RM1.00 (equivalent to approximately SGD0.34) for the initial share capital and the Investment of up to RM7 million (equivalent to approximately SGD2.4 million) using internally generated funds.

SECTION II. INTERESTED PERSON TRANSACTION

1. INTERESTED PERSON TRANSACTIONS

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 ("GL") the Chief Executive Officer of the Company and the son of LKO, is also a Director of ECMLFG.

Pursuant to Chapter 9 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"):-

(i) Truesource SB being a subsidiary of the Company is an "entity at risk"

(ii) ECMLFG being more than 30% owned by LKO is an "interested person"

(iii) the Joint Venture and the Investment is a "transaction"

(iv) the establishment of the Joint Venture and the Investment by Truesource SB and the ECMLFG is thus an "interested person transaction"

(v) The latest audited net tangible assets of the Company and its group of companies ("**Plato Group**") is SGD46.79 million. The Joint Venture and the Investment by Truesource SB of RM7 million (equivalent to approximately SGD2.4 million) is a value which is 5.07% of the said latest audited net tangible assets.

(vi) Being more than 3% of Plato Group's latest audited net tangible assets, the Company is thus required to make this announcement of the Joint Venture and the Investment. However, though the Joint Venture and the Investment is more than 5% of Plato Group's latest audited net tangible assets, no shareholders' approval is required pursuant to Paragraph 916(2) of the Catalist Rules in that:-

a) the risks and rewards of the Joint Venture and the Investment are in proportion to the equity of each of the JV Parties;

(b) the Company's audit committee is of the view that the risks and rewards of the Joint Venture and the Investment are in proportion to the equity of each of the JV Parties and the terms of the Joint Venture and the Investment are not prejudicial to the interests of the Company and its minority shareholders; and

(c) ECMLFG does not have an existing equity interest in the Joint Venture and the Investment prior to the participation of Truesource SB in the Joint Venture and the Investment.

2. **AUDIT COMMITTEE STATEMENT**

Pursuant to 916 (2) of the Catalist Rules, the Audit Committee having considered the terms of the Joint Venture and the Investment, is of the view that the risks and rewards of the Joint Venture and the Investment are in proportion to the equity of each of the JV Parties and the terms of the Joint Venture and the Investment are not prejudicial to the interests of the Company and its minority shareholders .

3. TOTAL VALUE OF INTERESTED PERSON TRANSACTIONS

Save for the above, the Company has not entered into any transaction with ECMFLG or any other interested person since the beginning of this financial year ending 31 December 2018.

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

Save as disclosed herein and save for their shareholdings in the Company, none of the Directors or controlling shareholders of the Company have any interest, directly or indirectly in the Transaction.

By Order of the Board

Oh Teik Khim
Director
16 May 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**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 assumes 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, (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).