

PLATO CAPITAL LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199907443M)

DISPOSAL OF INVESTMENT

Further to the announcement dated 10 January 2023, the Board of Directors (the “**Board**”) of Plato Capital Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its 70.0% owned subsidiary, Positive Carry Sdn Bhd (“**Positive Carry**”) had on 5 May 2023 entered into a conditional sale and purchase agreement (“**SPA**”) with Enzo II Holdings Pte Ltd (“**Buyer**”) - a special purpose vehicle established and managed by PrimeMovers Equity (S) Pte Ltd, a Singapore-based private equity firm - to dispose of all the 24,000,000 ordinary shares it owns in TYK Capital Sdn Bhd (Company registration number: 201101025265 (953401-V)) (“**TYK**”), representing 27.0% of the total number of issued ordinary shares of TYK (the “**Positive Carry Disposal**”).

1. SALIENT TERMS OF SPA

- 1.1 The parties to the SPA are all existing shareholders of TYK (including Positive Carry) - collectively being the sellers disposing their interests in TYK - and the Buyer who will be purchasing the said interests.
- 1.2 The sale consideration payable for the Positive Carry Disposal will be in cash in the amount of RM120,000,000, payable in full upon completion (equivalent to SGD35,833,731, based on an exchange rate of SGD1.00 : RM3.3488⁽¹⁾) (the “**Sale Consideration**”).
- 1.3 The completion of the SPA is conditional upon certain conditions to be fulfilled by parties to the SPA on or before 31 October 2023 or such other extended period as provided in the SPA.
- 1.4 On completion of the Positive Carry Disposal, Positive Carry shall cease to be a shareholder of TYK.

2. SALE CONSIDERATION

- 2.1 The Sale Consideration was negotiated at arm’s length commercial terms and concluded on a willing-buyer willing-seller basis, after taking into consideration, *inter alia*, various factors such as (i) the Sale Consideration and gain on investment realised pursuant to the Positive Carry Disposal as outlined in the following item 2.4 of this announcement; (ii) the holding period of the investment; and (iii) the Group’s intent to focus on opportunities in core areas in hospitality and education.
- 2.2 The Group’s 70.0% share of the Sale Consideration will be RM84,000,000 (equivalent to SGD25,083,612, based on an exchange rate of SGD1.00 : RM3.3488⁽¹⁾).
- 2.3 Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2022, the carrying amount of Positive Carry’s investment in TYK was SGD9,303,103, with 70.0% of the amount attributable to the Group being SGD6,512,172. The net asset value of TYK for the financial year ended 31 December 2022 was SGD34,455,939.
- 2.4 The Group’s effective equity interest in TYK is 18.9% (being 70.0% of the 27.0% equity interest owned by Positive Carry). The Group’s disposal of its effective equity interest of 18.9% in TYK via Positive Carry (the “**Plato Disposal**”) is expected to result in a gain to the Group of approximately RM62,192,038 (equivalent to SGD18,571,440, based on an exchange rate of SGD1.00 : RM3.3488⁽¹⁾).
- 2.5 On completion of the Plato Disposal, TYK shall cease to be an investment in associate of the Group.

Note:

⁽¹⁾SGD1.00 : 3.3488 is the prevailing exchange rate as of 5 May 2023, being the latest practicable date.

3. RATIONALE FOR THE PLATO DISPOSAL AND PROPOSED USE OF THE GROUP'S SHARE OF THE SALE CONSIDERATION

The Board is of the view that the Plato Disposal is in the interest of the Group as it will (i) enable the Group to realise the value of an investment outside its core focus areas of hospitality and education after a 11-year holding period; (ii) improve the cash flow of the Group; (iii) provide liquidity for new investments and initiatives that will enhance shareholder value; and (iv) provide additional working capital for the Group's operations.

The Plato Disposal was undertaken as part of the Group's investing activities in the ordinary course of its business and does not change the Group's risk profile.

4. FINANCIAL EFFECTS OF THE PLATO DISPOSAL

The financial effects of the Plato 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 Group after the Plato Disposal. The table below sets out the financial effects of the Plato Disposal based on the following bases and assumptions:

- (a) The audited consolidated financial statements of the Group for the financial year ended 31 December 2022;
- (b) the financial effect on the earning per share ("EPS") is computed based on the assumption that the Plato Disposal was completed on 1 January 2022; and
- (c) the financial effects on the consolidated net tangible assets ("NTA") per share is computed based on assumption that the Plato Disposal was completed on 31 December 2022.

Consolidated NTA per share

	Before the Plato Disposal	After the Plato Disposal
Consolidated NTA attributable to owners of the Company (SGD)	41,399,471	59,970,911
Number of ordinary shares	12,178,185	12,178,185
Consolidated NTA per share (SGD)	3.40	4.93

EPS

	Before the Plato Disposal	After the Plato Disposal
Profit attributable to owners of the Company (SGD)	2,559,806	21,131,246
Weighted average number of ordinary shares	12,178,185	12,178,185
EPS (SGD)	0.21	1.74

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS IN THE PLATO DISPOSAL

Positive Carry is a joint venture investment between the Group and ECM Libra Group Berhad (“**ECMLG**”) where the risks and rewards are in proportion to the equity of each joint venture partner on 70.0% and 30.0% basis.

Mr Lim Kian Onn (“**Mr LKO**”), a Director and substantial shareholder of the Company, is also a Director and substantial shareholder of ECMLG. Mr Gareth Lim Tze Xiang, the Chief Executive Officer of the Company and the alternate Director and son of Mr LKO, is also the Chief Executive Officer and Executive Director of ECMLG.

Save as disclosed herein and other than through their shareholdings in the Company, none of the Directors or substantial shareholders of the Company have any interest, directly, or indirectly in the Plato Disposal.

6. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Positive Carry Disposal and the Plato Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

By Order of the Board
Plato Capital Limited

Gareth Lim Tze Xiang
Chief Executive Officer
8 May 2023

This announcement has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “Exchange”) and the Exchange 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, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.