PLATO CAPITAL LIMITED

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

PROPOSED SHARE CONSOLIDATION OF EVERY TWENTY (20) EXISTING ORDINARY SHARES IN THE SHARE CAPITAL OF THE COMPANY INTO ONE (1) CONSOLIDATED ORDINARY SHARE HELD BY SHAREHOLDERS OF THE COMPANY AS AT A RECORD DATE TO BE DETERMINED, AND FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. THE PROPOSED SHARE CONSOLIDATION

The Board of Directors (the "**Board**") of Plato Capital Limited (the "**Company**") wishes to announce that the Company is proposing to consolidate every twenty (20) existing ordinary shares (collectively, referred to as "**Shares**" and each, a "**Share**") in the share capital of the Company into one (1) consolidated ordinary share (collectively, referred to as the "**Consolidated Shares**" and each, a "**Consolidated Share**") (the "**Proposed Share Consolidation**"). Accordingly, under the Proposed Share Consolidation, every twenty (20) Shares registered in the name of each shareholder of the Company ("**Shareholde**r") as at a record date to be determined (the "**Record Date**") will be consolidated to constitute one (1) Consolidated Share.

1.1 Details of the Proposed Share Consolidation

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at an extraordinary general meeting ("**EGM**"), under the Proposed Share Consolidation, every twenty (20) Shares registered in the name of each Shareholder at the Record Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded. Each Consolidated Share will rank *pari passu* in all respects with each other and will be traded in board lots of one hundred (100) Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which they will be entitled to, based on their holdings of the existing Shares as at the Record Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the implementation of the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Board of Directors of the Company may, in its absolute discretion, deem fit in the interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractions of Consolidated Shares which are disregarded.

As at the date of this announcement, the Company has an issued share capital of S$40,875,023 divided into 194,701,333 existing Shares. The Company has no treasury shares. On the assumption that there will be no new Shares issued by the Company up to the Record Date and no fractions of Consolidated Shares arising from the Proposed Share Consolidation, and subject to Shareholders' approval being obtained for the Proposed Share Consolidation, the Company will have an issued share capital of S$40,875,023 divided into approximately 9,735,066 Consolidated Shares, following the completion of the Proposed Share Consolidation.

The Proposed Share Consolidation will have no impact on the issued and paid-up capital of the Company. The Proposed Share Consolidation will also not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company

and has no effect on the equity of the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding.

1.2 Rationale of the Proposed Share Consolidation

The Board believes that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the following reasons:

(i) Reduction of volatility of the Share price

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), lowly-priced shares may translate to higher transaction costs, relative to the trading prices, for each trading of one board lot of Shares. In addition, lowly-priced shares are generally more prone to speculation and market manipulation, which may result in excessive Share price volatility. The Board believes that the Proposed Share Consolidation may serve to (i) reduce the volatility of its Share price and reduce fluctuations in the Company's market capitalisation; and (ii) reduce the percentage transaction cost for trading in each board lot of Shares.

(ii) Increase in the market interest and attractiveness of the Company and its Shares

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares issued and outstanding. It is expected that, all other things being equal, the theoretical trading price and net tangible assets ("**NTA**") of each Consolidated Share would be higher than the trading price and NTA of each Share following the decrease in the number of Shares in issue after the Proposed Share Consolidation. This may increase market interest and activity in the Shares, and generally make the Shares more attractive to investors, including institutional investors, thus providing a more diverse shareholder base.

Shareholders should note however that there can be no assurance that the Proposed Share Consolidation will achieve the desired results as stated above, nor is there assurance that such results (if achieved) can be sustained in the longer term.

2. APPROVALS AND CONDITIONS

The Proposed Share Consolidation is subject to, *inter alia*:

(i) receipt of the approval-in-principle of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the dealing in, listing of and quotation for the Consolidated Shares on the Catalist of the SGX-ST; and

(ii) approval of the Shareholders by ordinary resolution for the Proposed Share Consolidation at an EGM to be convened.

An application will be made to the SGX-ST to obtain its approval-in-principle for the dealing in, listing of and quotation for the Consolidated Shares arising from the Proposed Share Consolidation. An announcement on the outcome of the application will be made in due course.

3. ADJUSTMENTS TO CONVERTIBLE SECURITIES

(i) Adjustment to the Plato Employee Share Option Scheme 2016 ("**Plato ESOS 2016**")

As at the date of this announcement, 9,237,699 options ("**Option**") granted by the Company pursuant to the Plato ESOS 2016 remains unexercised.

Under the terms of the Plato ESOS 2016, if, amongst others, a consolidation of Shares takes place, the exercise price for the option shares ("**Option Shares**"), class and/or number of Option Shares comprised in an Option to the extent unexercised, shall be adjusted in such manner as the committee ("**Committee**") (comprising Directors of the Company, duly authorised and appointed by the Board to administer the Plato ESOS 2016 and Plato Performance Share Plan 2016 ("**Plato PSP 2016**")) may determine to be appropriate and upon the written confirmation of the auditors of the Company that in their opinion such adjustment is fair and reasonable, and that no adjustment shall be made if as a result, the participant receives a benefit that a Shareholder does not receive.

Details of such adjustments will be provided in a circular to Shareholders to be despatched in due course.

(ii) Adjustment to the Plato PSP 2016

As at the date of this announcement, 4,618,853 awards ("**Awards**") granted by the Company pursuant to the Plato PSP 2016 remains outstanding and have not been vested.

Under the terms of the Plato PSP 2016, if, amongst others, a consolidation of Shares takes place, the class and/or number of Shares which are the subject of an Award to the extent not yet vested, shall be adjusted in such manner as the Committee may determine to be appropriate and upon the written confirmation of the auditors of the Company that in their opinion such adjustment is fair and reasonable, and that no adjustment shall be made if as a result, the participant receives a benefit that a Shareholder does not receive.

Details of such adjustments will be provided in a circular to Shareholders to be despatched in due course.

(iii) Adjustment to the outstanding Redeemable Convertible Unsecured Loan Stocks ("**RCULS**")

As at 20 March 2020, there are 62 RCULS with outstanding principal amount of S$6,200,000 convertible into 47,692,307 Shares and accrued interest of S$118,480.07 convertible into 911,385 Shares.

Pursuant to the RCULS Subscription Agreement dated 19 April 2016, the conversion price held by the RCULS holder shall be adjusted pursuant to the Proposed Share Consolidation.

Details of such adjustments will be provided in a circular to Shareholders to be despatched in due course.

4. CIRCULAR

Further details of the Proposed Share Consolidation will be provided in the circular to Shareholders which will be despatched to Shareholders in due course.

5. CAUTION IN TRADING

Meanwhile, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. When in doubt, Shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

By Order of the Board
Plato Capital Limited

Gareth Lim Tze Xiang
Chief Executive Officer
23 March 2020

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).