

13 December 2018

**Singapore Exchange Securities Trading Limited**

11 North Buona Vista Drive  
#06-07 The Metropolis Tower 2  
Singapore 138589

Attention: Gladys Tay / Jenn Ho  
Listing Compliance

Dear Sir,

**RESPONSE TO FURTHER QUERY FROM SGX-ST ON DISPOSAL OF 50 PER CENT OF THE ENTIRE ISSUED SHARE CAPITAL OF RICH CAPITAL REALTY PTE. LTD. AND NOVATION OF INTERCOMPANY LOAN DATED 7 DECEMBER 2018**

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The Board of directors (the “**Board**” or the “**Directors**”) of Rich Capital Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) would like to provide the following information in response to the query received from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 7 December 2018 in respect of the Company’s announcement dated 20 November 2018 on the disposal of 50% of the entire issued share capital of Rich Capital Realty Pte. Ltd. and novation of intercompany loan:

**Further to Query 1 of the SGX-ST**

With regards the response to question 1 of our queries, we are further querying if the value of 50% of Rich Cap Realty Pte Ltd, which effectively holds onto 15% of Peak Court, is appropriately valued using simply 50% of its issued share capital (i.e. 50% of S\$100 being S\$50)?

This is especially after Rich Cap Realty has expended the time and effort to enter into the tender process jointly with Ipomoea (wholly-owned subsidiary of Tuan Sing Holdings Limited), via the JV co (TSRC Novena Pte Ltd) in May 2018, and complete the acquisition of Peak Court in August 2018 after due process and payment of the deposit of S\$11.9m (representing 10% of the Purchase Price of S\$118.9m) to the vendor.

Notwithstanding that the construction and development of the Peak Court project has yet to begin, why is Rich Capital ascribing nil value to its ownership of the Peak Court development?

**Company’s Response**

The Group did not ascribe nil value to its ownership of the Peak Court development. It is common business practice to issue 100 shares at a value of \$1 as the share capital for practical secretarial purposes, which the Group had divested 50% (\$50) of the total 100% (\$100).

The full value of the deal should be considered as \$4,405,780.46 being share sale consideration of \$50 and the loan novation consideration of \$4,405,730.46 respectively.

The management had concluded the above, after taking into consideration the brief timing from acquisition to negotiation for the divestment and the sudden further cooling measure implemented by the government on 6 July 2018 which had an adverse effect on the residential market.

BY ORDER OF THE BOARD  
**RICH CAPITAL HOLDINGS LIMITED**

Oh Sikai  
Executive Director