

RICH CAPITAL HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201833058G)

**DISPOSAL OF 50 PER CENT OF THE ENTIRE ISSUED SHARE CAPITAL OF RICH
CAPITAL REALTY PTE. LTD. AND NOVATION OF INTERCOMPANY LOAN**

1. INTRODUCTION

1.1. The board of directors (the “**Board**” or the “**Directors**”) of Rich Capital Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company, has entered into a sale and purchase agreement (the “**SPA**”) and a loan novation agreement (the “**Novation Agreement**”) each on 20 November 2018 (collectively, the “**Agreements**”) with CRF Land Pte. Ltd. (the “**Purchaser**”). Pursuant to the terms and subject to the conditions of the Agreements:

1.1.1. The Company will sell 50 ordinary shares (the “**Sale Shares**”) representing 50 per cent. of the issued share capital of Rich Capital Realty Pte. Ltd. (“**Target Company**”) to the Purchaser (the “**Share Disposal**”); and

1.1.2. The Company will novate an inter-company loan of S\$4,405,730.46 (the “**Loan**”) owing to the Company from the Target Company, to the Purchaser (the “**Loan Novation**”). The Loan was provided by the Company to the Target Company for an equity investment in its joint venture in TSRC Novena Pte. Ltd.

(Collectively, the “**Transactions**”).

1.2. Following the entry into of the Agreements, completion of the Transactions immediately took place on 20 November 2018 (“**Completion Date**”).

1.3. None of the Directors or the controlling shareholders has any relationship or is related to the Purchaser. The Purchaser is an independent third party from the Company, Directors and its controlling shareholders.

2. INFORMATION ON THE TARGET COMPANY AND PURCHASER

2.1 Information on the Target Company

The Target Company was incorporated in Singapore on 7 May 2018 with an issued and paid-up share capital of S\$100 consisting of one hundred ordinary shares. It is wholly-owned by the Company with its principal activity in investment holding. The Target Company holds a 30% shareholding interest in TSRC Novena Pte. Ltd. (“**TSRC**”) which in turn owns the strata lots and the common property in the freehold development located at 333 Thomson Road, Singapore 307675 known as “Peak Court”.

2.2 Value of the Target Company

Based on the unaudited financial statements of the Target Company for the financial period ended 30 September 2018, the net liabilities value and net loss of the Target Company were S\$20,252 and S\$20,352 respectively, which were mainly attributable to the initial administrative and operating expenses incurred being an investment holding company for its joint venture company in TSRC to undertake the development of Peak Court since its incorporation on 7 May 2018.

2.3 Information on the Purchaser

Based on public information available to the Company, the Purchaser is a private company limited by shares incorporated in Singapore. The principal activity of the Purchaser is in real estate development. As at the date of this Announcement, the Purchaser has an issued and paid-up share capital of S\$2 consisting of 2 ordinary shares.

3. **RATIONALE FOR THE TRANSACTIONS**

- 3.1. Following completion of the Transactions, the Company will hold a 50% shareholding interest in the Target Company and it will no longer be a wholly-owned subsidiary of the Company. The Transactions will allow the Company to continue to participate in the residential property development of Peak Court via the Target Company's 30% shareholding interest in TSRC and re-allocate financial resources to its existing and/or new property projects. The resultant effective equity interest in the Target Company will also help to mitigate any risk exposures within the residential property sector.
- 3.2. Overall, the Board is of the opinion that the Transactions are in the best interests of the Company and Shareholders.

4. **CONSIDERATION**

- 4.1. The aggregate consideration payable for the Share Disposal and the Loan Novation is S\$4,405,780.46 (the "**Consideration**"), which was arrived at on a willing-buyer and willing-seller basis, after negotiations which were conducted on an arm's length basis between the Purchaser, Company and Target Company taking into account several factors, including the value of the Loan and the value of the Target Company as described in paragraph 2.2.
- 4.2. The Consideration comprises:
 - 4.2.1. a sum of S\$50 representing the consideration for the Share Disposal (the "**Share Sale Consideration**"); and
 - 4.2.2. a sum of S\$4,405,730.46 representing the consideration for the Loan Novation (the "**Loan Novation Consideration**").
- 4.3. On Completion Date, the Consideration was paid in cash by the Purchaser to the Company.
- 4.4. The Consideration of S\$4,405,780.46 represents an excess of S\$4,426,032.46 over the net book value of the Sale Shares and the Loan as at 30 September 2018 of negative S\$20,252. There will be no gain or loss on disposal.
- 4.5. The proceeds received from the Transactions will be used for working capital purposes and/or re-allocated to the existing and/or new property projects of the Group.

5. **SALIENT TERMS OF THE TRANSACTIONS**

5.1. **Costs and expenses**

Each Party shall bear its own costs and expenses incurred in connection with the negotiation, preparation and execution of the Agreements and all transactions contemplated under the Agreements.

5.2. **Conditions**

There are no material conditions attached to the Transactions.

5.3. Representations and Warranties

The Transactions are subject to such further undertakings, representations and warranties from the Company and the Purchaser ("**Purchaser's Warranties**") as are customary for transactions of similar nature and as provided in the Agreements.

6. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

- 6.1. The relative figures for the Transactions are computed based on the latest announced unaudited consolidated half year financial statements of the Group ended 30 September 2018 and the unaudited financial statements of the Target Company ended 30 September 2018.

The relative figures computed based on Rule 1006 of the Catalist Rules are as follow:-

Rule 1006 of the Catalist Rules	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	(0.09)% ⁽¹⁾
(b)	The net loss to the assets to be disposed of, compared with the Group's net loss	1.57% ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	7.50% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable ⁽⁵⁾

Notes:

- (1) The Group's net asset value for the unaudited half-year financial period ended 30 September 2018 was S\$21,907,515. The unaudited net assets value of the Target Company was approximately negative S\$20,252 as at 30 September 2018. The negative net asset value of S\$20,252 of the Target Company is attributed to the administrative and operational expenses incurred being an investment holding for its joint venture company in TSRC to undertake the development of Peak Court.
- (2) The Group's unaudited net loss for the half-year financial period ended as at 30 September 2018 was approximately S\$1,294,000 and the loss attributable to the Target Company was approximately S\$20,352 for the financial period ended 30 September 2018.
- (3) The Company's market capitalisation was approximately S\$58,741,372 as calculated by multiplying 7,342,671,467 ordinary shares in issue by the volume-weighted average price per share of S\$0.008 as at 19 November 2018 (being the last full market day preceding the date of the Agreements).

- (4) Not applicable as the Consideration for the Transactions are satisfied wholly in cash and no equity securities will be issued as part of the Consideration.
- (5) Not applicable as the Transactions are not a disposal of mineral, oil and gas assets.
- 6.2. As the relative figures computed on the bases set out in Rule 1006(c) of the Catalist Rules exceed 5% but do not exceed 75%, the Transactions constitute a “Disclosable Transaction” as defined under Chapter 10 of the Catalist Rules.

7. FINANCIAL EFFECTS OF THE TRANSACTIONS

- 7.1. The financial effects of the Transactions 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 Company and the Group after the Transactions.
- 7.2. The following financial effects of the Transactions are computed based on the Group’s audited consolidated financial statements for the financial year ended 31 March 2018 and the following bases and assumptions:
- 7.2.1 the net asset value (“NAV”) or net tangible assets (“NTA”) is computed based on the assumption that the (i) issuance of 3,561,525,737 rights shares as announced on 3 May 2018; the (ii) acquisition of the Kim Chuan property as set out in the announcement dated 28 June 2018; the (iii) acquisition of 80% of the entire issued share capital of Oxley Batam Pte. Ltd. and the novation of loan in the announcements dated 16 March 2018 and 18 May 2018 and the (iv) en-bloc acquisition of Peak Court in the announcements dated 11 May 2018 and 10 August 2018 (collectively, the “**Previous Transactions**”) had been completed or had taken place as at 31 March 2018;
- 7.2.2 the financial effect on the loss per share (“LPS”) is computed based on the assumption that the Transactions and the Previous Transactions were completed on 1 April 2017; and
- 7.2.3 the financial effect of the Transactions on the NAV/NTA of S\$20,252 and LPS of the Group has been computed based on the Target Company’s net loss of S\$20,352 as per its latest set of management accounts available for the financial period ended 30 September 2018.

7.3. NTA / NAV Per Share

As at 31 March 2018	Before the Completion of the Transactions	After the Completion of the Transactions
NTA/NAV (S\$’000)	20,443	20,443
Number of shares	7,342,671,467	7,342,671,467
NTA/NAV per share (Singapore cents)	0.28	0.28

7.4. LPS

FY2018	Before the Completion of the Transactions	After the Completion of the Transactions
Loss attributable to owners of the Company (S\$’000)	(3,568)	(3,568)
Number of shares	7,342,671,467	7,342,671,467
Loss per share (Singapore cents)	(0.05)	(0.05)

8. 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 Transactions and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company (other than in their capacity as Directors or Shareholders of the Company) have any interests (direct or indirect) in the Transactions.

10. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Transactions. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Transactions.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Agreements are available for inspection at the Company's registered office at 80 Robinson Road, #02-00, Singapore 068898 during normal business hours for a period of 3 months from the date of this announcement.

BY ORDER OF THE BOARD
RICH CAPITAL HOLDINGS LIMITED

Oh Sikai
Executive Director
20 November 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. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. 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 Mr Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).