

**RICH CAPITAL HOLDINGS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Registration No. 199801660M)

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**PROPOSED ACQUISITION OF 100% OF THE ISSUED SHARES IN RICH-LINK CONSTRUCTION PTE. LTD. AND RICH-LINK BUILDERS PTE. LTD.**

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**1. INTRODUCTION**

- 1.1. The Board of Directors (the **"Board"**) of Rich Capital Holdings Limited (the **"Company"** and together with its subsidiaries, the **"Group"**) wishes to announce that the Company had on 8 January 2019 entered into a conditional share purchase agreement (the **"SPA"**) with Mr. Wang ZhenWen, the controlling shareholder and Non-Independent Non-Executive Chairman of the Company (**"Mr. Wang"**) and Rich-Link Group Pte. Ltd. (**"RLG"**) (collectively, the **"Sellers"** and each a **"Seller"**) in relation to the proposed acquisition (**"Proposed Acquisition"**) by the Company of 100% of the issued and paid-up share capital of each of Rich-Link Construction Pte. Ltd. (**"RLC"**) and Rich-Link Builders Pte. Ltd. (**"RLB"**) (collectively, the **"Target Companies"** together with their subsidiaries, the **"Target Group"**, and **"Target Group Company"** means each of them) (**"Sale Shares"**) from the Sellers.
- 1.2. The Proposed Acquisition constitutes a major transaction under Rule 1014 of the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**) Listing Manual Section B: Rules of Catalyst (**"Catalist Rules"**) and is subject to, amongst other things, the approval of shareholders of the Company (the **"Shareholders"**) at an extraordinary general meeting (the **"EGM"**) to be convened. The Proposed Acquisition, if undertaken and completed, will also constitute an interested person transaction (**"IPT"**) under Rule 906 of the Catalyst Rules, which require the approval of the independent shareholders of the Company.
- 1.3. In connection to the Proposed Acquisition, the Company will also seek Shareholders' approval at the EGM for the following:
- (i) the proposed diversification of the business of the Company into construction products and services (including manpower and resources for main contractor dealings) (**"Proposed Business Diversification"**); and
  - (ii) the Whitewash Waiver (as defined in paragraph 4.4(c)).
- 1.4. Further information on, *inter alia*, the Proposed Acquisition, Proposed Business Diversification and Whitewash Waiver (**"Proposed Corporate Actions"**) will be provided in a circular to be despatched to Shareholders in due course (the **"Circular"**).

**2. RATIONALE FOR THE PROPOSED ACQUISITION**

- 2.1. The Target Group provides a whole spectrum of property construction products and services in Singapore for the last ten years, including main contractor dealings. Accordingly, the Proposed Acquisition will enable the Group to increase its asset base, currently comprising largely of resources for property development and specialised construction services such as prefabricated and precast manufacturing, piling, civil engineering and infrastructure works, to include a new asset base of manpower and resources for main contractor dealings and correspondingly increase the scale of the Group's business operations.
- 2.2. Upon the integration of the business operations of the Target Group, the Board is of the opinion that the Group will be able to leverage on and benefit from the construction expertise of the Target Group, particularly in the provision of construction services in the capacity of a main contractor, fitting-out services and general constructions services and materials for ongoing and future property development projects within the Group.

- 2.3. As such, over time, the Group will stand to benefit from the potential commercial, operational and costs synergies, particularly where the Target Group's construction capabilities can benefit the Group since it currently does not have to resource a new team to undertake the same capabilities. Given the potential synergy and efficiencies which will be created by the addition of the Target Group, the Board believes that the Proposed Acquisition will enhance the long-term interests of the Company and its Shareholders.

### 3. INFORMATION RELATING TO THE SELLERS AND THE TARGET GROUP

- 3.1. The information on the Sellers and the Target Group in this announcement ("**Announcement**") was provided by the Sellers, and has been extracted and reproduced in this Announcement.

#### 3.2. The Sellers

- (a) As at the date of this Announcement,
- (i) Mr. Wang is the legal and beneficial owner of 100% equity interest of RLC and RLG; and
  - (ii) RLG is the legal and beneficial owner of 100% equity interest of RLB.
- (b) Mr. Wang is the controlling shareholder and Non-Independent Non-Executive Chairman of the Company.
- (c) RLG is an exempt private company limited by shares incorporated in Singapore on 1 January 2015. The principal business of RLG is investment holding. Mr. Wang is the sole director of RLG.
- (d) As at the date of this Announcement, Mr. Wang holds, directly and indirectly, an aggregate of 2,168,657,900 shares in the Company ("**Shares**"), representing 29.54% of the existing share capital of the Company.

#### 3.3. The Target Group

- (a) Rich-Link Construction Pte. Ltd.  
RLC is a private company limited by shares incorporated in Singapore on 12 May 2004. RLC has an issued and paid-up share capital of S\$15,000,001 comprising 15,000,001 shares. RLC is principally engaged in the provision of construction services. RLC is also a registered contractor with the Building and Construction Authority under General Building A1 and licensed as a General Builder Class 1. As at the date of this Announcement, Mr. Wang is the sole director of the RLC.

Homeland Construction Pte. Ltd. ("**HLC**"), a wholly-owned subsidiary of RLC, is a private company limited by shares incorporated in Singapore on 26 November 2007. HLC has an issued and paid-up share capital of S\$1,000,000 comprising 1,000,000 shares. HLC is principally engaged in the provision of construction materials. As at the date of this Announcement, Mr. Wang is the sole director of the HLC.

The unaudited net tangible assets ("**NTA**") of RLC together with its subsidiary HLC, (the "**RLC Group**") as at 30 September 2018 was approximately S\$26.43 million. The audited profits before tax for the financial year ended 31 December 2017 and the unaudited profits before tax for the nine months period ended 30 September 2018 of RLC Group was S\$5.04 million and S\$7.07 million respectively. RLC declared a dividend of S\$5.66 million for the unaudited financial year ended 31 December 2018, the payment of which is set-off in its entirety against the amounts owing from Mr. Wang to RLC.

- (b) Rich-Link Builders Pte. Ltd.

RLB is a private company limited by shares incorporated in Singapore on 10 August 2015. As at the date of this Announcement, Mr. Wang is the sole director of the RLB. RLB has an issued and paid-up share capital of S\$3,000,100 comprising 3,000,100 shares. RLB is principally engaged in the provision of construction (general and specialised) services in Singapore. RLB is also a registered contractor with the Building and Construction Authority under General Building C3 and licensed as a General Builder Class 1.

The unaudited NTA of RLB as at 30 September 2018 was approximately S\$4.24 million. The audited profits before tax for the financial year ended 31 December 2017 and the unaudited profits before tax for the nine months financial period ended 30 September 2018 of RLB was S\$0.77 million and S\$1.49 million respectively.

- (c) The Target Group collectively, is principally engaged in the provision of construction products and services in Singapore. This includes construction, management and operation of properties and main contractor dealings. (“**Business**”).

#### 4. KEY TERMS OF THE PROPOSED ACQUISITION

##### 4.1. Purchase Consideration

- (a) The aggregate consideration payable by the Company to the Seller for the Sale Shares is up to S\$43,980,000 (the “**Consideration**”). The Consideration was based on arm’s length negotiations and was arrived at after taking into account, *inter alia*, the operating and historical profits track record of the Target Group, profitability mainly from existing outstanding orders secured together with the prevailing business risks and prospects within the construction industry.
- (b) The Board has also engaged an independent valuer, BDO Advisory Pte Ltd, to perform an independent valuation of the Target Group. In BDO Advisory Pte Ltd’s valuation report dated 3 January 2019 (“**Valuation Report**”), it is recorded that the Target Group has an implied equity value between the range of S\$53.5 million and S\$62.9 million (“**IEV Range**”), based on the discounted cash flow analysis approach, with a cross-check valuation basing on the EV/EBITDA multiples of comparable companies ranging from S\$36.0 million to S\$67.5 million. Based on the Valuation Report, the Consideration is at a 17.8% and 30.0% discount to the IEV Range.
- (c) The Consideration shall be satisfied in the following manner:
  - (i) on Completion Date (as defined in paragraph 4.3(a) below), the Company shall issue and allot an aggregate of 5,863,999,999 new Shares (“**1<sup>st</sup> Tranche Consideration Shares**”) (equivalent to approximately S\$35,184,000 worth of new Shares), at an issue price of S\$0.006 per Share which is equivalent to the volume weighted average price per Share quoted by the SGX-ST on the immediately preceding market day to the date of the SPA (the “**Issue Price**”), with each Seller to be issued such number of new Shares as set out below:

Seller	Number of 1 <sup>st</sup> Tranche Consideration Shares
WZW	5,210,272,831
RLG	653,727,168

- (ii) on the date falling 15 business days from the date of sign-off of the audited accounts for the financial year ending 31 December 2019 of each Target Group Company (“**2nd Tranche Payment Date**”), the Company shall issue and allot an aggregate of up to 1,465,999,999 new Shares (“**2<sup>nd</sup> Tranche Consideration Shares**”) (equivalent to approximately S\$8,796,000 (“**2<sup>nd</sup> Tranche Payment**”) worth of new shares in the Company), at the Issue Price, with each Seller to be issued such number of new Shares as set out

below:

<b>Seller</b>	<b>Number of 2<sup>nd</sup> Tranche Consideration Shares</b>
WZW	1,302,568,208
RLG	163,431,791

The 1<sup>st</sup> Tranche Consideration Shares and the 2<sup>nd</sup> Tranche Consideration Shares of up to an aggregate of 7,329,999,998 new Shares shall collectively be referred to as the **“Consideration Shares”**.

(d) Adjustments to 2nd Tranche Payment

The 2nd Tranche Payment may be adjusted depending on the level of the Cumulative NPBT, as defined below, for the period from 1 January 2019 to 31 December 2019 (**“FY2019”**) in accordance with the formula below:

$$A = [B / C] \times D$$

where:

**A** = the adjusted 2nd Tranche Payment (capped at 100% of the 2nd Tranche Payment) (**“Adjusted 2nd Tranche Payment”**)

**B** = the Cumulative NPBT for the period from 1 January 2019 to 31 December 2019 (**“2<sup>nd</sup> Tranche Reference Period”**)

**C** = S\$7,000,000

**D** = the 2nd Tranche Payment

**Cumulative NPBT** = the audited cumulative net profit before taxation for each Target Group Company

(e) For illustrative purposes only:

If the Cumulative NPBT for the 2<sup>nd</sup> Tranche Reference Period is S\$2,000,000, the Adjusted 2nd Tranche Payment shall be:

$$\frac{\text{S\$2,000,000}}{\text{S\$7,000,000}} \times \text{S\$8,796,000} = \text{S\$2,513,142}$$

For the avoidance of doubt, the 2nd Tranche Payment will be capped at S\$8,796,000.

The Consideration Shares represent approximately up to 99.83% and 49.96% of the existing and enlarged share capital of the Company respectively. Upon the issue of the 1<sup>st</sup> Tranche Consideration Shares to the Sellers, the Sellers will own 60.82% of the enlarged share capital of the Company and up to 64.74% of the enlarged share capital of the Company upon the issue of the 2<sup>nd</sup> Tranche Consideration Shares to the Sellers.

(f) Alternative Payment Option for 2nd Tranche Payment

Subject to mutual agreement between the parties and the Group having sufficient working capital to meet its operational requirements and debt repayment obligations for the following 12 months after the 2nd Tranche Payment Date, the 2nd Tranche Payment may be satisfied by the Company in cash up to an amount equivalent to the Adjusted 2nd Tranche Payment (**“Alternative Payment Option”**).

In such an event, the Company intends to fund the 2nd Tranche Payment through a combination of bank borrowings, internal cash resources and/or other sources of funding.

- (g) The SPA may be terminated by the Company in the event that the Cumulative NPBT for the audited accounts of the Target Group Companies for FY2018 is less than S\$8,800,000 (excluding non-recurring items).
- (h) The new Shares shall be credited as fully paid-up and ranking *pari passu* in all respects with all the other then existing Shares.

#### 4.2. **Conditions**

Completion is conditional upon, inter alia, the conditions set out in **Appendix A** to this Announcement (the “**Conditions**”) being satisfied or waived in accordance with the terms of the SPA.

#### 4.3. **Completion**

- (a) Completion is expected to take place on the date no later than fifteen (15) business days after the date on which all the Conditions are satisfied or waived by the Company or the Sellers (as the case may be) in accordance with the terms of the SPA, or such other date as may be mutually agreed between the Parties in writing (the “**Completion Date**”).
- (b) If the Conditions are not satisfied or waived by the Company or the Seller (as the case may be) by 7 May 2019 (“**Longstop Date**”), being the expiry of four (4) months from the date of the SPA, or such other date as may be mutually agreed in writing between the Parties, the SPA shall terminate automatically with immediate effect and no party shall have any claim against any other party with respect to any fact, matter or circumstance that gave rise to such non-satisfaction of such Condition, provided that such other party had used reasonable endeavours to achieve satisfaction of each Condition.

#### 4.4. **Proposed Whitewash Resolution**

- (a) As at the date of this Announcement, Mr. Wang holds, directly and indirectly, an interest in 2,168,657,900 shares in the Company, representing approximately 29.54% of the issued share capital of the Company, by virtue of a direct interest in 2,168,079,900 shares and a deemed interest in 578,000 shares which is held by his spouse, Ms. Bai FengMei.
- (b) Upon the issue of the Consideration Shares to the Sellers, the Sellers will consequently own up to 64.74% of the enlarged share capital of the Company upon Completion. The Sellers and their concert parties will therefore be required under Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”) to make a general offer for the remaining Shares of the Company not owned or controlled by the Sellers and its concert parties at the highest price paid or agreed to be paid by any of them for the Shares in the preceding six (6) months (“**General Offer**”).
- (c) Accordingly, it is a condition precedent to the Proposed Acquisition that the Securities Industry Council (“**SIC**”) grants the Sellers and persons acting in concert with the Sellers (and not having been withdrawn, suspended, amended or revoked such grant) a waiver of their obligation to make a General Offer (arising from or in connection with the acquisition of the Consideration Shares) under Rule 14 of the Code to the independent Shareholders and from having to comply with the requirements of Rule 14 of the Code, and where any waiver is subject to conditions, such conditions being satisfactory to the Company in its sole and absolute discretion and if required to be fulfilled by a particular date, being so fulfilled, and such approvals, waivers or consents remaining valid and in full force and effect (“**Whitewash Waiver**”), and that

independent Shareholders of the Company approve at the EGM of the Company a resolution for the waiver of their rights to receive a mandatory general offer under Rule 14 of the Code from the Sellers and parties acting in concert with the Sellers for all Shares not already owned by the Sellers and persons acting in concert with the Sellers at the highest price paid by the Sellers and persons acting in concert with the Sellers for the Company's shares in the past six (6) months preceding the date of this Announcement, in connection with the issue of the Consideration Shares to the Sellers at Completion .

#### 4.5 **Cost and Expenses**

- (a) The Company shall bear all relevant taxes and stamp duties (including penalties, if any) payable under or in connection with the Proposed Acquisition, including but not limited to stamp duty payable on the transfer of the Sale Shares.
- (b) Save as set out in paragraph 4.5(a), each Party shall bear its own costs and expenses incurred in connection with the Proposed Acquisition.

#### 4.6 **Representations and Warranties**

The Proposed Acquisition is subject to such further undertakings, representations and warranties from the Company and the Sellers ("**Seller's Warranties**") as are customary for transactions of similar nature and as provided in the SPA.

### 5 **RULE 1006 RELATIVE FIGURES FOR THE PROPOSED ACQUISITION**

- 5.1 The relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006(a) to 1006(e) of Catalist Rules as set out below are computed based on the latest announced unaudited consolidated half-year financial statements of the Group ended 30 September 2018 ("**HY2019**") and the unaudited nine months financial period of the Target Group ended 30 September 2018 adjusted to reflect the financial performance of the Target Group over a six-month period ("**HY2018**").

<b>Rule 1006 of the Catalist Rules</b>	<b>Bases</b>	<b>Relative Figures (%)</b>
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable <sup>(2)</sup>
(b)	The net profit <sup>(1)</sup> to the assets to be acquired, compared with the Group's net loss	(48.71%) <sup>(3)</sup>
(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	99.83% <sup>(4)</sup>
(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	99.83% <sup>(5)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the	Not applicable <sup>(6)</sup>

	aggregate of the Group's proved and probable reserves	
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**Notes:**

- (1) "net profit" means profit or loss before income tax, minority interests and extraordinary items.
- (2) Not applicable, as the Proposed Acquisition is in relation to the acquisition of assets.
- (3) The Group's unaudited net loss in HY2019 was approximately S\$1,293,882 and the net profit attributable to the Target Group was approximately S\$630,307 in HY2018 (excluding non-recurring items in the Target Group of a re-valuation gain of an investment property and gain on disposal of a property, plant and equipment of approximately S\$4.5 million and S\$3.1 million respectively).
- (4) The Company's market capitalisation was approximately S\$44,056,029 as calculated by multiplying 7,342,671,467 ordinary shares in issue by the volume-weighted average price per share of S\$0.006 as at 3 January 2019 (being the last full market day preceding the date of the SPA). The aggregate value of the consideration is up to S\$43,980,000.
- (5) The number of new ordinary shares to be issued by the Company as consideration for the Proposed Acquisition is up to 7,329,999,998 shares. The number of ordinary shares in issue as at the date of this Announcement is 7,342,671,467 shares.
- (6) Not applicable as the Proposed Acquisition is not a disposal of mineral, oil and gas assets.

5.2 As the relative figure under Rule 1006 (c) and (d) of the Catalist Rules exceed 75% but are less than 100%, the Proposed Acquisition constitutes a "Major Transaction" as defined under Chapter 10 of the Catalist Rules and will be subject to the approval of the Shareholders at an EGM to be convened.

5.3 Notwithstanding that the relative figure under Rule 1006(b) of the Catalist Rules is a negative figure, being attributable to the Group's net loss whilst acquiring profitable assets, the Proposed Acquisition, read with Practice Note 10A, Part IV (10) of the Catalist Rules, will be subject to the approval of the Shareholders.

## 6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 The financial effects of the Proposed Acquisition on the Group as 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 Proposed Acquisition.

6.2 The following financial effects of the Proposed Acquisition 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:

- 6.2.1 the 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; (ii) acquisition of the Kim Chuan property as set out in the announcement dated 28 June 2018; (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; (iv) en-bloc acquisition of Peak Court in the announcements dated 11 May 2018 and 10 August 2018; (v) disposal of 50% of the entire issued share capital of Rich Capital Realty Pte. Ltd. and the novation of loan in the announcement dated 20 November 2018 (collectively, the "**Previous Transactions**") had been completed or had taken place as at 31 March 2018 and (vi) the unaudited NTA of the Target Group for the nine-months financial period ended 30 September 2018; and
- 6.2.2 the financial effect on the earning per share ("**EPS**") is computed based on the assumption that the Proposed Acquisition and the Previous Transactions were

completed on 1 April 2017 including the unaudited profit after tax for the nine-months financial period ended 30 September 2018 of the Target Group and the pro-rata three months audited profit after tax for the financial year ended 31 December 2017.

### 6.3 NTA

As at 31 March 2018	Before the Completion of the Proposed Acquisition	After the Completion of the Proposed Acquisition
NTA (S\$'000)	20,443	51,115
Number of shares	7,342,671,467	14,672,671,465 <sup>(1)</sup>
NTA per share (Singapore cents)	0.28	0.35

### 6.4 EPS

FY2018	Before the Completion of the Proposed Acquisition	After the Completion of the Proposed Acquisition
Earning/(Loss) attributable to owners of the Company (S\$'000)	(3,557)	4,822 <sup>(2)</sup>
Number of shares	7,342,671,467	14,672,671,465 <sup>(1)</sup>
Earning/(Loss) per share (Singapore cents)	(0.05)	0.03

Notes:

- (1) Assuming up to 7,329,999,998 new shares have been issued as consideration for the Proposed Acquisition and that the Alternative Payment Option for the 2nd Tranche Payment had not been exercised.
- (2) Including non-recurring items of an aggregate of S\$7.62 million in the Target Group.

## 7. THE PROPOSED ACQUISITION AS INTERESTED PERSON TRANSACTION

As stated in Paragraph 1.2 of this Announcement, the Sellers are regarded as the same interested person of the Company for the purposes of Chapter 9 of the Catalyst Rules and the Proposed Acquisition. Therefore, the Proposed Acquisition constitutes an interested person transaction ("IPT") under Chapter 9 of the Catalyst Rules.

The aggregate purchase consideration for the Proposed Acquisition of up to S\$43,980,000 exceeds 5% of the Group's latest audited consolidated net tangible liabilities of approximately S\$1,065,319 as at 31 March 2018. As such, the materiality of the Proposed Acquisition cannot be meaningfully measured. Nevertheless, the Company is seeking the approval of its independent Shareholders for the Proposed Acquisition as an IPT under Chapter 9 of the Catalyst Rules at the EGM to be convened.

## 8. TOTAL VALUE OF INTERESTED PERSON TRANSACTIONS

For the period commencing from the beginning of the current financial year, being 1 April 2018, up to the date of this Announcement, save for the IPT conducted under the shareholders' mandate which was approved at the EGM on 20 July 2018 (excluding all transactions which are less than S\$100,000), there were no IPTs entered into by the Group with Mr Wang and his Associates (as defined in the Catalyst Rules). As of the date of this Announcement, the aggregate value of the IPT entered into with Mr Wang and his Associates is approximately S\$125,000,000, being a contract awarded to RLC to undertake



the design, development, construction, testing and commissioning, completion and maintenance for the proposed mixed development for Oxley Convention City in Indonesia.

## **9. FINANCIAL ADVISER AND INDEPENDENT FINANCIAL ADVISER**

PrimePartners Corporate Finance Pte. Ltd. has been appointed as the Financial Adviser to the Company in respect of the Proposed Acquisition.

RHT Capital Pte. Ltd. has been appointed as the Independent Financial Adviser (“IFA”) to advise such directors who are considered independent for the purposes of making the recommendation to the shareholders of the Company in relation to the Proposed Whitewash Resolution and to provide an opinion on whether the Proposed Acquisition as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders in relation to Chapter 9 of the Catalyst Rules.

## **10. AUDIT COMMITTEE STATEMENT**

The members of the Audit Committee are independent for the purposes of the Proposed Acquisition as an interested person transaction.

The Audit Committee will form its view as to whether the Proposed Acquisition as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its independent minority Shareholders after considering the opinion of the IFA to be obtained in due course. The Audit Committee's view on the Proposed Acquisition as an interested person transaction will be set out in the Circular.

## **11. SERVICE CONTRACTS**

Following Completion, it is contemplated that Mr. Wang, a Non-Independent Non-Executive Chairman of the Company, shall be re-designated as an Executive Chairman of the Company. Accordingly, the Sellers have provided a pre-completion undertaking that Mr. Wang shall enter into an employment agreement with the Company on or prior to Completion.

As at the date of this Announcement, save for Mr. Wang, the Company has not entered and does not intend to enter into any service contract with any person proposed to be appointed as a Director in connection with the Proposed Acquisition.

## **12. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed in this Announcement and save for any shares held in the capital of the Target Group, 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 Proposed Corporate Actions.

## **13. CIRCULAR AND EGM**

The Company will convene an EGM to seek the approval of the Shareholders for the Proposed Corporate Actions. A circular setting out, inter alia, further information on the Proposed Corporate Actions, together with the notice of EGM, Valuation Report, the opinion and the recommendation of the IFA, together with the notice of EGM, will be despatched to Shareholders in due course.

## **14. FURTHER INFORMATION AND DOCUMENTS AVAILABLE FOR INSPECTION**

14.1 The Company will update Shareholders on any material developments in relation to the Proposed Corporate Actions and will make such announcements as and when appropriate.

14.2 A copy of the SPA and Valuation Report will be made available for inspection during

normal business hours at the registered office of the Company, 80 Robinson Road, #02-00 Singapore 068898, for three (3) months from the date of this Announcement.

## 15. RESPONSIBILITY STATEMENT

The Directors of the Company (including those who have been delegated supervision of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (save for information relating to the Sellers and the Target Group) 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 Proposed Corporate Actions and the Group (and such other transactions as contemplated in the SPA). The Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this 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 this Announcement in its proper form and context.

## 16. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their Shares. The Proposed Acquisition as an interested person transaction is subject to the Conditions and due diligence. There is no certainty or assurance as at the date of this Announcement that the Proposed Corporate Actions will be completed, or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Corporate Actions and other matters contemplated by this Announcement. Accordingly, Shareholders are advised to exercise caution before making any decision in respect of their dealings in the shares of the Company. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

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

Kuek Tee Meng  
Executive Director, Finance

8 January 2019

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*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).*

## **APPENDIX A**

### **KEY CONDITIONS**

The obligation of the parties under the SPA to complete the Proposed Acquisition are conditional upon, inter alia, the following salient conditions being satisfied, fulfilled or waived, as the case may be, before Completion:

#### **Conditions to be satisfied by the Sellers**

1. each Target Company having obtained approval(s) from its board of directors in relation to:
  - (i) the transfer of the Sale Shares to the Company;
  - (ii) the cancellation of the old share certificate(s) in the name of the respective Sellers, and the issuance of the new share certificate(s) in favour of the Company in respect of the Sale Shares; and
  - (iii) the lodgement of the required statutory returns with the relevant regulatory authority and the registration of the Company in each Target Company's register of members as holder of the Sale Shares;
2. each Target Group Company having obtained, and at all times materially having complied with, and having done all that is necessary to maintain in full force and effect, any authorisation required under any applicable law (including any environmental laws) to:
  - (i) enable the Company to be registered as holder of any and all of the Sale Shares;
  - (ii) to give effect to all transactions contemplated under the SPA; and
  - (iii) carry on its business activities and operations in the usual way so as to undertake and maintain its Business as a going concern;

such authorisation not having been revoked, expired, amended or withdrawn on or before the Completion Date, and where any such authorisation is subject to conditions, such conditions being acceptable to the Company in its sole discretion and opinion and if required to be fulfilled by a particular date, being so fulfilled, and such authorisation remaining valid and in full force and effect, where applicable;
3. the rectification, or the procurement of such rectification, to the satisfaction of the Company, by the Sellers, of all issues or irregularities uncovered by the Company and its representatives during the due diligence investigations on each Target Group Company;
4. the release of the audited accounts for the financial year ending 31 December 2018 of each Target Group Company; and
5. all such other necessary approvals, waivers and consents having been granted (and not having been withdrawn, suspended, amended or revoked) by any existing lenders of any member of the Target Group or any third party who is a contracting party to any agreement that is material to the Business of the Target Group in connection with the SPA, and where any approvals, waivers or consents are subject to conditions, such conditions being satisfactory to the Company in its sole and absolute discretion and if required to be fulfilled by a particular date, being so fulfilled, and such approvals, waivers or consents remaining valid and in full force and effect, where applicable.

### **Conditions to be satisfied by the Company**

6. such necessary approval(s) in connection with the SPA having been obtained and not having been withdrawn, suspended, amended or revoked as at the Completion Date, including but not limited to approval of the Board and approval of the Shareholders in general meeting for the following:
  - (i) the Proposed Business Diversification;
  - (ii) the Proposed Acquisition;
  - (iii) the allotment and issuance of the Consideration Shares to the Sellers;
  - (iv) the Proposed Whitewash Resolution; and
  - (v) the Proposed Acquisition as an interested person transaction as the Proposed Acquisition constitutes a transaction between Mr. Wang, a non-independent non-executive chairman of the Company, and his associates, and the Company;
7. the allotment, issue and subscription of the Consideration Shares not being prohibited by any law in Singapore or elsewhere;
8. the approval of the SGX-ST (where applicable) for the Proposed Acquisition and the listing of, and quotation for, the Consideration Shares on the Catalist Board, having been obtained and not having been withdrawn, suspended, amended or revoked as at the Completion Date, and, where such approval is subject to any conditions, to the extent that such conditions are required to be fulfilled on or before Completion Date, they are so fulfilled; and
9. an opinion from the IFA:
  - (i) that the terms of the Proposed Acquisition are fair and reasonable and not prejudicial to the interests of the independent Shareholders and to recommend to the independent Shareholders to vote in support of the Proposed Whitewash Resolution; and
  - (ii) that the SPA and the Proposed Acquisition, in respect of the terms for the purchase of the Sale Shares from the Sellers by the Company, are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

### **Conditions to be satisfied by the Sellers and the Company**

11. the results of a due diligence exercise (including legal, accounting, financial, operational, business and tax due diligence, as would be required for transactions of such nature) on each Target Group Company not uncovering any issues or irregularities:
  - (i) which has not been rectified in accordance with paragraph 3; or
  - (ii) in respect of which the Sellers have not provided a representation, warranty or indemnity to the Company in accordance with paragraph 3; and
12. the SIC having granted the Sellers and their concert parties the Whitewash Waiver.

### **Other Conditions**

13. there not having occurred any matter, fact or circumstance which, in the reasonable opinion of the Company, results in, or is reasonably likely to result in a material adverse effect on the Business, operations, assets, financial condition and/or prospects of the Target Group taken as a whole;
14. no order being made, petition presented or meeting convened for the purpose of considering a resolution in relation to an insolvency event of any Target Group Company;

15. no material revision having been made to the valuation of the Target Group as set out in the Valuation Report due to any findings arising from the due diligence investigations on the Target Group and the disclosure letter from the Sellers to the Company;
16. there not having occurred any event between the date of the SPA and Completion which would constitute a breach of any Sellers' Warranty if each such warranty were to be repeated at Completion; and
17. no Target Group Company having received notice of any claim, action, injunction, order, directive or notice restraining or prohibiting the entering into or the consummation of the transactions contemplated by the SPA or seeking damages or other recourse in respect thereof, or notice that any of the foregoing is pending or threatened, which cannot be resolved prior to the Longstop Date.