

Rich Capital Holdings Limited

Condensed consolidated interim financial statements

For the six-month period ended 30 September 2021

In view of the modified opinion issued by the Company's independent auditor, Foo Kon Tan LLP, on the audited financial statements of the Group for the financial year ended 31 March 2021, the Company is required by the Singapore Exchange Securities Trading Limited to announce its quarterly financial statements pursuant to Catalist Rule 705.

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note F.2	Note E	The Group					
			Second Quarter Ended 30 September			Half Year Ended 30 September		
			2021 S\$'000	2020 S\$'000	Change +/(-) %	2021 S\$'000	2020 S\$'000	Change +/(-) %
Revenue	(a)	4	102	-	N.M	284	-	N.M
Cost of sales			(96)	-	N.M	(261)	-	N.M
Gross profit			<u>6</u>	<u>-</u>	<u>N.M</u>	<u>23</u>	<u>-</u>	<u>N.M</u>
Other income	(b)		21	29	-28	52	1,072	-95
General and administrative expenses	(c)		(439)	(684)	-36	(885)	(1,186)	-25
Distribution and marketing expenses			-	-	-	-	(99)	N.M
Results from operating activities			<u>(412)</u>	<u>(655)</u>	<u>-37</u>	<u>(810)</u>	<u>(213)</u>	<u>>100</u>
Finance cost			(59)	(57)	4	(112)	(122)	-8
Impairment on loss of joint control over joint venture			-	-	-	-	(12,940)	N.M
Share of loss of an associate, net of tax			-	-	-	-	(112)	N.M
Loss before taxation		6	<u>(471)</u>	<u>(712)</u>	<u>-34</u>	<u>(922)</u>	<u>(13,387)</u>	<u>-93</u>
Income tax expense		7	-	-	-	-	-	N.M
Loss for the period			<u>(471)</u>	<u>(712)</u>	<u>-34</u>	<u>(922)</u>	<u>(13,387)</u>	<u>-93</u>
Other comprehensive income / (loss):								
Items that may be reclassified subsequently to profit or loss:								
Currency translation difference			5	10	-50	7	-	N.M
Other comprehensive income / (loss) for the period, net of tax			<u>5</u>	<u>10</u>	<u>-50</u>	<u>7</u>	<u>-</u>	<u>N.M</u>
Total comprehensive loss for the period			<u>(466)</u>	<u>(702)</u>	<u>-34</u>	<u>(915)</u>	<u>(13,387)</u>	<u>-93</u>
Loss attributable to:								
Owners of the Company			(469)	(708)	-34	(923)	(11,074)	-92
Non-controlling interests			<u>(2)</u>	<u>(4)</u>	<u>-50</u>	<u>1</u>	<u>(2,313)</u>	<u>N.M</u>
			<u>(471)</u>	<u>(712)</u>	<u>-34</u>	<u>(922)</u>	<u>(13,387)</u>	<u>-93</u>
Total comprehensive loss attributable to:								
Owners of the Company			(464)	(698)	-34	(916)	(11,074)	-92
Non-controlling interests			<u>(2)</u>	<u>(4)</u>	<u>-50</u>	<u>1</u>	<u>(2,313)</u>	<u>N.M</u>
			<u>(466)</u>	<u>(702)</u>	<u>-34</u>	<u>(915)</u>	<u>(13,387)</u>	<u>-93</u>
Loss per share								
- Basic and Diluted loss per share (cent)			(0.006)	(0.010)		(0.012)	(0.151)	

N.M: not meaningful

B. Condensed interim consolidated statement of financial position

	Note F.2	Note E	Group		Company	
			30-Sep	31-Mar	30-Sep	31-Mar
			2021	2021	2021	2021
			S\$'000	S\$'000	S\$'000	S\$'000
ASSETS						
Non-Current Assets						
Right of use asset	(d)		59	88	59	88
Plant and equipment		10	7	8	3	6
Mining rights			-	-	-	-
Investments in subsidiaries			-	-	3,470	3,140
Financial asset, at fair value through other comprehensive income ("FVOCI")		11	-	-	-	-
			<u>66</u>	<u>96</u>	<u>3,532</u>	<u>3,234</u>
Current Assets						
Development property		12	11,311	11,306	-	-
Trade and other receivables	(e)		284	243	378	237
Cash and cash equivalents			<u>1,562</u>	<u>2,604</u>	<u>1,393</u>	<u>2,513</u>
			<u>13,157</u>	<u>14,153</u>	<u>1,771</u>	<u>2,750</u>
Total assets			<u>13,223</u>	<u>14,249</u>	<u>5,303</u>	<u>5,984</u>
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital		14	72,569	72,569	72,569	72,569
Reserves			<u>(69,629)</u>	<u>(68,712)</u>	<u>(67,610)</u>	<u>(67,185)</u>
			2,940	3,857	4,959	5,384
Non-controlling interests			<u>1,088</u>	<u>1,086</u>	-	-
Total Equity			<u>4,028</u>	<u>4,943</u>	<u>4,959</u>	<u>5,384</u>
Non-Current liabilities						
Lease liabilities	(f)		-	30	-	30
			-	30	-	30
Current Liabilities						
Trade and other payables	(g)		496	577	285	511
Lease liabilities	(f)		59	59	59	59
Borrowings		13	<u>8,640</u>	<u>8,640</u>	-	-
			<u>9,195</u>	<u>9,276</u>	<u>344</u>	<u>570</u>
Total Liabilities			<u>9,195</u>	<u>9,306</u>	<u>344</u>	<u>600</u>
Total Equity and Liabilities			<u>13,223</u>	<u>14,249</u>	<u>5,303</u>	<u>5,984</u>

C. Condensed interim consolidated statement of changes in equity

Group	Share capital S\$'000	Capital reserves S\$'000	Translation reserves S\$'000	Accumulated losses S\$'000	Attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
2021							
Balance at 1 April 2021	72,569	446	(117)	(69,041)	3,857	1,086	4,943
(Loss)/ Profit for the period	-	-	-	(455)	(455)	4	(451)
Other comprehensive income	-	-	2	-	2	-	2
Total comprehensive income/ (loss) for the period	-	-	2	(455)	(453)	4	(449)
Transfer of reserves*	-	(191)	-	191	-	-	-
Balance at 30 June 2021	72,569	255	(115)	(69,305)	3,404	1,090	4,494
Loss for the period	-	-	-	(469)	(469)	(2)	(471)
Other comprehensive income	-	-	5	-	5	-	5
Total comprehensive income/ (loss) for the period	-	-	5	(469)	(464)	(2)	(466)
Balance at 30 September 2021	72,569	255	(110)	(69,774)	2,940	1,088	4,028
2020							
Balance at 1 April 2020	72,569	446	(111)	(56,625)	16,279	9,176	25,455
Loss for the period	-	-	-	(10,366)	(10,366)	(2,309)	(12,675)
Other comprehensive loss	-	-	(10)	-	(10)	-	(10)
Total comprehensive loss for the period	-	-	(10)	(10,366)	(10,376)	(2,309)	(12,685)
Contribution from non-controlling interests	-	-	-	-	-	161	161
Disposal of non-wholly owned subsidiary	-	-	-	-	-	(5,926)	(5,926)
Balance at 30 June 2020	72,569	446	(121)	(66,991)	5,903	1,102	7,005
Loss for the period	-	-	-	(708)	(708)	(4)	(712)
Other comprehensive income	-	-	10	-	10	-	10
Total comprehensive loss for the period	-	-	10	(708)	(698)	(4)	(702)
Balance at 30 September 2020	72,569	446	(111)	(67,699)	5,205	1,098	6,303

*: This relates to transfer of reserve to retained profits in relation to disposal of 50% shareholdings in Rich Capital Realty Pte Ltd on 333 Thomson Road Project which was completed in the previous financial year. There is no impact on the loss for the period and other comprehensive income for the financial year ending 31 March 2022 as it has been recognised as movement in reserves in 1Q2022.

C. Condensed interim consolidated statement of changes in equity (Cont'd)

Company	<u>Share capital</u> S\$'000	<u>Capital Reserves</u> S\$'000	<u>Accumulated losses</u> S\$'000	<u>Total Equity</u> S\$'000
2021				
Balance at 1 April 2021	72,569	255	(67,440)	5,384
Loss for the period	-	-	(176)	(176)
Total comprehensive loss for the period	-	-	(176)	(176)
Balance at 30 June 2021	72,569	255	(67,616)	5,208
Loss for the period	-	-	(249)	(249)
Total comprehensive loss for the period	-	-	(249)	(249)
Balance at 30 September 2021	72,569	255	(67,865)	4,959
2020				
Balance at 1 April 2020	72,569	255	(54,670)	18,154
Loss for the period	-	-	(10,973)	(10,973)
Total comprehensive loss for the period	-	-	(10,973)	(10,973)
Balance at 30 June 2020	72,569	255	(65,643)	7,181
Loss for the period	-	-	(601)	(601)
Total comprehensive loss for the period	-	-	(601)	(601)
Balance at 30 September 2020	72,569	255	(66,244)	6,580

D. Condensed interim consolidated statement of cash flows

	Note F.2	Note E	The Group			
			Second Quarter Ended 30 September		Half Year Ended 30 September	
			2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Cash flows from operating activities						
Loss before taxation			(471)	(712)	(922)	(13,387)
<i>Adjustments for:</i>						
Depreciation of right-of-use asset			15	-	29	-
Depreciation of plant and equipment		10	2	3	5	6
Finance cost		6	59	57	112	122
Gain on disposal of a subsidiary		6	-	-	-	(977)
Impairment on loss of joint control over joint venture		6	-	-	-	12,940
Share of loss of an associate			-	-	-	112
Operating loss before changes in working capital	(h)		(395)	(652)	(776)	(1,184)
<i>Changes in working capital:</i>						
Development property			(3)	(1)	(5)	(2)
Trade and other receivables			71	(66)	(41)	(132)
Trade and other payables			(228)	213	(74)	(8)
Net cash used in operating activities			(555)	(506)	(896)	(1,326)
Cash flows from investing activities						
Purchase of plant and equipment			(4)	(3)	(4)	(3)
Net cash used in investing activities	(i)		(4)	(3)	(4)	(3)
Cash flows from financing activities						
Interest paid			(59)	(57)	(112)	(122)
Repayment of lease liabilities			(15)	-	(30)	-
Net cash used in financing activities	(j)		(74)	(57)	(142)	(122)
Net decrease in cash and cash equivalents						
Cash and cash equivalents at beginning of the financial period			2,195	4,675	2,604	5,560
Cash and cash equivalents at the end of the financial period			1,562	4,109	1,562	4,109

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Rich Capital Holdings Limited (the “Company”) is incorporated as a limited liability company and domiciled in Singapore and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). These condensed interim consolidated financial statements as at and for the six months ended 30 September 2021 comprise the Company and its subsidiaries (collectively, “the Group”). The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are:

- (a) Real estate development;
- (b) Other short-term accommodation activities and building construction; and
- (c) Legal and sole owner of the mining rights to a goldmine

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 March 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

Based on the Group’s existing financial resources, the management is of the view that they have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

2.1. New and amended standards adopted by the Group

The Group has applied the following amendments to SFRS(I)s which took effect from financial year beginning 1 April 2021:

- (i) Amendments to SFRS(I) 16 COVID-19 Related Rent Concessions

The amendments provide relief to lessees from applying SFRS(I) 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under SFRS(I) 16 if the change were not a lease modification.

The amendments are applicable on a modified retrospective basis for annual reporting periods beginning on or after 1 June 2020. Early application is permitted.

It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group’s and the Company’s financial statements in the period of initial application.

(ii) Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying SFRS(I) 7 to accompany the amendments regarding modifications and hedge accounting.

On modification of financial assets, financial liabilities and lease liabilities, a practical expedient is available to allow for modifications required by the IBOR reform as a direct consequence and made on an economically equivalent basis to be accounted for by updating the effective interest rate prospectively. All other modifications are accounted for using current SFRS(I) requirements. A similar practical expedient is provided for lessee accounting applying SFRS(I) 16. SFRS(I) 4 is also amended to require insurers that apply the temporary exemption from SFRS(I) 9 to apply the amendments in accounting for modifications directly required by the reform.

On hedge accounting, certain amendments are made to generally permit hedge accounting continuation solely because of the IBOR reform provided that the amended hedging relationships meet all the qualifying criteria to apply hedge accounting including effectiveness requirements. The amendments enable entities to amend the formal designation and documentation of a hedging relationship to reflect changes required by the IBOR reform without discontinuing the hedging relationship or designating a new hedging relationship. Permitted changes include designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk, amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged, or amending the description of the hedging instrument to refer to an alternative benchmark rate, and for those applying SFRS(I) 1-39, amending the description of how the entity shall assess hedge effectiveness.

Amendments to SFRS(I) 7 outline disclosure requirements to allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBOR to alternative benchmark rates, and how the entity is managing this transition.

The amendments are effective for annual periods beginning on or after 1 January 2021 with early application permitted.

The amendments apply retrospectively but provide relief from restating comparative information. An entity may restate prior period figures if, and only if, it is possible to do so without the use of hindsight.

It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's and the Company's financial statements in the period of initial application.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment information

The Group is organised into the following main business segments:

- 1) Property development and construction services;
- 2) Mining; and
- 3) Others.

Property development segment relates to revenue generated from property development activities in Singapore. Mining segment relates to revenue generated from the Mining operations in Australia.

Other segment comprises Corporate Office which incurs general corporate expenses and inactive entities in the Group.

4.1. Reportable segments

Information of the reportable segments as reviewed by the Chief Operating Decision Maker, are set out below:

	Operating Segments			Consolidated
	Property Development and Construction Services	Mining	Others	
	S\$'000	S\$'000	S\$'000	S\$'000
1 April 2021 to 30 September 2021				
Total segment revenue	413	-	-	413
Inter-segment revenue	(129)	-	-	(129)
Revenue from external parties	284	-	-	284
Rental income	41	-	-	41
Interest income	-	-	2	2
Job support scheme	-	-	9	9
Total other income	41	-	11	52
Total revenue and other income	325	-	11	336
Cost of sales	(261)	-	-	(261)
Depreciation of plant and equipment	(2)	-	(3)	(5)
Depreciation of right-of-use asset	-	-	(29)	(29)
Finance expense	(111)	-	(1)	(112)
General & Administrative expenses (excluding Depreciation of plant and equipment and right-of-use asset)	(493)	(24)	(334)	(851)
Segment loss	(542)	(24)	(356)	(922)
Loss before taxation				(922)
Taxation				-
Loss for the period				(922)

Segment assets	11,653	5	1,565	13,223
Segment liabilities	8,847	5	343	9,195

	Operating Segments			Consolidated
	Property Development and Construction Services	Mining	Others	
	S\$'000	S\$'000	S\$'000	
1 April 2020 to 30 September 2020				
Total segment revenue	-	-	-	-
Inter-segment revenue	-	-	-	-
Revenue from external parties	-	-	-	-
Gain on disposal of subsidiary	978	-	-	978
Miscellaneous income	6	-	-	6
Job support scheme	-	-	88	88
Total other income	984	-	88	1,072
Total revenue and other income	984	-	88	1,072
Depreciation of plant and equipment	(2)	-	(4)	(6)
Finance expense	(122)	-	-	(122)
General & Administrative expenses	(44)	(27)	(1,109)	(1,180)
Distribution & Marketing expenses	(99)	-	-	(99)
Segment profit/ (loss)	717	(27)	(1,025)	(335)
Impairment on loss of joint control over joint venture	(12,940)	-	-	(12,940)
Share of loss from an associate	(112)	-	-	(112)
Loss before taxation				(13,387)
Taxation				-
Loss for the interim period				(13,387)
Segment assets	11,428	4	4,233	15,665
Segment liabilities	(8,674)	(80)	(610)	(9,364)

Revenue consists of the following:

	The Group	
	6 months ended 30 September 2021	6 months ended 30 September 2020
	S\$'000	S\$'000
Construction work	284	-
Total revenue	284	-

4.2. Geographical information (excluding financial assets at fair value through other comprehensive income)

	Revenue	
	6 months ended 30 September 2021	6 months ended 30 September 2020
	S\$'000	S\$'000
Singapore	284	-
Australia	-	-
Total	284	-

	Non-current assets	
	6 months ended 30 September 2021	6 months ended 30 September 2020
	S\$'000	S\$'000
Singapore	66	16
Australia	-	-
Total	66	16

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets held by the Group as at 30 September 2021 and 31 March 2021:

	The Group		The Company	
	30 September 2021	31 March 2021	30 September 2021	31 March 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Financial assets, at fair value through other comprehensive income ("FVOCI")	-	-	-	-
Cash and bank balance	1,562	2,604	1,393	2,513
Trade and other receivables (Amortised cost)	284	243	378	237
	1,846	2,847	1,771	2,750
Financial Liabilities				
Lease liabilities*	59	89	59	89
Trade and other payables*	496	577	285	511
Borrowings*	8,640	8,640	-	-
	9,195	9,306	344	600

*The financial liabilities are recorded at amortised cost.

6. Loss before taxation

6.1. Significant items

	The Group					
	Second Quarter Ended 30 September			Half Year Ended 30 September		
	2021	2020	Change	2021	2020	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income						
Construction work	102	-	N.M	284	-	N.M
Rental income	20	-	N.M	41	-	N.M
Interest income	1	-	N.M	2	-	N.M
Job support scheme	-	24	N.M	9	88	-90
Gain on disposal of subsidiary	-	-	-	-	977	N.M
Miscellaneous income	-	5	N.M	-	6	N.M
Expenses						
Interest paid	(59)	(57)	4	(112)	(122)	-8
Depreciation of plant and equipment	(2)	(3)	-33	(5)	(6)	-17
Depreciation of right-of-use asset	(15)	-	N.M	(29)	-	N.M
Impairment on loss of joint control over joint venture	-	-	-	-	(12,940)	N.M

6.2. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 months ended 30 September 2021	6 months ended 30 September 2020
	S\$'000	S\$'000
Current income tax expense	-	-
Deferred income tax expense relating to origination and reversal of temporary differences	-	-
	-	-

8. Dividends

There is no dividend paid during current and previous interim period.

9. Net asset value and Loss per share

	The Group		The Company	
	30 September 2021	31 March 2021	30 September 2021	31 March 2021
	S\$	S\$	S\$	S\$
Net asset value per ordinary share	0.0004	0.0005	0.0007	0.0007

	The Group			
	Second Quarter Ended 30 September		Half Year Ended 30 September	
	2021	2020	2021	2020
Loss per ordinary share				
Based on weighted average number of ordinary shares in issue (Singapore cent)	(0.006)	(0.010)	(0.012)	(0.151)
Based on fully diluted number of ordinary shares in issue (Singapore cent)	(0.006)	(0.010)	(0.012)	(0.151)

The Group's loss per ordinary share is calculated based on the weighted average number of ordinary shares of 7,342,671,467 for the half year ended 30 September 2021 and 30 September 2020 respectively. The basic and dilutive earnings per ordinary share are the same as there were no potential dilutive ordinary shares for both the financial periods.

10. Plant and equipment

	The Group	
	30 September 2021	31 March 2021
	S\$'000	S\$'000
Cost		
Balance at beginning of financial period	38	39
Additions	4	4
Disposals/write-offs/transfer	-	(5)
Balance at end of financial period	42	38
Accumulated depreciation		
Balance at beginning of financial period	30	20
Depreciation charge	5	14
Disposal /write-offs /transfer	-	(4)
Balance at end of financial period	35	30
Net book value		
Balance at end of financial period	7	8
Balance at beginning of financial period	8	19

11. Financial assets at fair value through other comprehensive income

	The Group	
	30 September 2021	31 March 2021
	S\$'000	S\$'000
Financial asset at FVOCI (unquoted equity shares)	-	-

Equity instrument designated at FVOCI

In previous financial year, the Group determined that it lost joint control over PT OKIB. Accordingly, the investment in PT OKIB was reclassified from investment in joint venture to financial assets, at fair value through other comprehensive income as the investment is held as long-term strategic investment and are not expected to be sold in the short or medium term.

The fair values are within level 3 of the fair value hierarchy.

Determination of fair value

As the unquoted shares are not publicly traded, the fair value is determined based on the adjusted net liability, which resulted in a \$nil value for the carrying value of the financial asset, at FVOCI as at 1 April 2020 (date of reclassification) and 31 March 2021, and 30 September 2021.

11.1. Fair value measurement

The Group classifies financial assets and liabilities measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities **(Level 1)**;
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) **(Level 2)**; and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) **(Level 3)**

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis as at 30 September 2021 and 31 March 2021:

	Level 1	Level 2	Level 3	Total
The Group	S\$'000	S\$'000	S\$'000	S\$'000
At 30 September 2021 and 31 March 2021				
Financial asset, at FVOCI (Unquoted investment)	-	-	-	-

Determining of fair values-FVOCI (Level 3)

The fair values of financial instruments that are not traded in an active market (FVOCI) is determined using the net adjusted asset method which is \$Nil. Such instruments are included in Level 3.

Borrowings

The carrying amounts of bank borrowings (current and non-current) whose interest rates are re-priced within 12 months are measured at amortised cost.

Other financial assets and liabilities

The carrying amounts of financial assets and financial liabilities of less than one year approximate their fair values because of the short period to maturity.

12. Development property

	30 September 2021	31 March 2021
The Group	S\$'000	S\$'000
Property under development:		
Cost incurred to date	11,311	11,306

Details of Kim Chuan project:

Location	Description	Tenure	Land Area	Gross Floor Area	Expected Completion Date
6 Kim Chuan Terrace Singapore	Proposed single-use light industrial development	Freehold	827.4 sqm (8,906 sq ft)	2,067.4 sqm (22,253 sq ft)	To be advised

As at 30 September 2021, the development property with a carrying amount of \$11.3 million (31 March 2021 - \$11.3 million) has been mortgaged to a financial institution to secure the bank borrowing as disclosed under Note 13.

13. Borrowings

	The Group and the Company	
	30 September 2021	31 March 2021
	S\$'000	S\$'000
Amount repayable within one year or on demand		
-Secured	8,640	8,640
-Unsecured	-	-
Amount repayable after one year		
-Secured	-	-
-Unsecured	-	-

The Group's bank borrowing is denominated in Singapore dollar and is repayable in one lump sum within 37 months from date of first drawdown or on 30 June 2021 or 6 months after the issuance of the temporary occupancy permit or whichever is earlier and is classified as "current liabilities" in line with the normal operating cycle of the Group's business. As at 30 September 2021, it is secured by a mortgage on the Group's development property disclosed in Note 12.

The bank revised the banking facilities by cancelling the Development Charge Loan and Construction Loan on 31 December 2019, leaving the existing Land Loan in place. As a consequence of the delay in the commencement of Kim Chuan Project, First Capital Pte. Ltd. ("First Capital"), the wholly-owned subsidiary of the Group is in breach of the covenant to complete the construction of the Kim Chuan project before the stated deadline of 30 September 2020. For the avoidance of doubt, the Company and First Capital have not received any notice from the bank in relation to the breach of the abovementioned covenant. The Group has discussed with the bank for an extension of the loan and the bank has agreed, subject to the same terms and conditions of the Land Loan, to grant an extension of time for First Capital to repay the outstanding sums under the loan in full on or before 31 January 2022 (the "Offer of Extension"). First Capital has on 29 June 2021 accepted the Offer of Extension.

14. Share capital

The Group and the Company			
30 September 2021		31 March 2021	
Number of shares	Amount	Number of shares	Amount
'000	S\$'000	'000	S\$'000
7,342,672	72,569	7,342,672	72,569

The holders of ordinary shares are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share at the meetings of the Company. All share rank equally with regard to the Company's residual assets.

There were no changes in the share capital of the Company since 31 March 2021, being the end of the previous period reported on. The Company had no outstanding convertibles, treasury shares or subsidiary holdings as at 30 September 2021 and 31 March 2021.

The Company did not hold any treasury shares and any subsidiary holdings during and as at the end of the current financial period reported on.

15. Contingent liabilities

As disclosed in the Company's announcement on 20 November 2020, PT Karya Indo Batam ("PT KIB") has commenced two claims in Indonesia in relation to the Batam Project against the Company, Oxley Batam Pte. Ltd. ("OB") and other parties. Based on legal advice that there is no bilateral or reciprocal enforcement regime between Singapore and Indonesia, PT KIB has to commence fresh court proceedings in Singapore to enforce any judgment obtained in Indonesia. Accordingly, the Group has not made any provision for the amount claimed.

The legal claim started by PT KIB against OB on 3 February 2020 in the Singapore Courts have been discontinued by PT KIB on 5 May 2021. There is no material financial impact from the discontinuance of this legal claim.

16. Subsequent events

(i) Completion of second independent review

As disclosed in the Company's announcement on 15 October 2021, PricewaterhouseCoopers Consulting (Singapore) Pte.Ltd ("PwC") has completed the independent review and issued the final report on 14 October 2021.

The Company understands that it has to submit the trading resumption proposal to SGX-ST for the lifting of the trading suspension of its shares on or before 14 October 2022, being within one year of the completion of the independent review. The Company has commenced work to prepare for the submission of its application to resume trading of its shares.

(ii) Voluntary business update

Merco Pte Ltd ("Merco"), a wholly owned subsidiary of the Company, has recently secured 2 new construction works contracts from an unrelated customer in private sector with an aggregate contract value of approximately \$1,700,000.00 in Singapore ("Contracts").

Under the Contracts, Merco is to provide labour and supervision. Merco has already started work for the Contracts and they are expected to be completed by first quarter of 2023. The order book stands at approximately \$1.9 million to date. Barring any unforeseen circumstances, the Contracts are expected to be recognised in the financial year ending 31 March 2022 ("FY2022"), and are expected to contribute positively to the net tangible assets and loss per share of the Company for FY2022.

Please refer to Company's announcements in SGXNet for details of other events subsequent to the balance sheet date.

F. Other Information Required by Listing Rule Appendix 7C

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Rich Capital Holdings Limited and its subsidiaries as at 30 September 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

1A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

(a) Updates on the efforts taken to resolve each outstanding audit issue.

The auditors have issued a qualified opinion on the Group's financial statements for the financial year ended 31 March 2021 due to the following outstanding audit issue (please refer to page 40 to 47 of the Company's 2021 Annual Report for more information).

Loss of joint control over joint venture

For the audit of the consolidated financial statements for the year ended 31 March 2021, the Group has engaged an independent valuer to determine the carrying value of the investment as at 1 April 2020 and 31 March 2021. The fair value so determined was \$Nil on both dates. This resulted in the Group recognising the impairment on loss of joint control over the joint venture amounting to \$12.94 million on 1 April 2020 and in the consolidated statement of comprehensive income for the financial year ended 31 March 2021.

The auditors were not able to ascertain whether the entire impairment on loss of joint control over joint venture \$12.94 million should have been recognised in the financial year ended 31 March 2021 or in the prior financial year as no independent valuation of the investment was carried out in the previous financial year.

The Management believes that the above audit qualification will not be carried forward to the financial year ending 31 March 2022.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

2. Review of performance of the Group

The figures in this section where applicable, have been rounded to the nearest two (2) decimal place.

Notes on Review of Income Statement

- (a) The revenue of approximately \$0.10 million was derived from the work done for one completed construction project and one ongoing construction project in Singapore in the second quarter of 2022 (“2Q2022”). Accordingly, there was cost of sales of approximately \$0.09 million and gross profit of approximately \$0.01 million recorded in 2Q2022.
- (b) Other income decreased by approximately \$0.01 million, from \$0.03 million in 2Q2021 to \$0.02 million in 2Q2022 mainly due to receipts of lower amount of grants under the job support scheme in 2Q2022.
- (c) General and administrative expenses decreased by approximately \$0.24 million, from approximately \$0.68 million to approximately \$0.44 million in 2Q2022 mainly due to lower legal fees incurred in connection with the dispute with the Indonesian joint venture partner on the Batam Project following the discontinuance of legal suit (“HC/S 104/2020”) against the Company and its indirect subsidiary.

As a result, the Group reported a lower net loss of approximately \$0.47 million and a net loss attributable to equity holders of approximately \$0.46 million in 2Q2022 compared to \$0.71 million and \$0.70 million respectively in 2Q2021.

Notes on Review of Financial Position

Non-Current Assets

- (d) Right-of-use asset

The right-of-use asset (“ROU”) decreased by approximately \$0.03 million, from approximately \$0.09 million as at 31 March 2021 to approximately \$0.06 million as at 30 September 2021, mainly due to depreciation of ROU during the financial period.

Current Assets

- (e) Trade and other receivables

The trade and other receivables increased by approximately \$0.04 million, from approximately \$0.24 million as at 31 March 2021 to approximately \$0.28 million as at 30 September 2021. This mainly arises from progress claims in relation to the construction project completed during 2Q2022.

Liabilities

- (f) Lease liabilities (Current and Non-Current)

The decrease in lease liabilities of approximately \$0.03 million is mainly due to rental payment during the financial period.

- (g) Trade and other payables (Current)

The trade and other payables decreased by approximately \$0.08 million, from approximately \$0.58 million as at 31 March 2021 to approximately \$0.50 million as at 30 September 2021. This mainly arises from lower legal fees incurred in connection with the dispute with the Indonesian joint venture partner on the Batam Project following the discontinuance of legal suit (“HC/S 104/2020”) against the Company and its indirect subsidiary.

Working Capital

The working capital decreased from approximately \$4.88 million as at 31 March 2021 to approximately \$3.96 million as at 30 September 2021 mainly due to the decrease in cash and cash equivalents which resulted from the general and administrative expenses incurred during the financial period.

Notes on Review of Cash Flow Statement

- (h) In 2Q2022, net cash used in operating activities was approximately \$0.56 million, comprised operating cash flow before working capital changes of \$0.4 million, net working capital outflow of \$0.16 million.
- (i) Net cash outflows from investing activities of approximately \$0.004 million in 2Q2022 was mainly due to purchase of computers in 2Q2022.
- (j) Net cash outflows from financing activities of approximately \$0.07 million in 2Q2022 was mainly due to interest paid in relation to Kim Chuan Project and office rental payment for 2Q2022.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Company had previously stated in the announcement dated 19 October 2021 that the 2 new construction works contract value amounting to \$1.7 million is expected to contribute positively to the net tangible assets and earnings per share of the Company for FY2022.

The loss per share for 2Q2022 and 1H2022 has narrowed compared to 2Q2021 and 1H2021.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The Group is actively identifying suitable business opportunities that will yield long-term benefits for the Group. The Management's long-term plan for 6 Kim Chuan Terrace is to work with potential partners to optimise the value of this Project.

Merco Pte Ltd, a wholly-owned subsidiary, has recently secured 2 new construction works contracts from an unrelated customer in private sector with an aggregate contract value of approximately \$1.7 million in Singapore. It will continue to identify opportunities to pursue potential construction projects in both the Public & Private sector, and will strive to strengthen its order book in the upcoming year.

The impact of the prolonged COVID-19 pandemic and the resurgence of infections led by the Delta variant may cause slower recognition of profits progressively for projects due to slower construction progress.

The Management is currently in consultation with its legal advisors in Singapore and in Indonesia to protect the Group's interests by (a) defending the Indonesian legal actions against the Company and/or its subsidiaries; and (b) seeking recovery of its investment, either in Indonesia or in Singapore. The Company will consider such advice carefully and take the appropriate steps so as to best protect the Company's and its shareholders' interests.

The Company will make an announcement as and when there are material developments.

5. Dividend information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

5c. Date Payable

Not Applicable.

5d. Books Closure Date

Not Applicable.

5e. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for 2Q2022 as the Group is currently in a loss-making position.

6. Interested person transactions

The Group does not have an IPT general mandate in 2Q2022. In 2Q2022, the Group did not enter into any IPT of more than S\$100,000 in value.

7. Confirmation pursuant to Rules 705(5) of the Catalist Rules

The Directors of the Company confirm that, to the best of their knowledge nothing has come to their attention which may render the unaudited financial results of the Group for the second quarter ended 30 September 2021 to be false or misleading in any material aspect.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured all the required undertakings from all directors and executive officers of the Company (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalist Rules.

9. Disclosures on Incorporation of entities, Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

There were no acquisition or realisation of shares by the Group thereby resulting (i) in a change in the shareholding percentage in any of the subsidiary or associated company of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary or associated company of the Group during 2Q2022. Neither was there any incorporation of new subsidiary or associated company by the Group during 2Q2022.

On behalf of the Board of Directors

Oh Siyang
Director

Chang Chi Hsung
Director

This announcement has been reviewed by the Company's sponsor SAC Capital Private 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 document, including the correctness of any of the statements or opinions made or reports contained in this document.

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