

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

Response to SGX Query

The Board of Directors (the “**Board**”) of Rich Capital Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to announcement on 25 November 2021, 8 December 2021 and 15 December 2021 (“**Announcements**”) and the queries received from the Singapore Exchange Securities Trading Limited (“**SGX**”) dated 16 December 2021 and would like to respond as follows:-

Unless otherwise defined, all capitalized terms used herein shall have the same meaning as ascribed thereto in the Announcements.

1. It was announced on 25 Nov 2021 that the Company was in the midst of appointing an independent valuer to conduct a valuation on the Target for the purpose of the Proposed Disposal. Please provide an update if an independent valuer has been appointed.

- a. If so, what is the market value of the Target provided by the independent valuer? Will any adjustments be made to the total consideration of S\$14.5 million?

Response:

Please refer to the response to Question 1b below.

- b. If not, why is an independent valuer not appointed yet given that the Purchaser has exercised its option to purchase on 15 Dec 2021?

Response:

The Company has completed its quotation sourcing exercise and has identified an independent valuer and is in the midst of going through the administrative engagement process. We are expecting the valuation report to be completed by the end of January 2022 and will publish the valuation report together with the circular prior to holding of the Extraordinary General Meeting to be convened. As mentioned in the announcement dated 25 November 2021, the consideration of S\$14.5 million was arrived at on a willing buyer, willing seller basis, after taking into account, *inter alia*, the net tangible asset value of the Target as at 30 September 2021 of approximately \$2.94 million and the Group’s assessment of the prospective gains from the Proposed Disposal. There will not be an adjustment regardless of the results of the valuation.

2. Based on the FY2021 annual report, we note that the Group will not have any operating assets following the completion of the Proposed Disposal.

- a. Are there any other operating assets which the Group has obtained since the financial year end 31 Mar 2021?

Response:

Subsequent to the financial year ended 31 Mar 2021, the wholly-owned subsidiary of the Company, Merco Pte Ltd (“**Merco**”) has started operations. Merco currently has existing Job Orders on hand of approximately \$2 million for construction-related projects and has substantial Work In Progress to date. The company is also in the midst of finalising the details of further projects in the estimated amount of \$4.5 million in the coming months. As at 30 Nov 2021, approximately \$0.6 million worth of works have been certified and a further \$1.4 million worth of works which is expected to be completed by October 2022.

As previously announced, the Group remains optimistic on the Property Business as evident by the gains on disposal recognised from the Peak Court project and prospective gains from the Proposed Disposal. The Board believes that the Proposed Disposal is more beneficial to the Group than a redevelopment of the Target as it will allow the capital to be recycled. In addition, it will allow the Group to have sufficient reserves to identify and make new property acquisition or joint ventures in the near future that the management believes to have the potential for either redevelopment or capital gains to further enhance the Group profitability and enhance the shareholders’ value. The Proposed Disposal will also improve the Group’s cash position to better combat any uncertainty due to the current Covid-19 situation as well as enable the Group to pursue larger construction or property related projects.

- b. If not, (i) what are the Group’s plan and (ii) will the Group become a cash company as defined under Catalist Rule 1018?

Response:

Please refer to response to Question 2a above.

BY ORDER OF THE BOARD
RICH CAPITAL HOLDINGS LIMITED

Oh Siyang
Executive Director

16 December 2021

*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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