



RICH CAPITAL

SUSTAINABILITY REPORT 2019

RICH CAPITAL HOLDINGS LIMITED

CONTENTS

About This Report	2
Chairman Statement	2
Governance and Statement of the Board	2
Identification of Material ESG Factors and Key Stakeholder Engagement	3
Materials Topics and Boundaries	4
Organisation Profiles	4
Our Business – Property Development	5
Materials ESG Factors and Targets	6
Environment	6
Social Topics	8
Governance	8
SGX Five Primary Components Index	10
GRI Standards Content Index	10

About This Report

Rich Capital Holdings Limited (hereafter referred to as “**Rich Capital**”, the “**Company**” and collectively with its subsidiaries, the “**Group**”) presents its annual Sustainability Report (the “**Report**”) which covers the Group’s sustainability practices from 1 April 2018 to 31 March 2019 (the “**Reporting Period**”).

The Report provides information about Rich Capital’s key sustainability topics, its management approach and its performance across the Group’s operations. The Group has chosen the Global Reporting Initiative (“**GRI**”) Standards as it is a more established international sustainability reporting standard for reporting on a range of environmental, social and governance impacts. This Report is prepared with reference to the GRI Standards - “Core” option and incorporates the primary components of the report content as set out under Listing Rule 711B of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”) and Practice Note 7A Sustainability Reporting Guide which provides the “Comply or Explain” requirements on sustainability reporting under Catalyst Rule 711B.

The Group’s material topics are identified based on their impact on our internal and external stakeholders, as outlined in the Key Stakeholder Engagement section. Detailed section reference with GRI standards is found at GRI Standard Content Index Page. The Sustainability Task Force of the Group, that provides oversight of sustainability issues has assessed that external assurance is not required as the Group has limited operations in the Reporting Period. The Group will continue to strengthen the sustainability reporting framework in the next few years as the Group diversifies into property development, property investment and management, and provision of specialist construction services business.

As part of our continued efforts to improve our reporting, stakeholders are welcome to send enquiries regarding the Report to us at general@richcapital.com.sg.

Chairman Statement

There was no revenue recorded as the Group’s Kim Chuan Project is currently in the initial development stage and the Group equity-accounted its investments in Oxley Convention City Project in Batam, Indonesia and Peak Court Project in Singapore. The Group will continue to adopt sustainability practices relevant for the property development and investment business, *inter alia*, the assessment of joint venture partners for environmental, social and governance compliance as well as engaging the local communities in which the Group’s projects are based in.

Governance and Statement of the Board

Rich Capital is committed to contributing its fair share of shaping a sustainable society. We have established a Sustainability Task Force comprising senior management currently headed by the Senior Vice President, Operations which provides oversight over the Group’s sustainability objectives and progress so as to align with our strategic direction. As part of the Group’s strategic formulation, the Board has considered the sustainability issues as part of its strategic formulation, determined the material environmental, social and governance factors (“**Material ESG Factors**”) and overseen the management and monitoring of the Material ESG Factors.

The Group has also adopted a precautionary approach in its strategic decision making and day-to-day operations by setting appropriate risk appetite and risk tolerance to ensure material risks are identified and mitigated to an acceptable level. The Sustainability Task Force will continue to monitor, review and assess the environmental, social and governance factors relevant to the Group from time to time in future to create long-term value for our stakeholders.

Identification of Material ESG Factors and Key Stakeholder Engagement

The Group's approach to sustainability starts from the identification of key stakeholders and relevant factors relevant to the Group's business. The Group regularly engages and communicates with all our stakeholders and updates on the Group's developments to understand their needs and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

The feedback we receive from our stakeholders helps us to determine our material topics, areas of concern and relevant factors as set out below:

Stakeholders	Areas of Concern	Means of Engagement	Section Reference
Employees	- Ethics and conduct - Work environment and condition - Fair employment policies - Occupational health and safety	- Performance Appraisal - Sustainability reporting - Internal policies on safety and health - Fair employment practices	- Diversity and Equal Opportunities - Labour Practice and Work Environment - Workplace Safety and Health - Ethics and Compliance
Shareholders and investors	- Economic performance - Anti-corruption - Sound corporate governance	- SGX-ST announcements - Annual reports - Investor relations management - Whistle blowing channels - Sustainability reporting	- Governance - Social Topics
Government and regulatory bodies	Regulatory, legal and industrial requirements	- Comply with both relevant laws, regulations, policies and procedures, where applicable - Maintain sound risk management	- Ethics and compliance - Anti-corruption and whistleblowing - Interested person transactions - Regulatory compliance - Working with reputable partners - Shareholders' Meetings
Communities	Impact to environment from operations	Sustainability reporting	- Energy and water consumption - Workplace safety and health - Sustainable supply chain management

The relevant factors are prioritised based on the interests and requirements of key stakeholders and their relevance to the Group's business, strategy and business model to identify material factors that are then validated internally.

Material Topics and Boundaries

The Group has referenced the GRI Principles for Defining Report Content to identify material topics which are relevant to its business and to its stakeholders. The Group will report material topics as and when these topics become relevant as a result of the diversification.

The following table summarises the material Environment, Social and Governance (“ESG”) topics that are determined to be the most significant to the Group currently:

Material Topics	Boundaries (where the impacts apply)
ENVIRONMENT	
GRI 302: Energy and Water	The Group
SOCIAL	
GRI 405: Diversity and Equal Opportunity	The Group
GRI 406: Non-Discrimination	The Group
GRI 419: Socioeconomic Compliance	The Group
GOVERNANCE	
GRI 205: Anti-Corruption	The Group

Organisation Profile



RICH CAPITAL

Company Name:

Rich Capital Holdings Limited

Founded: 1998

Company Headquarters:

Singapore

Listed on SGX: 2003

Rich Capital was listed on the SGX SESDAQ (Stock Exchange of Singapore Dealing and Automated Quotation system) in 2003 under its former name, Infinio Group Limited and subsequently transited to Catalist with effect from 2007. Over the years since its listing in the SGX-ST, the Company had evolved from technology, content and solutions business, mineral resource industry to property development and property investment. The Company adopted its current name and a new corporate identity since 2 May 2018.

Apart from property development and property investment, the Company's business scope also includes providing specialist construction services as well as the acquisition and sale of properties with yield-accretive and/or capital-growth potential. The Group also holds the mining and prospecting licences of the Birthday Gold Mine in Bulfinch area in Western Australia.

Our Business

Property Development

a. Local Projects



6 Kim Chuan Terrace – located in Tai Seng B2 industrial precinct, this proposed 7-storey freehold single-user industrial building, with modern façade and operational specifications suitable for a myriad of production needs, comes with passenger and service lifts designed for twenty and forty persons respectively, and with one lorry and six passenger parking lots.

This project is at the design and authority submission stage.



333 Thomson Road (formerly known as Peak Court) – Proposed 5-storey (ninety units) freehold condominium, low density design and lush landscape with carparks, swimming pool and communal facilities nestled within the heart of Novena Health precinct in District 11. The Group holds a fifteen per cent (15%) stake in the above property project.

Expected TOP: 3rd Quarter 2022

b. Overseas Project



Oxley Convention City (“OCC”) – On an approximately 20,000 square meter land parcel, it is the first 5-in-1 integrated premier development situated within the heart of Batam’s central business district, Indonesia.

OCC comprises (i) three 32-storey Residential Blocks, holding in total 1,635 apartments with selection of Studio, 1-Bedroom, 2-Bedroom, 3-Bedroom and Penthouses; (ii) a 18-storey Condotel Tower with 360 keys; and (iii) a 27-storey Office Tower with 320 strata office units; a 2-storey podium with 130 modern retail shops and one convention centre spanning over a 2,833 square meter floor plate with two collapsible halls with multi-storey car parking.

The Group currently holds a forty per cent (40%) stake in the project. On 10 October 2019, the Company announced that it has signed a term-sheet with relevant parties to, *inter alia*, reduce its effective shareholding in the project to 15% (“**Non-Binding Settlement**”). The term-sheet is subject to further due diligence, negotiation and execution of definitive agreements on terms to be agreed between the parties (“**Definitive Agreements**”). The Company had also on 25 October 2019 announced that the parties to the Non-Binding Settlement have consented to extend the period to enter into Definitive Agreements to 30 November 2019. Further announcement(s) will be made on this matter when there are material development(s).

Expected Phase 1A* Completion: before the end of year 2022

* Phase 1A comprises 1,193 apartments, 360 condotel and 100 retail shops.

Material ESG Factors and Targets

Environment

At Rich Capital, we are committed to be a responsible partner in the communities that we operate in. In order to achieve this, we ensure that our processes are safe, efficient and environmentally friendly. Our overarching commitment towards sustainability includes:

- Compliance with regulatory requirements and guidelines
- Energy and water efficiency
- Environmentally friendly waste management
- Accessible and safe design for end-users
- Ease of and safety for maintenance
- Efficient structural system that boost construction productivity
- Selection of sustainable materials whenever plausible
- Engagement and communication with surrounding communities

Energy and Water Consumption

Rich Capital is dedicated to maintaining and upholding energy saving standards in its water and electricity consumption. In our property development business, we review measures and adopt innovative technologies that could help us with improving environmental matters relevant to the property. This includes sustainability certification, energy efficiency and water conservation, promoting responsible sourcing practices along the supply chain and encouraging the use of eco-friendly and recycled materials.

The Group has introduced the following practices in FY2019:

- i) Recycling waters for washing, tanks or sumps were provided in the washing bays for water harvesting for non-portable water.
- ii) Products selected for our projects meet with PUB's Water Saving Standards or WELS.
- iii) Purchased energy saving products, motion sensors light switches, using Low-E or Low-Emissivity glass for our facades and adopting Photovoltaic Solar panels.

The Group targets to implement these practices across all of our project sites in the financial year ended 31 March 2020 ("FY2020") as we explore further in our efforts to reduce, reuse and recycle.

Workplace Safety and Health

During FY2019, we enforced Workplace, Safety and Health Act (WSHA), not only within the organisation, but also to our surrounding community and neighbours. We conducted periodic checks and audits for WSHA compliance, prepared Risk Assessments before any high-risk works were carried out, insisted on Project Quality Plans (PQP), etc. Our projects are also required to have Design for Safety (DfS). Even though these are statutory requirements in Singapore, we have also adopted these practices in Batam, Indonesia. Contractors are required to ensure that we protect the environment and surroundings for our Batam project which is situated at Batam city area. We ensured that the contractors that we engage have proper access to the worksite, full safety hoarding surrounding the site, deploying security guards, constructing washing bay and even Earth Control Measures (ECM) to ensure mud and earth do not spill out of the site together with the trucks and trailers. We also created a Public Hotline for feedbacks and issues that public may raise during construction.

We intend for these practices to continue in the future at all work sites and that we will also making the necessary adjustments and improvements to suit any changes of conditions at the workplace. There had been no reported cases of safety lapses and/or accidents in our project sites in FY2019. The Company also targets to achieve zero fatality, major accidents or incidents and to impose heavy fines for infringement of its internal safety policies in FY2020.

Sustainable Supply Chain Management

Rich Capital takes great care to selecting the right mix of supply chain in order to be in-line with the Group's sustainability strategy. In so doing, Rich Capital seeks to ensure that its contractors, consultants and suppliers can produce the quality of works and fulfil the commitments to the environment, health and safety standards that the Group desires. Our vendors, suppliers and short-listed contractors are selected and pre-qualified based on several factors including face-to-face meetings, track records, web-site information, similar project references, and financial stability. In selecting contractors, where it is necessary, we also pay visit to project sites to appraise the short-listed contractors' quality of works delivered and checking on their safety records and satisfy ourselves that they have a similar belief for the well-being of the environment, safety and quality. In FY2020, the Company will target to conduct 100% checking and verification on our selection of major vendors, suppliers and contractors.

Social Topics

Diversity and Equal Opportunities

The Group embraces diversity and offers employees a fair and inclusive environment. We do not discriminate our employees in any aspect, including gender, race, religion or age. Employees are recruited based on their attitude, qualification and working experience. The Group will continue to

abide by the local labour laws in the countries that we operate in and to promote fair employment practices. All employees are treated with respect and there was no reported incident of discrimination from our employees or the relevant authorities in FY2019 and the Group targets to maintain this performance in FY2020.

Labour Practices and Work Environment

We believe that our employees are our key assets. We are committed to actively engaging our workforce, motivating them to work together with the Company. Spreading positivity in the workplace helps nurture happy, satisfied employees, spurring their desire to contribute positively to the Company. To complement our commitment to work-health safety, we strive to build a workplace culture that promotes work-life balance and a healthy well-being.

During the Reporting Period, the Group engages staff on weekly meetings whenever it is convenient for the purpose of giving them updates, offering opportunities for their feedback, encouraging them to contribute to new ideas, improvements on work practices, and providing on-the-spot trainings to help them perform better and more efficiently. We also organise small lunches or simple informal staff gatherings and bonding events. In our worksite at the Batam Project, we constantly remind workers that their safety and well-being come first. We have been giving out small rewards for good attitude, good safety practices, helpfulness, and displays of leadership qualities at the worksite.

Governance

Ethics and Compliance

Rich Capital is committed to conducting its business in accordance with the highest standards of business ethics. We work diligently to ensure that our employees understand and comply with applicable laws, regulations and professional codes of conduct.

Anti-Corruption and Whistleblowing

The Group takes a strong and uncompromising stance against corruption and bribery, and does not tolerate any form of malpractice, impropriety, statutory non-compliance or wrongdoing by staff in the course of their work. To achieve the highest standards of integrity and accountability, the Audit Committee (the “AC”) has incorporated a whistleblowing policy into the Company’s internal control procedures so as to provide a channel for staff to report in good faith and in confidence, without fear of adverse consequences and reprisals, concerns about suspected fraud, corruption, bribery, dishonest practices or other similar improper conduct matters. The objective of the policy is to ensure an independent investigation of such matters and appropriate follow-up action. During FY2019, the Company had complied with the whistleblowing policy, where the appropriate follow-up actions in respect of whistleblowing reports received in FY2019 had been adhered to. The Group targets to continue to ensure full compliance with its whistleblowing policy in FY2020 and to continuously improve the policy, where gaps and areas of weaknesses have been identified.

Interested Person Transactions

The Company has set out procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are conducted at arm’s-length basis,

on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

Please refer to the disclosure pursuant to the Rule 907 of the SGX-ST Listing Manual in respect of interested person transaction, namely, the award of the construction contract on Batam Project to RLC (the “**Award**”), for the financial year 2019 (“**FY2019**”) stated in page 32 of the Annual Report for FY2019. The Company’s compliance with the IPT General Mandate’s conditions and procedures in respect of the Award is currently being reviewed by the Independent Reviewer, further updates on this matter will be provided through further announcement(s) where appropriate.

Working with Reputable Partners

The Group has worked with reputable partners, Oxley Holdings Limited and Tuan Sing Holdings Limited, since its diversification into property development and property investment. The Group will continue engaging in meaningful partnerships with established local and overseas players in the property sector, and to assess all major partners on their environmental and social impacts using topics from the GRI Standards. Working with reputable partners will enhance a project’s marketability, which translates into higher levels of sales, value per sq. ft and better profitability. The assessment includes an assessment of their reputation in the industry, sustainability practices, disclosure on their compliance with relevant international and local laws, whether they have taken mitigating actions to address impacts (if any) and whether there have been fines, sanctions or penalties against them for the past one year. The Group targets to maintain these assessment criteria for selecting and working with reputable partners in FY2020.

Regulatory Compliance

The Group adheres to the relevant labour standards and complies with local laws. We encourage open communication and comply with the Group’s policies and procedures. In FY2019, there were no fines or non-monetary sanction as a result of non-compliance with laws and regulations in the social and environmental area. The Company is currently in the midst of an independent review to determine if there are any internal control lapses and breaches in the relevant laws and regulations, amongst others. The Company will provide updates in this regard through further announcements once the independent review has been concluded. The Company aims for zero cases of non-compliance with the relevant laws and regulations in FY2020.

Shareholders’ Meetings

Rich Capital believes in encouraging shareholders’ participation at its general meetings. It delivers the notices of general meetings and related information ahead of the meetings based on the requisite notice period, giving shareholders sufficient time to plan their schedule, to review the notices of meeting and the proposed resolutions and to appoint and give instructions to proxies to attend on their behalf if they wish. The notices of the meetings are also advertised in The Business Times, Singapore.

External auditors were on standby at the annual general meetings so they could help address shareholders’ queries, if any, relating to the conduct of the audit and the preparation and content of the auditor’s reports.

SGX Five Primary Components Index

S/N	Primary Component	Section Reference
1	Material Topics	▪ Key Stakeholder Engagement ▪ Material Topics and Boundaries ▪ Property Development ▪ Governance ▪ Social Topics
2	Policies, Practices and Performance	▪ Chairman Statement ▪ Property Development ▪ Governance ▪ Social Topics
3	Board Statement	Governance and Statement of the Board
4	Targets	Sustainability Targets
5	Framework	About This Report

GRI Standards Content Index

GRI Standards	Disclosure Content	Report Section Reference
102-1	Name of the organisation	Organisation Profile
102-2	Activities, brands, products, and services	Organisation Profile
102-3	Location of headquarters	Organisation Profile
102-4	Location of operations	Organisation Profile
102-5	Ownership and legal form	Organisation Profile
102-6	Markets served	Organisation Profile
102-7	Scale of the organisation	Organisation Profile
102-8	Information on employees and other workers	Social Topics
102-9	Supply chain	Organisation Profile
102-10	Significant changes to the organisation and its supply chain	Chairman Statement
102-11	Precautionary principle or approach	Governance and Statement of the Board
102-12	External initiatives	N.A.
102-13	Membership of associations	Organisation Profile
102-14	Statement from senior decision-maker	Chairman Statement
102-15	Key impacts, risks, and opportunities	Chairman Statement
102-16	Values, principles, standards, and norms of behaviour	Social Topics
102-17	Mechanisms for advice and concerns about ethics	Social Topics
102-18	Governance structure	Governance and Statement of the Board
102-40	List of stakeholder groups	Key Stakeholder Engagement
102-42	Identifying and selecting stakeholders	Key Stakeholder Engagement
102-43	Approach to stakeholder engagement	Key Stakeholder Engagement
102-44	Key topics and concerns raised	Key Stakeholder Engagement
102-46	Defining report content and topic boundaries	About This Report, Material Topics and Boundaries
102-47	List of material topics	Material Topics and Boundaries
102-48	Restatements of information	N.A.
102-49	Changes in reporting	N.A.

GRI Standards	Disclosure Content	Report Section Reference
102-50	Reporting period	About This Report
102-51	Date of most recent report	N.A.
102-52	Reporting cycle	About This Report
102-53	Contact point for questions regarding the report	About This Report
102-54	Claims of reporting in accordance with the GRI Standards	About This Report
102-55	GRI content index	GRI Standards Content Index
102-56	External assurance	About This Report
302-1	Energy consumption within the organisation	Property Development, Environment
302-3	Energy intensity	Property Development, Environment
302-4	Reduction of energy consumption	Property Development, Environment
302-5	Reductions in energy requirements of products and services	Property Development, Environment
303-1	Water withdrawal by source	Property Development, Environment
303-3	Water recycled and reused	Property Development, Environment
205-1	Operations assessed for risks related to corruption	Social Topics
205-2	Communication and training about anti-corruption policies and procedures	Social Topics
205-3	Confirmed incidents of corruption and actions taken	Social Topics
405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunities
406-1	Incidents of discrimination and corrective actions taken	Diversity and Equal Opportunities
419-1	Non-compliance with laws and regulations in the social and economic area	Regulatory