

RICH CAPITAL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199801660M)

RESPONSE TO FINDINGS IN INDEPENDENT REVIEW REPORT BY PROVENANCE CAPITAL DATED 26 JANUARY 2021

The Board of Directors (the “**Board**”) of Rich Capital Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) refers to the Company’s announcement in relation to the completion of the Independent Review by Provenance Capital Pte dated 26 January 2021 (“**Announcement**”). *Unless otherwise defined, the capitalised terms used herein shall have the same meanings as defined in the Announcement.*

By way of background, as stated in the Announcement, the weaknesses identified in the Independent Review report dated 26 January 2021 (“**Independent Review Report**”) include (i) Interested Person Transactions (“**IPT**”); (ii) Inappropriate practices; (iii) IPT Processes; (iv) Management issues; and (v) Access to Company’s premises and documents. In consultation with SGX RegCo, the Board wishes to announce that it has completed its inquiry into the findings in the Independent Review and wish to update shareholders on the enhancement actions that it has taken to address the findings.

ENHANCEMENT ACTIONS TAKEN AND COMPLETED

To improve the internal control processes of the Company, the Company has conducted a thorough review and updating of the Group’s policies and procedures, including but not limited to, the Delegation of Authority Policy, the Interested Persons Transaction Policy, Conflict of Interest Policy, Whistle Blowing Policy and Procurement Policy as part of an ongoing and continuing process and communicating such policies to all staff. In addition, the Group has also taken and completed, amongst others, the following key enhancement actions to ratify and improve the weaknesses identified in the Independent Review Report:

S/No.	Weaknesses Identified	Enhancement Actions Taken
1	Interested Person Transactions	<ul style="list-style-type: none">• The Company’s Interested Person Transactions policy was reviewed and updated to ensure compliance with Catalist listing rules. The Company will continue to review and update the Interested Person Transactions policy on an on-going basis.• All directors and key executives have been briefed on the Interested Person Transactions policy. This will be carried out annually and whenever a new director or new executive staff join the Company.
2	Inappropriate practices	<ul style="list-style-type: none">• Revision to the Delegation of Authority Policy includes<ul style="list-style-type: none">- Updating the Delegation of Authority Policy based on the current authority level and designation of existing employees of the Group.- Revising the approval limits to better reflect the Group’s current situation.- Requiring additional verification of purchases and expenses and approval for transaction of all values.

		<ul style="list-style-type: none"> Internet banking bank tokens protocols have been tested and verified to be held by the respective authorised signatories and preparers in accordance with the bank mandates and they do not delegate banking approval rights. The Company has in place procedures to ensure that banking mandates are updated on a timely basis whenever there are changes to the authorised signatories. The Group has tightened its controls over review of supplier invoices and supporting documents, and that supplier invoices and supporting documents are signed by the Executive Director and the Chief Financial Officer before the processing of payments.
3	IPT Processes	<p>The requirement to prohibit Interested Person approving transaction has been spelt out in the Conflict-of-Interest Policy. These included the following</p> <ul style="list-style-type: none"> Unless and until authorised to do so by the Board, or by a person the Board designates, all employees shall not: <ul style="list-style-type: none"> a. act on behalf of the Company or deal with the Company, in any matter where there is conflict of interest or appear to be in a conflict of interest; or b. use position or office with the Company to pursue or advance his/her personal interests. If at any time, there is an actual or appearance of a conflict of interest in any contract or transaction or proposed contract or transaction made with any other third-parties, the relevant party must immediately take steps to resolve any conflict or remove the apprehension that it exists by: <ul style="list-style-type: none"> a. promptly declaring to the Board any conflict of interest by using the prescribed form; and b. excusing from the portion and refraining from decision making until the matter giving rise to the conflict of interest is being discussed and special-approval from the Board has been obtained.
4	Management issues	<ul style="list-style-type: none"> Changes made to the key management of the Group to strengthen the management team since July 2020. All Directors and key executive officers are familiar with the Catalist listing rules.
5	Access to Company's premises and documents	<ul style="list-style-type: none"> Controls over access to the Group's office premises, email system and documents have been improved.

		<ul style="list-style-type: none"> - The Group's office premise has since shifted and physical access controls was implemented in the new location to restrict access by external parties to the office premise and Company's documents. - The office premise is monitored by closed-circuit television ("CCTV") cameras, and only the Executive Director and Deputy General Manager are given access to the CCTV footages. - All hard-copy of important documents are locked in the cabinets accessible only by the respective owners. - Server box is used to secure the disks which hosts the Group's shared drive. Only the Executive Director has the key to the server box to access the disks. - Employees are informed to safeguard Group's documents and ensure the confidentiality of information. Confidentiality requirements are included in the Employee Handbook, last updated on 20 April 2021, and made available to employees on the shared drive.
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As previously disclosed in page 26 of the Company's Annual Report for the financial year ended 31 March 2021, the Audit Committee has engaged Baker Tilly Consultancy (Singapore) Pte Ltd ("**Baker Tilly**") to carry out an independent review to ascertain if the Group has implemented the internal controls over the areas highlighted in the Independent Review Report. The Board is pleased to inform that Baker Tilly has since completed the independent review and concluded that it noted that the Management has implemented the relevant internal controls as recommended in the Independent Review Report.

Further, notwithstanding that the Independent Review Report did not include any specific recommendation, the Board of Directors has reviewed and approved the Group's key revised policies over IPT, Delegation of Authority, Code of Ethics and Conflict of Interests. The executive summary of the independent review report dated 18 November 2021 from Baker Tilly is also attached to this announcement.

The observations have also been reported to the Company's Audit Committee. The Audit Committee is satisfied that the Company has addressed and taken the necessary steps to implement the recommendations to rectify the internal control weaknesses identified.

ACTIONS GOING FORWARD

To ensure accountability and continued adherence to the above enhancement actions implemented and revised policies, the processes stated in these policies will be included, as and when deemed fit, in the scope of the internal audit function to be performed by independent professional service providers reporting directly to the Audit Committee. The Company will continue with its ongoing efforts to ensure its internal control systems and procedures remain adequate and effective.

In addition, the Board is currently working closely to submit a trading resumption proposal to the SGX RegCo at an appropriate time. The Board will provide further updates when there are material developments on the above.

Notwithstanding that the trading of the Company's shares is suspended, stakeholders are advised to read this announcement and any further announcements by the Company carefully. Stakeholders are advised to exercise caution when dealing in the securities of the Company. Shareholders and potential investors who are in doubt as to the action they should take should consult their stockbrokers, bank managers,

solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD
RICH CAPITAL HOLDINGS LIMITED

Oh Siyang
8 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. The contact person for the Sponsor is Ms Tay Sim Yee (Tel: (65) 6232 3210), 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*