

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

**RECEIPT OF NOTICE OF DEFAULT
FROM MAIN CONTRACTOR OF OXLEY CONVENTION CITY, BATAM**

The Board of Directors (the “**Board**”) of Rich Capital Holdings Limited (the “**Company**”) refers to the announcement dated 13 September 2019 in relation to the status of the project at the Oxley Convention City, Batam (the “**Project**”).

Unless otherwise defined, capitalised terms in this announcement shall have the same meanings as ascribed to them in the announcement dated 13 September 2019.

The Company wishes to announce that PT OKIB, the 50/50 joint venture vehicle of OBPL (an indirect subsidiary of the Company) and KIB, has on 9 September 2019 received a notice of default from Rich-Link Konstruksi (“**RLK**”), a joint operation formed by RLC and PT. Alva Lumbuan (an Indonesian company) to act as the designee of RLC to run the Project as a contractor in compliance with Indonesian regulations (the “**Letter**”), which may be summarized as follows:

- (i) PT OKIB is in breach of its obligations under the Letter of Award and the contract documents referred to therein (the “**Construction Contract**”) as it has not made any payment for the Project despite having certified progress payments of Rp 32,679,001,203.10 in response to RLK’s Progress Claims 1 to 6, and despite the significant work done on site;
- (ii) PT OKIB is not entitled to withhold payment until it receives the performance bond from RLK and has acted unreasonably in rejecting RLK’s proposals to make deductions from certified payments in lieu of providing a performance bond. PT OKIB has also failed to certify Payment Claims no. 7 and 8 in accordance with the Construction Contract, and failed to certify RLK’s extension of time requests made on 26 August 2019;
- (iii) PT OKIB has evinced an intention to renounce the Construction Contract as it has allegedly approached replacement contractors since early 2019 despite RLK’s continued performance of the Construction Contract; and
- (iv) RLK demanded that PT OKIB rectify the alleged defaults within 3 days from the date of the Letter, failing which it would exercise its rights under the Construction Contract and Indonesian law including to suspend performance of and/or terminate the Construction Contract.

PT OKIB has formally responded by letter dated 12 September 2019 to reject the allegations, the contents of which may be summarized as follows:

- (i) PT OKIB has not been in breach of the Construction Contract as it has been withholding payment on the basis of the failure to provide the performance bond in breach of clause 6 of the Letter of Award, which entitles PT OKIB to terminate the Construction Contract;
- (ii) RLK’s proposal to make deductions from certified payments in lieu of providing the performance bond was not acceptable as it would not afford PT OKIB the same protection under the present terms of the Construction Contract, and RLK’s claim for extension of time dated 26 August 2019 failed to satisfy the condition precedent under the Construction Contract for such applications to be made within 28 days after the cause of delay has first arisen which arose in November 2018 and February 2019;
- (iii) The allegation that PT OKIB has approached replacement contractors since early 2019, which allegedly evinces an intention to renounce the Construction Contract, is baseless; and
- (iv) RLK is not entitled to suspend works or terminate the Construction Contract, and any suspension and/or abandonment of works by RLK would constitute a default which entitles PT

OKIB to terminate the Construction Contract and recover from RLK any losses or expenses arising from such termination.

The Company will update the shareholders if there are any material developments to the Project.

BY ORDER OF THE BOARD
RICH CAPITAL HOLDINGS LIMITED

Giang Sovann
Independent Non-Executive Director

18 September 2019

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") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the 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)