

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

**RECEIPT OF ADDITIONAL LEGAL LETTERS FROM JOINT VENTURE PARTNER
OF AN INDIRECT SUBSIDIARY**

The Board of Directors (the “Board”) of Rich Capital Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcements dated 17 May 2019, 23 May 2019, 4 June 2019, 14 June 2019, 16 June 2019 (collectively, the “**Previous Announcements**”) in relation to issues raised by KIB, the joint venture partner of the indirect subsidiary, Oxley Batam Pte. Ltd. (“**OBPL**”), over the management and payment 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 Previous Announcements.

The Company wishes to announce that it has on 21 June 2019 received another letter from a law firm appointed by KIB addressed to PT OKIB, the Company and OBPL (the “**21 June Letter**”), which demanded:

- (i) OKIB to immediately terminate RLC as the main contractor for the Project and to seek legal advice on the recovery of all losses from RLC in light of its breaches of the construction contract;
- (ii) OKIB to immediately issue a statement explicitly rejecting any “quasi loan arrangement” made by OBPL with RLC;
- (iii) OKIB to immediately restart the search for a new main constructor to replace RLC such that the construction of the Project is not further delayed; and
- (iv) The relevant parties to respond to the 21 June Letter by 24 June, otherwise legal action may be taken against the parties.

The Company has also received a further letter from the law firm appointed by KIB on 24 June 2019 (the “**24 June Letter**”) demanding that OBPL will provide to PT OKIB “*the balance amount of the construction costs (as the Oxley Loan), by 1 July 2019*”.

The Company wishes to announce that following the receipt of the 21 June Letter and 24 June Letter, a shareholders’ meeting of PT OKIB was held on 27 June 2019 with the objective of resolving the differences between the parties in the best interest of PT OKIB as well as the Project. This included resolving the issue of repayment by RLC of the \$2 million advance payment to the Company, and the manner of continuation of the construction work presently carried out by Rich-Link Konstruksi, a joint operation company of RLC and PT. Alva Lumbuan. As at the date of this announcement, OBPL is still in discussion with KIB on resolving the differences between the parties.

With regard to the 21 June Letter and 24 June Letter, as well as the three earlier legal letters of 17 May 2019, 22 May 2019 and 30 May 2019 from KIB’s lawyers, the Company has through its lawyers formally responded by letter dated 3 July 2019, the contents of which may be briefly summarized as follows:

- (i) OBPL and KIB are presently in discussion with regard to resolving the issue of repayment by RLC of the \$2 million to the Company, and the manner of continuation of the construction work presently carried out by Rich-Link Konstruksi.
- (ii) That if a resolution can be found, the performance bond should be procured by the contractor carrying out the construction works.
- (iii) That given this development, there is no merit in terminating RLC as the contractor at this time.

- (iv) That under the Shareholders Agreement, there is presently no obligation to disburse any part of the Oxley Loan until the sale proceeds have been fully utilized.
- (v) That under Articles 7.1 and 7.2 of the Joint Operation Agreement between KIB and PT OKIB, KIB shall not interfere with PT OKIB's sole and exclusive right to supervise, direct and control the development, construction, financial administration, operation, and management of the Project, and that KIB cease and desist from interfering with PT OKIB's management of the Project, including matters relating to the funding of the Project and whether RLC should be replaced.

Failing a positive outcome of the ongoing discussion between OBPL and KIB, the Company will do whatsoever as may be necessary to protect and advance its rights and interests. The Company will update the shareholders when there is a definitive agreement amongst the parties and/or if there are any material developments to the situation.

BY ORDER OF THE BOARD
RICH CAPITAL HOLDINGS LIMITED

Giang Sovann
Independent Non-Executive Director

5 July 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 Catalyst.

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.

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