

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

**RESPONSES TO THE SGX-ST'S QUERIES ON THE COMPANY'S GENERAL ANNOUNCEMENT
DATED 19 MAY 2020**

The board of directors (the “**Board**” or the “**Directors**”) of Rich Capital Holdings Limited (the “**Company**” or “**RCH**” and, together with its subsidiaries, the “**Group**”) would like to announce the Company’s responses to queries raised by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in respect of the Company’s announcement dated 19 May 2020 (the “**Previous Announcement**”) on :- (i) letters in relation to indirect subsidiary; (ii) Proposed Reconstitution of the Board of Directors; and (iii) independent report interim update. Unless otherwise defined or the context otherwise requires, capitalised terms in this announcement shall have the same meanings as ascribed to them in the Previous Announcement.

Query 1(a):

Please provide a summary of the background on the question of legality of the sales transactions.

Company’s response:

On 3 February 2020, OBPL first received a letter from PT KIB which stated, amongst others, that PT OKIB is to rectify and/or cancel allegedly illegal deeds of sales and purchase agreement between PT OKIB and its buyers that have been notarized by various notaries over the course of the project. PT KIB informed that Indonesian law only allows such deeds to be created when project construction has achieved progress of 20%.

On 7 February 2020, Mr Poni Madjukie, in his capacity as President Commissioner of PT OKIB, demanded that PT OKIB fully refund all of the buyers’ deposit and cancel all the sale and purchase agreements that have been made with the buyers as the building construction had not reached 20%. On 18 February 2020, OBPL responded stating that PT OKIB should act as necessary to comply with the law.

For context, the Company had only acquired an indirect interest in OBPL on or about 16 March 2018. PT KIB remained the 50% shareholder of PT OKIB after this acquisition. The purported illegal deeds of sales and purchase agreements were entered into with buyers since 2016, prior to the Company’s acquisition of an indirect interest in OBPL. As far as the Company is aware, there is *no* consensus reached between the shareholders of OBPL, PT KIB and PT OKIB on whether the sale and purchase agreements between PT OKIB and its buyers were tainted with illegality.

On 6 March 2020, the Company responded to Mr Poni Madjukie’s correspondence to the Company dated 4 March 2020 and 26 February 2020 stating that it did not dispute Indonesian Law that it is illegal to enter into a pre-sale and purchase agreement with buyers before building construction progress reaches at least 20%. The Company repeated that PT OKIB should do everything necessary to comply with the law, including effecting the refunds as may be necessary in accordance with the law. The Company further requested, amongst others, that legal opinion on the applicable Indonesian law should be sought by the board of PT OKIB whether it is necessary under the law to refund the sales proceeds to the buyers regardless whether they seek a refund or not, whether PT OKIB is solvent in view of its contingent liabilities, if PT OKIB is insolvent, what steps should be taken by PT OKIB or its board under the law, and whether the refund should be done on a first come first served basis or collectively as a whole. As at the date of this response, the Company has not received such an opinion.

On 10 March 2020, PT KIB stated that all buyers' agreements are void and that PT OKIB must immediately return all buyers' monies. On 26 March 2020, OBPL responded that in light of the varying positions by the relevant parties, that, amongst others, a reputable Indonesian legal expert should be engaged to provide advice on the law as well as to investigate the facts.

While Mr Ponj has informed the Company that he has been thoroughly advised by Indonesian lawyers, to-date, OBPL and the Company has yet to receive any substantive and holistic legal opinion to ensure that the Refund Issue is dealt with appropriately. PT OKIB has not provided any reason for failing, refusing, and/or delaying to provide the legal opinion of an Indonesian counsel.

Please refer to the relevant announcements *dated* 4 February 2020, 11 February 2020, 25 February 2020, 9 March 2020, 31 March 2020, and 9 April 2020 *for further details*.

Query 1(b)

What is the quantum of such 'refund' being contemplated?

Company's response:

Based on PT OKIB's representation of the list of buyers who have requested for refunds, as of 15 May 2020, the expected quantum of refunds is approximately Indonesian RP 63,849,748,857.28 (approximately SGD6,100,000). The Company is in the midst of verifying the information provided by PT OKIB. In the event full refunds are made to all purchasers (including who had not requested for refunds as at 15 May 2020), the expected quantum of refunds is approximately Indonesian RP 150,998,782,128 (approximately SGD14,500,000).

Query 1(c)

Is the Company looking to carry out the 'refund'? If so, on what basis is the Company considering to do so?

Company's response:

The Company will fully comply with all applicable laws, specifically Singapore Law and Indonesian Law. From the documents available to the Company, it appears that the majority of these requests for refunds were made because of the purported delay to the construction and *not* on the purported illegality. The Company notes that the earliest handover date is stated to be 1 October 2020 with a grace period until 30 June 2021. These dates have not been reached yet. The Company will take into account legal and commercial factors in its decision to refund or not to refund the buyers who have requested for refunds with a view of the preservation of the Company's interests in its investments as well as the long-term interests of the Company as key considerations.

Query 1(d)

Did the Company seek legal opinion on the legality of the sales transactions as well as the merits and basis for the 'refund'? If so, please state the legal firm/counsel from whom the Company sought such legal opinion from.

Company's response:

The Company was advised by its legal advisors, RHTLaw Asia LLP and Solitaire LLP. RHTLaw Asia LLP was engaged from 27 June 2019 and Solitaire LLP formally took over conduct of matters relating to the Indonesian companies on 27 April 2020 after being engaged on 9 March 2020. Through RHTLaw Asia LLP, the Company has also sought for Indonesia legal advice from the Indonesian law firm, Hillman Sembiring Advocates, the legal implications if PT OKIB did proceed with its position that the sale and purchase agreementss were illegal as well as on Indonesian law regarding the deeds of sale and purchase.

The Company has also made repeated requests to PT OKIB to provide an (independent) Indonesian Law Opinion on the legality of agreements and further, the legality and proper procedures in the event refunds are made. PT OKIB was informed that it must comply with the law and that proper and reputable legal advice is necessary to discharge its obligations. The Company is still waiting for a substantive answer to its queries and requests made to PT OKIB.

Query 2

What is the Board and NC's expected timeline to reconstitute the Board?

Company's response:

In light of the current circuit breaker restrictions, the Board and NC is expecting the Board to be reconstituted in about two weeks, subject to the completion of the requisite due diligence checks.

BY ORDER OF THE BOARD

RICH CAPITAL HOLDINGS LIMITED

Giang Sovann

Interim Chairman and Independent Non-Executive Director

19 May 2020

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.

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)

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