

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

**RESPONSES TO SGX-ST'S QUERIES IN RELATION TO
RICH CAPITAL HOLDINGS LIMITED'S INVESTMENT IN PT OXLEY KARYA INDO BATAM**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Rich Capital Holdings Limited (the “**Company**” or “**RCH**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement made on 22 May 2020 on the Company’s response to the requisition by Bai Fengmei, He Xiacong, Tan Hong Eng (Chen Fengying) and Oh Keh Yew, for the Company to convene and hold an extraordinary general meeting (the “**Proposed EGM**”) pursuant to Section 176 of the Companies Act (Cap. 50) (the “**Earlier Announcement**”)

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning ascribed to them in the Earlier Announcement.

The Board wishes to inform shareholders that the Company has received queries from the SGX-ST on 26 May 2020 on the Earlier Announcement and is providing its responses to these queries in this announcement.

2. THE QUERIES

2.1 Query 1:

What is the effective interest that the Company has in PT OKIB?

Company’s Response:

The Company has an effective interest of 40% in PT OKIB and does not have effective control over PT OKIB. The Company’s interest in PT OKIB is held through a wholly-owned direct subsidiary, Rich Batam Private Limited (“**RBPL**”) which in turns own a direct 80% interest in Oxley Batam Private Limited (“**OBPL**”). OBPL is an equal shareholder and joint venture partner in the Batam Project (*i.e.*, the joint venture project to construct, develop and manage the Oxley Convention Centre City). The other equal shareholder and joint venture partner in the Batam Project is PT Karya Indo Batam (“**PT KIB**”). Pursuant to a Shareholders’ Agreement dated 12 August 2016 entered into between OBPL and PT KIB, it is a legal requirement to validly pass a Board resolution of PT OKIB if a Board meeting or resolution is “*attended and/or approved by at least $\frac{3}{4}$ (three quarters) of all members of Board of Directors*”.

2.2 Query 2:

Why did PT OKIB refuse to process the Company's replacement nominees to the board of PT OKIB after the departure of Mr Oh Si Kai and Mr Wang Zhen Wen?

Company's Response:

- (a) Some time after Mr Oh Si Kai and Mr Wang Zhen Wen sent in their respective resignation letters to PT OKIB, the Company learnt that as a matter of Indonesian law, the resignation of Mr Oh Si Kai and Mr Wang Zhen Wen needs to be accepted by the shareholders of PT OKIB, i.e. OBPL and PT KIB. The Company's further understands that an Indonesian company can request for its outgoing directors to report to the PT OKIB or its Board of Commissioners on the affairs of PT OKIB. To the best of the Company's knowledge, Mr Oh Si Kai and Mr Wang Zhen Wen have not attended these meetings as requested by PT OKIB and PT KIB.
- (b) Consequently, PT KIB is refusing to process the Company's replacement nominees to the Board of PT OKIB. At one of PT OKIB's extraordinary general meeting held on 26 November 2019, PT KIB also rejected the RCH's replacement nominees on the basis that these replacement nominees may not be suitable to be appointed as directors of PT OKIB because they lack experience in Indonesian construction projects and that they are unable to speak Bahasa Indonesia.

2.3 Query 3:

Given the interest in PT OKIB, without any representation on the board of directors of PT OKIB, how does the listco safeguard its interest in PT OKIB? What steps have listco taken so far to ensure that its interests are safeguarded?

Company's Response:

- (a) The Company is one of the signatories to PT OKIB's bank accounts, and all payments, regardless of the amount, will require the Company's approval before it can be made out of PT OKIB's bank accounts. PT OKIB has regularly sought for the Company's approval for payments to be made from PT OKIB's bank accounts, including but not limited to, the payment of its monthly staff salaries and operational expenses.
- (b) The Company's finance department verifies all of PT OKIB's payment vouchers before the Company gives its approval for payments to be processed.
- (c) Further, and pursuant to the terms of the Shareholders Agreement dated 12 August 2016 between OBPL and PT KIB (the "**Shareholders' Agreement**"), OBPL's attendance and approval is required for a Board resolution or shareholders' resolution to be passed by PT OKIB. Given the status quo that the Company has no representation on the Board of PT OKIB, PT OKIB cannot validly hold a Board or shareholders' meeting, and cannot validly pass a Board resolution or shareholders' resolution without OBPL's and by extension, the Company's approval.
- (d) Additionally, the Company's representatives, namely, Mr Aldrin Tai, being the Company's and OBPL's Project Manager and Employer's Representative of PT OKIB, used to make weekly visits to the site of the Batam Project to monitor the operations of the Batam Project. Mr Aldrin

Tai provides the Company and OBPL with regular updates on the Batam Project. However, Mr Aldrin Tai's weekly trips ceased on 13 March 2020, when the Commissioner of PT OKIB raised objections to Mr Aldrin Tai's meetings with the persons involved in the construction of the Batam Project because of the ongoing litigation involving the Batam Project.

- (e) The Company's finance team has been making regular quarterly trips to the site of the Batam Project to check and review PT OKIB's accounts even before the Company no longer had any representation on the Board of PT OKIB. (i.e. upon cessation of Mr Wang Zhen Wen as a Director of the Company). These trips ceased in January 2020 in view of the Covid-19 pandemic. Despite this, the Company's finance department continues to receive financial reports (with supporting documents) from PT OKIB at least once every quarter.
- (f) The Company has also been in consultation with its legal advisors on the legal steps to protect the Company's interests in PT OKIB and the Batam Project, and it will continue to do so.

**BY ORDER OF THE BOARD
RICH CAPITAL HOLDINGS LIMITED**

Giang Sovann
Interim Chairman and Independent Non-Executive Director

28 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)