

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

**(1) LEGAL ACTION BY JOINT VENTURE PARTNER AGAINST
JOINT VENTURE OF THE COMPANY AND (2) UPDATE ON BANK ACCOUNTS OF JOINT
VENTURE OF THE COMPANY**

The Board of Directors (the “**Board**”) of Rich Capital Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to PT Oxley Karya Indo Batam (“**PT OKIB**”), the joint venture between indirect subsidiary, Oxley Batam Pte. Ltd. (“**OBPL**”), and PT Karya Indo Batam (“**PT KIB**”) for the project at the Oxley Convention City, Batam (the “**Project**”) and

- (1) The announcements made by the Company on 1 July 2020 and 21 August 2020 relating to, *inter alia*, an extraordinary general meeting of PT OKIB’s shareholders and the developments leading up to the transfer by PT KIB of its entire 50% shareholding in PT OKIB to an entity known as PT Batam Citi Moto Karya, whose shareholders are Poni Madjukie (“**Mr Poni**”, concurrently its sole director) and Winston Madjukie (“**Mr Winston**”, concurrently its sole commissioner);
- (2) The response to SGX queries on 28 May 2020 relating to, *inter alia*, the approval process for payments from PT OKIB’s bank accounts; and
- (3) The announcement made by the Company on 24 July 2020 relating to two legal actions commenced against PT OKIB in Indonesia by the piling contractor and the local design institution of the Project.

(collectively, the “**Previous Announcements**”).

Unless otherwise defined, capitalised terms in this announcement shall have the same meanings as ascribed to them in the Previous Announcements.

Cessation of the Company’s banking tokens for PT OKIB’s Maybank Accounts

The Board wishes to announce that on 31 August 2020, the Company and OBPL discovered that the banking tokens in their possession granting them access to PT OKIB’s accounts with PT Bank Maybank Indonesia Tbk (“**Maybank**”) (the “**Maybank Accounts**”) were no longer usable. For background, all of PT OKIB’s bank accounts were to be operated jointly in accordance with a term of the Shareholders Agreement dated 12 August 2016 between OBPL and PT KIB that confers OBPL the responsibility for the financial administration of PT OKIB. A representative from OBPL and the other representative from PT KIB have to jointly authorise payments of amounts above Rp 100,000,000 (or approximately S\$ 9,206.92). The last time the Company and OBPL’s finance department accessed the Maybank Accounts with the banking tokens was on 28 August 2020, as part of its weekly verification procedure of the balances in the Maybank Accounts. As of 28 August 2020, the current account balance in the Maybank Accounts was verified through internet banking to be Rp 41,906,503,294 (or approximately S\$ 3,877,846.78); along with a further sum of Rp 21,000,000,000 (or approximately S\$ 1,943,249.28) in fixed deposit which could not be verified through internet banking, the total last known balance in the Maybank Accounts was believed to be Rp 62,906,503,294 (or approximately S\$ 5,821,096.06). When the Company and OBPL’s representatives contacted Maybank on 31 August 2020, they were simply referred to PT OKIB’s finance manager who similarly offered no substantive response, who referred the Company’s and OBPL’s representatives to her superior, who did not provide any response at all.

The Company immediately sought Indonesian legal advice from AKSET Law and took steps to ascertain why the banking tokens ceased to be effective. However, because of the complete lack of response from PT OKIB and PT KIB, the Company and OBPL are to-date unable to ascertain the reason(s) for the cessation of OBPL's banking tokens in respect of the Maybank Accounts. On 2 September 2020, OBPL issued a letter to Maybank to seek clarifications and to put Maybank on notice that no funds in the Maybank Accounts should be disbursed without OBPL's prior written confirmation. Separately, and on two occasions, first on 31 August 2020 by email and later on 2 September 2020 by letter, OBPL wrote to PT OKIB for clarifications and to demand that it shall not, singly or jointly with any third party, utilise any of the monies in the Maybank Accounts without OBPL's prior written consent. OBPL received no response from either Maybank or PT OKIB by the given deadline of 7 September 2020. Maybank's response, received on 9 September 2020, simply informed that based on bank data, OBPL was not the person with authorisation anymore for PT OKIB's accounts and that they therefore could not provide any of the requested information.

On 7 September 2020, the Company and OBPL's finance department discovered a debit from PT OKIB's bank account, with the Bank Central Asia (the "**BCA Account**"), in the amount of Rp 417,059,965 (or approximately S\$ 38,561.84) which took place on 2 September 2020. The last known balance in the BCA Account, prior to the unauthorised debit, was Rp 417,159,965.37 (or approximately S\$ 38,602.18). The debit from the BCA Account had not been authorised by the Company or OBPL. The Group is in discussions with its legal advisors on the next course of action(s) to undertake to safeguard the Company's assets and interests.

Legal action by PT KIB against PT OKIB

The board wishes to further announce that in the course of investigating the Maybank Accounts, the Company's Indonesian counsel was instructed to carry out a litigation search on PT OKIB to ascertain if there were any ongoing litigation in Indonesia that would affect PT OKIB's bank accounts. The Board was advised by Indonesian counsel on 4 September 2020 that PT KIB had filed a lawsuit in tort against PT OKIB at the District Court of Batam on 27 August 2020, registered under case no. 230/Pdt.G/2020/PN.Btm ("**Suit 230**").

In Suit 230, PT KIB demands that PT OKIB compensate PT KIB for its "immaterial losses" in the amount of Rp 1,238,836,830,000 (or approximately S\$ 114,590,635.24) and its material losses in the amount of Rp 351,466,800,000 (or approximately S\$ 32,510,176.40), totalling Rp 1,590,313,630,000 (or approximately S\$ 147,100,811.60). The alleged material losses consist of the actual price of PT KIB's land based on its fair market price valued at Rp 210,000,000,000 (or approximately S\$ 19,424,699.70), the normalisation fee of PT KIB's land (including the lifting of reinforced concrete piles) at Rp 60,000,000,000 (or approximately S\$ 5,549,914.20), the refund to purchasers of units in the Project under the sale and purchase agreements at Rp 80,000,000,000 (or approximately S\$ 7,399,885.60), and the Batam Authority Annual Mandatory Money (*Uang Wajib Tahunan Otorita Batam* or UWTO) for the land used for the Project at Rp 1,466,800,000 (or approximately S\$ 135,676.90).

Neither the Company or OBPL received any prior notification of Suit 230 from PT OKIB or PT KIB. Following the discovery, the Company immediately sought Indonesian legal advice from AKSET Law. On 7 September 2020, OBPL issued a letter to PT OKIB and PT KIB for the immediate attention of Mr Poni, PT OKIB's president commissioner and PT KIB's director, and Mr Winston, PT OKIB's director. In its capacity as a 50% shareholder of PT OKIB, OBPL demands, *inter alia*, information relating to Suit 230 and PT OKIB's response on how it intends to defend its interests and assets in Suit 230.

The Company is not able to quantify the financial impact of this latest legal claim as it has not had sight of the documents filed and is unable to obtain advice as to, amongst other things: (a) how the quantum of the claims is quantified; (b) the merits of the underlying allegations; (c) whether these allegations are frivolous; and (d) whether there is a chance of legal recourse to strike out or summarily dismiss these claims.

The Company will continue to work with its legal advisors and update shareholders accordingly as and when there are material developments in these matters. At this juncture, the Company is unable to ascertain the expected financial impact of these claims, if any, on the Group's net tangible assets and earnings per share.

BY ORDER OF THE BOARD
RICH CAPITAL HOLDINGS LIMITED

Giang Sovann
Interim Chairman and Independent Non-Executive Director

11 September 2020

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. 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.

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