

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

**RESPONSES TO SGX-ST'S QUERIES ON REPLACEMENT OF FINANCIAL CONTROLLER
AND THE REFUND ISSUE**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Rich Capital Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcements made by the Company on 24 January 2020, 4 February 2020, 11 February 2020, 25 February 2020, 2 March 2020, 9 March 2020, 31 March 2020, 9 April 2020, 19 May 2020, 12 June 2020, 1 July 2020, 20 July 2020 and 7 August 2020 (collectively, the “**Previous Announcements**”) in relation to the cessation of its Financial Controller, Mr Leow Quek Kien (“**Mr Leow**”) and the issues in relation to the PT Oxley Karya Indo Batam (“**PT OKIB**”), the joint venture between the Company’s indirect subsidiary, Oxley Batam Pte Ltd (“**OBPL**”), and PT Karya Indo Batam (“**PT KIB**”), in respect of requested refunds for units sold at the Oxley Convention City, Batam Project (the “**Project**” and the “**Refund Issue**”, respectively).

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

The Board wishes to inform the Company’s shareholders that the Company has received queries from SGX-ST on 11 August 2020 and is providing its responses to these queries in this announcement.

2. THE QUERIES

2.1 Query 1:

Has the Company hired a replacement [for Mr Leow]?

Company’s Response:

The Company has identified a candidate to be appointed as the new key executive officer for finance in replacement of Mr Leow (“**Proposed Appointment**”). The Proposed Appointment was communicated to the continuing sponsor on 11 August 2020 and is subject to the completion of the requisite background checks which is still underway as at the date of this response.

2.2 Query 2:

Who will be overseeing the finance function and taking over Mr Leow’s duties? Are there any impact on operations?

Company’s Response:

In the interim period between Mr Leow Quek Kien’s effective date of cessation of 7 August 2020 and the effective date of appointment of the new key executive officer for finance, the Group Finance Manager has been overseeing the finance functions of the Company and will continue to do so. The Company does not foresee any impact on its operations arising from this interim arrangement.

2.3 Query 3:

Whom in the Company will be in charge of resolving the Refund Issue?

Company's Response:

The Company's Vice President for Business Development appointed in late July 2020 has been assigned to resolve the Refund Issue (as defined in the announcement dated 1 July 2020). The Company expects the new executive officer for finance to manage the Refund Issue upon formal appointment.

2.4 Query 4:

Did the Board obtain its own legal advice on the Refund Issue? From whom? Please detail the legal advice sought and the date of receipt of such legal advice.

Company's Response:

The Board has in July 2020, and through its Singapore counsel, Solitaire LLP, sought for Indonesian legal advice from AKSET Law, on the legal aspects of the Refund Issue. The advice from AKSET Law is currently still in draft form, as the Board and its Singapore counsel is in the midst of clarifying certain aspects of the draft advice.

Separately, and prior to July 2020, the Company obtained legal advice from its Indonesian counsel, Hillman Sembiring Advocates, engaged through the Company's then solicitors RHTLaw Asia LLP in February 2020. At that time, the scope of advice required and provided was in relation to the contractual obligations of OBPL, RCH's rights in relation to its investment in the Batam Project, and for an understanding of the relevant Indonesian regulations concerning the sales of the units of the Batam Project, and not directly on the Refund Issue itself.

2.5 Query 5:

What are the considerations that the Board will take in resolving the Refund Issue? When does the Board expect to resolve the Refund Issue?

Company's Response:

There are various legal, factual, commercial and corporate governance considerations involved.

The legal considerations include, amongst other things, the ongoing litigation with PT KIB in relation to the Batam Project. Any decision made on the Refund Issue may result in legal considerations in such litigation. The Company will work with its professional advisors after receiving the finalised opinion from AKSET Law.

The factual considerations are, as announced on 1 July 2020, that the Company needs to further investigate the facts on the Refund Issue, including the factual and legal basis as alleged by the buyers who have requested for a refund. In this regard, the Company's management, led by its Vice President for Business Development has, upon his appointment in late July 2020, immediately commenced work on the Refund Issue, particularly in acquainting himself with the facts and contractual obligations of the parties involved in the Refund Issue.

The Company will also need to balance the legal and factual considerations against commercial considerations, such as the possible need to preserve the goodwill of the Company. which may have a bearing on the Refund Issue.

In relation to corporate governance considerations, as announced on 10 July 2020, the shareholders of the Company had resolved at an extraordinary general meeting held on the same day that *“the Company and/or its subsidiaries, Rich Batam Pte Ltd and Oxley Batam Pte Ltd, shall not do anything that will result in PT Oxley Karya Indo Batam entering into any terms of settlement or refunding any sales proceeds whatsoever to any persons (including the buyers of the units in the project at the Oxley Convention City, Batam) without the prior approval of shareholders at an extraordinary general meeting to be convened.”*

This resolution is a further matter which the Company needs to consider in due course when the Company deliberates on the Refund Issue.

BY ORDER OF THE BOARD
RICH CAPITAL HOLDINGS LIMITED

Giang Sovann
Interim Chairman and Independent Non-Executive Director

14 August 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 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.

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