

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

UPDATE ON LEGAL ACTIONS COMMENCED BY JOINT VENTURE PARTNER

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 the Company’s previous announcements as set out below:-

- (1) The announcement by the Company on 10 October 2019 relating to the entry into a term sheet in relation to the sale of a 30% interest in PT OKIB held by OBPL to a potential investor;
- (2) The announcement by the Company on 11 November 2019 relating to a legal action commenced by Rich-Link Construction Pte Ltd or Rich Link Konstruksi against PT OKIB, PT KIB and BPN Kota Batam in Batam (the “**RLC/RLK Suit**”);
- (3) The announcement by the Company on 4 February 2020 relating to HC/S 104/2020 commenced by KIB against, *inter alia*, the Company and OBPL in the High Court of Singapore (“**Suit 104**”);
- (4) The announcement by the Company on 21 August 2020 relating to the transfer by PT KIB of its entire shareholding and the purported holding of two extraordinary general meetings of PT OKIB’s shareholders against OBPL’s objections;
- (5) The announcement by the Company on 11 September 2020 relating to, *inter alia*, a lawsuit commenced by PT KIB against PT OKIB under case no. 230/Pdt.G/2020/PN.Btm in Batam (“**Suit 230**”);
- (6) The announcement by the Company on 17 September 2020 relating to, *inter alia*, the exchange of letters between OBPL and PT KIB in relation to Suit 230 and the Settlement Decision therein; and
- (7) The Company’s response to SGX queries on 22 September 2020 relating to, *inter alia*, OBPL’s present lack of effective representation on the Board of PT OKIB.

(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.

The Board wishes to announce that on 19 September 2020, OBPL issued a letter to, *inter alia*, PT KIB in response to the latter’s allegation that the Shareholders Agreement dated 12 August 2016 between OBPL and PT KIB (the “**SHA**”) was null and void for not having been re-executed in Bahasa Indonesia. By the letter, OBPL indicated, *inter alia*, its position that it had always remained ready, willing and able to re-execute the SHA in Bahasa Indonesia. In addition to its outstanding requests for information, OBPL requested for, *inter alia*, PT KIB’s confirmation by 22 September 2020, 5 pm that it would be agreeable to jointly appoint a professional translator to translate the SHA and to re-execute the same. OBPL has not received any response by the given deadline.

On 23 September 2020, OBPL received a letter from Mr Poni Madjukie. On 25 September 2020, OBPL issued a letter in response.

In his letter of 23 September 2020, Mr Poni alleges and in its response of 25 September 2020, OBPL responds as follows.

- (1) **Mr Poni's allegation:** *"KIB would like to assert that it acknowledges OBPL's queries as have been mentioned on point 11 of the 19th Sept OBPL Letter but declines to comment further on it without any effort from OBPL to show that it is capable of contributing to the issues that OKIB is currently facing."*

OBPL's response: Mr Poni made a similar allegation in his letter dated 14 September 2020 that *"[i]t is clear that Oxley Batam Pte Ltd and its representatives at OKIB no longer have any capability nor intention to rectify the current situation and serve the interest of the buyers of the project."*

OBPL maintains that any present lack of capability to rectify the current situation is due to the actions of PT KIB and PT OKIB under Mr Poni and Mr Winston's unlawful control, in excluding OBPL from PT OKIB's management and denying OBPL's rights and legitimate expectations as an equal shareholder.

OBPL gives two examples. Firstly, as disclosed by the Company in its response to SGX queries on 22 September 2020, OBPL's attempts to appoint directors to the Board of PT OKIB as replacements of Wang Zhenwen and Oh Sikai were blocked by PT KIB. Secondly, on 13 March 2020, Mr Poni unilaterally demanded our representative Mr Tai Kok Kit Aldrin to immediately cease and desist from any further "unauthorised" actions in relation to PT OKIB and the Project.

Quite to the contrary, OBPL maintains that it is PT KIB which is seeking to unwind the Project in its entirety and has no serious intention to *"contribut[e] to the issues that OKIB is currently facing"* or *"rectify the current situation"*.

In addition to the examples above, OBPL gives four other examples as set out below.

Firstly, on or around September 2019, PT KIB represented to OBPL that there was an investor ready to invest in the Project. On the faith of that representation and as disclosed by the Company on 10 October 2019, OBPL entered into a term sheet on 2 October 2019 and was prepared to accept a dilution of its interest in PT OKIB. The said proposed investment never materialised because PT KIB failed to deliver on its representation and/or see through the investment.

Secondly, PT KIB and/or its representatives, in breach of the Joint Operation Agreement dated 12 August 2016, took issue with the change in piling methods and precluded attempts to continue work on the piling. The Company and OBPL have since obtained Indonesian legal advice which confirms the Company and OBPL's understanding that the piling works were carried out following the receipt of the requisite approvals of both PT KIB and the relevant Indonesian authorities. The requests for authorisation to change piling methods were submitted to the Indonesian authorities after PT KIB's endorsement and were eventually approved by the Indonesian authorities. This means that PT KIB knew and approved of these changes.

Thirdly, to the Company and OBPL's knowledge, PT KIB and/or its representatives have to-date not clearly demonstrated or seriously investigated through professional advisers the basis on which the buyers are requesting for refunds. It was alleged that the request was due to the alleged illegal sales. However, the latest information received from PT OKIB shows that the bulk of these requests for refunds were due to dissatisfaction with the lack of progress and/or delay in the construction works. OBPL maintains that these concerns are solely attributable to PT KIB's

unilateral decision to halt the construction works for completely unmeritorious reasons. PT KIB's unilateral action to stop the construction works also constitutes breaches of the express terms of the JOA.

Fourthly, PT KIB launched various lawsuits against, and to vex, conceivably all of the parties involved in the Project. These include Suit 104 against RCH, OBPL and others in Singapore and Suit 230 against PT OKIB in Batam. This is in addition to the various verbal threats to commence litigation in Singapore and/or Indonesia, that PT KIB's representatives have made against OBPL's employees and representatives.

Despite PT KIB's conduct, OBPL has consistently maintained its position to do its best for the Batam Project. OBPL's representative have met with PT KIB's on various occasions to discuss and show that despite the issues, the Project was still very much commercially viable. As mentioned, OBPL has obtained legal advice that concludes that the piling had been approved by the relevant authorities under valid permits.

- (2) **Mr Poni's allegation:** *"Most evidently, OBPL's affiliated parties' decision to initiate lawsuits against both KIB and OKIB clearly shows OBPL cannot and will not act in the best interest of OKIB."*

OBPL's response: OBPL understands Mr Poni to be referring to the RLC/RLK Suit, previously announced by the Company on 11 November 2019. PT KIB made a similar allegation in Suit 104 that Wang commenced a legal action through RLK.

OBPL reminds Mr Poni to distinguish between Wang Zhenwen and his affiliate entities RLC and RLK on the one hand and RCH and OBPL on the other. RCH and OBPL have no control over Wang or RLK and the RLC/RLK Suit was commenced without RCH and OBPL's knowledge or control.

In direct contrast, Mr Poni, being the indisputable controller of PT KIB, has caused PT KIB to commence Suit 230 against PT OKIB in Batam and Suit 104 against RCH, OBPL and others in Singapore. By Mr Poni's own logic, this *"clearly shows [PT KIB] cannot and will not act in the best interest of OKIB."* As disclosed by the Company in its response to SGX queries on 22 September 2020, OBPL presently has no effective representation on the Board of PT OKIB; Mr Winston is effectively the sole director on the Board of PT OKIB and Mr Poni, Mr Winston's father, is PT OKIB's sole president commissioner. By causing PT KIB to commence Suit 230 against PT OKIB, Mr Poni is therefore placed in a position of conflict.

- (3) **Mr Poni's allegation:** *"If you have any good intention to resolve OCC Project matters, we would prefer you to come to OKIB's office to have an amicable settlement."*

OBPL's response: OBPL observes firstly that Mr Poni appears receptive to the idea of an amicable settlement. However, such amicable settlement sits uncomfortably with Mr Poni's concurrent aspirations on the validity of the Shareholders Agreement dated 12 August 2016 (the "SHA") and denial of OBPL's rights under the same.

OBPL further observes that a physical meeting in Singapore or by videoconference is clearly more expedient in light of travel restrictions instituted by the COVID-19 pandemic and given that to OBPL's knowledge, PT KIB has representative(s) who reside in Singapore. The travel restrictions instituted by the COVID-19 pandemic were expressly highlighted to PT KIB and PT OKIB when PT OKIB purportedly convened two extraordinary general meetings of shareholders against OBPL's objections, as disclosed by the Company in its announcement on 21 August 2020 and its response to SGX queries on 22 September 2020.

Giving Mr Poni the benefit of the doubt, OBPL seeks Mr Poni's written confirmation by no later than 28 September 2020, 5 pm that he is agreeable to meet either physically or by

videoconference to reach an amicable settlement of matters relating to the Project.

OBPL at the same time emphasises that any amicable settlement must be conducted on the foundation that the SHA must be honoured and asks, as parameters to the intended settlement negotiations, that Mr Poni, Mr Winston, PT KIB, PT OKIB and/or PT BCMK should do, and/or cause to be done, the following:

- (a) Reinstating the Company and OBPL's control of all bank accounts of PT OKIB;
- (b) Accepting the outstanding resignation of Wang Zhenwen and Oh Sikai from the Board of PT OKIB and concurrently accepting the appointment of OBPL's replacement directors to the Board of PT OKIB; and
- (c) Discontinuing Suit 104 and paying the Company and OBPL's costs incurred in defending said action.

The Company and OBPL await Mr Poni's response and remain in consultation with its Singapore and Indonesian counsel on the appropriate steps to take to protect their interests in the Project. The Company will make further announcements as appropriate to update shareholders accordingly.

BY ORDER OF THE BOARD
RICH CAPITAL HOLDINGS LIMITED

Giang Sovann
Interim Chairman and Independent Non-Executive Director

30 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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