

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

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**RESPONSE TO SGX-ST'S QUERIES ON THE RECEIPT OF LEGAL LETTERS FROM JOINT VENTURE PARTNER OF AN INDIRECT SUBSIDIARY**

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The Board of Directors (the “**Board**”) of Rich Capital Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcements dated 13 September 2019 (collectively, the “**Previous Announcements**”) in relation to issues raised by KIB, the joint venture partner of the indirect subsidiary, Oxley Batam Pte. Ltd. (“**OBPL**”), over the management and payment of the project at the Oxley Convention City, Batam (the “**Project**”) and the receipt of queries from the SGX-ST.

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

The Board would like to provide the Company's responses to queries raised by the SGX-ST on 11 September 2019, in respect of the Project:

**Query 1:**

**We understand that there are subpoenas received by the company since late July/early August 2019.**

- a. How many subpoenas were received and when?**
- b. What are the salient points in the subpoenas?**

**Company's response:**

Please refer to the announcement dated 13 September 2019 – Receipt of Legal Letters from Joint Venture Partner of An Indirect Subsidiary.

**Query 2**

**Does the AC view these subpoenas as material information requiring immediate disclosure under paragraphs 9 (m) and (o) of Appendix 7A Corporate Disclosure Policy? What is causing the late announcement of the subpoenas and related court matters in respect of the dispute with KIB?**

**Company's response:**

The AC is of the view that the Letters are preliminary in nature, being, at this stage, mere letters containing allegations upon which the Company has sought Indonesian legal advice and refuted through the Company's Rejection of Allegations on 16 August 2019. No response has since been received from Sipayung Mora and no legal proceedings have been commenced by Sipayung Mora. As such, the AC is of the view that these Letters do not constitute “significant litigation” provided under paragraphs 9(m) of Appendix 7A Corporate Disclosure Policy.

The AC wishes to emphasize that the Company has obtained Indonesian legal advice that the Letters are not subpoenas under Indonesian law. Further, there are no pending Court proceedings whether in Singapore or Indonesia as at the date of this announcement.

The AC is of the view that the Letters constitute a “significant dispute or disputes with sub-contractors, customers or suppliers, or with any parties” provided under paragraphs 9(o) of Appendix 7A Corporate Disclosure Policy. This is because by a legal letter dated 13 August 2019, KIB has served notice that “*the joint venture (and any associated agreements) are rendered void and/or terminated*” and has demanded compensation of SGD 20 million. No substantiation has been provided by KIB on how this SGD 20 million claim for compensation has been derived. In the Company’s Rejection of Allegations on 16 August 2019, the Company has rejected the claim for SGD 20 million and the notice of termination as a wrongful termination of the Shareholder’s Agreement and reserved its rights.

There has been a delay in announcing the Letters as well as the Company’s Rejection of Allegations for the following reasons:

- (a) The allegations of conspiracy and breaches of Indonesian criminal laws arise from allegations previously made by KIB, namely: alleged breaches of the IPT Mandate with regards to the appointment of RLC as the main contractor and the Advance Payment of SGD 2 million from the Company to RLC, that have been previously announced.
- (b) The new allegations contained in the Letters are the alleged conspiracy and breaches of criminal laws for which Indonesian legal advice had to be sought, notwithstanding that the allegations appear frivolous given that the Letters could not be subpoenas (as understood in Singapore) issued by the Indonesian authorities.
- (c) The Letters contain defamatory material, as a result of which, several rounds of revisions have been necessary, given the objections by Mr Wang ZhenWen that the Letters were defamatory of him.
- (d) The Company has been taking steps to explore if it is possible to resolve the differences with KIB, its joint venture partner for the Project. A premature announcement of the threatened termination of the Project may have unwarranted consequences for the Project, which may render futile any efforts to resolve the differences with KIB and be against the interest of the Company and its shareholders.
- (e) The Company is of the opinion that the Letters, labelled as “subpoenas” with allegations of criminal legal transgressions, were attempts by KIB to embarrass the Company and to abuse the public announcement platform that all Catalyst companies have to comply with.
- (f) The current suspension in trading of the Company’s securities minimizes the possibility of shareholders and the investing public trading on shares of the Company without knowledge of the information contained in the Letters.
- (g) The Company had intended, and intends, to make an announcement on the Letters and the Company’s Rejection of Allegations when there is clarity and it becomes sufficiently definite that the Project may be terminated and, in any event, before the suspension is lifted and trading resumes.

The Company maintains its stance that there has been no conspiracy or breaches of Indonesian

criminal laws, and that KIB is not entitled to any restitution or compensation. The Company will continue to refute the allegations in the Letters and will update the shareholders if there are any material developments on the same in due course.

### **Query 3**

#### **What is the latest status of the Oxley Batam Convention City Project?**

##### **Company's response:**

The Company is in the process of trying to resolve its differences with KIB and will update shareholders if there are any material developments on the same in due course.

The construction of the Project is presently at the stage of piling works, which has progressed to about 89.6% completion. Installation of the remaining piles is presently ongoing at the site. The next stage of works is excavation of pile caps which is scheduled to commence on 16 September 2019. Although there has been some delay in the construction works, the delay is currently still manageable and recoverable. To-date, we have sold 42.83% of the 1193 residential units and 34% of the 100 retail and F&B spaces that we have launched in Phase 1A of the project.

On 9 September 2019, PT Oxley Karya Indo Batam ("**PT OKIB**") received a notice of default from the main contractor, Rich-Link Konstruksi, demanding certain certified progress payment failing which it would suspend work and/or terminate the contract. PT OKIB has on 12 September 2019 replied to deny the claim and insist on continued performance. Further details regarding the notice of default sent on 9 September 2019 will be announced separately.

BY ORDER OF THE BOARD  
**RICH CAPITAL HOLDINGS LIMITED**  
Giang Sovann  
Independent Non-Executive Director

13 September 2019

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*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)*