

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

LETTER FROM JOINT VENTURE PARTNER OF INDIRECT SUBSIDIARY

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 18 May 2018 relating to the completion of the proposed acquisition of an 80% interest in OBPL through Rich Batam Pte Ltd (“**RBPL**”);
- (2) 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**”);
- (3) The announcement by the Company on 30 September 2020 relating to the exchange of letters between PT KIB and OBPL

(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 October 2020, OBPL received a letter from Sipayung Mora & Partners Law Office on behalf of PT KIB. By said letter, PT KIB renews several allegations that OBPL has breached Indonesian law and the Shareholders Agreement dated 12 August 2016 between OBPL and PT KIB (the “**SHA**”) while managing the Project through PT OKIB.

- (1) Firstly, PT KIB alleges that the SHA was never translated into and executed in Bahasa Indonesia in breach of Indonesian law and the SHA should have been terminated by law and deemed to have never existed.
- (2) Secondly, PT KIB alleges that OBPL has never injected the paid-up capital required for the operations of PT OKIB in breach of the SHA and Indonesian law. PT KIB also alleges that OBPL had started to manage PT OKIB since 2016 and “all management activities conducted by OBPL in PT OKIB are forms of misconduct.
- (3) Thirdly, PT KIB alleges that from 2017 through 2019, PT OKIB’s President Director (who was also OBPL’s director) had caused PT OKIB to conduct the sale of units at the Project by executing sale purchase binding agreements (known as “**PPJB**”) at the notary, in breach of Indonesian law which requires a construction progress of at least 20%. PT KIB alleges that the illegal execution of the PPJB is the personal responsibility of the President Director.
- (4) Fourthly, PT KIB alleges that OBPL has never provided a non-interest bearing loan of S\$ 21 million as required by the SHA despite PT KIB’s requests and OBPL’s representatives at PT OKIB have instead used Rp 90 billion (equivalent to almost S\$ 9 million) of PT OKIB’s funds

collected from the Project's buyers, following which PT KIB also alleges that the construction of the Project was never properly realized.

- (5) Fifthly, PT KIB alleges that OBPL's director who was also PT OKIB's director in charge of PT OKIB's management neglected his fiduciary duties to ensure that the design of the Project was made in reference to and complied with the Indonesian National Standard. In support of this allegation, PT KIB attaches what purports to be a letter from PT Bias Tekno Art setting out its review of the Project design.

PT KIB demands that OBPL be responsible for all of PT KIB's sustained losses caused by OBPL's mismanagement of PT OKIB, be financially responsible for all of the outstanding payables due at PT OKIB during the period in which PT OKIB's management was run by OBPL, be responsible for all of the ongoing lawsuits against PT OKIB and PT KIB related to the Project, inject the required capital to subscribe for the shares of PT OKIB in the amount of Rp 32,268,625,000 (or approximately S\$ 2,979,054.14), provide approval for PT OKIB to conduct a full refund to buyers of the Project and agree to terminate the SHA with PT KIB.

The Board notes that the issues underlying some of these allegations, namely the validity of the SHA, the sale of units in the Project and refund to buyers of units in the Project, have already been raised by PT KIB in Suit 104 and are therefore the subject of determination by the Singapore courts. Further, all of the allegations relate to the period before the Company's involvement in OBPL, PT OKIB or the Project. As announced by the Company on 18 May 2018, the completion of the RBPL's proposed acquisition of an 80% interest in OBPL took place on 18 May 2018. On 20 October 2020, OBPL has written to Oxley International Holdings Pte Ltd ("**OIH**") to seek clarity on the background facts relating to PT KIB's allegations during the tenure of OIH's representatives on the board of OBPL and PT OKIB, specifically in relation to the Bahasa Indonesia issue and the Project designs which pre-dated RBPL's acquisition.

The Company and OBPL are 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

21 October 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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