



**(1) NOTICE OF CLAIM FOR ACCUMULATIVE AND CONSEQUENTIAL LOSSES; AND
(2) RECEIPT OF NOTICE OF ARBITRATION**

1. GSH Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that its wholly owned subsidiary, Investasia Sdn. Bhd. (“**Investasia**”) has issued a notice of claim against NTSJ Construction (M) Sdn. Bhd. (“**NTSJ**”), the main contractor for its development in Kota Kinabalu, Sabah, Malaysia, Coral Bay @ Sutera (the “**Coral Bay Project**”), for accumulative and consequential losses, on 8 June 2022.

Background

2. Investasia had appointed NTSJ as the main contractor for the Coral Bay Project, to construct the project within 38 months, by 31 December 2021.
3. Since about June 2020, NTSJ had demonstrated slow progress of the construction of Coral Bay project. By March 2021, while the targeted construction progress was to be around 65%, the actual work done was only around 38%. By October 2021, NTSJ’s performance continued to deteriorate and showed no sign of improvement. At that time, the targeted construction progress was to be around 95%, whereas the actual work done was only around 45%. The gap had continued to increase.
4. By March 2022, it was apparent that NTSJ would not be able to progress with the Coral Bay Project due to the following:-
 - NTSJ failed to make timely payments to its sub-contractors;
 - The continued slow rate of progress in construction.
5. Consequently, Investasia served a notice of default on NTSJ on 28 March 2022.
6. Whilst NTSJ had the opportunity to remedy its default, they failed to do so, and the site conditions continued to deteriorate.
7. Furthermore, Investasia was given to understand that letters of demands amounting to an aggregate of around Malaysian Ringgit RM 9 million were issued against NTSJ for outstanding payments by its contractors and suppliers, between March 2022 to April 2022.
8. Consequently, Investasia terminated its contract with NTSJ on 13 April 2022.

Notice of Claim for Accumulative and Consequential Losses

9. On 8 June 2022 Investasia issued a notice of claim for accumulative and consequential losses (the “**Notice of Claim**”), amounting to an estimated sum of Malaysian Ringgit RM124,800,000 against NTSJ.
10. The estimated claim arises from, inter alia, costs to attend to NTSJ’s defective works, additional costs and expenses to complete the balance of the Coral Bay Project, liquidated damages and loss of business profits.

Notice of Arbitration

11. Investasia has on 7 June 2022 received a notice of arbitration (the “**Notice of Arbitration**”) from NTSJ. (the “**Arbitration**”).
12. Under the Notice of Arbitration, NTSJ has alleged that Investasia had wrongfully terminated their contract. Arising from which, they had sought for various reliefs *inter alia* :
 - a. claims of RM129,128,017; and
 - b. a declaration that Investasia has wrongfully terminated them.

Actions by Investasia

13. Investasia is vigorously contesting all of NTSJ's claims, which in the Board's opinion, lack merit.
14. Investasia will be also pursuing its claims against NTSJ.
15. Investasia is in the process of appointing another main contractor, to replace NTSJ and will take all practicable steps to mitigate any impact on the completion of the Coral Bay Project.
16. Investasia is in consultation with its advisors and is seeking advice from legal counsel on the Notice of Arbitration and Notice of Claim and will pursue such avenues as necessary to defend against the Arbitration vigorously and pursue its claims under the Notice of Claim.
17. The Arbitration is not expected to have a material adverse effect on the Group's business, property or financial condition.
18. The Company will make further announcements when there are material updates in respect of the abovementioned matters.
19. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. In the event of any doubt, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Gilbert Ee Guan Hui
CEO / Executive Director

8 June 2022