



**Global Strategic Holdings**  
Registration No. 200106139K  
(Incorporated in Singapore)

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**GSH CORPORATION LIMITED – PROPOSED ACQUISITION OF SUTERA HARBOUR RESORT SDN BHD AND ITS GROUP OF COMPANIES & DEVELOPMENT LAND TRANSACTIONS IN CONNECTION THEREWITH**

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**1. INTRODUCTION**

1.1 The board of directors (the “**Board**”) of GSH Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following:

- (a) Incorporation of subsidiaries – the Company has incorporated Borneo Ventures Pte. Ltd. (“**Borneo Ventures**”), Ocean View Ventures Pte. Ltd. (“**Ocean View Ventures**”) and Ocean View Point Pte. Ltd. (“**Ocean View Point**”) in Singapore on 20 December 2013, as wholly-owned subsidiaries of GSH Properties Pte. Ltd. (“**GSH Properties**”), a company incorporated in Singapore and in turn a wholly-owned subsidiary of the Company. Borneo Ventures, Ocean View Ventures and Ocean View Point were set up as investment-holding companies, each with an issued and paid-up capital of \$2 consisting of two (2) ordinary shares. The incorporation of these subsidiaries were funded through the Company’s internal resources and will not have any material impact on the earning per share and the net tangible assets per share of the Company for the current financial year ending 31 December 2013. None of the members of the Board or substantial shareholders of the Company has any interest, direct or indirect, in the aforesaid transactions.
- (b) Subscription Agreement – Borneo Ventures has on 30 December 2013 entered into a subscription agreement (“**Subscription Agreement**”) with (i) TYJ Group Pte Ltd (“**TYJ Group**”); (ii) The Sutera Harbour Group Sdn Bhd (“**The Sutera Harbour Group**”); (iii) Sutera Harbour Holdings Sdn Bhd (“**Sutera Harbour Holdings**”); (iv) Datuk Edward Ong Han Nam (“**Datuk Ong**”); and (v) Sutera Harbour Resort Sdn Bhd (“**Sutera Harbour Resorts**”) relating to investments by Borneo Ventures and TYJ Group (the “**Investors**”) into The Sutera Harbour Group by way of equity and loan capital (being The Sutera Harbour Group Capitalisation as defined and detailed below) and the subscription by The Sutera Harbour Group of new shares in Sutera Harbour Resorts (being Sutera Harbour Resorts Capitalisation as defined and detailed below) as well as the acquisition (being Sutera Harbour Resorts Group Acquisition as defined and detailed below) by The Sutera Harbour Group of Sutera Harbour Resorts and its subsidiaries (“**Sutera Harbour Resorts Group**”);

TYJ Group is wholly-owned and controlled by Sam Goi Seng Hui (“**Sam Goi**”), who is a controlling shareholder of the Company and the Executive Chairman of the Board. Kenneth Goi Kok Ming (“**Kenneth Goi**”), a director on the Board, is immediate family to Sam Goi under Chapter 9 of the Mainboard Listing Manual of the Singapore Exchange Securities Trading Limited (“**Mainboard Rules**”). Accordingly, TYJ Group is deemed to an “interested person” to the Group for purposes of Chapter 9 of the Mainboard Rules.

## 2. INFORMATION ON THE SUTERA HARBOUR GROUP AND SUTERA HARBOUR RESORTS GROUP

### The Sutera Harbour Group

The Sutera Harbour Group is an investment-holding company incorporated in Malaysia. Eagle Origin Limited ("**EOL**"), a company incorporated in the British Virgin Islands and wholly-owned by Datuk Ong, is presently the sole legal and beneficial owner of all issued shares in the capital of The Sutera Harbour Group.

### Sutera Harbour Resorts Group

Sutera Harbour Resorts Group comprises Sutera Harbour Resorts and its five wholly-owned subsidiaries, namely, Advanced Prestige Sdn Bhd, Eastworth Source Sdn Bhd, Sutera Harbour Golf and Country Club Sdn Bhd, Sutera Harbour Travel Sdn Bhd, Sutera Harbour Travel Sdn Bhd and The Little Shop Sdn Bhd.

Sutera Harbour Resorts Group operates two five-star hotels – the 500-room Pacific Sutera Hotel and 456-room Magellan Sutera Resort, and the 104-berth Sutera Harbour Marina and Country Club which has a 27-hole championship golf course, each with a host of dining and recreational facilities.

## 3. PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are as follows :

### 3.1 Investment by Investors :

(a) Investors shall inject an aggregate of RM700 million into The Sutera Harbour Group as follows:

- (i) Borneo Ventures shall inject RM250 million in equity capital into The Sutera Harbour Group by way of subscription by Borneo Ventures of 1,033,333 new ordinary shares in the capital of The Sutera Harbour Group at a subscription consideration of RM250 million; and
- (ii) the Investors shall inject RM450 million in loan capital into The Sutera Harbour Group by way of subscription ("**The Sutera Harbour Group CRPS Subscription**") by Borneo Ventures and TYJ Group of 260,000 and 190,000 new cumulative redeemable preference shares respectively of par value RM1.00 each in the capital of The Sutera Harbour Group ("**The Sutera Harbour Group CRPS**") at a subscription price of RM260 million and RM190 million respectively, with The Sutera Harbour Group CRPS being redeemable on demand by either the Investors thereof or The Sutera Harbour Group, and each bearing a coupon payment rate to the Investors of ten per cent (10%) per annum on the principal subscription price thereof,

(collectively, the "**The Sutera Harbour Group Capitalisation**").

(b) subject to completion of The Sutera Harbour Group Capitalisation, The Sutera Harbour Group shall inject RM250 million in equity capital into Sutera Harbour Resorts by way of subscription for 1,033,333 new ordinary shares in the capital of Sutera Harbour Resorts at a subscription price of RM250 million ("**Sutera Harbour Resorts Capitalisation**");

- (c) subject to completion of Sutera Harbour Resorts Capitalisation, The Sutera Harbour Group shall acquire all issued shares ("**Sutera Harbour Resorts Shares**") in the capital of Sutera Harbour Resorts (which is the holding company of Sutera Harbour Resorts Group) as follows ("**Sutera Harbour Resorts Group Acquisition**"):
- (i) by acquiring 299,900 Sutera Harbour Resorts Shares representing 99.97% of all Sutera Harbour Resorts Shares from Sutera Harbour Holdings to be paid by The Sutera Harbour Group to Sutera Harbour Holdings by way of allotment and issuance of 299,900 new shares in the capital of The Sutera Harbour Group (the "**Sutera Harbour Resorts Consideration Shares**"); and
  - (ii) by acquiring the remaining 100 Sutera Harbour Resorts Shares representing 0.03% of all Sutera Harbour Resorts Shares from the remaining shareholders of Sutera Harbour Resorts ("**Sutera Harbour Resorts Minority Shareholders**") for a cash consideration of RM100; and
- (d) Sutera Harbour Holdings shall renounce all rights to all of its Sutera Harbour Resorts Consideration Shares as to be allotted and issued to Sutera Harbour Holdings pursuant to Sutera Harbour Resorts Group Acquisition, in favour of EOL to whom The Sutera Harbour Group shall issue all Sutera Harbour Resorts Consideration Shares.

Subsequent to the completion of Sutera Harbour Resorts Capitalisation and Sutera Harbour Resorts Group Acquisition, Borneo Ventures and EOL shall hold approximately 77.5% and 22.5% respectively of all issued ordinary shares in the capital of The Sutera Harbour Group, and The Sutera Harbour Group in turn shall hold 100% of all issued and paid up shares in the capital of Sutera Harbour Resorts.

- 3.2 Consideration - The consideration payable by Borneo Ventures for Sutera Harbour Resorts Group Acquisition ("**Consideration**") is RM250 million comprising Borneo Ventures' RM250 million equity capital investment in The Sutera Harbour Group for a 77.5% equity stake in The Sutera Harbour Group, and indirectly in, Sutera Harbour Resorts Group.

The Consideration was arrived at on a willing seller willing buyer basis after taking into account various factors such as the existing assets, financial position, and business prospects of The Sutera Harbour Group and Sutera Harbour Resorts Group.

- 3.3 Corporate Guarantee and provision of Security – In connection with The Sutera Harbour Group CRPS Subscription by the Investors, the Company shall, subject to completion of Sutera Harbour Resorts Group Acquisition (i) procure the furnishing of security by Sutera Harbour Resorts Group in favour of the Investors over such fixed assets of Sutera Harbour Resorts Group to be identified by the Investors to secure redemption by The Sutera Harbour Group of The Sutera Harbour Group CRPS ("**Security**"); and (ii) provide a corporate guarantee guaranteeing the redemption by The Sutera Harbour Group of The Sutera Harbour Group CRPS ("**Corporate Guarantee**").

- 3.4 Net asset value attributable to interests in Sutera Harbour Resorts Group to be acquired by the Group - The aggregate net asset value attributable to the equity stake of 77.5% ("**Relevant Equity Interests**") proposed to be acquired by Borneo Ventures - via The Sutera Harbour Group - in Sutera Harbour Resorts Group, as recorded in the unaudited consolidated financial statements of Sutera Harbour Resorts Group as at 30 September 2013 was approximately RM 300 million.

3.5 Conditions Precedent – Sutera Harbour Resorts Group Acquisition is conditional on the fulfillment of the following conditions precedent (“**Conditions Precedent**”) on or before 20 April 2014 (“**Back-Stop Date**”) (unless varied by Borneo Ventures, Datuk Ong and Sutera Harbour Holdings) :

- (a) the results of the legal, tax, human resource, business and financial due diligence to be conducted by the Investors and/or professional advisers to the Investors on The Sutera Harbour Group and Sutera Harbour Resorts Group being satisfactory to the Investors in the Investors’ absolute discretion;
- (b) fulfilment of all (and not part of) the conditions precedent as contained in the Acquisition Agreements (as defined below), to the extent such conditions precedent are not waived in accordance with the terms thereto, and completion of the transactions contemplated in the Acquisition Agreements;
- (c) all approvals, consents, statement of no objection, waivers, licences, authorizations, orders, grants, confirmations, permissions and/or registrations as required for or as the Investors deem necessary:
  - (i) under all applicable laws, contracts or practices to which any of the parties of the Subscription Agreement (the “**Parties**”), The Sutera Harbour Group and/or Sutera Harbour Resorts Group are subject; and/or
  - (ii) of any government and/or regulatory bodies or competent authorities having jurisdiction over any of the Parties, The Sutera Harbour Group and/or Sutera Harbour Resorts Group including, but not limited to, that of the SGX-ST and shareholders of GSH (to the extent required under the Mainboard Rules),  
being granted or obtained on terms satisfactory to the Investors in the Investors’ absolute discretion;
- (d) entering into of new settlement agreements by Sutera Harbour Holdings with certain creditors of Sutera Harbour Holdings (“**Sutera Secured Creditors**”) for the settlement of all debts owing by Sutera Harbour Holdings and Sutera Harbour Resorts Group to, and discharge of all securities held by, Sutera Secured Creditors (“**Proposed Settlement Agreements**”) on terms satisfactory to the Investors in the Investors’ absolute discretion;
- (e) compliance with all applicable requirements as prescribed under the Mainboard Rules;
- (f) execution of legal documentation in relation to the Security, in a form satisfactory to the Investors (“**Security Documentation**”);
- (g) execution of legal documentation in relation to the Corporate Guarantee in a form satisfactory to GSH and the Investors;
- (h) delivery of a legal opinion to be issued by the Malaysian legal advisers to Borneo Ventures and addressed to the Investors, confirming that (i) an order or award by the Singapore International Arbitration Centre under the Subscription Agreement in favour of the Investors is legally valid and enforceable by the courts of Malaysia against the Parties (other than the Investors), and (ii) the Security Documentation is legally valid, binding and enforceable against The Sutera Harbour Group;

- (i) the business of The Sutera Harbour Group and Sutera Harbour Resorts Group having at all times been carried on in the ordinary course of business, consistent with past practices, and there having been no material adverse change in the business, assets and liabilities of The Sutera Harbour Group and each of the companies in Sutera Harbour Resorts Group since the date of the Subscription Agreement up to and including completion of Sutera Harbour Resorts Group Acquisition;
- (j) there being no investigations by any Governmental Body and competent authorities or adverse proceedings pending or threatened against The Sutera Harbour Group and any of the companies in Sutera Harbour Resorts Group or the Investors, that might reasonably be expected to impair or prevent the completion of Sutera Harbour Resorts Group Acquisition and the matters contemplated in the Subscription Agreement from the date of the Subscription Agreement up to and including completion of Sutera Harbour Resorts Group Acquisition;
- (k) there being no notice of acquisition or exercise of any right by any governmental body which will or may prejudice or adversely affect the continued ownership, use and enjoyment of any asset or property of The Sutera Harbour Group and Sutera Harbour Resorts Group or which will or may subject The Sutera Harbour Group and Sutera Harbour Resorts Group to any onerous charge or liabilities in relation to any such asset or property or any part of it, or of any intended acquisition or exercise of any right in relation to any such asset or property, or any part of it by the relevant governmental body;
- (l) the delivery of all relevant share transfer forms (as signed by Sutera Harbour Resorts Minority Shareholders) for the transfer of all (and not part of) Sutera Harbour Resorts Shares comprised in Sutera Harbour Resorts Group Acquisition, and the share certificates in respect of such Sutera Harbour Resorts Shares which are held by Sutera Harbour Resorts Minority Shareholders, to The Sutera Harbour Group;
- (m) such amendment of the memorandum and articles of association of The Sutera Harbour Group and an increase in the authorized share capital of The Sutera Harbour Group, as necessary for The Sutera Harbour Group Capitalisation, including but not limited to amendments required for the allotment and issue of The Sutera Harbour Group CRPS in compliance with the requirements of the applicable laws and regulations;
- (n) such amendment of the memorandum and articles of Sutera Harbour Resorts and an increase in the authorized share capital of Sutera Harbour Resorts, as necessary for Sutera Harbour Resorts Capitalisation; and
- (o) the form and contents of a disclosure letter to be delivered by The Sutera Harbour Group, Sutera Harbour Holdings, Sutera Harbour Resorts and Datuk Ong to the Investors in respect of the warranties of the foregoing parties under the Subscription Agreement being acceptable to each of the Investors.

3.6 Contemporaneous Completion – Completion of Sutera Harbour Resorts Group Acquisition is subject to the contemporaneous completion of Plot-A Acquisition (as defined below) and Plot-B Acquisition (as defined below) contemplated in the Acquisition Agreements (as defined below).

3.7 Use of Proceeds – All proceeds from The Sutera Harbour Group Capitalisation shall be used only for repayment of debts owing by Sutera Harbour Resorts Group to Sutera Harbour Holdings and in turn by Sutera Harbour Holdings, for the discharge of debts owing to the Sutera Secured Creditors pursuant to the Proposed Settlement Agreements.

#### **4. ACQUISITION AGREEMENTS TO ACQUIRE ADDITIONAL DEVELOPMENT LAND**

4.1 Ocean View Ventures has on 30 December 2013 entered into a subscription and acquisition agreement ("**Plot-A SPA**") with Datuk Ong and Datuk Henry Hing Chi Chiang ("**Datuk Hing**") for the acquisition by Ocean View Ventures of interests in the parcel of land under lease of state land situated at Sembulan, District of Kota Kinabalu, Sabah held under Title No. Town Lease 017544900 (expiring on 31 December 2091) with a total area measuring approximately 4.897 hectares (12.11 acres) ("**Plot-A**") by way of the acquisition ("**Plot-A Acquisition**") of an aggregate 85.0% of the issued shares of Mainfield Holdings Ltd ("**MHL**") from Datuk Ong and Datuk Hing by a special purpose vehicle to be incorporated ("**SPV**") that is 79.4%-owned by Ocean View Ventures and 20.6%-owned by Datuk Ong. MHL holds Plot-A through its wholly-owned subsidiary Xing Asia Impel Sdn Bhd ("**Xing Asia**"), which in turn holds the entire issued and paid up share capital of Investasia Sdn Bhd ("**ISB**") (MHL, Xing Asia, and ISB collectively, the "**Plot-A Group**").

4.2 GSH Properties and Datuk Ong had entered into a sale and purchase agreement dated 2 December 2013 ("**Original Plot-B SPA**") for the acquisition by GSH Properties of interest in, the parcel of land under lease of state land situated at Sembulan, District of Kota Kinabalu, Sabah held under Title No. Town Lease 017544919 (expiring on 31 December 2091) with a total area measuring approximately 5.3 hectares (13.11 acres) ("**Plot-B**") by way of an acquisition ("**Plot-B Acquisition**") by GSH Properties of 75.0% of all issued shares of Altheim International Limited ("**AIL**") from Datuk Ong. AIL holds Plot-B through its wholly-owned subsidiary Mewabumi Sdn. Bhd ("**MSB**"), which in turn holds the entire issued and paid up share capital of Linyi Properties Sdn. Bhd ("**LPSB**", and collectively with AIL and MSB, the "**Plot-B Group**").

Subsequent thereto, the parties to the Original Plot-B SPA and Ocean View Point have on 30 December 2013 entered into a Supplemental and Novation Agreement dated 30 December 2013 ("**Supplemental and Novation Agreement**", and collectively with the Original Plot-B SPA, the "**Plot-B SPA**") for all rights and obligations of GSH Properties under the Original Plot-B SPA to be assigned to Ocean View Point.

4.3 The proposed acquisition of interests by the Group in Plot-A and Plot-B pursuant to the Plot-A SPA and Plot-B SPA (collectively "**Acquisition Agreements**") are acquisitions in the ordinary course of business of the Group.

#### **5. CONDITIONS PRECEDENT TO AND TRANSACTIONS CONTEMPLATED IN THE ACQUISITION AGREEMENTS**

##### Plot-A SPA

5.1 Plot-A Acquisition – Ocean View Ventures and Datuk Ong shall jointly incorporate SPV, which shall be 79.4%-held by Ocean View Ventures and 20.6%-held by Datuk Ong.

The capital contribution of Datuk Ong shall be satisfied by the transfer of 17.5% of all issued shares in MHL held by Datuk Ong to SPV.

5.2 Subsequent to the incorporation of SPV, SPV shall, and Ocean View Ventures and Datuk Ong shall procure that SPV shall, acquire 52.5% and 15% of all issued MHL Shares (collectively, the "**Plot-A Sale Shares**") from Datuk Ong and Datuk Hing respectively

5.3 Subsequent to the Plot-A Acquisition, SPV shall hold 85.0% of all issued shares of MHL, with Datuk Hing holding the remainder.

5.4 Plot-A Acquisition Conditions Precedent – The Plot-A Acquisition, is conditional upon the following conditions being fulfilled (or waived) by the parties to the Plot-A SPA on or prior to 20 April 2014 (unless varied by Ocean View Ventures, Datuk Ong and Datuk Hing):

- (a) all approvals, consents, registration, or statements of no objection that are required by SPV, Ocean View Ventures or the Company by law, contract or practice, or by any governmental body or competent authorities, as are necessary or required (including, but not limited to, the SGX-ST, shareholders of the SPV, Ocean View Ventures, GSH or any other third party), and where such grant be subject to terms and/or conditions, such terms and/or conditions capable of being complied with by each of SPV, Ocean View Ventures or the Company (as the case may be) to the extent that such terms and/or conditions apply to such party;
- (b) all approvals, consents, registration, or statement of no objection that are required by Datuk Ong and Datuk Hing and any of the companies in Plot-A Group by law, contract or practice, or by any Governmental Body or competent authorities, as are necessary or required, being granted and where such grant be subject to terms and/or conditions, such terms and/or conditions being capable of being complied with by Datuk Hing or Datuk Ong to the extent that such terms and/or conditions apply to such party;
- (c) completion by Ocean View Ventures and/or its advisers of legal, tax, engineering, human resources, environmental, business and financial due diligence investigations on Plot-A Group and Plot-A (including due diligence review of the disclosures in the disclosure letter to be delivered by Datuk Ong and Datuk Hing to Ocean View Ventures in respect of Datuk Ong's and Datuk Hing's representations and warranties in favour of Ocean View Ventures under the Plot-A SPA), and results of such due diligence being to the sole and absolute satisfaction of Ocean View Ventures;
- (d) the business of the Plot-A Group having at all times been carried on in the ordinary course of business, consistent with past practice, and there having been no material adverse change in the business, assets and liabilities of each of the companies in the Plot-A Group since the date of the Plot-A SPA up to and including completion of Plot-A Acquisition;
- (e) there being no investigations by any governmental body and competent authorities or adverse proceedings pending or threatened against any of the companies in the Plot-A Group or any of the parties to the Plot-A SPA, that might reasonably be expected to impair or prevent completion or cause a material adverse change in the business operations, affairs, conditions (financial or otherwise) or prospects of the Plot-A Group from the date of the Plot-A SPA up to and including completion of Plot-A Acquisition;
- (f) the obtaining and procurement of all relevant licences and permits under all applicable laws for the purposes of the capital contribution by Ocean View Ventures and Datuk Ong to SPV and Plot-B Acquisition, or as required on terms and conditions acceptable to Ocean View Ventures in its sole and absolute discretion;
- (g) there being no notice of acquisition or exercise of any right by any governmental body which will or may prejudice or adversely affect the continued ownership, use and enjoyment of Plot-A by ISB and ultimately by MHL or which will or may subject Plot-A Group to any onerous charge or liabilities in relation to Plot-A or any part of it, or of any intended acquisition or exercise of any right in relation to Plot-A or any part of it by the relevant governmental body;

- (h) the form and contents of the disclosure letter to be delivered by Datuk Ong and Datuk Hing to Ocean View Ventures in respect of Datuk Ong's and Datuk Hing's representations and warranties in favour of Ocean View Ventures under the Plot-A SPA, being acceptable to Ocean View Ventures;
- (i) the shareholders agreement to be entered into between SPV and Datuk Hing as shareholders of MHL duly executed by Datuk Hing and SPV in form and contents satisfactory to Ocean View Ventures; and
- (j) the shareholders agreement to be entered into between Ocean View Ventures and Datuk Ong as shareholders of SPV in form and contents satisfactory to Ocean View Ventures.

#### Plot-B SPA

5.5 Plot-B Acquisition – Ocean View Point shall acquire 75.0% of all issued shares of ALL from Datuk Ong.

5.6 Plot-B Conditions Precedent –Plot-B Acquisition is conditional upon the following conditions being fulfilled (or waived) by the parties to the Plot-B SPA on or prior to 20 April 2014 (unless varied by Ocean View Point and Datuk Ong):

- (a) all approvals, consents, registration, or statements of no objection that are required by Ocean View Point or the Company by law, contract or practice, or by any governmental body or competent authorities having jurisdiction over the Plot-B Acquisition and the matters contemplated herein, as are necessary or required (including, but not limited to, the SGX-ST, shareholders of Ocean View Point or any other third party) to permit the Plot-B Acquisition and the matters contemplated herein to occur, being granted and where such grant be subject to terms and/or conditions, such terms and/or conditions being capable of being complied with by Ocean View Point and Datuk Ong to the extent that such terms and/or conditions apply to such party;
- (b) all approvals, consents, registration, or statement of no objection that are required by Datuk Ong and any of the companies in Plot-B Group by law, contract or practice, or by any governmental body or competent authorities having jurisdiction over the Plot-B Acquisition, as are necessary or required for the Plot-B Acquisition and the matters contemplated herein to occur, being granted and where such grant be subject to terms and/or conditions, such terms and/or conditions being capable of being complied with by Ocean View Point and Datuk Ong to the extent that such terms and/or conditions apply to such party;
- (c) completion by Ocean View Point and/or its advisers of legal, tax, engineering, human resources, environmental, business and financial due diligence investigations on Plot-B Group and Plot-B (including due diligence review of the disclosures by Datuk Ong in the disclosure letter to be delivered by Datuk Ong to Ocean View Point in respect of Datuk Ong's representations and warranties in favour of Ocean View Point under the Plot-B SPA), and results of such due diligence being to, the sole and absolute satisfaction of Ocean View Point;
- (d) the business of the Plot-B Group having at all times been carried on in the ordinary course of business, consistent with past practice, and there having been no material adverse change in the business, assets and liabilities of each of the companies in the Plot-B Group since the date of Plot-B SPA up to and including date of completion of Plot-B Acquisition;



- (e) there being no investigations by any governmental body and competent authorities or adverse proceedings pending or threatened against any of the companies in the Plot-B Group or Ocean View Point and Datuk Ong, that might reasonably be expected to impair or prevent the completion of the Plot-B Acquisition and the matters contemplated herein or cause a material adverse change in the business operations, affairs, conditions (financial or otherwise) or prospects of the Plot-B Group from the date of Plot-B SPA up to and including date of completion of Plot-B Acquisition;
- (f) the obtaining and procurement of all relevant licences and permits under all applicable laws or as required for the purposes of the Plot-B Acquisition on terms and conditions acceptable to Ocean View Point in its sole and absolute discretion;
- (g) there being no notice of acquisition or exercise of any right by any governmental body which will or may prejudice or adversely affect the continued ownership, use and enjoyment of Plot-B by LPSB and ultimately by AIL or which will or may subject Plot-B Group to any onerous charge or liabilities in relation to Plot-B or any part of it, or of any intended acquisition or exercise of any right in relation to Plot-B or any part of it by the relevant governmental body;
- (h) the form and contents of the disclosure letter to be delivered by Datuk Ong to Ocean View Point in respect of Datuk Ong's representations and warranties in favour of Ocean View Point under the Plot-B SPA being acceptable to Ocean View Point; and
- (i) the execution of a shareholders' agreement between Ocean View Point and Datuk Ong which governs their relationship as shareholders of AIL, in form and contents satisfactory to Ocean View Point.

**6. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE MAINBOARD RULES**

6.1 The relative figures computed on the bases set out in Rule 1006 of the Mainboard Rules in respect of Sutera Harbour Resorts Group Acquisition and based on the latest announced financial statements of the Group for the six months period ended 30 June 2013 ("**Latest Announced Financial Statements**") are as follows:

(a)	Net asset value of the Relevant Equity Interests in Sutera Harbour Resorts Group to be acquired, compared with the Group's net asset value	28.4% <sup>(1)</sup>
(b)	Net profits attributable to the Relevant Equity Interests in Sutera Harbour Resorts Group to be acquired, compared with the Group's net profits	See Note (2) <sup>1</sup>
(c)	Aggregate value of the Consideration to be paid, compared to the Company's market capitalization	12.1% <sup>(3)</sup>
(d)	Number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

## **Notes :**

- (1) Based on the net asset value of Sutera Harbour Resorts Group of approximately RM300 million (or approximately S\$115.9 million) according to the unaudited consolidated financial statements of Sutera Harbour Resorts Group as at 30 September 2013. and based on the net asset value of the Group of S\$316.5 million as based on the Latest Announced Financial Statements.
- (2) The unaudited consolidated net profits attributable to Sutera Harbour Resorts Group, for 9 months ending 30 September 2013, is approximately RM15.2 million. Based on the Latest Announced Financial Statements of the Group, the net loss of the Group of is S\$1.0 million. The ratio computed for (b) will hence be a negative ratio of -294.8% and not meaningful.
- (3) Based on the Consideration of RM250 million as well as the issued share capital of the Company of 9,885,180,250 ordinary shares in the capital of the Company and the volume weighted average price of S\$0.081 transacted on the Mainboard on 27 December 2013 (being the last market day preceding the date of the Subscription Agreement on which the shares of the Company were traded).

As the relative figure in 1006(a) computed on the basis set out in Rule 1006 of the Mainboard Rules above exceeds 20%, Sutera Harbour Resorts Group Acquisition constitutes a “major transaction” under Chapter 10 of the Mainboard Rules, and is conditional upon the approval of Shareholders at a general meeting to be convened. A circular will be dispatched to Shareholders in due course.

## **7. RATIONALE FOR THE SUTERA HARBOUR RESORTS GROUP ACQUISITION**

The Board is of the view that this property is strategically positioned to benefit from the fast growing economy of Sabah, Malaysia driven by the key sectors of tourism, oil and gas, and agriculture. The properties held and operated by the Sutera Harbour Resorts Group – namely, The Pacific Sutera Hotel, The Magellan Sutera Resort and Sutera Harbour Marina and Country Club – are also highly recognized, winning several awards and will be a key addition to the GSH's portfolio of property investments

## **8. FINANCIAL EFFECTS OF THE SUTERA HARBOUR RESORTS GROUP ACQUISITION**

### **8.1 Bases and Assumptions**

The proforma financial effects of Sutera Harbour Resorts Group Acquisition on the earnings and net tangible assets (“**NTA**”) of the Group have been prepared based on the unaudited consolidated financial results of the Group for the six months ended 30 June 2013 and the unaudited financial information of Sutera Harbour Resorts Group for the nine months ended 30 September 2013.

The proforma financial effects of Sutera Harbour Resorts Group Acquisition are for illustrative purposes only and do not necessarily reflect the actual future results and financial position of the Group following the completion of Sutera Harbour Resorts Group Acquisition.

For the purpose of illustrating the financial effects of Sutera Harbour Resorts Group Acquisition, the financial effects of Sutera Harbour Resorts Group Acquisition are computed based on, *inter alia*, the following assumptions:

- (a) the financial effects on the Group's NTA attributable to the equity holders of the Company and the NTA per Share are computed assuming that Sutera Harbour Resorts Group Acquisition was completed on 1 January 2013; and
- (b) the financial effects on the Group's earnings attributable to the equity holders of the Company and earnings per Share are computed assuming that Sutera Harbour Resorts Group Acquisition was completed on 1 January 2013.

## 8.2 Share Capital

Sutera Harbour Resorts Group Acquisition has no impact to the Company's share capital.

## 8.3 NTA

<b>(S\$'000)</b>	<b>Before the Sutera Harbour Resorts Group Acquisition</b>	<b>After the Sutera Harbour Resorts Group Acquisition</b>
NTA attributable to the equity holders of the Company	316,540,000	316,540,000
Add: Net gain on Sutera Harbour Resorts Group Acquisition	-	68,086,997 <sup>(1)</sup>
<b>Resultant NTA attributable to the equity holder of the Company</b>	<b>316,540,000</b>	<b>384,626,997</b>
NTA per Share (S\$ cents)	3.20	3.89

### Notes:

- (1) For purposes of complying with Rule 1010(8) of the Mainboard Rules, the gain on Sutera Harbour Resorts Group Acquisition is estimated to be S\$68.1 million based on the Consideration of RM250 million, the net asset value of Sutera Harbour Resorts Group is taken to be RM300 million as at 30 September 2013.

## 8.4 Earnings

<b>(S\$'000)</b>	<b>Before the Sutera Harbour Resorts Group Acquisition</b>	<b>After the Sutera Harbour Resorts Group Acquisition</b>
Loss attributable to Shareholders	(1,032,000)	(1,032,000)
Add: Net gain on Sutera Harbour Resorts Group Acquisition	-	68,086,997
Add: Net profit attributable to Sutera Harbour Resorts Group pro-rated over six months	-	3,041,950
<b>Resultant (loss)/profit attributable to Shareholders</b>	<b>(1,032,000)</b>	<b>70,096,947</b>
(Loss) / Earnings per Share (S\$ cents)	(0.01)	0.71

**Notes:**

- (1) For purposes of complying with Rule 1010(9) of the Mainboard Rules, the gain on Sutera Harbour Resorts Group Acquisition is estimated to be S\$68.1 million based on the Consideration of RM250 million (equivalent to S\$96.6 million), the net asset value attributable to equity holders of the Company is taken to be S\$164.7 million.

**9. FUNDING FOR THE SUTERA HARBOUR RESORTS GROUP ACQUISITION**

- 9.1 As disclosed in the Company's shareholders circular dated 23 September 2013 ("**23 September 2013 Circular**"), the unutilised proceeds from the 2012 Placement (as defined in the 23 September 2013 Circular), and the 2013 Placement (as defined in the 23 September 2013 Circular), together with the unutilised proceeds from the 2013 Rights Issue, amounting to S\$292.3 million would be earmarked and used for the diversification of the business activities of the Group into the Property Business and Construction Business (as defined in the 23 September 2013 Circular) (including mergers and acquisitions opportunities in furtherance of the same) in the People's Republic of Singapore and ASEAN (as defined in the 23 September 2013 Circular) ("**Earmarked Funds**").
- 9.2 In view of the property development potential of the land plots under Sutera Harbour Resorts Group and that the properties held and operated by the Sutera Harbour Resorts Group as described in section 7 of this Announcement are property investments, accordingly, the Consideration shall be funded from the Earmarked Funds.

**10. INTERESTED PERSON TRANSACTION**

- 10.1 TYJ Group is wholly-owned and controlled by Mr. Sam Goi, who is a controlling shareholder of the Company and the Executive Chairman of the Board. Kenneth Goi, a director on the Board, is immediate family to Sam Goi under Chapter 9 of the Mainboard Rules. Accordingly, TYJ Group is deemed to be an "interested person" under Chapter 9 of the Mainboard Rules. Accordingly, The Sutera Harbour Group CRPS Subscription by TYJ Group which includes the provision of the Corporate Guarantee and the Security in favour of TYJ Group, would be deemed "interested person transactions" under Chapter 9 of the Mainboard Rules.
- 10.2 The Sutera Harbour Group CRPS Subscription by TYJ Group which includes the provision of the Corporate Guarantee and the Security in favour of TYJ Group is on the same terms thereof by/in favour of Borneo Ventures and with proportionate risks and rewards accordingly.
- 10.3 In addition, the Audit Committee of the Company is of the view that, based on the foregoing, the terms of The Sutera Harbour Group CRPS Subscription by TYJ Group which includes the provision of the Corporate Guarantee and the Security in favour of TYJ Group is not prejudicial to the interests of the Company and the minority Shareholders of the Company.
- 10.4 Accordingly, The Sutera Harbour Group CRPS Subscription by, and the provision of the Corporate Guarantee and the Security in favour of, TYJ Group, fall within the exception under Rule 916(2) of the Mainboard Rules and are accordingly, not subject to Shareholders Approval.

**11. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

- 11.1 The following Directors are interested Sutera Harbour Resorts Group Acquisition and other transactions contemplated in the Subscription Agreement as follows and shall abstain from making recommendations on the Sutera Harbour Resorts Group Acquisition and other transactions contemplated in the Subscription Agreement :

- (a) Mr. Sam Goi, the Executive Chairman of the Board is interested in Sutera Harbour Resorts Group Acquisition as described in Section 10 of this Announcement; and
- (b) Mr. Kenneth Goi, a director on the Board, is interested in Sutera Harbour Resorts Group Acquisition as described in Section 10 of this Announcement.

11.2 Save as disclosed in this Announcement, none of the Directors or controlling shareholders of the Company or their associates have any interest, direct or indirect, in Sutera Harbour Resorts Group Acquisition other than through their respective shareholdings in the Company.

## **12. DIRECTOR'S SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Company in connection with Sutera Harbour Resorts Group Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## **13. EGM AND CIRCULAR TO SHAREHOLDERS**

The Company will convene an extraordinary general meeting ("**EGM**") to seek the approval of the Shareholders for Sutera Harbour Resorts Group Acquisition and a circular ("**Circular**") containing, *inter alia*, details thereof, together with the opinions and recommendations of the Directors in relation thereto, and enclosing the notice of EGM in connection therewith, will be despatched to the Shareholders in due course.

## **14. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Subscription Agreement will be available for inspection during normal business hours at the Company's registered office at 11 Changi North Way Singapore 498796 for a period of three (3) months from the date of this Announcement.

## **15. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about Sutera Harbour Resorts Group Acquisition, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

## **16. FURTHER ANNOUNCEMENTS**

The Company will make further announcements on Sutera Harbour Resorts Group Acquisition as appropriate or when there are further developments on the same.

**17. CAUTION IN TRADING**

Shareholders are advised to exercise caution in trading their Shares as there is no certainty or assurance as at the date of this Announcement that Sutera Harbour Resorts Group Acquisition will proceed to completion, as the completion is subject to, *inter alia*, the fulfillment of all the conditions precedent in the Subscription Agreement. Shareholders are advised to read this announcement and any further announcements and the Circular by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the actions they should take.

**By Order of the Board**

**Gilbert Ee Guan Hui  
CEO / Executive Director**

**2 January 2014**