

# SAKAE HOLDINGS LTD.

(the “Company”)

(Incorporated in the Republic of Singapore)

(Company Registration Number: 199604816E)

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## MATTERS CONCERNING THE COMPANY’S ASSOCIATE COMPANIES - GRIFFIN REAL ESTATE INVESTMENT HOLDINGS PTE LTD (“GREIH”) AND GRYPHON CAPITAL MANAGEMENT PTE LTD (“GCM”)

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The Board of Directors of the Company refers to the Company’s announcements on 21 January 2013, 1 February 2013, 8 February 2013, 16 February 2013, 20 February 2013, 22 February 2013, 7 March 2013, 3 May 2013, 3 December 2013, 27 August 2014, 24 September 2014, 22 December 2015, 15 January 2016, 1 July 2016, 6 April 2017 and its financial statements, third quarter results announcement on 14 November 2016 on the above-captioned matter.

On 7 April 2017, the High Court handed down its Judgment in Suit Nos. 122 and 1098 of 2013.

The High Court found that the Company had made out its claims of minority oppression.

In its Judgment, the High Court granted a substantial number of the reliefs that the Company had sought in these Suits, including Orders that:

- (a) Andy Ong, and Ong Han Boon shall pay the sum of S\$2,826,335.17 to GREIH in relation to excessive management fees that were paid by GREIH to GCM;
- (b) Andy Ong and Ong Han Boon shall pay the sum of S\$7,800,000.00 to GREIH in relation to an unauthorised loan of S\$10,000,000 that GREIH had made to ERC Unicampus Pte Ltd (“**ERC Unicampus**”);
- (c) Andy Ong and Ong Han Boon shall pay the sum of S\$16,000,000.00 to GREIH in relation to an unauthorised lease that GREIH had granted to ERC Institute Pte Ltd (“**ERC Institute**”);
- (d) Andy Ong and Ong Han Boon shall pay the sum of S\$150,000 to GREIH in relation to a consultancy agreement that GREIH had entered into with ERC Consulting Pte Ltd (“**ERC Consulting**”), pursuant to which certain payments had been made by GREIH to ERC Consulting;
- (e) Andy Ong and Ho Yew Kong shall pay the sum of S\$8,000,000.00 to GREIH in relation to a “*Project Manager Agreement*”, pursuant to which a payment of S\$8,000,000.00 had been made by GREIH to Andy Ong, without prejudice to Andy Ong’s right to recover from GREIH any amount which he can prove he has paid to subcontractors in respect of refurbishment works done in Bugis Cube for which GREIH is liable;
- (f) Andy Ong shall pay to the Company the sum of S\$2,641,975 and interest thereon from 8 February 2013 in relation to a “*Share Option Agreement*”, which purported to grant ERC Holdings Pte Ltd an option to buy additional shares in GREIH; and
- (g) GREIH be wound up, with the Company being invited to put forward its nomination for a private liquidator for GREIH.

The High Court also granted, among others, the following declarations:

- (a) The unauthorised loan agreement between GREIH and ERC Unicampus is void and of no effect;

- (b) The unauthorised lease to ERC Institute ERC Institute is void and of no effect;
- (c) The consultancy agreement between GREIH and ERC Consulting is void and of no effect;
- (d) The purported "*Share Option Agreement*" is void and of no effect;
- (g) The "*Project Manager Agreement*" is void and of no effect; and
- (h) Andy Ong breached his fiduciary duty to the Company.

The High Court did not grant the following reliefs that the Company had sought:

- (a) A declaration that GCM is a constructive trustee in respect of the sum of S\$2,826,335.17 relating to the excessive management fees that were paid by GREIH to GCM, or an order that GCM pay that sum to GREIH;
- (b) A declaration that GREIH is entitled to trace the sum of S\$2,826,335.17 into, and claim a proprietary interest in, GCM's assets acquired with that sum;
- (c) Reliefs relating to ERC International Pte Ltd's purchase of the House of Tan Yeok Nee;
- (d) A declaration that ERC Unicampus is a constructive trustee in respect of the sum of \$10,000,000 that was loaned to ERC Unicampus, and that ERC Unicampus holds the proceeds of the sale of Big Hotel or any part of the same on trust for GREIH to the extent of the contribution made by GREIH to the purchase of Big Hotel.
- (e) A declaration that ERC Holdings and/or ERC Institute and/or ERC International and/or ERC Unicampus are, as constructive trustees, liable to account to GREIH for the sum of S\$16,000,000 relating to the unauthorised lease that GREIH had granted to ERC Institute.
- (f) An order that GREIH is entitled to trace the sum of S\$16,000,000 into the assets of ERC Holdings/ERC Institute or ERC International to the extent that such assets have been acquired by the use of that sum of part thereof;
- (g) A declaration that ERC Consulting is a constructive trustee or that GREIH is entitled to trace the sum of S\$150,000 into assets of ERC Consulting;
- (h) Reliefs relating to a second, further unauthorised loan of S\$10,000,000 that GREIH had made to ERC Unicampus Pte Ltd;
- (i) An order that GREIH repay the Company the sum of S\$2,641,975 relating to the purported "*Share Option Agreement*"; and
- (j) A declaration that GREIH is entitled to trace the sum of S\$8,000,000 relating to the "*Project Manager Agreement*" into and claim a proprietary interest in Andy Ong's assets acquired with that sum.

The Board will make further announcements on the above matters as and when there are material developments thereon.

BY ORDER OF THE BOARD

DOUGLAS FOO PEOW YONG  
CHAIRMAN  
SAKAE HOLDINGS LTD.  
7 April 2017