

# **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 (the “**Board**”) refers to the Company’s announcements on 24 September 2014, 15 January 2016 and First Quarter Financial Statements and Dividend Announcement for 1<sup>st</sup> quarter 2017 on 15 May 2017.

The Board had earlier announced that Suit 969 of 2014 (“Suit 969”), which was a claim that Gryphon Real Estate Investment Corporation Pte Ltd (“GREIC”) had commenced in the High Court against the Company, Mr Douglas Foo Peow Yong, and GREIH in connection with the affairs of GREIH, had been deferred pending the outcome of Suits 122 and 1098.

The Board wishes to announce that on 5 July 2017, GREIC wholly discontinued Suit 969 with no order as to costs. The discontinuance is without prejudice to GREIH’s liquidators’ rights to pursue such claims against such parties as they consider are available to GREIH.

The Board will continue to keep the shareholders updated on material developments.

BY ORDER OF THE BOARD

LIM CHEE YONG  
CHAIRMAN OF AUDIT COMMITTEE  
SAKAE HOLDINGS LTD.  
10 July 2017

## Annex

In this annex, capitalised terms have the meaning given to them in the High Court's Judgment dated 7 April 2017 (the "**Judgment**").

Findings and/or rulings in the High Court's Judgment dated 7 April 2017 that Mr Ho Yew Kong is appealing against:

1. In respect of the Lease Agreement between GREIH and ERC Institute:
  - (a) The declaration that Mr Ho Yew Kong is liable to account to GREIH for the sum of \$16,000,000; and
  - (b) The declaration that Mr Ho Yew Kong shall make payment to GREIH of the sum of \$16,000,000.
2. In respect of the Consultancy Agreement between GREIH and ERC Consulting:
  - (a) The declaration that Mr Ho Yew Kong is liable to account to GREIH for the sum of \$160,500; and
  - (b) The declaration that Mr Ho Yew Kong shall make payment to GREIH of the sum of \$160,500.
3. In respect of the May PMA between GREIH and Mr Andy Ong Siew Kwee:
  - (a) The declaration that Mr Ho Yew Kong is liable to account to GREIH for the sum of \$8,000,000; and
  - (b) The declaration that Mr Ho Yew Kong shall make payment to GREIH of the sum of \$8,000,000.
4. In respect of GCM's assignment of its monies in favour of DBS Bank Ltd by way of a Third Party Assignment of Proceeds (the "TPAP") that was executed as a deed:
  - (a) The finding that Mr Ho Yew Kong was in breach of his fiduciary duty to GREIH; and
  - (b) The finding that Mr Ho Yew Kong's conduct was oppressive to the Company.
5. In respect of the First Loan Agreement between GREIH and ERC Unicampus, the finding that Mr Ho Yew Kong was in breach of his fiduciary duty to GREIH.
6. In respect of the Unicampus Loan Agreement between GREIH and ERC Unicampus, the finding that Mr Ho Yew Kong was in breach of his fiduciary duty to GREIH.

Findings and/or rulings in the High Court's Judgment dated 7 April 2017 that ERC Holdings, Mr Andy Ong Siew Kwee, Mr Ong Han Boon, GCM, ERC Unicampus, ERC Institute, and ERC Consulting are appealing against:

1. The whole of the High Court's Judgment dated 7 April 2017, save for:
  - (a) The ruling at paragraph 309 of the Judgment not to make a declaration against GCM that it is a constructive trustee in respect of the sum of S\$2,826,335.17 or order it to pay that sum to GREIH;
  - (b) The finding at paragraph 312 of the Judgment that the TPAP was granted by a third party to DBS Bank who was a *bona fide* purchaser for value without notice and that that the purchase of the TYN House by ERC International did not result from a wrongful diversion of a corporate opportunity available to GREIH;

- (c) The ruling at paragraph 313 of the Judgment that Sakae is not entitled to any reliefs asked for in respect of the TPAP or the House of Tan Yeok Nee;
- (d) The ruling at paragraph 317 of the Judgment not to make a declaration that ERC Unicampus is a constructive trustee of the sum of S\$7,900,000 for GREIH and that it holds the proceeds 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) The ruling at paragraph 320 of the Judgment not to:
  - (i) Make 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 \$16,000,000;
  - (ii) Order that ERC Holdings and/or ERC Institute and/or ERC International pay the sum of \$16,000,000 to GREIH;
- (f) The ruling at paragraph 323 of the Judgment not to make a declaration that ERC Consulting is a constructive trustee or that GREIH is entitled to trace the sum of \$150,000 into assets of ERC Consulting;
- (g) The ruling at paragraph 325 of the Judgment that none of the reliefs asked for by Sakae in relation to the Unicampus Loan Agreement can be granted; and
- (h) The ruling at paragraph 333 of the Judgment not to make a declaration that Sakae is entitled to trace the sum of \$8,000,000 into and claim a proprietary interest in Mr Ong Siew Kwee's assets acquired with the aforesaid sum.