

ASX Announcement

12 June 2015

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Madam,

GPS Alliance Development and Investment Pte Ltd to develop three towers of 25 stories in Johor Bahru Malaysia

The Directors of GPS Alliance Holdings Limited (**'GPS' or 'the Company'**) are pleased to announce that its wholly owned subsidiary GPS Alliance Development and Investment Pte Ltd (**'GPSADI'**) has entered into a conditional Shareholders Agreement (**'SA'**) with Vinters Development Sdn Bhd (**'Vinters'**) a company incorporated in Malaysia owned by Alvin Tey Ming Teck and Peter Tey @ Tey Pe Teck (**'A&P'**).

The shareholders agreement relates to the proposed mixed development and sale of three towers of 25 stories each within the Starhill Golf & Country Club located in Kempas, Johor Bahru, Malaysia (**Kempas Project**). GPSADI will be responsible for managing all aspects of the development and entitled to appoint three out of five directors to the Board of Vinters.

At completion of the SA, GPSADI is to acquire 51% of Vinters issued share capital for a cash consideration of RM\$510K (approximately AUD\$177K or SGD\$184K at current foreign exchange rates).

Vinters has entered into a Development Agreement (**'DA'**) with the landowners to develop the Kempas Project. Pursuant to the DA, Vinters has agreed to undertake the overall development, construction, completion, finance and sale of the project. The consideration payable to the landowners is estimated to be RM28M (approximately AUD\$9.7M or SGD\$10M at current foreign exchange rates), subject to the satisfactory valuation of the land by an independent bank approved valuer acceptable to both parties; and payable from the sale proceeds of the Kempas Project. Vinters is entitled to the balance of the sale proceeds.

In accordance with the DA, Vinters is responsible for securing finance to develop the Kempas project and the landowners agreed to allow Vinters to charge the land as security for a bank loan of up to 50% of the market value of the land. In addition, GPSADI will provide initial funding in the form of a shareholders loan of RM\$5M (approximately AUD\$1.7M or SGD\$1.8M at current foreign exchange rates) to Vinters for initial start up costs and construction of the Show Flat. In the event that the shareholders loan of RM\$5M is insufficient, GPSADI and A&P are committed to inject an additional sum of RM10M (approximately AUD\$3.5M or SGD\$3.6M at current foreign exchange rates) each into the share capital of Vinters.

Completion of the SA with A&P is conditional on the satisfaction of a number of conditions, including:

- (a) completion of financial, business and legal due diligence on Vinters;
- (b) valuation of the land by an independent approved valuer acceptable to both parties;
- (c) all necessary board, regulatory, Australian Corporations Act, ASX Listing Rules and Land Authority approvals in Malaysia; and
- (d) all necessary shareholder approval, if required under the ASX Listing Rules and the Corporations Act.

The transaction is being entered into as an arms-length commercial transaction and GPS and its directors have no pre-existing relationship with A&P or the landowners.

The Kempas Project not only offers the opportunity for positive returns to the Group, but also creates synergies and opportunities for the other existing businesses within the Group as follows:

- (a) it significantly strengthens the Group's position in the property development area in the region;
- (b) it strengthens the Group's existing interior design and fit-out business undertaken by the Group by fitting out the Property; and
- (c) it enables the Group to be the marketing agent for sales of the Property.

For and on behalf of the Board.

Tan Thiam Hee
Chairman
GPS Alliance Holdings Limited

Marcelo Mora
Company Secretary
GPS Alliance Holdings Limited