

Form 604Corporations Act 2001
Section 671B**Notice of change of interests of substantial holder**To Company Name/Scheme Oaks Hotels & Resorts Limited

ACN/ARSN 113 972 366

1. Details of substantial holder (1)

Name China Pacific Pty Ltd, A.C.N. 145 582 136 Pty Ltd and David Wu (China Pacific Group)

ACN/ARSN (if applicable) 139 169 672 (China Pacific) and 145 582 136 (A.C.N 145 582 136 Pty Ltd)

There was a change in the interests of the
substantial holder on

25 October 2010

The previous notice was given to the company on

25 August 2010

The previous notice was dated

25 August 2010

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
ORDINARY SHARES	8,520,354	5.5% based on 155,260,469 ordinary shares on issue.	27,091,783	15.585% based on 173,831,898 ordinary shares on issue

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
25/10/10	China Pacific Group	Issue of ordinary shares pursuant to Subscription Deed between Oaks and China Pacific Group (as amended by the Deed of Amendment and the Second Deed of Amendment and attached as Annexure A)	\$6,500,000 (\$0.35 per share)	18,571,429 ordinary shares	18,571,429

4. Present relevant interests

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Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
A.C.N. 145 582 136 Pty Ltd	A.C.N. 145 582 136 Pty Ltd	A.C.N. 145 582 136 Pty Ltd	As per Subscription Deed between Oaks and China Pacific Group (as amended by the Deed of Amendment and the Second Deed of Amendment and attached as Annexure A)	27,091,783 ordinary shares	27,091,783

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/AREN (if applicable)	Nature of association

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
A.C.N. 145 582 136	Suite 609, Level 6 451 Pitt Street SYDNEY NSW 2000
David Wu	Suite 609, Level 6 451 Pitt Street SYDNEY NSW 2000
China Pacific Pty Ltd A.C.N. 139 189 672	Suite 609, Level 6 451 Pitt Street SYDNEY NSW 2000

Signature

print name Yuanlin Wu

capacity Director

sign here

date 28/10/2010

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of 'associate' in section 9 of the Corporations Act 2001.
- (3) See the definition of 'relevant interest' in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of 'relevant agreement' in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write 'unknown'.
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

ANNEXURE A



Subscription Deed

Parties

Oaks Hotels & Resorts Limited
(Oaks)

ACN 145 582 136 Pty Ltd
(Subscriber)

Date: 20 August 2010

Carter Newell Lawyers
Level 13, 215 Adelaide Street
Brisbane Qld 4000 Australia
GPO Box 2232
Brisbane Qld 4001 Australia
Telephone: 3000 8441
Facsimile 3000 8433
Email: cjorss@carternewell.com
Ref: Cameron Jorss:149302

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Subscription Deed

Parties

Oaks Hotels & Resorts Limited ACN 113 972 386

Address	Level 5, 26 Duporth Avenue, Maroochydore QLD 4558
Telephone	5479 6922
Facsimile	5479 6933
Contact	Company Secretary
Short name	Oaks

ACN 145 582 136 Pty Ltd ACN 145 582 136

Address	C/- Cooper Grace Ward Lawyers, Level 21, 400 Queen Street, Brisbane QLD 4000
Telephone	3231 2940
Facsimile	3231 8940
Contact	Charles Sweeney, Partner
Short name	Subscriber

Background

The Subscriber has agreed to subscribe for, and Oaks has agreed to allot and issue to the Subscriber, the Shares on the terms and conditions of this document.

Operative provisions

1 Defined terms and Interpretation

1.1 Definitions

In this document, unless the context requires otherwise:

ASX means ASX Limited or the stock market operated by it, as the context requires.

Board means the board of directors of Oaks.

Business Day means a day other than a Saturday, Sunday or public or bank holiday in Brisbane, Queensland.

China Pacific means China Pacific Pty Ltd ACN 139 169 672.

Completion means the subscription for, and allotment and issue of, the Shares in accordance with this document.

Constitution means the constitution of Oaks.

Corporations Act means the *Corporations Act 2001* (Commonwealth).

Distribution means any distribution of cash by way of a return of capital by Oaks to Shareholders or a declaration of a dividend by Oaks to which the Shares would not be entitled.

Encumbrance means any mortgage, pledge, lien, charge or other security interest.

Exclusivity Agreement means the exclusivity agreement between Oaks and China Pacific dated 17 June 2010, as amended by side letters dated 21 July 2010 and 9 August 2010, the benefit of which has been assigned by China Pacific to the Subscriber.

Listing Rules means the ASX official listing rules with any waivers in their application to Oaks that ASX may grant.

Reorganisation means any one or more of the following:

- (a) any bonus issue by Oaks;
- (b) any rights issue by Oaks;
- (c) any share split, consolidation or other similar action in respect of the share capital of Oaks; and
- (d) any other reorganisation, recapitalisation, reclassification or similar event with respect to the share capital of Oaks.

Second Payment Date means 30 August 2010.

Share Price means 35 cents per Share as adjusted in accordance with clauses 9.2 or 9.3.

Shares means 27,935,679 fully paid ordinary shares in the capital of Oaks as adjusted in accordance with clause 9.3.

Solicitor means Cooper Grace Ward Lawyers.

Subscription Money means the amount calculated by multiplying the Shares by the Share Price.

Warranty means a warranty and representation referred to in clause 6.

1.2 Interpretation

In this document:

- (a) headings are for reference only and do not affect the meaning of this document;
- (b) the singular includes the plural and vice versa and words importing a gender include other genders;
- (c) other grammatical forms of defined words or expressions have corresponding meanings;
- (d) "person" includes a firm, a body corporate, an unincorporated association or an authority;
- (e) an agreement, representation or warranty:
 - (i) in favour of two or more persons is for the benefit of them jointly and severally;
 - (ii) on the part of two or more persons binds them jointly and severally;
- (f) a reference to:
 - (i) a person includes the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
 - (ii) a document includes any variation or replacement of it and all schedules, annexures and exhibits to the document;

- (iii) a law includes regulations and other instruments under it and amendments or replacements of any of them;
- (iv) a thing includes the whole and each part of it;
- (v) a group of persons includes all of them collectively, any two or more of them collectively and each of them individually;
- (g) a reference to a specific time means the time in Brisbane, Queensland; and
- (h) "including" when introducing a list of items does not limit the meaning of the words to which the list relates to those items or to items of a similar kind.

2 Appointment of Directors

2.1 Nomination of directors

The Subscriber may nominate persons acceptable to the Board (acting in accordance with their duties as directors) for appointment as directors of Oaks, in accordance with this clause 2. The Subscriber must provide signed consents to appointment as directors of Oaks from the persons it nominates. The Subscriber is only entitled to nominate a person who is permitted by the Corporations Act to be a director of Oaks.

2.2 Number of nominees

The Subscriber may nominate the following number of persons for appointment as directors of Oaks:

- (a) one person, if the Board will consist of five or less directors after the appointment of the Subscriber's nominee; or
- (b) two persons, if the Board will consist of more than five directors after the appointment of the Subscriber's nominees.

2.3 Time for Nomination

- (a) The Subscriber may nominate one person upon execution of this document.
- (b) If the Subscriber is entitled to nominate a second person in accordance with clause 2.2, the nomination of the second person may not be made by the Subscriber until the Solicitor has provided evidence to Oaks that the Second Payment is held in immediately available funds.

2.4 Appointment

Oaks will, promptly after the Subscriber has provided to Oaks the signed consents to appointment as directors of Oaks of its nominees, convene a meeting of the Board to vote on the appointment of the persons nominated by the Subscriber. Any resolution to appoint the nominees will take effect immediately.

3 Subscription Money

3.1 Payment to Solicitor's trust account

On or before execution of this document the Subscriber must pay \$3,000,000.00 (First Payment) to the Solicitor to hold on trust for the parties in accordance with this document, and procure the Solicitor to provide evidence to Oaks that the First Payment is held in the Solicitor's trust account.

3.2 Clear funds

The Subscriber must procure the Solicitor to provide evidence to Oaks within five Business Days of the date of this deed that the First Payment held by the Solicitor is in immediately available funds, failing which Oaks may, by notice to the Subscriber, terminate this document.

3.3 Payment of Balance Subscription Money

On or before the Second Payment Date the Subscriber must pay the balance of the Subscription Money for all of the Shares (**Second Payment**) to the Solicitor to hold on trust for the parties in accordance with this document, and procure the Solicitor to provide evidence to Oaks that the Subscription Money for all of the Shares is held in the Solicitor's trust account.

3.4 Clear funds

The Subscriber must procure the Solicitor to provide evidence to Oaks within five Business Days of the date of this deed that the Subscription Money for all of the Shares is held by the Solicitor in immediately available funds, failing which Oaks may, by notice to the Subscriber, terminate this document.

3.5 Solicitor to hold Subscription Money

The Solicitor will hold the Subscription Money for both parties until a party becomes entitled to it in accordance with this document. Neither party may withdraw or receive all or any part of the Subscription Money unless and until the party is entitled to it in accordance with this document.

3.6 Entitlement to Subscription Money

The party entitled to the Subscription Money is:

- (a) if the condition precedent in clause 4.1 is satisfied, Oaks; or
- (b) if the condition precedent in clause 4.1 is not satisfied or this document is terminated under clause 3.2, 3.4 or clause 4.4, the Subscriber.

3.7 Prior to entitlement

Until either party is entitled to the Subscription Money under clause 3.6, Oaks and the Subscriber authorise the Solicitor to invest the Subscription Money in a controlled money account with Westpac Bank. The interest earned on the Subscription Money will be held solely for the Subscriber.

3.8 Right to scale down

If Oaks is entitled to terminate this document under clause 3.4, Oaks may elect instead to proceed with an issue of a lesser number of shares, being the number determined by the formula:

$$\$3,000,000.00 / B$$

Where B = Share Price.

3.9 No other right

For the avoidance of doubt, Oaks will not be entitled to make any claim against the Subscriber in relation to a breach by the Subscriber of clause 3.4.

4 Condition precedent to subscription

4.1 Condition precedent

The obligations of the parties under clause 3 do not become binding unless and until the members of Oaks, at a general meeting, pass any resolution that is required by the Constitution, the Listing Rules and the Corporations Act in connection with the transaction contemplated by this document, which includes a resolution under Listing Rule 10.11 approving the acquisition of the Shares by the Subscriber.

4.2 Benefit of condition precedent

The condition precedent in clause 4.1 is for the benefit of both parties.

4.3 Fulfilment of condition precedent

The parties must each use their respective best endeavours to procure the fulfilment of the condition precedent in clause 4.1.

4.4 Effect of non-fulfilment

If the condition precedent in clause 4.1 is not fulfilled on or before 31 October 2010 either party may, by notice to the other party, terminate this document.

5 Subscription

5.1 Subscription for Shares

The Subscriber agrees to subscribe for the Shares and Oaks agrees to allot and issue the Shares to the Subscriber on the terms and conditions of this document.

5.2 Date of Completion

Completion is to occur on the day that the condition precedent in clause 4.1 is fulfilled or any other date that is agreed in writing by the parties.

5.3 Obligations of parties at Completion

At Completion:

- (a) the Subscriber must procure the Solicitor to pay the Subscription Money to Oaks by electronic transfer of immediately available funds to an account nominated by Oaks; and
- (b) Oaks must allot and issue the Shares to the Subscriber.

5.4 Interdependence of obligations

The obligations of the parties in respect of Completion are interdependent, and all actions required to be performed by the parties under clause 5.3 must occur before Completion is taken to occur.

5.5 Acceptance of Shares

The Subscriber agrees to accept the Shares to be allotted and issued to it on Completion and to be bound by the Constitution and authorises its name to be placed on the register of members of Oaks in respect of the Shares and gives notice that upon registration it will be the beneficial holder of the Shares.

5.6 Obligations of Oaks after Completion

Promptly after Completion Oaks must:

- (a) issue a holding statement for the Shares to the Subscriber; and
- (b) apply for official quotation by ASX of the Shares.

5.7 Purpose of issue

Oaks will issue Shares under this document to the Subscriber in order to raise funds to reduce debt and to meet its obligations to its financiers. Oaks does not and will not issue any Shares under this document with the purpose of the Subscriber selling or transferring those Shares, or granting, issuing or transferring interest in, or options over, those Shares.

6 Warranties

6.1 Warranties by Oaks

Oaks warrants and represents to the Subscriber that each of the statements set out in schedule A is true, complete and accurate, both at the date of this document and at Completion (except that where a statement refers to only one of those dates, that statement is given only at that date).

6.2 Warranties by the Subscriber

The Subscriber warrants and represents to Oaks that each of the statements set out in schedule B is true, complete and accurate, both at the date of this document and at Completion (except that where a statement refers to only one of those dates, that statement is given only at that date).

6.3 Duration of Warranties

Each Warranty will remain in full force and be binding notwithstanding Completion.

6.4 Separate Warranties

Each Warranty is a separate warranty and representation and its meaning is not affected by any other Warranty.

7 GST

7.1 Interpretation

In this clause 7:

- (a) **GST Legislation** means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and related Acts; and
- (b) **Recipient** means a person who receives a taxable supply made under or in connection with this document; and
- (c) **Supplier** means a person who makes a taxable supply under or in connection with this document.

Other words or expressions that are defined in the GST Legislation have the same meaning in this clause 7.

7.2 Consideration is GST exclusive

The consideration to be paid or provided for a supply made under or in connection with this document does not include GST.

7.3 Increase for GST

Despite any other provision in this document, if GST is imposed on a supply made under or in connection with this document then:

- (a) the party who makes the payment or provides the other consideration for the supply must pay the Supplier an additional amount equal to the amount of the payment or value of the consideration multiplied by the rate of GST; and
- (b) the additional amount must be paid with the payment or other consideration on which it is calculated.

7.4 Reduction for input tax credits

If a payment to a party is calculated on the basis of a loss, cost or expense incurred by that party, then the amount payable must be reduced by the amount of any input tax credit to which that party is entitled for that loss, cost or expense.

7.5 Tax invoices

For payments under or in connection with this document:

- (a) if the payment is to be made on demand, the demand must include a tax invoice; and
- (b) if the payment is to be made without demand, a tax invoice must be provided to the payer within a reasonable time after the payment is due.

8 Other matters

8.1 Provisions can be severed

If a provision of this document is illegal or unenforceable then that provision must be severed from this document and the remaining provisions of this document continue in force. If only part of a provision is illegal or unenforceable then this clause applies to that part only.

8.2 Notices

A party's address for service is the address shown in this document unless the party has notified the other parties of a new address.

Notices under this document must be given in writing and sent by facsimile, or post or delivered to the address of the recipient. A notice may not be sent by email.

A notice is taken to be received:

- (a) if hand delivered, on delivery; and
- (b) if sent by prepaid post, three Business Days after the date of posting; and
- (c) if sent by facsimile, when the sender's facsimile machine prints confirmation that the number of pages in the notice have been successfully transmitted.

8.3 Applicable law

The law in force in Queensland applies to this document.

8.4 Waiver and variation

A provision of or a right under this document may not be waived or varied except in writing signed by whoever is to be bound.

8.5 Approvals and consent

A party may not unreasonably withhold or delay a consent or approval under this document, but may impose reasonable conditions when giving the consent or approval.

8.6 Further assurances

Each party agrees, at its own expense, on request of the other party, to do everything reasonably necessary to give effect to this document and the transactions contemplated by it, including the execution of documents.

8.7 Counterparts

This document may consist of a number of counterparts and the counterparts taken together constitute one and the same instrument. The parties consent to the exchange of counterparts by facsimile or by attachment to email.

8.8 Exclusivity Agreement

The Parties mutually agree that the Exclusivity Agreement will be terminated on execution of this document.

9 Distribution & Reorganisation

9.1 Subject to this clause 9, this document continues to apply in full force and effect despite any Distribution, Reorganisation or variation to any rights applicable to any of the Shares.

9.2 If there is any Distribution before Completion, the Share Price will be calculated using the following formula:

Share Price = 35 cents – A:

where A = the value of the Distribution on a per Share basis.

9.3 If there is any Reorganisation which affects Oaks before the Completion Date, the number of Shares and the Share Price shall be adjusted in accordance with the Listing Rules (as if this document was an option to subscribe for new Shares) and generally accepted market practice to account for the effect of the Reorganisation on the share capital of Oaks or the value of the Shares so as to ensure, so far as possible, that no party receives a windfall benefit under this document as a result of the Reorganisation.

Schedule A – Warranties by Oaks

A1 Oaks

- (a) Oaks is duly incorporated and validly exists under the law of its place of incorporation.
- (b) Oaks is not insolvent and no receiver has been appointed over any part of its assets and no such appointment has been threatened.
- (c) Oaks is not in liquidation or administration and no proceedings have been brought or threatened or procedure commenced for the purpose of winding up Oaks or placing it under administration.

A2 Due authorisations

- (a) Oaks has the legal right and power to enter into this document and to allot and issue the Shares to the Subscriber on and subject to the terms and conditions of this document.
- (b) Subject to equitable remedies and laws affecting creditors' rights generally, this document is a valid and binding obligation of Oaks enforceable in accordance with its terms by appropriate legal remedy.
- (c) Following satisfaction of the condition precedent in clause 4.1, the performance of this document by Oaks will be duly and validly authorised by all necessary corporate action on its part.
- (d) Following satisfaction of the condition precedent in clause 4.1, this document and Completion will not conflict with or result in any breach of or default under any provision of the Constitution or any material term or provision of any agreement or deed or any writ, order or injunction, judgment, law, rule or regulation to which Oaks is a party or is subject or by which it is bound.

A3 Shares

- (a) The Shares will carry no rights and will be subject to no other terms other than as set out in the Constitution.
- (b) The Shares will rank equally with the fully paid ordinary shares in Oaks on issue at Completion.
- (c) The Shares will be allotted and issued free of Encumbrances.
- (d) Following satisfaction of the condition precedent in clause 4.1, the allotment and issue of the Shares will comply with the Corporations Act and the Listing Rules.

A4 Disclosure

There is no information that Oaks is required to disclose under Listing Rule 3.1 that has not previously been disclosed to ASX.

A5 Further Issue

Prior to Completion, Oaks will not issue or agree to issue any securities for a price less than 35 cents per share without the written consent of the Subscriber.

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Schedule B – Warranties by the Subscriber

B1 Subscriber

- (a) The Subscriber is duly incorporated and validly exists under the law of its place of incorporation.
- (b) The Subscriber is not insolvent and no receiver has been appointed over any part of its assets and no such appointment has been threatened.
- (c) The Subscriber is not in liquidation or administration and no proceedings have been brought or threatened or procedure commenced for the purpose of winding up the Subscriber or placing it under administration.

B2 Due authorisations

- (a) The execution and delivery of this document has been properly authorised by all necessary corporate action of the Subscriber.
- (b) The Subscriber has full corporate power and lawful authority to execute and deliver this document and to consummate and perform or cause to be performed its obligations under this document.
- (c) Subject to equitable remedies and laws affecting creditors' rights generally, this document is a valid and binding obligation of the Subscriber enforceable in accordance with its terms by appropriate legal remedy.
- (d) This document and Completion do not conflict with or result in a breach of or default under any provision of the constitution of the Subscriber or any material term or provision of any agreement or deed or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or is subject or by which it is bound.

Execution

Executed as a deed

EXECUTED by Oaks Hotels & Resorts
Limited ACN 113 972 366 in accordance with
Section 127 of the Corporations Act 2001

Secretary/Director

PETER BARROW

Name of Secretary/Director (print)

Director

Brett Mitchell Ponton

Name of Director (print)

EXECUTED by ACN 145 582 136 Pty Ltd ACN
145 582 136 in accordance with Section 127 of
the Corporations Act 2001

Sole Director and Secretary

Yuanlin Wu

Name Sole Director and Secretary (print)

The Solicitor acknowledges having received the First Payment referred to in clause 3.1 and agrees to hold that amount for the parties as provided in this document.

Executed by Charles Sweeney, Partner, Cooper Grace Ward Lawyers, in the presence of:

Charles Sweeney

Witness

Brett Mitchell Ponton

Name of Witness (print)



Deed of Amendment - Subscription Deed

Parties

**Oaks Hotels & Resorts Limited
(Oaks)**

**ACN 145 582 136 Pty Ltd
(Subscriber)**

Date:

Carter Newell Lawyers

**Level 13, 215 Adelaide Street
Brisbane Qld 4000 Australia
GPO Box 2232
Brisbane Qld 4001 Australia**

Telephone: 3000 8441

Facsimile 3000 8433

Email: ojorss@carternewell.com

Ref: Cameron Jorss:149302

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Deed of Amendment - Subscription Deed

Parties

Oaks Hotels & Resorts Limited ACN 113 972 386

Address	Level 5, 26 Duporth Avenue, Maroochydore QLD 4558
Telephone	5479 6922
Facsimile	5479 6933
Contact	Company Secretary
Short name	Oaks

ACN 145 582 136 Pty Ltd ACN 145 582 136

Address	C/- Cooper Grace Ward Lawyers, Level 21, 400 Queen Street, Brisbane QLD 4000
Telephone	3231 2940
Facsimile	3231 8940
Contact	Charles Sweeney, Partner
Short name	Subscriber

Background

- 1 The Subscriber has agreed to subscribe for, and Oaks has agreed to allot and issue to the Subscriber, the Shares on the terms and conditions the Subscription Deed.
- 2 The parties have agreed to amend the Subscription Deed on the terms and conditions of this document.

Operative provisions

1 Defined terms and interpretation

1.1 Definitions

In this document, unless the context requires otherwise:

Business Day means a day other than a Saturday, Sunday or public or bank holiday in Brisbane, Queensland.

First Payment has the meaning given to that term in the Subscription Deed.

Oaks' Solicitor means Carter Newell Lawyers.

Subscriber's Solicitor means Cooper Grace Ward Lawyers.

Subscription Deed means the subscription deed between Oaks and the Subscriber entered into on 23 August 2010.

1.2 Interpretation

In this document:

- (a) headings are for reference only and do not affect the meaning of this document;
- (b) the singular includes the plural and vice versa and words importing a gender include other genders;
- (c) other grammatical forms of defined words or expressions have corresponding meanings;
- (d) "person" includes a firm, a body corporate, an unincorporated association or an authority;
- (e) an agreement, representation or warranty:
 - (i) in favour of two or more persons is for the benefit of them jointly and severally;
 - (ii) on the part of two or more persons binds them jointly and severally;
- (f) a reference to:
 - (i) a person includes the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
 - (ii) a document includes any variation or replacement of it and all schedules, annexures and exhibits to the document;
 - (iii) a law includes regulations and other instruments under it and amendments or replacements of any of them;
 - (iv) a thing includes the whole and each part of it;
 - (v) a group of persons includes all of them collectively, any two or more of them collectively and each of them individually;
- (g) a reference to a specific time means the time in Brisbane, Queensland; and
- (h) "including" when introducing a list of items does not limit the meaning of the words to which the list relates to those items or to items of a similar kind.

2 Transfer of First Payment

On execution of this document, the Subscriber must procure the Subscriber's Solicitor to transfer the First Payment to Oaks' Solicitor in immediately available funds.

3 Amendments to Subscription Deed

On transfer of the First Payment in accordance with clause 2, the Subscription Deed is amended as follows:

- (a) in clause 2.3(b) replace the words "Solicitor has provided evidence to" with "Oaks' Solicitor has advised";
- (b) the text of clause 3.3 is replaced with the following:

"Before the general meeting referred to in clause 4.1 the Subscriber must pay the balance of the Subscription Money for all of the Shares in immediately available funds (Second Payment) to Oaks' Solicitor to hold on trust for the parties in accordance with this document."
- (c) clause 3.4 is deleted;
- (d) in clause 3.6 replace the words "The Solicitor" with "Oaks' Solicitor";
- (e) in clause 3.6(b) the words "clause 3.2, 3.4 or" are deleted;

- (f) in clause 3.7 the word "Solicitor" is replaced with "Oaks Solicitor" and the words "Westpac Bank" are replaced with "Commonwealth Bank of Australia";
- (g) clause 3.8 is replaced with the following:

"3.8 Forfeiture of First Payment

If the Subscriber does not pay the Second Payment in accordance with clause 3.3 the First Payment is forfeited by the Subscriber and immediately vests in Oaks and Oaks is released from its obligation to allot and issue any Shares to the Subscriber under this document."
- (h) clause 3.9 is deleted;
- (i) in clause 4.1 the words "clause 3" are replaced with "clause 5"; and
- (j) the text of clause 5.3(a) is replaced with the following:

"the parties by this document direct Oaks' Solicitor to pay the Subscription Money to Oaks by electronic transfer of immediately available funds to an account nominated by Oaks; and".

4 GST

4.1 Interpretation

In this clause 4 GST Legislation means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and related Acts.

Other words or expressions that are defined in the GST Legislation have the same meaning in this clause 4.

4.2 Forfeiture of First Payment is GST Inclusive

If any forfeiture of the First Payment is liable to GST then despite any other provision of the Subscription Deed the amount of the First Payment will include GST.

4.3 Tax Invoices

For payments under or in connection with this document that are liable to GST:

- (a) If the payment is to be made on demand, the demand must include a tax invoice; and
- (b) If the payment is to be made without demand, a tax invoice must be provided to the payer within a reasonable time after the payment is due.

5 Other matters

5.1 Provisions can be severed

If a provision of this document is illegal or unenforceable then that provision must be severed from this document and the remaining provisions of this document continue in force. If only part of a provision is illegal or unenforceable then this clause applies to that part only.

5.2 Notices

A party's address for service is the address shown in this document unless the party has notified the other parties of a new address.

Notices under this document must be given in writing and sent by facsimile, or post or delivered to the address of the recipient. A notice may not be sent by email.

A notice is taken to be received:

- (a) if hand delivered, on delivery; and
- (b) if sent by prepaid post, three Business Days after the date of posting; and
- (c) if sent by facsimile, when the sender's facsimile machine prints confirmation that the number of pages in the notice have been successfully transmitted.

5.3 Applicable law

The law in force in Queensland applies to this document.

5.4 Waiver and variation

A provision of or a right under this document may not be waived or varied except in writing signed by whoever is to be bound.

5.5 Approvals and consent

A party may not unreasonably withhold or delay a consent or approval under this document, but may impose reasonable conditions when giving the consent or approval.

5.6 Further assurances

Each party agrees, at its own expense, on request of the other party, to do everything reasonably necessary to give effect to this document and the transactions contemplated by it, including the execution of documents.

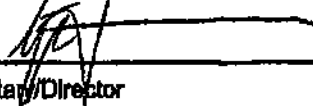
5.7 Counterparts

This document may consist of a number of counterparts and the counterparts taken together constitute one and the same instrument. The parties consent to the exchange of counterparts by facsimile or by attachment to email.

Execution

Executed as a deed

EXECUTED by Oaks Hotels & Resorts
Limited ACN 113 972 368 in accordance with
Section 127 of the Corporations Act 2001



Secretary/Director

Graeme Johnson

Name of Secretary/Director (print)



Director

Brett Pinton

Name of Director (print)

EXECUTED by ACN 145 582 136 Pty Ltd ACN
145 582 136 in accordance with Section 127 of
the Corporations Act 2001



Sole Director and Secretary

Yuanlin Wu

Name Sole Director and Secretary (print)



Second Deed of Amendment - Subscription Deed

Parties

**Oaks Hotels & Resorts Limited
(Oaks)**

**ACN 145 582 136 Pty Ltd
(Subscriber)**

Date: 29 September 2010

Carter Newell Lawyers

**Level 13, 215 Adelaide Street
Brisbane Qld 4000 Australia
GPO Box 2232
Brisbane Qld 4001 Australia**

**Telephone: 3000 8441
Facsimile 3000 8433
Email: cjorss@carternewell.com**

Ref: Cameron Jorss:149302

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Second Deed of Amendment - Subscription Deed

Parties

Oaks Hotels & Resorts Limited ACN 113 972 366

Address	Level 5, 26 Duporth Avenue, Maroochydore QLD 4558
Telephone	5479 6922
Facsimile	5479 6933
Contact	Company Secretary
Short name	Oaks

ACN 145 582 136 Pty Ltd ACN 145 582 136

Address	C/- Cooper Grace Ward Lawyers, Level 21, 400 Queen Street, Brisbane QLD 4000
Telephone	3231 2940
Facsimile	3231 8940
Contact	Charles Sweeney, Partner
Short name	Subscriber

Background

- 1 The Subscriber has agreed to subscribe for, and Oaks has agreed to allot and issue to the Subscriber, the Shares on the terms and conditions the Subscription Deed.
- 2 The parties have agreed to amend the Subscription Deed on the terms and conditions of this document.

Operative provisions

1 Defined terms and Interpretation

1.1 Definitions

In this document, unless the context requires otherwise:

Business Day means a day other than a Saturday, Sunday or public or bank holiday in Brisbane, Queensland.

First Payment has the meaning given to that term in the Subscription Deed.

Oaks' Solicitor means Carter Newell Lawyers.

Subscriber's Solicitor means Cooper Grace Ward Lawyers.

Subscription Deed means the subscription deed between Oaks and the Subscriber entered into on 23 August 2010 as amended by a deed of amendment entered into on or about 13 September 2010.

1.2 Interpretation

In this document:

- (a) headings are for reference only and do not effect the meaning of this document;
- (b) the singular includes the plural and vice versa and words importing a gender include other genders;
- (c) other grammatical forms of defined words or expressions have corresponding meanings;
- (d) "person" includes a firm, a body corporate, an unincorporated association or an authority;
- (e) an agreement, representation or warranty:
 - (i) In favour of two or more persons is for the benefit of them jointly and severally;
 - (ii) on the part of two or more persons binds them jointly and severally;
- (f) a reference to:
 - (i) a person includes the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
 - (ii) a document includes any variation or replacement of it and all schedules, annexures and exhibits to the document;
 - (iii) a law includes regulations and other instruments under it and amendments or replacements of any of them;
 - (iv) a thing includes the whole and each part of it;
 - (v) a group of persons includes all of them collectively, any two or more of them collectively and each of them individually;
- (g) a reference to a specific time means the time in Brisbane, Queensland; and
- (h) "including" when introducing a list of items does not limit the meaning of the words to which the list relates to those items or to items of a similar kind.

2 Transfer of funds

^{1 October}
On ~~30 September~~ 2010, the Subscriber must procure the Subscriber's Solicitor to transfer \$3,500,000 to Oaks' Solicitor in immediately available funds.

3 Amendments to Subscription Deed

The Subscription Deed is amended as follows:

- (a) the text of clause 3.3 is replaced with the following:

"On or before 13 October 2010, the Subscriber must pay the balance of the Subscription Money for all of the Shares in immediately available funds (Second Payment) to Oaks' Solicitor to hold on trust for the parties in accordance with this document."
- (b) the text of clause 5.2 is replaced with the following:

"Completion is to occur on the next Business Day after the transfer of the Second Payment to Oaks' Solicitor in accordance with clause 3.3, or any other date that is agreed in writing by the parties."

- (c) a new clause 3.9 is inserted as follows:

"3.9 Right to Scale Down

In lieu of exercising its rights under clause 3.8, Oaks may elect instead to proceed with an issue of a lesser number of shares, being the number determined by the following formula:

$$\$6,500,000 / B$$

Where B = Share Price."

(d) delete clause 3.8.

4 GST

4.1 Interpretation

In this clause 4 **GST Legislation** means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and related Acts.

Other words or expressions that are defined in the GST Legislation have the same meaning in this clause 4.

4.2 Forfeiture of First Payment is GST Inclusive

If any forfeiture of the First Payment is liable to GST then despite any other provision of the Subscription Deed the amount of the First Payment will include GST.

4.3 Tax Invoices

For payments under or in connection with this document that are liable to GST:

- (a) if the payment is to be made on demand, the demand must include a tax invoice; and
- (b) if the payment is to be made without demand, a tax invoice must be provided to the payer within a reasonable time after the payment is due.

5 Other matters

5.1 Provisions can be severed

If a provision of this document is illegal or unenforceable then that provision must be severed from this document and the remaining provisions of this document continue in force. If only part of a provision is illegal or unenforceable then this clause applies to that part only.

5.2 Notices

A party's address for service is the address shown in this document unless the party has notified the other parties of a new address.

Notices under this document must be given in writing and sent by facsimile, or post or delivered to the address of the recipient. A notice may not be sent by email.

A notice is taken to be received:

- (a) if hand delivered, on delivery; and
- (b) if sent by prepaid post, three Business Days after the date of posting; and
- (c) if sent by facsimile, when the sender's facsimile machine prints confirmation that the number of pages in the notice have been successfully transmitted.

5.3 Applicable law

The law in force in Queensland applies to this document.

5.4 Waiver and variation

A provision of or a right under this document may not be waived or varied except in writing signed by whoever is to be bound.

5.5 Approvals and consent

A party may not unreasonably withhold or delay a consent or approval under this document, but may impose reasonable conditions when giving the consent or approval.

5.6 Further assurances

Each party agrees, at its own expense, on request of the other party, to do everything reasonably necessary to give effect to this document and the transactions contemplated by it, including the execution of documents.

5.7 Counterparts

This document may consist of a number of counterparts and the counterparts taken together constitute one and the same instrument. The parties consent to the exchange of counterparts by facsimile or by attachment to email.

Execution

Executed as a deed

EXECUTED by Oaks Hotels & Resorts
Limited ACN 143 972 868 in accordance with
Section 127 of the Corporations Act 2001



Secretary/Director

DEE MITCHELL ROYSTON
Name of Secretary/Director (print)



Director

DOUGLAS WOOLB
Name of Director (print)

EXECUTED by ACN 145 582 136 Pty Ltd ACN
145 582 136 in accordance with Section 127 of
the Corporations Act 2001



Sole Director and Secretary

Yuanlin Wu

Name Sole Director and Secretary (print)

30-03-2010