

APPENDIX I TO THE ANNUAL REPORT 2015

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Appendix is issued by LHN Limited (the “**Company**”) together with the Company’s annual report for the financial year ended 30 September 2015. Its purpose is to provide shareholders with the relevant information relating to the proposed renewal of the general mandate for interested person transactions and to seek shareholders’ approval for the same at the Annual General Meeting of the Company to be held at Six Battery Road #10-01 Singapore 049909, on Thursday, 28 January 2016 at 10:00 a.m.

If you are in any doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix, the Notice of Annual General Meeting and the attached Proxy Form to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or the transfer was effected, for onward transmission to the purchaser or the transferee.

The Company was listed on Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 13 April 2015. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”).

This Appendix has been prepared by the Company and its contents have been reviewed by the Sponsor, for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Appendix.

This Appendix has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Appendix, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Appendix.

The contact person for the Sponsor is Mr. Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone: (65) 6229 8088.



(Company Registration Number 201420225D)
(Incorporated in the Republic of Singapore)

APPENDIX TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

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DEFINITIONS

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

- “2016 AGM”* : The AGM of the Company to be held at Six Battery Road #10-01 Singapore 049909, on Thursday, 28 January 2016 at 10:00 a.m.
- “Audit Committee” or “Independent Directors”* : The audit committee of the Company comprising Mr Lee Gee Aik, Ms Ch’ng Li-Ling and Mr Eddie Yong, who are deemed to be independent for the purpose of making a recommendation to Shareholders in respect of the Proposed Renewal of IPT Mandate
- “Act” or “Companies Act”* : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
- “AGM”* : The annual general meeting of the Company
- “Annual Report”* : The annual report of the Company for FY2015
- “Appendix”* : This Appendix to Shareholders dated 13 January 2016 in respect of the Proposed Renewal of IPT Mandate
- “Associate”* : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.
- (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Associated Company”* : A company in which at least 20% but not more than 50% of its shares are held by the Company and/or its subsidiaries
- “Articles”* : The Articles of Association of the Company, as amended from time to time

DEFINITIONS

<i>“Board of Directors” or “Board”</i>	:	The board of Directors of the Company for the time being
<i>“BVI”</i>	:	British Virgin Islands
<i>“Catalist”</i>	:	The Catalist Board of the SGX-ST
<i>“Catalist Rules”</i>	:	Section B: Rules of Catalist of the Listing Manual of the SGX-ST as amended, supplemented or modified from time to time
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Company”</i>	:	LHN Limited
<i>“Control”</i>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
<i>“Controlling Shareholder”</i>	:	A person who: (a) holds directly or indirectly 15% or more of the issued share capital of the Company; or (b) in fact exercises Control over the Company
<i>“Directors”</i>	:	The directors of the Company for the time being
<i>“Entity At Risk”</i>	:	(a) the Company; (b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or (c) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Company and the interested person(s), have control over the associated company
<i>“FY”</i>	:	Financial year of the Company ended or ending 30 September (as the case may be)
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Head of Finance”</i>	:	The Company’s finance personnel who is heading the finance team at that point in time

DEFINITIONS

<i>“Interested Person”</i>	:	(a) A director, chief executive officer or Controlling Shareholder of the Company; or (b) an Associate of any such director, chief executive officer or Controlling Shareholder
<i>“Interested Person Transaction(s)” or “IPT”</i>	:	Means a transaction between an Entity at Risk and an Interested Person
<i>“IPT Mandate”</i>	:	Has the meaning ascribed to it in Section 2 of this Appendix
<i>“Latest Practicable Date”</i>	:	4 January 2016, being the latest practicable date prior to the printing of this Appendix
<i>“LHN Culinary”</i>	:	LHN Culinary Concepts Pte. Ltd.
<i>“Mandated Interested Persons”</i>	:	Has the meaning ascribed to it in Section 1.2 in Annexure of this Appendix
<i>“Mandated Transactions”</i>	:	Has the meaning ascribed to it in Section 1.3 in Annexure of this Appendix
<i>“Market Day”</i>	:	A day on which SGX-ST is open for securities trading
<i>“Memorandum”</i>	:	The Memorandum of Association of the Company
<i>“NTA”</i>	:	Net tangible assets
<i>“Proposed Renewal of IPT Mandate”</i>	:	The proposed renewal of the IPT Mandate
<i>“PJS Companies”</i>	:	Cafe @ Phoenix Pte. Ltd. and DJ Culinary Concepts Pte. Ltd., are each wholly owned by Pang Joo Siang, the sole director of each company, who is the spouse of the Company’s Executive Director and Group Deputy Managing Director, Jess Lim.
<i>“SFA” or “Securities and Futures Act”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share(s)”</i>	:	Ordinary share(s) in the share capital of the Company
<i>“Shareholders”</i>	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares

DEFINITIONS

“Substantial Shareholder” : A person (including a corporation) who holds, directly or indirectly, 5% or more of the total issued share capital of the Company

Currencies, Units and Others

“SGD”, “S\$”, or “cents” : Singapore dollars and cents, respectively

“%” or “per cent” : Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the same meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term **“subsidiary”** shall have the same meaning ascribed to it under Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Appendix, where applicable, shall have the same meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and to dates in this Appendix is made by reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in this Appendix between the amounts listed and the total thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

LHN LIMITED

(Company Registration Number 201420225D)
(Incorporated in the Republic of Singapore)

Directors:

Kelvin Lim (Executive Chairman and Group Managing Director)
Jess Lim (Executive Director and Group Deputy Managing Director)
Lee Gee Aik (Lead Independent Director)
Ch'ng Li-Ling (Independent Director)
Eddie Yong (Independent Director)

Registered Office:

10 Raeburn Park
#02-18
Singapore 088702

13 January 2016

To: The Shareholders of LHN Limited

Dear Sir/Madam,

1. INTRODUCTION

Reference is made to the notice of 2016 AGM dated 13 January 2016 (the “**Notice**”) of LHN Limited, which is set out on pages 119 to 124 of the Annual Report.

The Directors are proposing to seek Shareholders’ approval at the forthcoming AGM for the Proposed Renewal of the IPT Mandate.

The purpose of this Appendix is to provide Shareholders with information relating to, and to seek Shareholders’ approval for, the Proposed Renewal of the IPT Mandate to be tabled at the forthcoming AGM.

The Sponsor and the SGX-ST take no responsibility for the contents of this Appendix, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Appendix.

2. BACKGROUND

Chapter 9 of the Catalist Rules governs transactions between a listed company or any of its unlisted subsidiaries or unlisted associated companies and Interested Persons. Pursuant to Rule 920 of the Catalist Rules, a listed company is allowed to obtain a mandate from its shareholders for recurrent interested person transactions which are of a revenue or trading nature or for those necessary for its day-to-day operations. These transactions may not include the purchase or sale of assets, undertakings or businesses.

As disclosed in the Company’s offer document dated 1 April 2015 (the “**Offer Document**”), Shareholders whom have subscribed for the Shares are deemed to have approved the general mandate for the Group to enter into the Interested Person Transactions with the Mandated Interested Persons (the “**IPT Mandate**”) which are set out in Annexure of this Appendix. The authority conferred by the IPT Mandate is effective until the earlier of the following: (i) the conclusion of the Company’s first annual general meeting following the Company’s admission into Catalist; or (ii) the first anniversary of the date of the Company’s admission to Catalist. As such, the authority conferred by the IPT Mandate will expire on the date of the 2016 AGM, being 28 January 2016.

LETTER TO SHAREHOLDERS

3. RATIONALE AND BENEFITS FOR THE PROPOSED RENEWAL OF THE IPT MANDATE

It is anticipated that the Group would, in the ordinary course of business, continue to enter into certain transactions with the Mandated Interested Persons. It is likely that such transactions will occur with some degree of frequency and may arise at any time. In view of the time-sensitive and/or recurrent nature of commercial transactions, it would be advantageous to obtain a IPT Mandate to enter into certain Interested Person Transactions in the normal course of business, provided that all such Interested Person Transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company and minority Shareholders.

The renewal of the IPT Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential Interested Person Transactions with a specific class of Mandated Interested Person arise, thereby substantially reducing the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

The IPT Mandate is intended to facilitate transactions in the normal course of business which are transacted from time to time with the specified classes of Mandated Interested Persons, provided that they are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Company and minority Shareholders.

4. ANNEXURE

Details of the IPT, including the classes of Mandated Interested Persons, scope of Mandated Transactions, review procedures for Mandated Transactions with Mandated Interested Persons and other general information in relation to Chapter 9 of the Catalist Rules, are set out in the Annexure to this Appendix.

5. DISCLOSURE

In accordance with the requirements of Chapter 9 of the Catalist Rules, the Company will:

- (a) disclose in its annual report the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT Mandate during the financial year (as well as in the annual reports for subsequent financial years that the IPT Mandate continues to be in force); and
- (b) announce the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Catalist Rules within the time required for the announcement of such report.

Disclosure has been made in the section on Interested Person Transactions in the Annual Report for FY2015 of the aggregate value of transactions in excess of S\$100,000 conducted with the Mandated Interested Persons pursuant to the IPT Mandate.

LETTER TO SHAREHOLDERS

6. AUDIT COMMITTEE'S STATEMENTS

The Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices has not changed since the adoption of the IPT Mandate upon the listing of the Company on the Catalist on 13 April 2015; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the Mandated Transactions with the Mandated Interested Persons will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and minority Shareholders.

If during any of the reviews by the Audit Committee, the Audit Committee is of the view that the guidelines and review procedures for Mandated Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the Group or the Mandated Interested Persons are conducted, the Company will seek a fresh general mandate from the Shareholders based on new guidelines and review procedures so that Mandated Transactions will be carried out on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and minority Shareholders.

7. INTERESTS OF THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Kelvin Lim ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	–	–	275,000,000	76.07
Jess Lim ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	–	–	275,000,000	76.07
Lee Gee Aik	–	–	–	–
Ch'ng Li-Ling	–	–	–	–
Eddie Yong	–	–	–	–
Substantial Shareholders (other than Directors)				
Trident Trust Company (B.V.I.) Limited ⁽³⁾	–	–	275,000,000	76.07
LHN Capital Pte. Ltd. ⁽⁴⁾	–	–	275,000,000	76.07
HN Capital Ltd. ⁽⁵⁾	–	–	275,000,000	76.07
Hean Nerng Group Pte. Ltd. ⁽⁶⁾	275,000,000	76.07	–	–
Lim Hean Nerng ⁽⁶⁾	–	–	275,000,000	76.07
Foo Siau Foon ⁽⁶⁾	–	–	275,000,000	76.07
Lim Yun En ⁽⁶⁾	–	–	275,000,000	76.07

LETTER TO SHAREHOLDERS

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Lim Wei Yong Matthew ⁽⁶⁾	–	–	275,000,000	76.07
Lim Wei Yee ⁽⁶⁾	–	–	275,000,000	76.07
Lin Weichen ⁽⁶⁾	–	–	275,000,000	76.07
Lim Wei Kheng (Lin Weiqing) ⁽⁶⁾	–	–	275,000,000	76.07

Notes:

- (1) The percentage is calculated based on issued number of Shares of the Company of 361,524,300 Shares as at the Latest Practicable Date.
- (2) Kelvin Lim and Jess Lim are siblings. They are therefore deemed interested in each other's interests in the shares of the Company.
- (3) Trident Trust Company (B.V.I.) Limited, a licensed trust company incorporated in BVI, holds the entire issued and paid-up share capital in LHN Capital Pte. Ltd. as trustee of The Land Banking Trust in BVI. LHN Capital Pte. Ltd., a company incorporated in Singapore, is the trustee of The LHN Capital Trust in Singapore. LHN Capital Pte. Ltd. holds the entire issued and paid-up share capital in HN Capital Ltd., a company incorporated in BVI. The Land Banking Trust is a discretionary purpose trust with the principal purpose of (a) promoting the operation of the businesses owned directly or indirectly by LHN Capital Pte. Ltd. ("**LHN Capital Business**"); and (b) to enable the operation of the LHN Capital Business in accordance with the terms of the business plan. Accordingly, there are no beneficiaries to The Land Banking Trust. The LHN Capital Trust is a discretionary irrevocable trust which the trustee, LHN Capital Pte. Ltd., has all powers in relation to the property comprised in The LHN Capital Trust as the legal owner of such property, subject to any express restrictions contained in The LHN Capital Trust. The beneficial owners of the property in the trust fund are the beneficiaries of The LHN Capital Trust which comprise Lim Hean Nerng, Foo Siau Foon, Kelvin Lim and Kelvin Lim's direct lineal issues (namely, Lim Yun En, Lim Wei Yong Matthew, Lim Wei Yee, Lin Weichen and Lim Wei Kheng (Lin Weiqing)) ("**LHN Capital Trust Beneficiaries**"). Trident Trust Company (Singapore) Pte. Limited is the trust administrator of The LHN Capital Trust.

HN Capital Ltd., Jess Lim and Kelvin Lim hold 85.0%, 10.0% and 5.0% respectively of the entire issued and paid-up share capital in Hean Nerng Group Pte. Ltd.. Kelvin Lim and Jess Lim are also directors of Hean Nerng Group Pte. Ltd..

As Trident Trust Company (B.V.I.) Limited and its associates, namely LHN Capital Pte. Ltd. and HN Capital Ltd., are entitled to exercise control of not less than 20.0% of the votes attached to the voting shares in Hean Nerng Group Pte. Ltd., Trident Trust Company (B.V.I.) Limited is deemed to have an interest in the issued and paid-up share capital of the Company held by Hean Nerng Group Pte. Ltd..

- (4) Kelvin Lim and Jess Lim are directors of LHN Capital Pte. Ltd.. In connection with footnote (3) above, as LHN Capital Pte. Ltd. and its associate, namely HN Capital Ltd. are entitled to exercise control of not less than 20.0% of the votes attached to the voting shares in Hean Nerng Group Pte. Ltd., LHN Capital Pte. Ltd. is deemed to have an interest in the issued and paid-up share capital of the Company held by Hean Nerng Group Pte. Ltd..
- (5) Kelvin Lim and Jess Lim are directors of HN Capital Ltd.. In connection with footnote (3) above, as HN Capital Ltd. is entitled to exercise control of not less than 20.0% of the votes attached to the voting shares in Hean Nerng Group Pte. Ltd., HN Capital Ltd. is deemed to have an interest in the issued and paid-up share capital of the Company held by Hean Nerng Group Pte. Ltd..
- (6) Section 4(3) of the SFA provides that "where any property held in trust consists of or includes securities and a person knows, or has reasonable grounds for believing, that he has an interest under the trust, he shall be deemed to have an interest in those securities". In connection with footnote (3) above and pursuant to Section 4(3) of the SFA, the LHN Capital Trust Beneficiaries are deemed to have an interest in the issued and paid-up share capital of the Company held by Hean Nerng Group Pte. Ltd..

Notwithstanding that each of Lim Hean Nerng, Foo Siau Foon and Kelvin Lim's direct lineal issues (namely, Lim Yun En, Lim Wei Yong Matthew, Lim Wei Yee, Lin Weichen and Lim Wei Kheng (Lin Weiqing)), being a beneficiary of The LHN Capital Trust, is deemed to be interested in 15.0% or more of the voting shares of the Company, each of them only receives an economic benefit under The LHN Capital Trust but has no control over the property comprised in The LHN Capital Trust and also does not, in fact, have any voting rights in or exercise control over the Company. Pursuant to the Fourth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("**SFR**"), a controlling shareholder in relation to a corporation means (a) a person who has an interest in the voting shares of the corporation and

LETTER TO SHAREHOLDERS

who exercises control over the corporation; or (b) a person who has an interest in the voting shares of the corporation of an aggregate of not less than 30.0% of the total votes attached to all voting shares in the corporation, unless he does not exercise control over the corporation. Accordingly, it is not meaningful to consider them as controlling shareholders of the Company within the meaning of the Fourth Schedule of the SFR.

However, as Lim Hean Nerng was one of the initial founders of the Group and is deemed to be interested in 15.0% or more of the voting shares of the Company through The LHN Capital Trust, as disclosed in the Offer Document, he is considered to be a Controlling Shareholder.

However, Foo Siau Foon and each of Kelvin Lim's direct lineal issues are considered Substantial Shareholders of the Company because they are deemed interested in the Shares held by Hean Nerng Group Pte. Ltd., being not less than 5.0% of the total votes attached to all the voting shares of the Company.

However, Kelvin Lim, a beneficiary of The LHN Capital Trust, is also a director of LHN Capital Pte. Ltd., HN Capital Ltd., Hean Nerng Group Pte. Ltd. and the Company. Accordingly, he is deemed to be able to exercise control over the Company and is deemed to be a Controlling Shareholder of the Company.

Jess Lim is Kelvin Lim's sibling and is also a director of LHN Capital Pte. Ltd., HN Capital Ltd., Hean Nerng Group Pte. Ltd. and the Company. Accordingly, she is deemed to be able to exercise control over the Company and is deemed to be a Controlling Shareholder of the Company.

Neither the Directors nor the Substantial Shareholders of the Company (other than in his/her capacity as a Director or Shareholder of the Company), as well as their respective associates, has any interest, direct or indirect in the Proposed Renewal of IPT Mandate.

8. INDEPENDENT DIRECTORS' RECOMMENDATION

The Independent Directors who are considered independent for the purposes of the Proposed Renewal of the IPT Mandate, having carefully considered the rationale and benefits of the IPT Mandate, as set out in section 3 of this Appendix, are of the opinion that the Proposed Renewal of the IPT Mandate is in the best interests of the Company and they recommend that Shareholders vote in favour of ordinary resolution 12 as stated in the Notice in respect of the Proposed Renewal of the IPT Mandate.

9. ANNUAL GENERAL MEETING

The 2016 AGM, notice of which is set out on pages 119 to 124 of the Annual Report, will be held at Six Battery Road #10-01 Singapore 049909, on Thursday, 28 January 2016 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution set out in the notice of the 2016 AGM.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and wish to appoint a proxy to attend and vote at the 2016 AGM on their behalf must complete, sign and return the Proxy Form attached to the notice of 2016 AGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at 10 Raeburn Park, #02-18, Singapore 088702 not less than 72 hours before the time fixed for the 2016 AGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the 2016 AGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

A Depositor shall not be regarded as a Shareholder of the Company and not entitled to attend the 2016 AGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the AGM.

LETTER TO SHAREHOLDERS

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Renewal of IPT Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix 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 Appendix in its proper form and context.

12. ABSTENTION FROM VOTING

Kelvin Lim and Jess Lim, whom are Executive Directors of the Company, and their Associates, will abstain from voting their shareholdings in respect of Ordinary Resolution 12 approving the proposed renewal of the general mandate for interested person transactions. Kelvin Lim and Jess Lim will also decline, and will ensure that their associates will decline to accept appointment as proxy(ies) to vote on the ordinary resolution 12 in respect of the Proposed Renewal of IPT Mandate to be tabled at the forthcoming AGM unless specific instructions as to voting have been given by the Shareholder concerned.

13. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 10 Raeburn Park, #02-18, Singapore 088702 during normal business hours from the date of this Appendix up to the date of the 2016 AGM:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the Annual Report for FY2015.

Yours faithfully
For and on behalf of the Board of Directors
LHN LIMITED

Kelvin Lim
Executive Chairman and Group Managing Director

ANNEXURE

ANNEXURE TO APPENDIX I

1. THE IPT MANDATE

1.1 General Information Relating To Chapter 9 of the Catalyst Rules

Scope

Chapter 9 applies to transactions which a listed company or any of its subsidiaries (other than a subsidiary that is listed on an approved stock exchange) or associated companies (other than an associated company that is listed on an approved stock exchange or over which the listed group and/or its interested person(s) has no control) proposes to enter into a counter-party who is an interested person of the listed company.

Definitions

An “interested person” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

An “associate” means:

- (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
 - (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or it's a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

An “associated company” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or the group.

A “controlling shareholder” means a person who holds (directly or indirectly) 15% or more of the nominal amount of all voting shares in the listed company or one who in fact exercises control over its listed company.

ANNEXURE

General Requirements

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and are hence excluded from the ambit of Chapter 9, immediate announcement, or, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated NTA), are reached or exceeded. In particular, shareholders' approval is required where:

- (a) the value of such transaction is equal to or exceeds five per cent (5%) of the latest audited consolidated NTA of the group; or
- (b) the value of such transaction when aggregated with the value of all other transactions previously entered into with the same interested person in the same financial year of the group is equal to or exceeds five per cent (5%) of the latest audited consolidated NTA of the group. However, a transaction which has been approved by shareholders, or is the subject approved by shareholders, need not be included in any subsequent aggregation.

Immediate announcement of a transaction is required where:

- (a) the value of such transaction is equal to or exceeds three per cent (3%) of the latest audited consolidated NTA of the group, or
- (b) the value of such transaction when aggregated with the value of all other transactions previously entered into with the same interested person in the same financial year of the group is equal to or exceeds three per cent (3%) of the latest audited consolidated NTA of the group.

The above requirements for immediate announcement and for shareholders' approval do not apply to any transaction below S\$100,000.

General Mandate

A listed company may seek a general mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

1.2 CLASSES OF MANDATED INTERESTED PERSONS

LHN Culinary is wholly owned by our Controlling Shareholder, Hean Nerng Group Pte. Ltd.. Our Executive Directors and their immediate family are directly and indirectly interested in the entire issued and paid-up share capital of Hean Nerng Group Pte. Ltd. through HN Capital Ltd. and The LHN Capital Trust. The subsidiaries of LHN Culinary comprises, namely of Alkaff Mansion Ristorante Pte. Ltd. and Parco Caffè Holdings Pte. Ltd. and are involved in the food and beverage business.

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The beneficiaries of The LHN Capital Trust comprises of Lim Hean Nerng, Foo Siau Foon, Kelvin Lim and Kelvin Lim's direct lineal issues (namely, Lim Yun En, Lim Wei Yong Matthew, Lim Wei Yee, Lin Weichen and Lim Wei Kheng (Lin Weiqing)). Trident Trust Company (Singapore) Pte. Limited is the trust administrator of The LHN Capital Trust. Trident Trust Company (B.V.I.) Limited and its associates, are entitled to exercise control of Hean Nerng Group Pte. Ltd..

PJS Companies, which includes Cafe @ Phoenix Pte. Ltd. and DJ Culinary Concepts Pte. Ltd., are each wholly owned by Pang Joo Siang, the sole director of each company, who is the spouse of the Company's Executive Director and Group Deputy Managing Director, Jess Lim.

Accordingly, certain transactions entered into between the Company together with its subsidiaries and/or associated companies and LHN Culinary and its subsidiaries, beneficiaries of The LHN Capital Trust as well as PJS Companies will therefore constitute as interested person transactions under Chapter 9.

The IPT Mandate will apply to the transactions that are carried out with the following classes of Interested Persons:

- (a) certain members of the Lim family (collectively, the "**Lim Family**") who are or may from time to time be or become beneficiaries of The LHN Capital Trust;
 - (b) the Executive Directors, Kelvin Lim and Jess Lim;
 - (c) LHN Culinary, its subsidiaries and its Associated Companies;
 - (d) the PJS Companies, their respective subsidiaries and their respective Associated Companies; and
 - (e) the respective Associates of the parties named in (a) and (b) above,
- (collectively, the "**Mandated Interested Persons**").

While not all Mandated Interested Persons currently have ongoing transactions with the Group, the Group has included them in the IPT Mandate as the Group envisages that they may enter into transactions with the Mandated Interested Persons in the future. Transactions between the Mandated Interested Persons and the Group which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules. In particular, if such transactions are of an aggregate value equal to or more than 5.0% of the Group's latest audited NTA, future transactions of such a nature will be subject to Shareholders' approval before they can be entered into.

1.3 CATEGORIES OF MANDATED INTERESTED PERSON TRANSACTIONS

It is envisaged that in the ordinary course of business, the following transactions between the Group and the Mandated Interested Person(s) are likely to occur from time to time:

- (a) the provision or obtaining of leases or sub-leases of commercial space, industrial space, residential space and/or land to or from the Mandated Interested Persons;

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- (b) the provision of facilities management services under the Group's Facilities Management Business such as building maintenance services, security services and pest control services to the Mandated Interested Persons;
- (c) the provision of renovation and related services such as, project management services, fitting-out works, A&A works and replacement of M&E installations to the Mandated Interested Persons;
- (d) purchase of food and beverage products and services from the Mandated Interested Persons; and
- (e) the provision or obtaining of such other products and/or services which are incidental to or in connection with the transactions in (a) to (d) above,

(collectively, the "**Mandated Transactions**").

For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the IPT Mandate. The IPT Mandate will also not cover any transactions by the Group with a Mandated Interested Person(s) that has a value below S\$100,000 as the threshold and aggregation requirements contained in Chapter 9 of the Catalist Rules would not apply to such transactions.

Transactions with other Interested Persons (other than the classes of Mandated Interested Persons) that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or applicable provisions of the Catalist Rules and/or any applicable law. Transactions conducted under the IPT Mandate are not subject to Rules 905 and 906 of Chapter 9 of the Catalist Rules pertaining to threshold and aggregation requirements.

1.4 **Review Procedures for Mandated Transactions with Mandated Interested Persons**

The Group has established an internal control system and review procedures in place to ensure that Mandated Transactions with the Mandated Interested Persons are made on an arm's length basis and on normal commercial terms, supported by independent valuation where appropriate, and are consistent with the Group's usual policies and practices and are not prejudicial to the interests of the Company and minority Shareholders.

- (a) In particular, the following review procedures have been put in place:
 - (i) *Provision of services or sale of products to Mandated Interested Persons*
 - aa. In general, all contracts entered into or transactions with Mandated Interested Persons are to be carried out in accordance with the Group's usual business policies and practices, consistent with the usual margins or at the prevailing market rates for the same or substantially similar type of service or product provided, and on terms which are no more favourable to the Mandated Interested Persons than those extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms. Where possible and practicable, the Group will use its reasonable

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endeavours to make comparisons with at least two (2) other contracts or invoices issued to unrelated third parties for the same or substantially similar types of transactions. In the event where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, the Head of Finance and a senior executive of the Company designated by the Audit Committee (both of whom must have no interest, direct or indirect, in the transactions) will, subject to the approval thresholds set out below, determine whether the prices and terms offered to the Mandated Interested Persons are fair and reasonable, taking into account factors such as, but not limited to, the Group's then prevailing capacity and resources, nature and scope of services, rationale for and benefits of the transaction, duration of the contracts or services, requirements and specifications, industry's terms and practices (if applicable) and credit standing of the Mandated Interested Persons.

bb. Provision of property leases or sub-leases

In addition to (i)(aa) above, in relation to the provision of property leases or sub-leases to Mandated Interested Persons, factors such as, but not limited to, costs of services, prevailing market rental rates for other properties within the vicinity of similar or comparable standing and facilities, the tenure of the lease, the area of the leased premises and any other factors which may affect the rental rates or terms of the lease, will be taken into account. The amount of rental payable by the Mandated Interested Person shall not be more favourable than the rental payable by unrelated third parties for similar properties in terms of, *inter alia*, size, location, quality of premise and credit terms.

cc. Provision of facilities management services

In addition to (i)(aa) above, in relation to the provision of facilities management services, factors such as, but not limited to, costs of services, scope of work and budgetary evaluations according to customer requirements, will be taken into account and marked up with a gross profit margin which will not be more favourable to the Mandated Interested Person than those extended to unrelated third parties, in line with the Company's usual business and pricing policies.

dd. Provision of renovation and related services

Renovation and related services are primarily provided to entities within the Group for internal support in connection with the Group's businesses and operations. Although the Group may extend such services to unrelated third parties such as the tenants, upon request, revenue contribution from such renovation and related services provided to the tenants were historically not material. In the event that the Group renders any renovation and related services to Mandated Interested Persons, factors such as, but not limited to, costs of services provided, scope of work and duration of the renovation period, will be taken into account and marked up with a gross profit margin which will not be more favourable to the Mandated Interested Person than those extended to

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unrelated third parties. In addition, the Head of Finance and a senior executive of the Company designated by the Audit Committee (both of whom must have no interest, direct or indirect, in the transactions) will, subject to the approval thresholds set out below, determine whether the prices and terms offered to the Mandated Interested Persons are fair and reasonable, taking into account factors such as, but not limited to, the Group's then prevailing capacity and resources, nature and scope of services, rationale for and benefits of the transaction, duration of the services and credit standing of the Mandated Interested Persons, prior to rendering any renovation and related services to Mandated Interested Persons.

(ii) *Obtaining of services or purchasing of products from Mandated Interested Persons*

- aa. All contracts entered into or transactions with Mandated Interested Persons are to be carried out by obtaining quotations (wherever possible or available) from at least two (2) other unrelated third party suppliers for the same or substantially similar quantities and/or quality of services or products, prior to the entry into the contract or transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of services or products. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, requirements and specifications, quality, reputation, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account.
- bb. In the event that such competitive quotations cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), the Head of Finance and a senior executive of the Company designated by the Audit Committee (both of whom must have no interest, direct or indirect in the transactions) will, subject to the approval thresholds set out below, determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable, taking into account factors such as, including but not limited to, the costs and benefits of entering into the transactions and the prices charged to unrelated third parties by the Mandated Interested Persons.
- cc. In addition to (ii)(aa) above, with regards to the obtaining of property leases or sub-leases from Mandated Interested Persons, factors such as, but not limited to, prevailing market rental rates for other properties within the vicinity of similar or comparable standing and facilities, market rental rates as determined by independent valuers, the tenure of the lease, the area of the leased premises and any other factors which may affect the rental rates or terms of the lease, will be taken into account.

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- (b) In addition to the above review procedures, the following approval procedures and thresholds will apply to the Mandated Transactions:
- (i) Mandated Transactions relating to the provision or obtaining of property leases or sub-leases below or equal to the Property Leases Financial Limit (as defined below) each in value and Mandated Transactions not relating to the provision or obtaining of property leases or sub-leases below or equal to the Category 1 Financial Limit (as defined below) each in value, will be reviewed and approved by the Head of Finance and a senior executive of the Company designated by the Audit Committee (both of whom must have no interest, direct or indirect, in the Mandated Transactions) from time to time for such purpose, and tabled for review by the Audit Committee on a half-yearly basis;
 - (ii) Mandated Transactions relating to the provision or obtaining of property leases or sub-leases above the Property Leases Financial Limit (as defined below), each in value and Mandated Transactions not relating to the provision or obtaining of property leases or sub-leases above the Category 1 Financial Limit (as defined below), each in value will be reviewed and approved by the Audit Committee;
 - (iii) Where the value of a Mandated Transaction not involving the provision or obtaining of property leases or sub-leases, when aggregated with previous Mandated Transactions of the same kind in any particular financial year, is equal to or exceeds the Category 2 Financial Limit (as defined below), such Mandated Transaction, and all future Mandated Transactions of the same kind in that particular financial year will be reviewed and approved by the Audit Committee; and
 - (iv) The Head of Finance and a senior executive of the Company designated by the Audit Committee from time to time for such purpose, and the Audit Committee, may, as he/she/it deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, which includes obtaining valuations from independent professional valuers.

For the purposes of sub-paragraphs b(i) and b(ii) above, in relation to Mandated Transactions involving the provision or obtaining of property leases and sub-leases to or from Mandated Interested Persons, the financial limit for each Mandated Transaction shall be the amount equivalent to 5.0% of the Group's audited consolidated NTA for the time being ("**Property Leases Financial Limit**"), as determined with reference to the Group's latest announced audited consolidated financial statements ("**Latest NTA**"). For the purposes of sub-paragraphs b(i) and b(ii) above, the financial limit for each Mandated Transaction not relating to the provision or obtaining of property leases and sub-leases shall be S\$300,000 ("**Category 1 Financial Limit**"); and for the purpose of sub-paragraph b(iii) above, the financial limit for the aggregate value of the Mandated Transactions not relating to the provision or obtaining of property leases and sub-leases shall be the amount equivalent to 3.0% of the Group's Latest NTA ("**Category 2 Financial Limit**").

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- (c) The following will apply to the review and approval process for all categories of Mandated Transactions:
- (i) if the Head of Finance has an interest in the Mandated Transaction or is a nominee for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by such other senior executive of the Company designated by the Audit Committee and the Chairman of the Audit Committee;
 - (ii) if the Head of Finance and the appointed senior executive have an interest in the Mandated Transaction(s) or are nominees for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by the Chairman of the Audit Committee or another member of the Audit Committee (who is not a nominee of the Mandated Interested Person(s) and has no interest in the Mandated Transaction(s)) designated by the Chairman of the Audit Committee from time to time for such purpose;
 - (iii) if a member of the Audit Committee has an interest in any Mandated Transaction or is a nominee for the time being of the Mandated Interested Person(s), he/she shall abstain from participating in the review and approval process of the Audit Committee in relation to that Mandated Transaction; and
 - (iv) if a member of the Audit Committee (who is not a nominee of the Mandated Interested Person(s) and has no interest in the Mandated Transaction) also serves as an independent non-executive director on the board of directors or (as the case may be) an audit or other board committee of the Mandated Interested Person, and he/she participates in the review and approval process of the Audit Committee in relation to a Mandated Transaction with that Mandated Interested Person, he/she will abstain from participating on any decision before the board or committee of that Mandated Interested Person with respect to such Mandated Transaction.
- (d) The Company has also implemented the following procedures for the identification of Interested Persons and the recording of all Interested Person Transactions (including the Mandated Transactions):
- (i) The Company will maintain an updated list of Interested Persons and will disclose the list to relevant key personnel within the Group (including after each update to the list) to enable identification of Interested Persons. This master list of Interested Persons shall be reviewed on a half-yearly basis by the Audit Committee;
 - (ii) The Company will obtain signed letters of confirmation from key management personnel and Directors on an annual basis with respect to their interest in any transactions with the Group; and

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- (iii) The Company will maintain a register of Interested Person Transactions, including the Mandated Transactions (“**IPT Register**”) carried out with Mandated Interested Persons. The IPT Register shall include information pertinent to all the Mandated Transactions, such as, but not limited to, the list of Associates, the nature of the Mandated Transactions, the amount of the Mandated Transactions, the basis and rationale for determining the transaction prices, material terms and conditions and supporting evidence and quotations to support such basis. For the avoidance of doubt, all Mandated Transactions including those below S\$100,000 shall be recorded in the IPT Register.

The IPT Register shall be prepared, maintained and monitored by the Head of Finance, who shall not be interested in any of the Mandated Transactions and who is duly delegated to do so by the Audit Committee.

The master list of Interested Persons, the IPT Register and any accompanying report, such as the internal audit reports on Mandated Transactions will be reviewed by the internal auditors or the Audit Committee on a half-yearly basis to ascertain that the procedures established to monitor the Mandated Transactions have been complied with.

- (e) The Board will also ensure that all disclosures, approvals and other requirements on the Mandated Transactions, including those required by prevailing legislation, the Catalist Rules and relevant accounting standards, are complied with.

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