

CIRCULAR DATED 25 JANUARY 2022

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This circular is issued by LHN Limited (the “Company”). If you are in any doubt about the contents of this Circular (as defined herein) or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited in Singapore (the “CDP”), you need not forward this Circular with the Notice of EGM (as defined herein) and the enclosed Proxy Form (as defined herein) to the purchaser or transferee, as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the enclosed Proxy Form to be sent to the purchaser or transferee.

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

This Circular has been reviewed by the Company’s continuing sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”). This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms. Ng Shi Qing, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.

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This Circular does not constitute, and is not intended to be, an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for any shares or securities, nor is it intended to draw attention to a possible offer of securities, in Hong Kong, Singapore, the United States or elsewhere. This Circular is not for release, publication, distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). This Circular does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States.



LHN LIMITED
賢能集團有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong stock code: 1730)

(Singapore stock code: 410)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED SPIN-OFF BY THE COMPANY OF ITS LOGISTICS SERVICES BUSINESS VIA THE PROPOSED LISTING OF THE SPIN-OFF GROUP ON THE CATALIST BOARD OF THE SGX-ST

WAIVER OF ASSURED ENTITLEMENT UNDER THE PROPOSED SPIN-OFF

PROPOSED PAYMENT OF SPECIAL DIVIDEND

Financial Adviser to the Company



PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 200207389D)

A notice convening the extraordinary general meeting of the Company, or EGM, to be held by way of live webcast on Wednesday, 16 February 2022 at 10:00 a.m. is set out on pages N-1 to N-6 of this Circular. A form of proxy for use at the EGM is also enclosed with this Circular.

In light of the current COVID-19 situation and the related safe-distancing orders and/or regulations put in place in Singapore, Shareholders will not be able to attend the EGM in person.

Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via live audio-visual webcast or listening to the EGM proceedings via live audio-only stream, (b) submitting questions in advance of or live at the EGM; and (c) voting by electronic means live at the EGM or via appointment of the Chairman of the EGM as proxy to attend and vote at the EGM on their behalf.

Please refer to the Notice of EGM for further information, including the steps to be taken by Shareholders to participate and vote at the EGM.

Important Dates and Times:

Last date and time for lodgement of Proxy Form	:	13 February 2022 at 10:00 a.m.
Date and time of EGM	:	16 February 2022 at 10:00 a.m.
Place of EGM	:	The EGM will be held by way of electronic means (please refer to the notes to the Notice of EGM dated 25 January 2022 for further details)

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DEFINITIONS

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

“Associate(s)”	:	Has the meaning ascribed to it under the HK Listing Rules
“Assured Entitlement Waiver”	:	Has the meaning ascribed to it in Section 1.2 of this Circular
“Board”	:	The board of Directors as at the date of this Circular
“Catalist Board”	:	The SGX-ST sponsor-supervised listing platform
“Catalist Rules”	:	Section B: Rules of Catalist of the listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“CCASS”	:	The Central Clearing and Settlement System established and operated by HKSCC
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 25 January 2022
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Company”	:	LHN Limited (formerly known as LHN Pte. Ltd.), a company incorporated with limited liability on 10 July 2014 under the laws of Singapore, the shares of which are listed on the Catalist and the Main Board of the SEHK
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time
“Control”	:	Has the meaning as ascribed to it under the Catalist Rules, namely, the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“CPF”	:	The Central Provident Fund
“Director(s)”	:	The director(s) of the Company as at the date of this Circular
“Dividend Record Date”	:	Such date for determining entitlement to the Special Dividend, which is yet to be determined

DEFINITIONS

“EGM”	:	The extraordinary general meeting of the Company to be convened and held by way of electronic means on Wednesday, 16 February 2022 at 10:00 a.m., notice of which is set out on pages N-1 to N-6 of this Circular
“EPS”	:	Earnings per Share
“FY”	:	The financial year of the Company ended or ending 30 September (as the case may be)
“Group”	:	The Company and its subsidiaries, collectively
“HK Listing Rules”	:	The Rules Governing the Listing of Securities on the SEHK, as amended, modified or supplemented from time to time
“HKSCC”	:	Hong Kong Securities Clearing Company Limited
“HK Takeovers Code”	:	Hong Kong Code on Takeovers and Mergers
“Hong Kong”	:	The Hong Kong Special Administrative Region of the People’s Republic of China
“IPO Price”	:	The price per LHN Logistics Share at which the relevant LHN Logistics Shares will be offered to the public in connection with the Proposed Listing
“ISO tanks”	:	A tank container able to transport hazardous and non-hazardous liquid (such as chemicals and gases) in bulk that is certified by the International Organisation for Standardisation (ISO)
“Jess Lim”	:	Ms Lim Bee Choo (also known as Lin Meizhu), an executive Director and the group deputy managing director of the Company
“Kelvin Lim”	:	Mr Lim Lung Tieng (also known as Lin Longtian), an executive Director, the executive chairman and the group managing director of the Company
“Latest Practicable Date”	:	18 January 2022, being the latest practicable date prior to the printing of this Circular for the purpose of ascertaining certain information in this Circular prior to its publication
“LHN Logistics”	:	LHN Logistics Pte. Ltd., incorporated in Singapore as a wholly-owned indirect subsidiary of the Company on 24 August 2021, and which is intended to be the holding company and listing entity of the Spin-Off Group for the purposes of the Proposed Listing

DEFINITIONS

“LHN Logistics Board”	:	The proposed board of directors of LHN Logistics
“LHN Logistics Shares”	:	Ordinary shares in the capital of LHN Logistics
“Logistics Services Business”	:	Has the meaning ascribed to it in Section 2.2(c) of this Circular
“MAS”	:	Monetary Authority of Singapore
“Minority Shareholder”	:	Shareholder(s) other than Fragrance Ltd. and its Associates
“New LHN Group”	:	The Group excluding the Spin-Off Group
“Notice of EGM”	:	The notice of the EGM which is set out on pages N-1 to N-6 of this Circular
“No Objection Decision (SGX-ST)”	:	Has the meaning ascribed to it in Section 2.1.1 of this Circular
“NTA”	:	Net tangible assets
“Offer Document”	:	Has the meaning ascribed to it in Section 2.9(c) of this Circular
“Ordinary Resolution”	:	The ordinary resolution set out in this Circular and in the Notice of EGM
“PN15”	:	Has the meaning ascribed to it in Section 1.2 of this Circular
“Pre-Clearance Letter (SGX-ST)”	:	Has the meaning ascribed to it in Section 2.1.1 of this Circular
“Promoter”	:	Means: (a) SG Controlling Shareholders and their SG Associates; and (b) executive directors with an interest in 5.0% or more of the issued share capital excluding subsidiary holdings at the time of listing
“Proposed Listing”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“Proposed Reorganisation”	:	Has the meaning ascribed to it in Section 1.1 of this Circular

DEFINITIONS

“Proposed Spin-Off”	:	The proposed spin-off of the Spin-Off Group via the Proposed Listing
“Proxy Form”	:	The proxy form in respect of the EGM which is set out on pages P-1 to P-2 of this Circular
“Qualifying Shareholders”	:	Shareholder(s) whose names appear on the registers of members of the Company as at the close of business on the Dividend Record Date
“Securities Account”	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“SEHK”	:	The Stock Exchange of Hong Kong Limited
“SEHK Listing Committee”	:	The Listing Committee of The Stock Exchange of Hong Kong Limited
“SFA”	:	Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SFC”	:	The Securities and Futures Commission of Hong Kong
“SFO”	:	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SG Associate”	:	(a) in relation to any Director, chief executive officer, SG Substantial Shareholder or SG 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

DEFINITIONS

		(b) in relation to a SG Substantial Shareholder or SG 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
“SG Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the issued share capital of the Company (excluding Treasury Shares and Subsidiary Holdings); or (b) in fact exercises Control over the Company
“SG Substantial Shareholder”	:	A person (including a corporation) who holds, directly or indirectly, 5% or more of the total issued share capital of the Company
“SG Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“Shareholders”	:	Persons who are registered holders of Shares in the Register of Members of the Company except where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited; and where the registered holder is HKSCC Nominees Limited, the term “Shareholders” shall, in relation to such Shares, mean the depositors whose securities accounts are maintained by HKSCC or other licensed securities dealers or registered institutions in securities, or custodian banks through CCASS, and the term “Shareholders” shall be construed accordingly
“Shares”	:	Ordinary share(s) in the share capital of the Company
“Special Dividend”	:	the proposed special dividend of around 0.15 Singapore cents
“Singapore Offering”	:	Has the meaning ascribed to it in Section 2.3.1 of this Circular
“Size Test”	:	Has the meaning ascribed to it in Section 2.1.1 of this Circular

DEFINITIONS

“Spin-Off Group”	:	LHN Logistics, Hean Nerng Logistics Pte Ltd, HLA Container Services Pte. Ltd., HLA Holdings Pte. Ltd., LHN Logistics Sdn. Bhd., HLA Container Services (Myanmar) Limited, HLA Holdings (Thailand) Limited, HLA Container Services (Thailand) Limited, HLA Transportation (Thailand) Ltd. and HLA Logistics Pte. Ltd.
“Spin-Off Guidance”	:	The spin-off guidance provided by the SGX-ST in its announcements dated 3 February 2010 and 24 February 2011
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“SRS”	:	Supplementary Retirement Scheme
“SRS Operators”	:	Agent banks approved by CPF under the Supplementary Retirement Scheme
“Subsidiary Holdings”	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
“Treasury Shares”	:	Issued Shares which were (or are treated as having been) purchased by the Company in circumstances which Section 76H of the Companies Act applies and have since been continuously held by the Company

Currencies, units and others

“HK\$”	:	Hong Kong dollars, being the lawful currency of Hong Kong
“S\$” and “cents”	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
“%” or “per cent.”	:	Per cent or percentage

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

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act or the HK Listing Rules, as the context may require. The Company will comply with the more stringent requirements where applicable.

The terms “**associate**”, “**close associate**”, “**connected person**”, “**core connected person**” and “**connected transaction**” shall have the same meanings ascribed to them respectively in the HK Listing Rules, unless the context otherwise requires.

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, where applicable, include corporations.

DEFINITIONS

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

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date respectively, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancy in the figures included in this Circular, the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, express consent has not been obtained from the relevant source(s) for the inclusion of such information. Whilst reasonable care has been taken to ensure that the relevant information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context, the accuracy of such information has not been independently verified.

Morgan Lewis Stamford LLC has been appointed as the legal adviser to the Company as to Singapore law in relation to this Circular and Morgan, Lewis & Bockius has been appointed as the legal advisor to the Company as to Hong Kong law in relation to this Circular. No other legal advisors were previously engaged by the Company in relation to this Circular.

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Lim Lung Tieng	Executive Chairman and Group Managing Director
		Lim Bee Choo	Executive Director and Group Deputy Managing Director
		Ch'ng Li-Ling	Lead Independent Non-Executive Director
		Yong Chee Hiong	Independent Non-Executive Director
		Chan Ka Leung Gary	Independent Non-Executive Director
COMPANY SECRETARY	:	Chong Eng Wee	
REGISTERED OFFICE OF THE COMPANY	:	10 Raeburn Park #02-18 Singapore 088702	
PRINCIPAL PLACE OF BUSINESS IN HONG KONG	:	Unit 912, 9/F Two Harbourfront 22 Tak Fung Street Hung Hom, Kowloon Hong Kong	
CONTINUING SPONSOR	:	PrimePartners Corporate Finance Pte. Ltd. 16 Collyer Quay #10-00 Income at Raffles Singapore 049318	
FINANCIAL ADVISER TO THE COMPANY IN RESPECT OF THE PROPOSED SPIN-OFF	:	PrimePartners Corporate Finance Pte. Ltd. 16 Collyer Quay #10-00 Income at Raffles Singapore 049318	
SINGAPORE LEGAL ADVISER TO THE COMPANY IN RESPECT OF THE PROPOSED SPIN-OFF	:	Morgan Lewis Stamford LLC 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315	
HONG KONG LEGAL ADVISER TO THE COMPANY IN RESPECT OF THE PROPOSED SPIN-OFF	:	Morgan, Lewis & Bockius Suites 1902-09, 19th Floor Edinburgh Tower, The Landmark 15 Queen's Road Central Hong Kong	

CORPORATE INFORMATION

SINGAPORE PRINCIPAL SHARE REGISTRAR	:	Boardroom Corporate & Advisory Services Pte. Ltd. (up to 30 January 2022) 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 (with effect from 31 January 2022) 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632
HONG KONG BRANCH SHARE REGISTRAR	:	Tricor Investor Services Limited Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
AUDITORS	:	PricewaterhouseCoopers LLP Registered Public Interest Entity Auditor 7 Straits View Marina One East Tower Singapore 018936 Partner-in-charge: Lee Zhen Jian
PRINCIPAL BANKERS	:	DBS Bank Ltd. 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982 Hong Leong Finance Limited 16 Raffles Quay #01-05 Hong Leong Building Singapore 048581 Malayan Banking Berhad 2 Battery Road #16-01 Maybank Tower Singapore 049907 Oversea-Chinese Banking Corporation Limited 65 Chulia Street #09-00 OCBC Centre Singapore 049513 RHB Bank Berhad 90 Cecil Street #01-00 RHB Bank Building Singapore 069531 United Overseas Bank Limited 325 Boon Lay Place #02-00 Singapore 649886

LETTER TO SHAREHOLDERS



LHN LIMITED
賢能集團有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong stock code: 1730)

(Singapore stock code: 410)

Executive Directors:

Mr. Lim Lung Tieng (Executive Chairman)

Ms. Lim Bee Choo

**Registered Office, and Principal
Place of Business in Singapore:**

10 Raeburn Park #02-18
Singapore 088702

Independent Non-executive Directors:

Ms. Ch'ng Li Ling (Lead Independent Non-Executive Director)

Mr. Yong Chee Hiong

Mr. Chan Ka Leung Gary

**Principal Place of Business
in Hong Kong:**

Unit 912, 9/F
Two Harbourfront
22 Tak Fung Street
Hunghom, Kowloon
Hong Kong

Date: 25 January 2022

To: The Shareholders of the Company

Dear Sir/Madam

**THE PROPOSED SPIN-OFF BY THE COMPANY OF ITS LOGISTICS SERVICES BUSINESS VIA
THE PROPOSED LISTING OF THE SPIN-OFF GROUP ON THE CATALIST BOARD OF THE
SGX-ST**

WAIVER OF ASSURED ENTITLEMENT UNDER THE PROPOSED SPIN-OFF

PROPOSED PAYMENT OF SPECIAL DIVIDEND

1. INTRODUCTION

1.1. Background

The Company had, in its announcement dated 24 November 2021, announced its intention in relation to a proposed spin-off of its Logistics Services Business via a proposed listing of the Spin-Off Group on the Catalist Board (the “**Proposed Listing**”).

As the Spin-Off Group has been structured and operated as a standalone business unit within the Group, no major restructuring exercise will be necessary in order to consolidate the Spin-Off Group for the Proposed Spin-Off and the Proposed Listing. However, in connection with, and prior to the Proposed Listing, the Company will undertake an internal

LETTER TO SHAREHOLDERS

reorganisation of the Spin-Off Group, whereby LHN Logistics, a holding company newly incorporated as an indirect wholly-owned subsidiary of the Company, will acquire all of the Group's interest in the Spin-Off Group (through the acquisition of 100% of Hean Nerng Logistics Pte. Ltd., 60% of HLA Container Services Pte. Ltd. and 60% of HLA Holdings Pte. Ltd.) directly by way of a proposed share swap on terms and conditions to be determined at a later date (the "**Proposed Reorganisation**"). LHN Logistics will serve as the listing entity of the Spin-Off Group for the purposes of the Proposed Listing.

Immediately upon completion of the Proposed Reorganisation of the Spin-Off Group, it is expected that the Company will hold 100% of the issued and paid-up share capital of LHN Logistics through its wholly-owned subsidiary, LHN Group Pte. Ltd. LHN Logistics will subsequently issue such number of new LHN Logistics Shares to achieve a public float of not less than 15.0% and not more than 49.9% of its enlarged issued share capital immediately after the Proposed Listing to meet the listing requirements on the Catalist Board and for the Company to continue to hold majority shareholding in LHN Logistics and for the Spin-off Group to continue to be consolidated with the Group. As at the Latest Practicable Date, the terms of the Proposed Reorganisation have not been finalised. The Company will update Shareholders on any material developments relating to the Proposed Reorganisation as and when such material developments occur.

Please refer to Section 2 for further information on the Proposed Spin-Off and the Proposed Listing.

1.2. Purpose of this Circular

The Directors are convening an EGM to be held electronically on Wednesday, 16 February 2022 at 10:00 a.m. to seek Shareholders' approval for the Proposed Spin-Off via the Proposed Listing on the Catalist Board and the waiver of the assured entitlement requirement under Paragraph 3(f) of the Practice Note 15 ("**PN15**") to the HK Listing Rules (the "**Assured Entitlement Waiver**").

The purpose of this Circular is to provide Shareholders with, among other things, (i) information relating to, the rationale for, the benefits of and the financial effects of, the Proposed Spin-Off and the Proposed Listing; (ii) information on the Assured Entitlement Waiver under PN15; and (iii) information on the proposed payment of the Special Dividend. Shareholders' approval for the Proposed Spin-Off, the Proposed Listing, and the Assured Entitlement Waiver will be sought at the EGM by way of Ordinary Resolution.

IMPORTANT: In cases where there are discrepancies between the applicable laws, rules and/or regulations of Hong Kong and Singapore, the more stringent set of laws, rules and/or regulations shall prevail.

1.3. Cautionary Statement

The Proposed Spin-Off and the Proposed Listing are subject to, amongst other things, requisite approvals from all relevant regulatory authorities, including the SGX-ST and the SEHK, market conditions prevailing at the relevant time and Shareholders' approval for the Proposed Spin-Off and the Proposed Listing set out in the Notice of EGM. The Board wishes to caution Shareholders that there is no certainty or assurance as at the date of this Circular that the relevant approvals will be obtained and that the Proposed Spin-Off and the Proposed Listing will eventually materialise.

LETTER TO SHAREHOLDERS

This Circular does not constitute, and is not intended to be, an offer or an initial public offering or a notice, circular or advertisement calling or drawing attention to an offer or an initial public offering to the public to subscribe for and/or purchase any shares or a statement intended to induce any person to apply for any shares in the Proposed Listing.

This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholder to whom this Circular is despatched to, or disseminated, as the case may be, by the Company) or for any other purpose.

Whilst the information and terms set out in this Circular relating to the Proposed Listing referred to in this Circular are, to the best knowledge and belief of the Directors having made due and careful enquiries, true and accurate as at the Latest Practicable Date, such information or terms may be subject to further amendments or modifications pending finalisation of the same prior to the issue of the Offer Document to be issued in Singapore in connection with the Proposed Listing. As the Proposed Listing will be conducted in Singapore, the Offer Document will not be issued in Hong Kong or any other jurisdictions (including the United States).

As the Proposed Listing is still at its initial stage of preparation as at the Latest Practicable Date, any indicative IPO Price, percentage of dilution and the number of LHN Logistics Shares to be issued as stated in this Circular in relation to the Proposed Listing is strictly for illustration purposes only and should not be taken to be in any way as a statement or indication of the expected, forecast or actual IPO Price and the percentage of dilution.

These details will be determined by the Directors and/or the directors of LHN Logistics, in due course, in consultation with the Company's advisers for the Proposed Listing, closer to the date of the Proposed Listing through a book-building process, after taking into consideration, *inter alia*, the historical financial information of the Spin-Off Group, the valuation of the LHN Logistics Shares, the size of the Proposed Listing, the level of investors' interest and the then prevailing market conditions. Accordingly, there is no assurance that the actual IPO Price and the percentage of dilution will not vary from the illustration used in this Circular.

Further, the Company reserves the right to not proceed with the Proposed Spin-Off and the Proposed Listing if, after assessing various factors, including the prevailing general economic and capital market conditions and any other relevant factors, the Company does not consider the Proposed Spin-Off and the Proposed Listing to be in the best interests of the Company and/or if the requisite approval(s) required for the Proposed Spin-Off and the Proposed Listing have not been or cannot practicably be obtained. The Company will make the relevant announcements as and when required and as and when material developments arise in respect of the Proposed Spin-Off and the Proposed Listing.

Certain descriptions and disclosures (including but not limited to the financial information) in respect of the Spin-Off Group and its business have been included in this Circular. If and when the Offer Document is issued by LHN Logistics, it should be noted that the information in relation to LHN Logistics and the Spin-Off Group and its business set out in the Offer Document will be more comprehensive than that set out in this Circular, as it will be prepared in compliance with the Catalist Rules and the SFA, and will contain prescribed information and presentation of information, and may also take into account comments from the SGX-ST and SEHK as well as further developments following the Latest Practicable Date.

LETTER TO SHAREHOLDERS

Shareholders are advised to refrain from taking any action in respect of their Shares which may be prejudicial to their interests and to exercise caution when dealing with the Shares. In the event that the Shareholders and potential investors wish to deal in the Shares, they should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

2. THE PROPOSED SPIN-OFF AND THE PROPOSED LISTING

2.1. Pre-Clearance with the SEHK and the SGX-ST

2.1.1. Pre-Clearance and No Objection Decision

On 5 November 2021, the Company had submitted among others:

- (a) (i) a spin-off application pursuant to PN15 regarding the Proposed Spin-Off and the Proposed Listing of the Spin-Off Group on the Catalist Board (the “**HK Spin-Off Application**”) and (ii) a size test for the Proposed Spin-Off (the “**Size Test**”), to the SEHK; and
- (b) the pre-clearance letter to the SGX-ST (via its Sponsor) (the “**Pre-Clearance Letter (SGX-ST)**”) regarding the Proposed Spin-Off and the Proposed Listing of the Spin-Off Group on the Catalist Board.

As at the Latest Practicable Date, as the spin-off approval from SEHK is subject to the Company satisfying the requirements under PN15 (including the assured entitlement requirement under Paragraph 3(f) of PN15), and that SEHK is still considering the HK Spin-Off Application, SEHK is yet to grant the spin-off approval to the Company for the Proposed Spin-off.

Pursuant to the Pre-Clearance Letter (SGX-ST), the SGX-ST had advised the Company that subject to certain conditions, which were stated in the announcement on 15 December 2021, it had no objections (the “**No Objection Decision (SGX-ST)**”) to the Proposed Spin-Off, subject to the following conditions:

- (a) disclosure in the Company’s circular to shareholders in connection with the Proposed Spin-Off, the basis for the Board’s assessment that the Proposed Spin-Off and the Proposed Listing would bring about benefits to Shareholders;
- (b) Shareholders’ approval to be obtained for the Proposed Spin-Off;
- (c) the Company obtaining all requisite approvals from the SEHK in relation to the Proposed Spin-Off and Proposed Listing, where applicable; and
- (d) compliance with the SGX-ST’s listing rules.

The SGX-ST reserves the right to vary, amend or withdraw the No Objection Decision (SGX-ST) as it deems fit, and the No Objection Decision (SGX-ST) is subject to changes in the SGX-ST’s policies.

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2.1.2. Preparatory work for the Proposed Spin-Off and the Proposed Listing

Since the Company's receipt of the No Objection Decision (SGX-ST), preparatory work for the Proposed Spin-Off and the Proposed Listing has commenced. As at the Latest Practicable Date, LHN Logistics has appointed PrimePartners Corporate Finance Pte. Ltd. as the issue manager and sponsor in respect of the Proposed Listing of the Spin-Off Group, and is preparing an application to the SGX-ST for, *inter alia*, the dealing in and quotation of the existing and new LHN Logistics Shares that may be allotted and issued pursuant to the Proposed Listing on the Catalist Board.

2.2. Information on the Group

The Company has been listed on the Catalist Board of the SGX-ST since 13 April 2015 and subsequently dually-listed on the Main Board of the SEHK since 29 December 2017. The largest shareholder of the Company is Fragrance Ltd., which has a 54.04% direct shareholding interest in the Company, and in which the Executive Chairman and Group Managing Director, Mr. Kelvin Lim, and the Group Deputy Managing Director, Ms. Jess Lim, and several members of their family, are deemed interested.

Business segments, assets and operational profile

As at the Latest Practicable Date, the Company, through its subsidiaries, is engaged in three main business segments as follows:

(a) Space Optimisation Business:

The Group primarily offers and leases properties to its tenants after optimising the space at the properties that it has leased or purchased (the "**Space Optimisation Business**"). The Group currently offers three main types of properties for lease, namely, commercial properties, industrial properties, and residential properties.

As at 30 September 2021, being the latest completed financial year of the Company, the Group operates and/or manages the following properties (including joint venture properties) in the following regions:

Commercial Properties – a total of 9 properties:

Singapore

- (1) 45 Burghley Drive
- (2) 1557 Keppel Road Blk C
- (3) 200 Pandan Gardens
- (4) 10 Raeburn Park
- (5) 300–320 Tanglin Road (Phoenix Park)
- (6) 75 Beach Road #03 & #04
- (7) 27 West Coast Highway (Westway)
- (8) 5 Tampines Central 6 #03-33 to #03-40

Indonesia

- (9) Casablanca Tower LT.38, JL. Casablanca Kav. 88, Menteng Dalam, Tebet, Jakarta Selatan 12870

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Industrial Properties – a total of 19 properties:

Singapore

- (1) 34 Boon Leat Terrace
- (2) 20–25A Depot Lane
- (3) 72 Eunos Avenue 7
- (4) 100 Eunos Avenue 7
- (5) 8 Jalan Papan
- (6) 43 Keppel Road
- (7) 18 New Industrial Road
- (8) 18 Penjuru Road
- (9) 38 Ang Mo Kio Industrial Park 2
- (10) 5 Toa Payoh West
- (11) 2 Tuas South Avenue 2
- (12) 798/800 Upper Bukit Timah
- (13) 23 Woodlands Industrial Park E1
- (14) Lot 228, 342, 346 MK XIV Woodlands Mandai Estate
- (15) Lot 220 (Part) MKXIV Woodlands
- (16) 71 Lorong 23 Geylang
- (17) 18 Tampines Industrial Crescent
- (18) 202 Kallang Bahru
- (19) 44 Kallang Place

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Residential Properties – a total of 14 properties:

Singapore

- (1) 31 Boon Lay Drive
- (2) 1A Lutheran Road
- (3) 150 Cantonment Road
- (4) 324A & 420 Keramat Road
- (5) 10 Raeburn Park #03-04/05/06/07/
08/09 & #04-04/05/06/07/08/09
- (6) 1557 Keppel Road Blk A & B
- (7) 320 Balestier Road
- (8) 40 and 42 Amber Road
- (9) 75 Beach Road #05 & #06
- (10) 115 Geylang Road

Cambodia

- (11) Block 1A Axis Residences

China

- (12) Nan'an (upcoming)⁽¹⁾

Myanmar

- (13) 85 Boyar Nyunt Street
- (14) 137 Upper Pansodan Road

Note:

- (1) The renovation of the Group's 85SOHO business apartment cum hotel on its leased property in Nan'an City, Quanzhou, Fujian Province, the People's Republic of China is ongoing, and operations are expected to commence in the second quarter of FY2022.

(b) Facilities Management Business:

The Group primarily provides integrated facilities management services covering estate and building management, repair, maintenance and cleaning, pest control, sanitising and fumigation of buildings and offices for its customers in Singapore, workers' dormitory management in Singapore and carpark management services in Singapore and Hong Kong (the "**Facilities Management Business**").

As at 30 September 2021, the Group provides facilities management services to 52 customers of which 19 are companies within the Group, and manages 73 car parks, of which 21 car parks are located at properties owned or leased by the Group or its associated companies.

(c) Logistics Services Business:

The Group's logistics services business may be divided into two principal businesses, namely, the transportation business and the container depot services business (collectively, the "**Logistics Services Business**").

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Transportation Business Segment

In respect of the transportation business segment, the Group provides transportation services to customers in Singapore and Malaysia by transporting ISO tanks and containers between ports, chemical storage terminals and its customers' chemical manufacturing plants. The Group also provides cross-border transportation services between Singapore and Malaysia for its customers. The Group currently has over 60 prime movers and over 200 trailers in service. The Group's major customers for the transportation business include international ISO tank operators, freight forwarders and chemical traders.

The Group carries out its transport operations at its owned logistics property located at 7 Gul Avenue and a leased logistics parking yard located at 18 Penjuru Road in Singapore, and two leased logistics parking yards in Johor Bahru and Port Klang, Malaysia.

Container Depot Services Business Segment

In respect of the container depot services business segment, the Group currently manages container depots offering a wide range of services, including container storage, container surveying, container cleaning, and container repair and maintenance services in Singapore and Thailand, and intends to commence operations in Myanmar. The Group principally services major shipping lines and container leasing companies under this business segment.

The following sets out a summary of the container depot services business by geographical location:

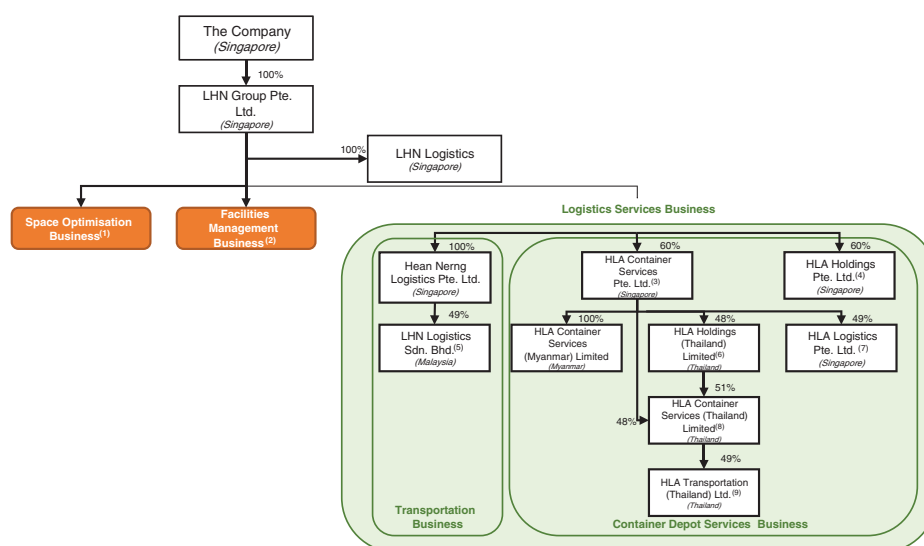
- Singapore** • Operates two container depots at Benoi Sector and Gul Circle.
- Thailand** • Operates two container depots in Laem Chabang and in the vicinity of Bangkok.
- Myanmar** • Intends to operate one container depot in Yangon. As at the Latest Practicable Date, the Group is currently undertaking preparatory works and the container depot has yet to commence operations.

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Group Structure

The corporate group structures of the Group (i) as at the Latest Practicable Date; and (ii) following completion of the Proposed Reorganisation, the Proposed Spin-Off and the Proposed Listing are set out below:

(i) As at the Latest Practicable Date

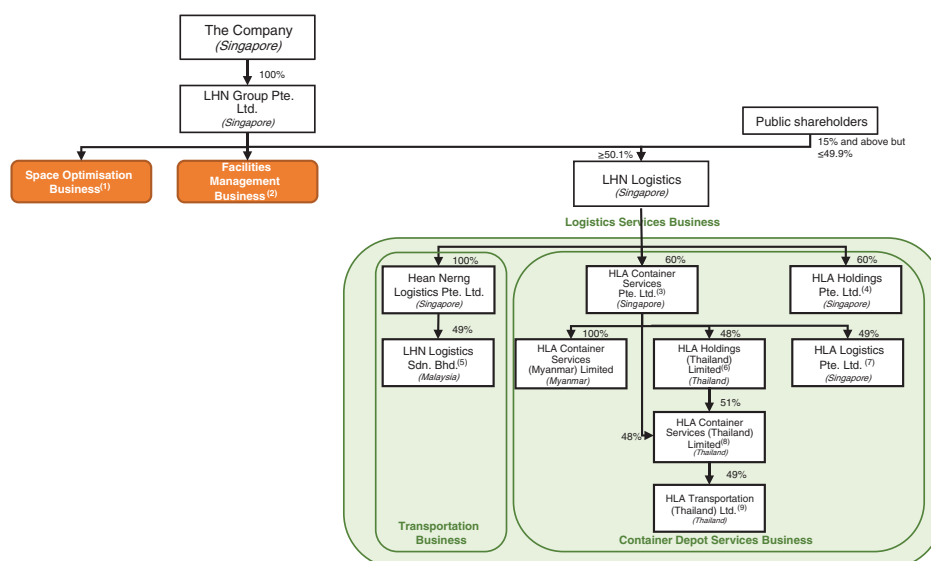


Notes:

- (1) There are 41 subsidiaries and eight joint venture companies under the Space Optimisation Business.
- (2) There are seven subsidiaries, one joint venture company and two associated companies under the Facilities Management Business.
- (3) The remaining 40% of HLA Container Services Pte. Ltd. (“**HLA Container Services**”) is owned by Mr. Hew Chee Fatt. Mr. Hew Chee Fatt is a director and shareholder of HLA Holdings Pte. Ltd. (“**HLA Holdings**”), HLA Container Services, HLA Holdings (Thailand) Limited (“**HLA Holdings (Thailand)**”) and HLA Container Services (Thailand) Limited (“**HLA Container Services (Thailand)**”).
- (4) The remaining 40% of HLA Holdings is owned by Mr. Hew Chee Fatt. HLA Holdings is classified as an indirect non wholly-owned subsidiary of the Company.
- (5) The remaining 51% of LHN Logistics Sdn. Bhd. is owned by Mr. John Puang Chok Sin, an independent third party. LHN Logistics Sdn. Bhd. is classified as an indirect non wholly-owned subsidiary of the Company.
- (6) The remaining 52% of HLA Holdings (Thailand) is owned as to 26% by Ms. Somsri Puyatho, 25% by Ms. Paijit Puyatho, and 1% by Mr. Hew Chee Fatt. Ms. Somsri Puyatho and Ms. Paijit Puyatho are sisters, and Ms. Somsri Puyatho is an employee of HLA Container Services. HLA Holdings (Thailand) is classified as an indirect non wholly-owned subsidiary of the Company as HLA Container Services: (i) can exercise as to 88.7% of voting rights in any general meeting; (ii) has the exclusive right to nominate directors; and (iii) has control in appointing members to the board of directors of HLA Holdings (Thailand), pursuant to the articles of association of HLA Holdings (Thailand) and the number of preference shares held by HLA Container Services.
- (7) The remaining 51% of HLA Logistics Pte. Ltd. is owned by South East Asia Medlog Logistics Co. Pte. Ltd. South East Asia Medlog Logistics Co. Pte. Ltd. and its ultimate shareholders are independent third parties. HLA Logistics Pte. Ltd. is classified as an indirect associated company of the Company.
- (8) The remaining 1% of HLA Container Services (Thailand) is owned by Mr. Hew Chee Fatt.
- (9) The remaining 51% of HLA Transportation (Thailand) Ltd. (“**HLA Transportation (Thailand)**”) is owned as to 25% by Ms. Somsri Puyatho, 24% by Ms. Paijit Puyatho, and 2% by Mr. Hew Chee Fatt. Ms. Somsri Puyatho and Ms. Paijit Puyatho are sisters, and Ms. Somsri Puyatho is an employee of HLA Container Services. HLA Transportation (Thailand) is classified as an indirect associated company of the Company.

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(ii) Following completion of the Proposed Reorganisation, Proposed Spin-Off and the Proposed Listing



Note: Please refer to the notes in paragraph (a) above.

Please also refer to Section 2.3.1 of the Circular for further historical financial information on the businesses of the New LHN Group and the Spin-Off Group.

Shareholders are to note that all of the historical financial information of the business of the New LHN Group and the Spin-Off Group set out above is purely for illustrative purposes only. As the Company will hold a majority interest in the Spin-Off Group upon completion of the Proposed Spin-Off and the Proposed Listing, LHN Logistics and its subsidiaries will continue to be subsidiaries of the Company and the Company will continue to consolidate the financial results of the Spin-Off Group. Shareholders are also to note the cautionary statements as set out in Section 1.3 of this Circular.

2.3. Rationale for and Benefits of the Proposed Spin-Off and the Proposed Listing

The basis for the Board's assessment that the Proposed Spin-Off and the Proposed Listing would bring benefits to the Shareholders is as follows:

2.3.1. Efficient allocation of capital and resources while still participating in the growth of the businesses of the Spin-Off Group

Since the dual-primary listing of the Company, the business of the Group has grown from recording a net profit before tax of S\$8.9 million for FY2019 to S\$34.3 million for FY2021, representing a growth of 284% largely due to better financial performance from the properties managed by the Space Optimisation Business, as well as new business contracted under the Facilities Management Business.

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Based on the audited consolidated financial statements of the Group for the past three financial years ended 30 September, the breakdown of the Group's financial performance to the New LHN Group and the Spin-Off Group is as follows:

	FY2019				FY2020				FY2021			
	New LHN Group	Spin-Off Group ⁽⁴⁾	Elimination ⁽¹⁾⁽²⁾	Total (audited)	New LHN Group	Spin-Off Group ⁽⁴⁾	Elimination ⁽¹⁾⁽²⁾	Total (audited)	New LHN Group	Spin-Off Group ⁽⁴⁾	Elimination ⁽¹⁾⁽²⁾	Total (audited)
S\$'000												
Revenue	87,380	24,937	(1,223)	111,094	110,770	25,189	(1,746)	134,213	95,204	27,181	(1,408)	120,977
<i>As a % of the Group</i>	78.7%	22.4%	(1.1)%		82.5%	18.8%	(1.3)%		78.7%	22.5%	(1.2)%	
Profit before tax	6,888 ⁽³⁾	5,038	(3,000)	8,926 ⁽³⁾	26,134	3,966	(780)	29,320	30,842	4,716	(1,300)	34,258
<i>As a % of the Group</i>	77.2%	56.4%	(33.6)%		89.1%	13.5%	(2.6)%		90.0%	13.8%	(3.8)%	
Profit after tax	7,395 ⁽³⁾	4,328	(3,000)	8,723 ⁽³⁾	22,073	3,394	(780)	24,687	26,174	3,984	(1,300)	28,858
<i>As a % of the Group</i>	84.8%	49.6%	(34.4)%		89.4%	13.7%	(3.1)%		90.7%	13.8%	(4.5)%	
Net asset value	88,503	9,105	(728)	96,880	112,746	11,562	(728)	123,580	134,108	14,903	(728)	148,283
<i>As a % of the Group</i>	91.4%	9.4%	(0.8)%		91.2%	9.4%	(0.6)%		90.4%	10.1%	(0.5)%	
Cashflow from operating activities	11,122	6,014	–	17,136	41,105	7,455	–	48,560	50,832	6,078	–	56,910
<i>As a % of the Group</i>	64.9%	35.1%	–		84.6%	15.4%	–		89.3%	10.7%	–	

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Notes:

- (1) Revenue intercompany adjustments relate to revenue charged between the Spin-Off Group and the New LHN Group which are eliminated on consolidation.
- (2) Profit before tax and profit after tax intercompany adjustments relate to dividends declared by the Spin-Off Group to the New LHN Group which are eliminated upon consolidation.
- (3) Profit before tax and profit after tax for FY2019 includes sales of contract from security services pertaining to the consideration amount received for the contracts sold to a third party of approximately S\$1.427 million which is not within the normal course of business of the Group.
- (4) The above financial information for the Spin-Off Group will differ from the combined financial statements in the Offer Document to be published by LHN Logistics in Singapore as the combined financial statements are prepared on a first time adoption basis of Singapore Financial Reporting Standards (International) (“SFRS(I)”). Under the first time adoption basis, SFRS(I) 16 Leases is adopted and reflected in the FY2019 financials on a full retrospective basis. However, in the above financial information, SFRS(I) 16 is only adopted and reflected in the FY2020 financials on a modified retrospective basis, which is consistent with the basis for the audited financial statements of the Group.

Shareholders are to note that all of the historical financial information of the business of the New LHN Group and the Spin-Off Group set out above is purely for illustrative purposes only. As the Company will hold a majority interest in the Spin-Off Group upon completion of the Proposed Spin-Off and the Proposed Listing, LHN Logistics and its subsidiaries will continue to be subsidiaries of the Company and the Company will continue to consolidate the financial results of the Spin-Off Group. Shareholders are also to note the cautionary statements as set out in Section 1.3 of this Circular.

In order to realise opportunities, the Spin-Off Group may require further capital and the Proposed Spin-Off and the Proposed Listing will allow the Spin-Off Group to raise new funds from the market and obtain new bank borrowings independently from the Company to fund its continual operational growth and new business expansion. For FY2021, the Spin-Off Group’s net borrowings accounted for 10% of the Group’s total net borrowings. Accordingly, the independent and direct access to capital will allow the Spin-Off Group to augment its financial position via an equity injection, while reducing the Company’s exposure to the financial risks of the Spin-Off Group as it pursues these opportunities as illustrated below. The Proposed Spin-Off and the Proposed Listing will include an offering of new shares to be allotted and issued by LHN Logistics (the “**Singapore Offering**”).

As at the date hereof, it is intended that the net proceeds from the Singapore Offering will be used to expand the business of the Spin-Off Group, including: (i) the construction of an ISO tank depot for the transportation business segment; (ii) the expansion of logistics operations in Singapore, Malaysia and the region; and (iii) for general working capital purposes. **The final details on the proposed use of the proceeds raised by LHN Logistics will be contained in the Offer Document to be issued in connection with the Proposed Listing and there is no assurance that there will be no changes to the intended use of proceeds in the Offer Document as compared to what is set out above.**

Due to the many growth opportunities identified in very different business segments, the Directors are of the view that raising equity or tapping into the debt capital markets separately will enable both the Spin-Off Group and the New LHN Group to maximise their respective growth trajectories, allowing each of them to maximise market opportunities, profits and shareholder value.

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With a stronger equity capital base from funds raised from the Proposed Listing, the Spin-Off Group will have greater debt capacity to fund its operations and growth and to secure its own independent source of funding. Additionally, the Proposed Spin-Off and the Proposed Listing will enable the Group to unlock and increase value for Shareholders by increasing the overall financial capacity and flexibility of the Group to strengthen the continued growth of the New LHN Group. The New LHN Group will not be required to fund the expansion of the Spin-Off Group, thus allowing the New LHN Group to concentrate its resources on expanding its other businesses that are not under the Spin-Off Group and to pursue new opportunities.

As at 30 September 2021, the Group has interest-bearing debts amounting to approximately S\$193.7 million. Based on the total capital (being calculated as interest-bearing debt plus total equity) of approximately S\$342.0 million, the Group's gearing ratio (being interest-bearing debt divided by total capital) is 0.57 times. Based on the assumptions set out in Section 4.1 of the Circular and for illustrative purposes only, the Proposed Listing is expected to improve the Group's gearing ratio from 0.57 times to 0.55 times, arising from the new funds raised by the Spin-Off Group pursuant to the Proposed Spin-Off and the Proposed Listing.

As at 31 December 2021, the New LHN Group has provided corporate guarantees for hire purchase facilities and bank loans of the Spin-Off Group for a total outstanding amount of approximately S\$12.8 million. Upon the completion of the Proposed Spin-Off and the Proposed Listing and subject to the respective banks' and financial institutions' approval, the New LHN Group intends to request for the release and discharge of the corporate guarantees provided by the New LHN Group and substitute them with that from LHN Logistics.

Following the Proposed Spin-Off and the Proposed Listing, the New LHN Group will continue to retain the opportunity to participate in any potential upside from the Spin-Off Group's business as a controlling shareholder of LHN Logistics with an expected shareholding interest of at least 50.1% and up to 85%. Benefits from the Spin-Off Group's business will continue to flow to the Shareholders through their indirect shareholding interest in LHN Logistics. Shareholders and new investors will also benefit from the Proposed Spin-Off and the Proposed Listing as they will have the flexibility to invest in the shares of either or both listed entities, in accordance with, *inter alia*, their personal preferences and risk appetites.

2.3.2. Focusing of management's attention and better accountability

Upon completion of the Proposed Spin-Off, the management teams of the New LHN Group and the Spin-Off Group will principally be separated as demonstrated in Section 2.4 of this Circular. This will allow the senior management of each group to focus their attention on their assigned business segments and deliver the best possible value to the respective shareholders. The New LHN Group and the Spin-Off Group are, and will be, managed by separate operational, administrative and finance teams, hence improving corporate visibility, management control and accountability, and enhancing performance measurement.

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In addition, the Group envisages that it will be better positioned to attract top talent from relevant fields to join the Spin-Off Group in senior management positions or as board members which will enhance the leadership team in the Spin-Off Group upon completion of the Proposed Listing.

2.3.3. Create a more reflective and accurate valuation of the businesses of the New LHN Group and the Spin-Off Group

As a single listed entity, banks and other financial institutions view the Group (comprising the New LHN Group and the Spin-off Group) as one entity, notwithstanding their clearly distinct businesses and assets.

Therefore, separating the Spin-Off Group from the Group will enable Shareholders and potential investors to evaluate the Spin-Off Group and the New LHN Group independently based on their respective performance and growth potential, as the Space Optimisation Business and the Facilities Management Business of the New LHN Group generate most of the revenue and on a relative basis, has driven most of the growth of the Group since the listing of the Company on the SEHK. This will allow for market valuations that are more reflective of the underlying value and growth potential of the respective businesses of the New LHN Group and the Spin-Off Group. Shareholders and new investors of both the New LHN Group and the Spin-Off Group will also be able to assess the value of the respective underlying businesses and assets more distinctly, and to fully enjoy the potential valuation brought about from the growth of the property-related businesses.

This may also entice potential investors who are keen on investing in logistics-related industries to invest in the Spin-Off Group as a pure play, or new potential investors who are keen in the property-related industries to invest in the New LHN Group whereas prior to the Proposed Spin-off, they may not have considered such an investment decision. As such, shareholders of the Company and new investors will benefit from the flexibility to invest in the shares of either or both listed entities, in accordance with their personal preferences and risk appetites.

2.3.4. Maintaining the current listing structure is detrimental to the Shareholders

Under the current structure of the Group, any funding required for the Spin-Off Group will have to be borne by the Group. In the absence of equity fund raising by the Spin-Off Group via the Proposed Spin-Off and the Proposed Listing, the Group will have to take on further debt financing or raise funds through other means to fund the development and expansion needs of its Logistics Services Business.

Accordingly, the Proposed Spin-off and the Proposed Listing will enable the New LHN Group to redeploy its financial and other resources to the Space Optimisation Business and the Facilities Management Business. Each listed entity will also be able to tap on equity and debt capital markets separately for funding depending on market conditions and funding needs.

In addition, the average price of the Company's shares in the 6-month period prior to the Latest Practicable Date on the SGX-ST and SEHK of S\$0.3338 and HK\$1.8756 respectively indicate that the Company's shares are trading on the SGX-ST and the SEHK at respective discounts of 6.3% and 8.0% to its audited consolidated net asset value per share as at 30 September 2021 of S\$0.3563, and

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any secondary placement based on the undervalued share price for the sole purpose of fund raising may not be in the best interests for the Shareholders.

It is also envisaged that the Proposed Spin-Off and the Proposed Listing will enable the Spin-Off Group to raise funds for expansion of the Spin-Off Group's operations directly from public investors who may better value the Spin-Off Group's business and at the same time allow investors interested in the property-related businesses to value the New LHN Group more accurately.

2.4. Information on the Spin-Off Group

As at the Latest Practicable Date, and prior to the Proposed Reorganisation of the Spin-Off Group, LHN Group Pte. Ltd. is the holding company of the Spin-Off Group and has an issued and paid-up share capital of S\$2,000,000.00 comprising 2,000,000 ordinary shares. LHN Group Pte. Ltd. has been a direct wholly-owned subsidiary of the Company since 2015. As at the Latest Practicable Date, LHN Group Pte. Ltd. has no outstanding instruments convertible into, rights to subscribe for, or options in respect of its shares.

As at the Latest Practicable Date, and prior to the Proposed Reorganisation of the Spin-Off Group, LHN Logistics has an issued and paid-up share capital of S\$1.00 comprising 1 ordinary share. LHN Logistics was incorporated on 24 August 2021 and has been an indirect subsidiary of the Company since 24 August 2021, by virtue of the Company's 100% direct shareholding in LHN Group Pte. Ltd. As at the Latest Practicable Date, LHN Logistics has no outstanding instruments convertible into, rights to subscribe for, or options in respect of its shares.

The Spin-Off Group is engaged in the Logistics Services Business of the Group, which encompasses the business set out in Section 2.2(c) of this Circular.

Shareholders are also to note the cautionary statements as set out in Section 1.3 of this Circular.

Proposed Management and Directors of the Spin-Off Group

2.4.1. Management of the Spin-Off Group

Following the Proposed Spin-Off and the Proposed Listing, it is the intention of the Company that the Spin-Off Group will be managed by a management team that is separate and independent from the management team of the New LHN Group with independent finance and administrative capabilities to support their respective businesses.

The existing key management of the Logistics Services Business of the Group will continue to be the key management for the Spin-Off Group.

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2.4.2. Board composition of the Spin-Off Group

It is currently envisaged that the LHN Logistics Board will comprise a total of five (5) directors, being two (2) executive directors and three (3) independent non-executive directors, satisfying the requirements under the Catalist Rules and the Code of Corporate Governance 2018.

To facilitate effective management of the Spin-Off Group, it is proposed for:

- (a) Mr. Kelvin Lim to be appointed as the executive chairman of LHN Logistics, whose actions will be reported to and monitored by the LHN Logistics Board;
- (b) Mr. Lin Kaixian to be appointed as an executive director and managing director of LHN Logistics, whose actions will be reported to and monitored by the LHN Logistics Board; and
- (c) all of the independent non-executive directors to be nominated by the LHN Logistics Board.

The full details on the proposed management and board composition of the New LHN Group and the Spin-Off Group are set out in Section 2.4.3 below.

2.4.3. Proposed senior management and board composition of the New LHN Group and the Spin-Off Group

There would be no change to the Board and the senior management team of the Company (and New LHN Group) as shown below:

Position	Before and after the Proposed Spin-Off and the Proposed Listing
Board of Directors	
Executive Chairman, Executive Director and Group Managing Director	Mr. Kelvin Lim
Executive Director and Group Deputy Managing Director	Ms. Jess Lim
Lead Independent Non-Executive Director	Ms. Ch'ng Li-Ling
Independent Non-Executive Director	Mr. Yong Chee Hiong
Independent Non-Executive Director	Mr. Chan Ka Leung Gary
Other senior management	
Chief Financial Officer	Ms. Yeo Swee Cheng
Chief Executive Officer of Work+Store	Mr. Wong Sze Peng, Danny

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The LHN Logistics Board and the senior management team of LHN Logistics are envisaged to be as follows:

Position	After the Proposed Spin-Off and the Proposed Listing
Board of directors	
Executive Chairman and Executive Director	Mr. Kelvin Lim
Executive Director and Managing Director (Transportation)	Mr. Lin Kaixian
Lead Independent Non-Executive Director	To be appointed
Independent Non-Executive Director	To be appointed
Independent Non-Executive Director	To be appointed
Other management⁽¹⁾	
Financial Controller	Mr. Khaw Shee Kai
Managing Director (Container Depot Services)	Mr. Hew Chee Fatt

Notes:

- (1) The senior management team of LHN Logistics will also be responsible for the oversight of the entire Spin-Off Group, including each of the subsidiaries and associated companies.

It should be noted that the final number and compositions of the various board of directors and management team of the Spin-Off Group as described above are subject to, among other things, further deliberations with the professionals, the approval of the SGX-ST, as well as compliance with the Catalist Rules and the Code of Corporate Governance 2018, and may be subject to further change.

In order to mitigate any potential conflict of interests, save for as disclosed below, no director or executive officer shall hold executive roles in both the New LHN Group and the Spin-Off Group. Mr. Kelvin Lim will be the executive chairman of the Spin-Off Group and also continue to be the executive chairman, executive director and group managing director of the New LHN Group, and both Mr. Kelvin Lim and Ms. Jess Lim, who will continue to be the executive director and the deputy group managing director of the New LHN Group, are and will remain as directors of certain subsidiaries and associated companies of the Spin-Off Group (as set out in the table below).

Notwithstanding the above, the Board is of the opinion that this will not affect the independence of management between the New LHN Group and the Spin-Off Group for the following reasons:

- (a) Mr. Kelvin Lim's role in the Spin-Off Group is to provide guidance to the business development and overall management of the Spin-Off Group, in particular, business strategies and investment activities. The day-to-day operations of the Spin-Off Group are managed by the Spin-Off Group's executive officers, namely, Mr. Lin Kaixian (Managing Director (Transportation)) in respect of the transportation business segment and

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Mr. Hew Chee Fatt (Managing Director (Container Depot Services)) in respect of the container depot services business segment. Mr. Lin Kaixian has been managing the transportation business segment as a senior manager for the Spin-Off Group for more than five years, and has accumulated approximately 15 years of experience in the transportation industry. He is supported by a team of senior staff. Similarly, Mr. Hew Chee Fatt has managed the container depot services business segment for eight years and is well supported by a team of experienced senior executives;

- (b) while Mr. Kelvin Lim and Ms. Jess Lim have been sitting, and will continue to sit, as directors of certain subsidiaries and associated companies of the Spin-Off Group, Mr. Kelvin Lim's role in these companies is to oversee the business, whereas Ms. Jess Lim's role is to oversee administrative matters, of these companies. The decision making, day-to-day management and administrative matters of these companies are handled by dedicated management, finance, human resource and administrative teams which will report to the management and the board of directors of LHN Logistics;
- (c) in his capacity as executive chairman, and director of certain subsidiaries and associated companies of the Spin-Off Group, Mr. Kelvin Lim will only be focusing on the overall oversight and board-based strategic decision making of the Spin-Off Group. He will be supported by the respective business heads in the Spin-Off Group. Therefore, Mr. Kelvin Lim will be able to devote sufficient time to the management of the New LHN Group;
- (d) in her capacity as a director of certain subsidiaries and associated companies of the Spin-Off Group, it is expected that Ms. Jess Lim will initially continue her high-level oversight of certain entities in the Spin-Off Group. She does not participate in the management of the business operations of the Spin-Off Group.
- (e) Office administration, customer service and business development functions are handled by a separate dedicated team in the Spin-Off Group. Human resource matters are currently being handled by the Group Human Resource Manager in the Group, which will eventually be handled by another dedicated Human Resource personnel in the Spin-Off Group. Therefore, Ms. Jess Lim will be able to devote sufficient time to the management of the New LHN Group;
- (f) the businesses of the New LHN Group and the Spin-Off Group operate in two separate and distinct industries, and it is unlikely that there will be any competition among the two businesses. As such, having (i) Mr. Kelvin Lim as a member of both boards of directors of the Company (as well as the New LHN Group) and LHN Logistics; and (ii) Mr. Kelvin Lim and Ms. Jess Lim each as directors of certain subsidiaries and associated companies of the Spin-Off Group, are unlikely to cause any material adverse impact on the business operations of the New LHN Group;
- (g) the independent non-executive directors of the Company and LHN Logistics will not overlap and both boards have strong elements of independence as the majority of both boards will be independent (i.e. three out of five directors are independent); and

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- (h) with respect to any transaction between the New LHN Group and the Spin-Off Group, Mr. Kelvin Lim and Ms. Jess Lim will abstain from voting to ensure independence from the New LHN Group and the Spin-Off Group although they will still participate in the deliberation process during board of directors' meetings in respect of the companies in which they sit on the board of directors to assist the other board members in making meaningful assessments.

In view of the above, the New LHN Group and the Spin-Off Group will be managed independently of each other after the Proposed Spin-Off.

To the best knowledge and belief of the Directors, as at the Latest Practicable Date, there will not be any changes to the Board and management team of the Company following the Proposed Spin-Off and the Proposed Listing.

2.4.4. Independence of the finance teams and administrative capabilities

To ensure independence of the New LHN Group and the Spin-Off Group, both the New LHN Group and the Spin-Off Group will have their own independent finance and administrative capabilities to support their respective businesses.

(a) Finance Team

The finance team of the New LHN Group will continue to be headed by the Group Chief Financial Officer, Ms. Yeo Swee Cheng and her team of over 20 finance staff while Mr. Khaw Shee Kai (of which details of his appointment as an executive officer of LHN Logistics will be provided in the Offer Document) will be heading and overseeing a separate finance team to maintain separate financial records and independently prepare the financial statements to be reported by the Spin-Off Group.

The preparation and maintenance of the Spin-Off Group's accounts and financial statements will be conducted separately from that of the New LHN Group.

(b) Administrative Capabilities

The New LHN Group and the Spin-Off Group will have separate teams and personnel carrying out administrative functions, including human resources and information technology. The two groups will also have different headquarters and offices, and do not share any office spaces among them.

Accordingly, for the reasons set out above in this Section 2.4, the businesses and assets of the Spin-Off Group and the New LHN Group are clearly differentiated with a segregation of management, operational and financial aspects.

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2.5. Information on the Proposed Listing

While the Company's indirect shareholding interest in LHN Logistics will be diluted pursuant to the Proposed Listing, the Company intends to hold at least 50.1% and up to 85% of the issued share capital of LHN Logistics. Accordingly, LHN Logistics and its subsidiaries will continue to remain as subsidiaries of the Company after the completion of the Proposed Listing, and the Company will continue to consolidate the financial results of LHN Logistics and its subsidiaries. Read together with the rationale and benefits for the Proposed Spin-Off as set out in section 2.3 of this Circular, the Board is of the view that the Proposed Spin-Off and the Proposed Listing is not expected to have any adverse impact on the interests of the Shareholders.

The actual level of the dilution of the Company's shareholding interest in the issued share capital of LHN Logistics pursuant to the Proposed Listing will depend on, among other things, the IPO Price and the total number of LHN Logistics Shares issued in connection with the Proposed Listing. **As at the Latest Practicable Date, the offer structure has not been finalised and the IPO Price, the number of LHN Logistics Shares to be issued and the amount of proceeds to be raised from the Proposed Listing have not been determined, and will be subject to, among other things, the market conditions prevailing at the time of the Proposed Listing.**

As the Proposed Listing is still at its initial stage of preparation as at the Latest Practicable Date, the amount of proceeds to be raised by LHN Logistics has not been ascertained at this stage. The amount to be raised will be dependent upon, *inter alia*, the historical financial information of the Spin-Off Group, the valuation of the LHN Logistics Shares, the size of the Proposed Listing, the level of investors' interest and the then prevailing market conditions. As at the Latest Practicable Date, it is intended that the proceeds raised by LHN Logistics from the issue of new LHN Logistics Shares pursuant to the Proposed Listing will be used to expand the business of the Spin-Off Group, including: (a) the construction of an ISO tank depot for the transportation business segment; (b) the expansion of logistics operations in Singapore, Malaysia and the region; and (c) for general working capital purposes. The final details on the proposed use of the proceeds raised by LHN Logistics will be contained in the Offer Document to be issued in connection with the Proposed Listing and there is no assurance that there will be no changes to the intended use of proceeds in the Offer Document as compared to what is set out above.

Please refer to Section 4 of this Circular for the illustrative pro forma financial effects of the Proposed Spin-Off and the Proposed Listing.

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2.6. Catalyst Rules and Spin-Off Guidance in Singapore

Pursuant to the Catalyst Rules, a listing applicant (excluding a mineral, oil and gas company) seeking admission to the Catalyst Board need not meet any minimum operating track record, profit or market capitalisation requirement. Separately, Chapter 4 of the Catalyst Rules and the Spin-Off Guidance sets out the requirements and procedures for the spin-off and admission process to the Catalyst Board. Amongst others, the following will apply to the Company in relation to the Proposed Spin-Off and the Proposed Listing:

2.6.1. Moratorium on LHN Logistics Shares

Pursuant to Catalyst Rules 420 and 422, as a Promoter, the Company's entire shareholdings in LHN Logistics immediately after the Proposed Spin-Off and the Proposed Listing shall be subject to a moratorium for at least six months after the Proposed Listing, and no less than 50.0% of its original shareholdings (adjusted for any bonus issue or subdivision) for the next six months. In the case of investors who acquired their securities in LHN Logistics, and who made payment for their acquisition, less than 12 months prior to the date of the Proposed Listing, a proportion of their shareholdings in LHN Logistics will be subject to a moratorium for 12 months after the Proposed Listing.

2.6.2. Compliance with Catalyst Rule 406(7)

Catalyst Rule 406(7) prescribes that a subsidiary or parent company of an existing listed issuer will not normally be suitable for listing if the assets and operations of the listing applicant are substantially the same as those of the listed issuer. As disclosed in Section 2.1.1 of this Circular, the Board sought, in its Pre-Clearance Letter (SGX-ST), the concurrence of the SGX-ST that the Proposed Spin-Off and the Proposed Listing would not amount to a chain listing in contravention of Catalyst Rule 406(7). Pursuant to the No Objection Decision (SGX-ST) as announced on 15 December 2021, the SGX-ST had, subject to certain conditions, no objections to the Proposed Spin-Off.

Please refer to Sections 2.2, 2.3, 2.4 and 2.6.3 of this Circular for more details on the assets and operations of the Spin-Off Group being substantially different from those of the New LHN Group.

2.6.3. Compliance with the Spin-Off Guidance

As disclosed in Section 2.1.1 of this Circular, the Board sought, in its Pre-Clearance Letter (SGX-ST), the concurrence of the SGX-ST that the Proposed Spin-Off and the Proposed Listing would not amount to a chain listing in contravention of Catalyst Rule 406(7) and the Spin-Off Guidance. Pursuant to the No Objection Decision (SGX-ST), the SGX-ST had, subject to certain conditions, no objections to the Proposed Spin-Off.

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(a) **Businesses and assets that are clearly differentiated and managed independently**

Pursuant to the Spin-Off Guidance, in considering a spin-off of an existing business for a separate listing, the SGX-ST considers, amongst others, whether the entities seeking separate listing have businesses and assets that are clearly differentiated and managed independently.

Assets and Operations of the Spin-Off Group and its associated companies are substantially different from those of the New LHN Group

As described in Section 2.2 of this Circular, the business of the Group is divided into three separate and distinct business segments, namely, the: (a) Space Optimisation Business; (b) Facilities Management Business; and (c) Logistics Services Business. After the Proposed Spin-Off, the New LHN Group will continue to be engaged in the Space Optimisation Business and the Facilities Management Business, whereas the Spin-Off Group and its associated companies will continue to be engaged in the Logistics Services Business. There is a clear delineation between the business of the New LHN Group and the business of the Spin-Off Group due to the following factors:

(i) **Business Delineation**

The Space Optimisation Business and the Facilities Management Business operate in the property and property management industries to lease industrial, commercial and residential properties and to provide integrated facilities management services covering, *inter alia*, estate and building management repair and maintenance for its customers in Singapore and Hong Kong, whereas the Logistics Services Business operates in the logistics services industry and provides local and cross-border transportation services in Singapore and Malaysia, as well as managing container depots in Singapore and Thailand.

The main and target customers of the Space Optimisation Business and the Facilities Management Business include leasing companies, schools and retail companies as well as government agencies and other property owners, which are clearly distinct from freight forwarders, ISO tank operators, shipping lines and container leasing companies who are principally served by the Logistics Services Business.

(ii) **Corporate Structure Delineation**

As illustrated in Section 2.2(c) of this Circular, the corporate structure of the Group is structured in such a way that each of the operating subsidiaries and associated companies of the Spin-Off Group operates independently of the businesses of the New LHN Group, namely, the Space Optimisation Business and the Facilities Management Business.

Business and Assets of the Spin-Off Group and its associated companies and the New LHN Group, are clearly differentiated and managed independently

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A. Clearly Differentiated Business and Assets

As described above, the New LHN Group and the Spin-Off Group and its associated companies have clearly differentiated businesses, given the difference in the principal business activities.

Furthermore, the New LHN Group and the Spin-Off Group have differentiated assets as well. The New LHN Group will be relatively asset-heavy as the New LHN Group is required to hold a significant amount of assets for its business operations. Such key assets of the New LHN Group would be real estate assets such as the right of use assets in respect of its leases, as well as leased and owned investment properties, property, plant and equipment and investments in joint ventures. In contrast, the Spin-Off Group will be relatively asset-light as the Logistics Services Business focuses on the provision of transportation services and container depot services. As such, the key assets of the Spin-Off Group would be logistics property and transportation equipment.

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The table below sets out the value of the properties and assets owned by the New LHN Group and the Spin-Off Group for FY2021, FY2020 and FY2019:

S\$'000	AS AT 30 SEPTEMBER 2019			AS AT 30 SEPTEMBER 2020			AS AT 30 SEPTEMBER 2021					
	New LHN Group	Spin-Off Group ⁽¹⁾	Elimination (audited)	Total (audited)	New LHN Group	Spin-Off Group ⁽¹⁾	Elimination (audited)	Total (audited)	New LHN Group	Spin-Off Group ⁽¹⁾	Elimination (audited)	Total (audited)
Property, plant and equipment	28,281	9,154	-	37,435	25,748	14,615	-	40,363	38,871	15,296	-	54,167
Investment properties	67,309	-	-	67,309	115,578	-	-	115,578	166,570	-	-	166,570
Right-of-use assets	-	-	-	-	23,142	12,042	-	35,184	19,069	11,560	-	30,629
Investment in joint ventures	17,215	-	-	17,215	17,186	-	-	17,186	20,641	-	-	20,641
Lease receivables	-	-	-	-	43,253	-	-	43,253	33,839	-	-	33,839
Trade and other receivables	12,347	6,412	(1,178)	17,581	38,880	5,215	(729)	43,366	26,267	5,729	(242)	31,754
Cash and bank balances and fixed deposits	24,951	2,402	-	27,353	35,926	4,566	-	40,492	33,049	5,121	-	38,170
Others	19,980	799	(728)	20,051	8,361	693	(728)	8,326	11,352	414	(728)	11,038
TOTAL ASSETS	170,083	18,767	(1,906)	186,944	308,074	37,131	(1,457)	343,748	349,658	38,120	(970)	386,808
As a % of total assets	91.0%	10.0%	(1.0)%		89.6%	10.8%	(0.4)%		90.4%	9.9%	(0.3)%	

Note:-

(1) The above financial information for the Spin-Off Group will differ from the combined financial statements in the Offer Document to be published by LHN Logistics in Singapore as the combined financial statements are prepared on a first time adoption basis of Singapore Financial Reporting Standards (International) ("SFRS(I)"). Under the first time adoption basis, SFRS(I) 16 Leases is adopted and reflected in the FY2019 financials on a full retrospective basis. However, in the above financial information, SFRS(I) 16 is only adopted and reflected in the FY2020 financials on a modified retrospective basis, which is consistent with the basis for the audited financial statements of the Group.

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B. Different Risk Profiles of Business Operations

The New LHN Group and the Spin-Off Group have different business risk profiles which arise from, *inter alia*, the difference in their principal activities.

The risks relating to the New LHN Group's business are property-related, including the dependency on the health of the property industry, the risk of changes in laws and government regulations relating to the property industry, the risk of inability to continue to renew existing leases on properties and licences in relation to carparks managed by the New LHN Group or secure leases on new properties and licences in relation to new carparks, the risk of inability to renew or re-tender for master leases for space optimised properties, the risk of inability to renew tenancy agreements at commercially acceptable terms, the risk of payment delays and/or default by tenants, the risk of fluctuations in rental prices, and the risk of potential claims from landlords arising from actions or omissions by tenants.

On the other hand, the risks relating to the Spin-Off Group include the risk of the maritime industry performing poorly in the region and thus reducing the flow of ISO tanks and shipping containers into the countries in which the Spin-Off Group operates, fluctuation in fuel prices, and the risk of accidents during the handling and transportation of hazardous materials and the risk of delays and disruptions due to machinery or vehicular breakdowns, adverse weather or traffic conditions, electronic management system failures or container backlogs.

The profile of the target customers of the New LHN Group and the Spin-Off Group is different as well. While the target customers of the New LHN Group range from multi-national corporations and SMEs to individuals seeking property rental as well as retail customers, the Spin-Off Group targets international shipping lines companies and international leasing lines companies, as well as ISO tank owners and ISO tank operators.

C. Independent Management

As illustrated in Section 2.4 of this Circular, the New LHN Group and the Spin-Off Group will be managed independently of each other after the Proposed Spin-Off.

D. Independence of the Finance Teams and Administrative Capabilities

As illustrated in Section 2.4 of this Circular, to ensure independence of the New LHN Group and the Spin-Off Group, both the New LHN Group and the Spin-Off Group will have their own independent finance and administrative capabilities to support their respective businesses.

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(b) Compliance with the Profitability Requirement

Pursuant to the Spin-Off Guidance, in considering a spin-off of an existing business for a separate listing, the SGX-ST considers, amongst others, whether the remaining businesses of the listed entities after the spin-off are viable and profitable and will continue to comply with the Catalyst admission criteria.

(i) The New LHN Group's business after the Proposed Spin-Off is viable and profitable

On completion of the Proposed Spin-off, the New LHN Group will continue to focus on expanding the Space Optimisation Business by securing additional industrial, commercial and residential properties, as well as the growth of the Facilities Management Business in order to support the New LHN Group's Space Optimisation Business and other external customers. The New LHN Group intends to carry out the following:

SPACE OPTIMISATION BUSINESS	
Industrial Properties	<ul style="list-style-type: none">• Continue to build on the Work+Store self-storage business by capturing a larger market share and providing more value-added services to its self-storage users.• Continue to curate innovative industrial spaces to support the business needs of small and mid-size enterprise business owners in various growth industry in industries in Singapore, including food manufacturing.
Commercial Properties	<ul style="list-style-type: none">• Continue to look into acquisition opportunities in the office, retail and hospitality space which have been depressed from the Covid-19 pandemic.• Curate and convert these acquired spaces into highly optimized working spaces that are repurposed to suit the new requirements of commercial users in a post Covid world.

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Residential Properties	<ul style="list-style-type: none"> Build up traction and market share in its residential brand of co-living residential properties under the Coliwoo series of student hostels, serviced apartments, residences and hotels in the Singapore market and post-Covid in other ASEAN countries in which the Group already has a presence.
FACILITIES MANAGEMENT BUSINESS	
	<ul style="list-style-type: none"> Continue providing dormitory management services and expand its market share in the management of real estate properties and buildings owned or managed by the New LHN Group or third parties by positioning itself as a trusted and reliable supplier of a wide range of facilities management related services such as cleaning, pest control, sanitizing, fumigation etc. Build up market share to become a leading service and solutions provider of carparks in Singapore and Hong Kong by offering smart parking solutions to optimise space utilisation.

The Space Optimisation Business and the Facilities Management Business in aggregate contributed to the majority of the revenue of the Group for FY2019, FY2020 and FY2021, being 77.5%, 81.2% and 77.5% of the total revenue of the Group for FY2019, FY2020 and FY2021 respectively. This is in line with the historical performance of the Space Optimisation Business and the Facilities Management Business since the Company was listed on the Catalist Board of the SGX-ST on 13 April 2015. As such, based on its historical contribution to the Group's revenue, the Company is of the view that on completion of the Proposed Spin-Off, the business of the New LHN Group will continue to be viable and profitable in the future.

Based on the historical performance of the New LHN Group, and barring any unforeseen circumstances, the Board is of the view that the New LHN Group will have positive net operating cashflow for the next 12 months after the Proposed Spin-Off and the Proposed Listing.

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Please refer to the table in Section 2.3.1 of this Circular for the breakdown of the Group's financial performance to the New LHN Group and the Spin-Off Group for the past 3 financial years ended 30 September.

For information on the revenue contributions of the three business segments of the Group for FY2019, FY2020 and FY2021, please refer to Appendix A of this Circular.

For information on the key financial items of the Spin-Off Group for FY2019, FY2020 and FY2021, please refer to Appendix B of this Circular.

For information on the key financial items of the New LHN Group for FY2019, FY2020 and FY2021, please refer to Appendix C of this Circular.

- (ii) The business of the Spin-Off Group is not a significant contributor to the business activity of the Group

As described in Sections 2.2, 2.3, 2.4 and 2.6.3 of this Circular, the business of the Spin-Off Group is distinct and separate from the businesses of the New LHN Group, and there is a clear delineation between the two in relation to the products and/or services each provides, as well as their respective major customers and suppliers. The revenue contribution of the Spin-Off Group does not comprise more than 25% of the Group's revenue for FY2019, FY2020 and FY2021 (being 22.5%, 18.8% and 22.5% respectively). In addition, the proportion of the net asset value of the Spin-Off Group as compared with the Group is not substantial, representing 9.4%, 9.4% and 10.1% of the Group's net asset value as at 30 September 2019, 30 September 2020 and 30 September 2021 respectively.

Please refer to the table in Section 2.3.1 of this Circular for the breakdown of the Group's financial performance to the New LHN Group and the Spin-Off Group for the past 3 financial years ended 30 September.

For information on the revenue contributions of the three business segments of the Group for FY2019, FY2020 and FY2021, please refer to Appendix A of this Circular.

For information on the key financial items of the Spin-Off Group for FY2019, FY2020 and FY2021, please refer to Appendix B of this Circular.

For information on the key financial items of the New LHN Group for FY2019, FY2020 and FY2021, please refer to Appendix C of this Circular.

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Furthermore, LHN Logistics will also have a substantially separate board of directors and senior management who will run the day-to-day business of the Spin-Off Group, as compared with the board of directors and senior management of the Company (as well as the New LHN Group).

(c) Tangible economic benefits to shareholders

Pursuant to the Spin-Off Guidance, in considering a spin-off of an existing business for a separate listing, the SGX-ST considers, amongst others, that the board has considered the interests of shareholders and is able to demonstrate that there are tangible economic benefits to shareholders that are substantial, quantifiable and clearly achievable and that maintaining the current listing structure would be detrimental to shareholders.

Please refer to Section 2.3 of this Circular for more details on the Board's consideration of the interests of the Shareholders, the tangible economic benefits to Shareholders arising from the Proposed Spin-Off and that maintaining the current listing structure may not be in the best interests to Shareholders.

The Company will continue to comply with the Spin-Off Guidance, in particular (i) the businesses and assets of the Spin-Off Group and the New LHN Group are clearly differentiated and managed independently as set out in Sections 2.2 and 2.3 of this Circular; (ii) the New LHN Group after the Proposed Spin-Off and the Proposed Listing will remain viable and profitable and will continue to comply with the Catalist Rules relating to admission to the Catalist Board; and (iii) the Board has considered the interests of the Shareholders and are of the view that there are tangible economic benefits to Shareholders arising from the Proposed Spin-Off and that maintaining the current listing structure would be detrimental to Shareholders, as set out in Section 2.3 of this Circular.

2.7. HK Listing Rules

As disclosed in Section 2.1.1 of this Circular, as at the Latest Practicable Date, as the spin-off approval is subject to the Company satisfying the requirements under PN15 (including the assured entitlement requirement under Paragraph 3(f) of PN15), and that SEHK is still in the process of considering the Spin-Off Application, SEHK Listing Committee is yet to grant the spin-off approval to the Company for the Proposed Spin-off.

(a) Clear delineation between businesses

Please refer to Sections 2.4 and 2.6.3(a) of this Circular for the analysis on the clear delineation of businesses between the New LHN Group and the Spin-Off Group, on the basis of (i) business delineation, (ii) corporate structure delineation, (iii) independence of directorship and management, and (iv) independence of the finance teams and administrative capabilities.

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(b) Clear commercial benefits

Please refer to Section 2.3 of this Circular for the analysis on the clear commercial benefits to the Shareholders for the Proposed Spin-Off.

(c) Financial information of the Spin-off Group and the New LHN Group

For information on the key financial items of the Spin-Off Group for FY2019, FY2020 and FY2021, please refer to Appendix B of this Circular.

For information on the key financial items of the New LHN Group for FY2019, FY2020 and FY2021, please refer to Appendix C of this Circular.

(d) Requirement of Assured Entitlement

Under paragraph 3(f) of PN15, the Company is required to have due regard to the interests of its existing shareholders by providing them with an assured entitlement to the LHN Logistics Shares. Furthermore, PN15 provides that the Minority Shareholders may by resolution in a general meeting resolve to waive such requirement.

Distribution in Specie

Having considered the following factors, the Directors believe that it is in the best interest of the Company that all the LHN Logistics Shares should not be distributed in specie to existing shareholders of the Company but continue to be held through the Company:

- (i) the number of LHN Logistics Shares to be distributed to the Shareholders may be small and thus not meaningful, given that the Company will continue to hold at least 50.1% and up to 85% shareholding of LHN Logistics;
- (ii) any distribution will have to be made in proportion to the number of Shares held by the Shareholders. The assured entitlement will in most cases give the Shareholders odd lots of the LHN Logistics Shares (where in Singapore, each lot is 100 shares) which may be of no significant value due to the discount usually applied to odd lots as a result of their low marketability;
- (iii) distribution in specie by the Company and the decrease in shareholding of the Company in LHN Logistics may create downward pressure on the Company's share price and subject the Shareholders to uncertainty and share price volatility, which will be prejudicial to the interest of the Shareholders;
- (iv) to the knowledge of the Company, Shareholders in Hong Kong will face practical difficulties in receiving, holding or disposing of the LHN Logistics Shares, including (A) the opening of a bank account in Singapore (which is very difficult for the Shareholders in Hong Kong to do so as they do not have the requisite status in terms of residency or visa, and may be requested by the bank to attend the bank in person in Singapore to open such bank account), (B) opening of a share trading account with a registered broker in Singapore, and (C) paying brokerage fees per transaction;

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- (v) if a Shareholder opens or has opened a securities trading account with Singapore stock trading services, such trading services would require service fees to collect the shares, such as charges on scrip dividend collected, dividend tax and share deposit handling charges. These fees would have to be borne by the Shareholder. This would erode substantially, if not all, of the benefit that there may be for the Shareholders to obtain the distribution in specie so as to satisfy the assured entitlement; and
- (vi) the Company will have to incur additional costs and administrative work for the distribution in specie.

Preferential offering

As the LHN Logistics Shares will only be listed in Singapore but not in Hong Kong, the LHN Logistics Shares can only be made available to the Shareholders by way of a public offering in Hong Kong. Based on the best knowledge, information and belief of the Directors, as at the Latest Practicable Date, there are more than 50 Shareholders on the register of members in Hong Kong. Since the number of Shareholders to be offered in any such preferential offering would likely exceed 50 persons in Hong Kong, such public offering would require registration of a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong). Given the time and expenses involved in preparing and obtaining regulatory approval for a prospectus, the Directors do not consider that the provision of an assured entitlement by way of a preferential offering is appropriate.

Assured Entitlement Waiver

By reason of the above, it would be practically difficult, unduly burdensome and not commercially feasible for the Company to comply with the assured entitlement to the LHN Logistics Shares under paragraph 3(f) of PN15 in relation to the Proposed Spin-Off and the Proposed Listing. Based on the above reasons, the Directors consider that strict compliance with the assured entitlement requirement under PN15 would not be in the best interests of the Company. The Company therefore proposes to seek approval from the Minority Shareholders at the EGM for the Assured Entitlement Waiver.

Listing Rules Implications

The Proposed Spin-off constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules and as at the Latest Practicable Date, one or more than one of the applicable percentage ratios in respect of the transactions contemplated under the Proposed Spin-off is expected to be more than 5% and below 25%, the Proposed Spin-off, if materialised, is expected to constitute a discloseable transaction for the Company, and will therefore be subject to the notification and announcement requirements pursuant to Chapter 14 of the HK Listing Rules.

Furthermore, the Proposed Spin-off is subject to the approval of the SEHK Listing Committee under PN15, which is yet to be obtained. The Board is of the view that based on its best knowledge, information and belief, as at the Latest Practicable Date, the Company complies with all the spin-off requirements under PN15, subject to the Minority Shareholders passing an ordinary resolution at the EGM for the Assured Entitlement Waiver.

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2.8. Proposed Special Dividend

It is proposed that a special dividend of around 0.15 Singapore cents per Share will be distributed to Qualifying Shareholders **provided that** (i) the Minority Shareholders approve the resolutions in relation to the Assured Entitlement Waiver as set out in this Circular; and (ii) completion of the Proposed Spin-off takes place.

The Special Dividend will be payable to the Qualifying Shareholders on the Dividend Record Date. Subject to the fulfillment of the above conditions, the Special Dividend will be paid to Qualifying Shareholders as soon as practicable after completion of the Proposed Spin-Off. The Company will announce further details with regard to the Special Dividend, such as the expected date of completion of the Proposed Spin-Off, and final rate and final payment date of the Special Dividend before completion of the Proposed Spin-off.

As at the Latest Practicable Date, the issued share capital of the Company comprises 408,945,400 Shares. On the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the EGM, the Special Dividend, if declared and paid, will amount to an aggregate amount of approximately S\$0.6 million (or approximately HK\$3.5 million, for reference only).

2.9. Material Conditions for the Proposed Spin-Off and the Proposed Listing on the Catalist Board

The Proposed Spin-Off and the Proposed Listing shall only take effect upon, among other things, the satisfaction of the following conditions:

- (a) Shareholders' approval for the Proposed Spin-Off, the Proposed Listing and the Assured Entitlement Waiver being obtained at the EGM;
- (b) the Company obtaining the approval from SEHK Listing Committee for the Proposed Spin-Off;
- (c) the lodgment with and registration by the SGX-ST acting as agent on behalf of the MAS of LHN Logistics' offer document for the Proposed Listing (the "**Offer Document**") in compliance with all applicable laws and regulations;
- (d) the receipt of the listing and quotation notice from the SGX-ST in connection with the admission of LHN Logistics to the Catalist Board, the listing of and quotation for the LHN Logistics Shares on the Catalist Board and the listing and quotation notice not being subsequently terminated or revoked prior to the commencement of dealings in LHN Logistics Shares on the Catalist Board;
- (e) the compliance by LHN Logistics, to the satisfaction of the SGX-ST, with all conditions imposed by the SGX-ST in relation to the Proposed Listing (if any), where such conditions are required to be complied by the time of the Proposed Listing;
- (f) the underwriting agreement and all other relevant agreements in connection with the Proposed Listing being entered into by the underwriter(s), LHN Logistics and all other relevant persons (as may be applicable) and the terms of the Proposed Listing, including but not limited to the IPO Price, being on terms acceptable to and agreed by, *inter alia*, the Company; and

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- (g) such other regulatory or other approvals, confirmations or consents as may be required or advisable in connection with the Proposed Listing being obtained on terms acceptable to the Company and LHN Logistics and the same remaining in full force and effect.

The Company will make the relevant announcement(s) in due course at the appropriate stage regarding any material developments or updates in relation to the Proposed Spin-Off and the Proposed Listing, including any approvals of the SGX-ST and/or the SEHK in connection with the Proposed Spin-Off and the Proposed Listing.

The Company wishes to highlight that there can be no assurance that approval for the Proposed Listing will be granted by the SGX-ST, or that the Proposed Spin-off will be approved by SEHK, or the Proposed Listing can materialise, or otherwise proceed in a timely fashion. In the event that any of the foregoing is not achieved or fulfilled, the Company will not be able to proceed with the Proposed Listing.

2.10. Continuing Interested Person Transactions after the completion of the Proposed Spin-Off and the Proposed Listing under the Catalist Rules

Upon completion of the Proposed Spin-off and the Proposed Listing, the Company expects that certain transactions will remain between the New LHN Group and the Spin-Off Group, which are in the ordinary course of business of the New LHN Group and the Spin-Off Group.

As such transactions are expected to continue to be carried out between the New LHN Group and the Spin-Off Group after completion of the Proposed Spin-Off and the Proposed Listing, such transactions will accordingly be considered interested person transactions under Chapter 9 of the Catalist Rules.

Therefore, on completion of the Proposed Spin-Off and the Proposed Listing, the Company will also seek approval from the Shareholders at a separate general meeting to be convened in due course to adopt a general mandate for interested person transactions which includes transactions between the New LHN Group and the Spin-Off Group pursuant to Rule 920 of the Catalist Rules.

3. DILUTION OF EQUITY INTEREST IN LHN LOGISTICS

3.1. Catalist Rule 805(2)

Under Catalist Rule 406(1), the Proposed Listing is required to meet a minimum public float of 15.0% and at least 200 public shareholders. This requirement can be met, amongst others, by the allotment and issuance of new LHN Logistics Shares by LHN Logistics. To the extent that new LHN Logistics Shares are to be issued in connection with the Proposed Listing, the share capital of LHN Logistics will be enlarged, and accordingly, the Proposed Spin-Off and the Proposed Listing will result in a dilution of the Company's shareholding interest in LHN Logistics due to the issue of new LHN Logistics Shares in connection with the Proposed Listing. Shareholders should note that the actual level of the dilution of the Company's shareholding interest in the issued share capital of LHN Logistics pursuant to the Proposed Listing will depend on, among other things, the IPO Price and the total number of LHN Logistics Shares issued in connection with the Proposed Listing.

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Catalist Rule 805(2)(b) requires an issuer to obtain the prior approval of shareholders in general meeting if a principal subsidiary issues shares or convertible securities or options that will or may result in a percentage reduction of 20.0% or more of the issuer's equity interest in the principal subsidiary. The Catalist Rules defines a principal subsidiary as "a subsidiary whose latest audited consolidated pre-tax profits (including discontinued operations that have not been disposed and excluding the non-controlling interests relating to that subsidiary) as compared with the latest audited pre-tax profits of the group (including discontinued operations that have not been disposed and excluding non-controlling interests relating to that subsidiary) accounts for 20.0% or more of such pre-tax profits of the group. In determining profits, exceptional and extraordinary items are to be excluded."

The audited consolidated pre-tax profit of the Spin-Off Group (including discontinued operations that have not been disposed and excluding non-controlling interests) for FY2021 was approximately S\$4.7 million whilst the audited consolidated pre-tax profit of the Group (including discontinued operations that have not been disposed and excluding non-controlling interests) for FY2021 (after accounting for inter group elimination between the New LHN Group and the Spin-Off Group) was approximately S\$34.3 million. There was no discontinued operations under the Spin-off Group for FY2021. Accordingly, the pre-tax profits of LHN Logistics, as the holding entity of the Spin-Off Group (assuming that the Proposed Reorganisation of the Spin-Off Group has been completed), accounted for 13.8% of the Group's pre-tax profit for FY2021 and hence is not considered a principal subsidiary of the Company for the purposes of Rule 805(2)(b) of the Catalist Rules.

3.2. Potential HK Listing Rules Implications

Based on the currently available information, the Proposed Spin-Off, if materialised, may constitute a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules as one or more than one of the applicable percentage ratios in respect of the deemed disposal of interests of the LHN Logistics (and its subsidiaries assuming the Reorganisation is completed as envisaged as at the Latest Practicable Date) as contemplated under the Proposed Spin-Off is more than 5% but below 25%, the Proposed Spin-Off, if materialised, is expected to be subject to the notification and announcement requirements pursuant to Chapter 14 of the HK Listing Rules.

3.3. Rule 14 of the SG Take-over Code

Shareholders should note that under Rule 14 of the SG Take-over Code, except with the consent of the Securities Industry Council ("**SIC**"), where:

- (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights in a company and such person, or any person acting in concert with him, acquires in any period of six months additional shares carrying more than 1.0% of the voting rights,

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such person shall extend immediately an offer to the holders of any class of shares in the capital of the company which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In the event that the Company's shareholding interest in LHN Logistics is reduced to between 30.0% and not more than 50.0% after completion of the Proposed Listing, and following which the Company and its concert parties increases their aggregate shareholdings in LHN Logistics by 1.0% or more within a period of six months, they will incur an obligation to make a mandatory general offer for LHN Logistics under Rule 14 of the SG Take-over Code unless such obligation to make a mandatory general offer for LHN Logistics is waived by the SIC.

As at the Latest Practicable Date, it is the intention of the Company to hold a majority stake of at least 50.1% and up to 85% in the Spin-Off Group immediately upon completion of the Proposed Spin-Off and the Proposed Listing.

3.4. HK Takeovers Code

The HK Takeovers Code will not be applicable to LHN Logistics after completion of the Proposed Listing as LHN Logistics is proposed to list on the Catalist Board of SGX-ST and not on SEHK.

4. FINANCIAL EFFECTS OF THE PROPOSED SPIN-OFF AND THE PROPOSED LISTING

4.1. Bases and Assumptions

The *pro forma* financial effects of the Proposed Spin-Off and the Proposed Listing are presented for illustration only and are not intended to reflect the actual future financial situation of the Company after the completion of the Proposed Spin-Off and the Proposed Listing. These illustrative *pro forma* financial effects have been computed based on the Group's (a) audited consolidated financial statements for FY2021; and (b) audited consolidated financial statements of the Spin-Off Group for FY2021, as well as the following key assumptions:

- (a) the Proposed Spin-Off and the Proposed Listing had been completed, in respect of the profit and loss statement on 1 October 2020, and in respect of the balance sheet as at 30 September 2021;
- (b) LHN Logistics will issue such number of new shares equivalent to (i) 15% of the enlarged issued share capital of LHN Logistics (the "**Minimum Scenario**"); or (ii) 49.9% of the enlarged issued share capital of LHN Logistics (the "**Maximum Scenario**");
- (c) the Proposed Spin-Off and Proposed Listing will raise estimated gross proceeds of approximately S\$12.0 million;
- (d) the expenses in connection with the Proposed Spin-Off and Proposed Listing are estimated to be approximately S\$2.4 million; and
- (e) there will not be any vendor sale of shares of LHN Logistics by the Company via the Proposed Listing.

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Shareholders are to note that the assumptions set out above have been made purely for the purposes of calculating the financial effects of the Proposed Spin-Off and the Proposed Listing and are subject to change. As at the Latest Practicable Date, the offer structure and amount of proceeds to be raised from the Proposed Listing have not been finalised. The amount of proceeds to be raised in connection with the Proposed Listing will be dependent on, among other things, the IPO Price and the total number of new LHN Logistics Shares to be issued in connection with the Proposed Listing. The Company reserves the right to determine the offer structure for the Proposed Listing. Shareholders are also to note the cautionary statements as set out in Section 1.3 of this Circular.

4.2. Share Capital

As no new Shares will be issued by the Company in connection with the Proposed Spin-Off and the Proposed Listing, the Proposed Spin-Off and the Proposed Listing will have no impact on the Company's issued share capital.

4.3. NTA per Share

Assuming that the Proposed Spin-Off and the Proposed Listing had been completed on 30 September 2021, the effect of the Proposed Spin-Off and the Proposed Listing on the Group's NTA per Share as at 30 September 2021 will be as follows:

	Before the Proposed Spin-Off and the Proposed Listing	After the Proposed Spin-Off and the Proposed Listing (Minimum Scenario)	After the Proposed Spin-Off and the Proposed Listing (Maximum Scenario)
NTA ⁽¹⁾ attributable to Shareholders (S\$'000)	145,726	153,776	150,255
Number of Shares ('000) ⁽²⁾	408,945	408,945	408,945
NTA per Share (cents)	35.63	37.60	36.74

Notes:

(1) NTA means total assets less the sum of total liabilities, non-controlling interests and intangible assets (net of non-controlling interests).

(2) The number of Shares excludes treasury shares.

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4.4. EPS

Assuming that the Proposed Spin-Off and the Proposed Listing had been completed on 1 October 2020, the effect of the Proposed Spin-Off and the Proposed Listing on the Group's EPS for FY2021 will be as follows:

	Before the Proposed Spin-Off and the Proposed Listing	After the Proposed Spin-Off and the Proposed Listing (Minimum Scenario)	After the Proposed Spin-Off and the Proposed Listing (Maximum Scenario)
Earnings attributable to Shareholders (S\$'000)	28,063	26,182	25,590
Weighted average number of Shares ('000) ⁽¹⁾	404,208	404,208	404,208
EPS (cents)	6.94	6.48	6.33

Note:

(1) The weighted average number of Shares calculated is computed based on the weighted average number of ordinary shares (excluding treasury shares) in issue during the period.

4.5. Gearing

The financial effects of the Proposed Spin-Off and the Proposed Listing on the Group's gearing as at 30 September 2021 will be as follows:

	Before the Proposed Spin-Off and the Proposed Listing	After the Proposed Spin-Off and the Proposed Listing
Interest-bearing debt (S\$'000)	193,714	193,714
Total capital (S\$'000)	341,997	351,560
Gearing ⁽¹⁾ (times)	0.57	0.55

Note:

(1) Gearing equals to interest-bearing debt divided by total capital. Total capital is calculated as interest-bearing debt plus total equity.

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5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

5.1. Singapore Laws and Regulations

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

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Kelvin Lim ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾	–	–	224,982,600	55.02
Jess Lim ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾	4,000,000	0.98	220,982,600	54.04
Ch'ng Li-Ling	–	–	–	–
Yong Chee Hiong	–	–	–	–
Chan Ka Leung Gary	–	–	–	–
SG Substantial Shareholders (other than Directors)				
Trident Trust Company (B.V.I.) Limited ⁽³⁾	–	–	220,982,600	54.04
LHN Capital Pte. Ltd. ⁽⁴⁾	–	–	220,982,600	54.04
HN Capital Ltd. ⁽⁵⁾	–	–	220,982,600	54.04
Hean Nerng Group Pte. Ltd. ⁽⁶⁾	–	–	220,982,600	54.04
Fragrance Ltd. ⁽⁷⁾	220,982,600	54.04	–	–
Lim Hean Nerng ⁽⁷⁾	–	–	220,982,600	54.04
Foo Siau Foon ⁽⁷⁾	–	–	220,982,600	54.04
Lim Yun En ⁽⁷⁾	–	–	220,982,600	54.04
Lim Wei Yong Matthew ⁽⁷⁾	–	–	220,982,600	54.04
Lim Wei Yee ⁽⁷⁾	–	–	220,982,600	54.04
Lim Weichen ⁽⁷⁾	–	–	220,982,600	54.04
Lim Wei Kheng (Lin Weiqing) ⁽⁷⁾	–	–	220,982,600	54.04
Lim Yu Yang ⁽⁷⁾	–	–	220,982,600	54.04
Lim Bee Li ⁽⁸⁾	–	–	220,982,600	54.04

Notes:

- (1) The percentage is calculated based on issued number of Shares of the Company of 408,945,400 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

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Lim's direct lineal issues (namely, Lim Yun En, Lim Wei Yong Matthew, Lim Wei Yee, Lin Weichen, Lim Wei Kheng (Lin Weiqing) and Lim Yu Yang) ("**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.

Hean Nerng Group Pte. Ltd. holds the entire issued and paid-up share capital of Fragrance Ltd.. Kelvin Lim and Jess Lim are also directors of Fragrance Ltd.

Fragrance Ltd. has a direct interest in 220,982,600 ordinary shares of the Company.

As Trident Trust Company (B.V.I.) Limited and its associates, namely LHN Capital Pte. Ltd., HN Capital Ltd. and Hean Nerng Group Pte. Ltd., are entitled to exercise control of not less than 20.0% of the votes attached to the voting shares in Fragrance 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 Fragrance 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 associates, namely HN Capital Ltd. and Hean Nerng Group Pte. Ltd. are entitled to exercise control of not less than 20.0% of the votes attached to the voting shares in Fragrance Ltd., LHN Capital Pte. Ltd. is deemed to have an interest in the issued and paid-up share capital of the Company held by Fragrance Ltd.
- (5) Kelvin Lim and Jess Lim are directors of HN Capital Ltd.. In connection with footnote (3) above, as HN Capital Ltd. and its associate, namely Hean Nerng Group Pte. Ltd., are entitled to exercise control of not less than 20.0% of the votes attached to the voting shares in Fragrance Ltd., HN Capital Ltd. is deemed to have an interest in the issued and paid-up share capital of the Company held by Fragrance Ltd.
- (6) Kelvin Lim and Jess Lim are directors of Hean Nerng Group Pte. Ltd.. In connection with footnote (3) above, as Hean Nerng Group Pte. Ltd. is entitled to exercise control of not less than 20.0% of the votes attached to the voting shares in Fragrance Ltd., Hean Nerng Group Pte. Ltd. is deemed to have an interest in the issued and paid-up share capital of the Company held by Fragrance Ltd.
- (7) 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 Fragrance 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, Lim Wei Kheng (Lin Weiqing) and Lim Yu Yang), 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) (Securities and Securities-based Derivatives Contracts) Regulations 2018 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 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, Lim Hean Nerng has been deemed interested in 15.0% or more of the voting shares of the Company through The LHN Capital Trust by virtue of the fact that he was one of the initial founders of the Group, the father of Kelvin Lim and Jess Lim and a settlor of The LHN Capital Trust, as well as by virtue of the fact that he was actively involved in the management and affairs of the Group's business until his retirement from the Group about 7 years ago. The Board has recently made a reassessment of the status of Lim Hean Nerng as a controlling shareholder and has concluded that there is basis to regard Lim Hean Nerng as not being a controlling shareholder given that Lim Hean Nerng has retired from the Group and has not been involved in the management and affairs of the Group for at least the past 7 years. As a matter of prudence, the Company will be seeking confirmation from the relevant authority on the aforesaid conclusion and will continue to disclose Lim Hean Nerng as a controlling shareholder until the Company's receipt of such confirmation.

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

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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., Fragrance Ltd. and the Company. Accordingly, he is deemed to be able to exercise control over the Company and is deemed to be a SG 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., Fragrance Ltd. and the Company. Accordingly, she is deemed to be able to exercise Control over the Company and is deemed to be a SG Controlling Shareholder.

- (8) With effect upon the listing of the Company's Shares on the Main Board of the SEHK, Lim Bee Li is considered to be a SG Controlling Shareholder of the Company in Singapore. Lim Bee Li is deemed to have an interest in the issued and paid-up capital of the Company held by Fragrance Ltd. by virtue of her position as a SG Controlling Shareholder.

Save for their respective interests in the Shares as disclosed above, neither the Directors nor the SG 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 and SG Associates, has any interest, direct or indirect, in the Proposed Spin-Off and the Proposed Listing.

5.2. Hong Kong Laws and Regulations

A. DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests or short positions of Directors and the chief executives (as defined in the HK Listing Rules) of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the HK Listing Rules, were as follows:

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(a) Long Position in the Shares and underlying Shares of the Company

(i) Interests in the Company

NAME OF SHAREHOLDER	CAPACITY/NATURE OF INTEREST	NUMBER OF SHARES HELD/ INTERESTED	APPROXIMATE PERCENTAGE OF SHAREHOLDING AS AT THE LATEST PRACTICABLE DATE
Kelvin Lim ⁽¹⁾⁽²⁾	Founder of discretionary trusts, beneficiary of a trust	220,982,600	54.04%
Jess Lim	Beneficial owner	4,000,000	0.98%

Notes:

- (1) Kelvin Lim is one of the founders of The LHN Capital Trust and The Land Banking Trust. Trident Trust Company (B.V.I.) Limited, in its capacity as the trustee of The Land Banking Trust, holds the entire issued share capital of LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd., in its capacity as the trustee of The LHN Capital Trust, holds the entire issued share capital of HN Capital Ltd., which in turn holds 85% of the total issued share capital of Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. holds the entire issued share capital of Fragrance Ltd.. Fragrance Ltd. is the beneficial owner of 220,982,600 Shares. Kelvin Lim is deemed under the SFO to be interested in the Shares held by Trident Trust Company (B.V.I.) Limited and LHN Capital Pte. Ltd.. Trident Trust Company (B.V.I.) Limited is deemed under the SFO interested in the interests held by LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd. is deemed under the SFO interested in the interests held by HN Capital Ltd.. HN Capital Ltd. is deemed under the SFO interested in the interests held by Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. is deemed under the SFO interested in the interests held by Fragrance Ltd.
- (2) Kelvin Lim is one of the beneficiaries of The LHN Capital Trust of which LHN Capital Pte. Ltd. is the trustee. LHN Capital Pte. Ltd., in its capacity as the trustee, holds the entire issued share capital of HN Capital Ltd., which in turn holds 85% of the total issued share capital of Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. holds the entire issued share capital of Fragrance Ltd.. Fragrance Ltd. is the beneficial owner of 220,982,600 Shares. Kelvin Lim is deemed under the SFO to be interested in the Shares held by LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd. is deemed under the SFO interested in the interests held by HN Capital Ltd.. HN Capital Ltd. is deemed under the SFO interested in the interests held by Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. is deemed under the SFO interested in the interests held by Fragrance Ltd.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which would be required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the SEHK pursuant to standards of dealing by Directors contained in the HK Listing Rules.

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B. SUBSTANTIAL SHAREHOLDERS INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the Latest Practicable Date, the following persons/entities (not being Directors or chief executive of the Company) had an interest or a short position in the Shares or the underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long position in the Shares and underlying Shares of the Company

NAME OF SHAREHOLDER	CAPACITY/NATURE OF INTEREST	NUMBER OF SHARES HELD/ INTERESTED	APPROXIMATE PERCENTAGE OF SHAREHOLDING AS AT THE LATEST PRACTICABLE DATE
Fragrance Ltd. ⁽¹⁾	Beneficial owner	220,982,600	54.04%
Wang Jialu ⁽¹⁾⁽³⁾	Deemed interest by virtue of interest held by spouse	220,982,600	54.04%
Hean Nerng Group Pte. Ltd. ⁽¹⁾⁽²⁾	Interest in a controlled corporation	220,982,600	54.04%
HN Capital Ltd. ⁽¹⁾⁽²⁾	Interest in a controlled corporation	220,982,600	54.04%
LHN Capital Pte. Ltd. ⁽¹⁾⁽²⁾	Trustee	220,982,600	54.04%
Trident Trust Company (B.V.I.) Limited ⁽¹⁾⁽²⁾	Trustee	220,982,600	54.04%
Lim Hean Nerng ⁽¹⁾⁽²⁾	Founder of discretionary trusts	220,982,600	54.04%
Foo Siau Foon ⁽¹⁾⁽²⁾	Founder of discretionary trusts	220,982,600	54.04%

Notes:

- (1) Fragrance Ltd., which is wholly-owned by Hean Nerng Group Pte. Ltd., which in turn is owned as to 5% by Kelvin Lim, 10% by Jess Lim and 85% by HN Capital Ltd., is the beneficial owner of 220,982,600 Shares. By virtue of the SFO, Kelvin Lim, Wang Jialu, Hean Nerng Group Pte. Ltd., HN Capital Ltd., LHN Capital Pte. Ltd., Trident Trust Company (B.V.I.) Limited, Lim Hean Nerng and Foo Siau Foon are deemed to be interested in all of the Shares held by Fragrance Ltd.
- (2) Lim Hean Nerng, Foo Siau Foon and Kelvin Lim are the founders of The LHN Capital Trust and The Land Banking Trust. Trident Trust Company (B.V.I.) Limited, in its capacity as the trustee of The Land Banking Trust, holds the entire issued share capital of LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd., in its capacity as the trustee of The LHN Capital Trust, holds the entire issued share capital of HN Capital Ltd., which in turn holds 85% of the total issued share capital of Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. holds the entire issued share capital of Fragrance Ltd. Lim Hean Nerng, Foo Siau Foon and Kelvin Lim are deemed under the SFO to be interested in the Shares held by Trident Trust Company (B.V.I.) Limited and LHN Capital Pte. Ltd.. Trident Trust Company (B.V.I.) Limited is deemed under the SFO interested in the interests held by LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd. is deemed under the SFO interested in the interests held by HN Capital Ltd.. HN Capital Ltd. is deemed under the SFO interested in the interests held by Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. is deemed under the SFO interested in the interests held by Fragrance Ltd.
- (3) Wang Jialu, the spouse of Kelvin Lim, is deemed under the SFO to be interested in the interests held by Kelvin Lim.

LETTER TO SHAREHOLDERS

Save as disclosed herein, the Directors are not aware of any other person (not being a Director or chief executive of the Company) who, as at the Latest Practicable Date, have an interest or a short position in any Shares which would be required to be disclosed to the Company and the SEHK under the provisions of Divisions 2 and 3 of Part XV of the SFO.

6. DIRECTORS' RECOMMENDATIONS

Having reviewed, *inter alia*, (i) the rationale for and the tangible benefits of the Proposed Spin-Off and the Proposed Listing; (ii) waiving the assured entitlement requirement is fair and reasonable so far as the Shareholders as a whole are concerned and in the interest of the Company, the Directors are of the view that the Proposed Spin-Off, the Proposed Listing and the Assured Entitlement Waiver are in the best interests of the Company, and recommend that Shareholders vote in favour of the Ordinary Resolutions set out in the Notice of EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Fragrance Ltd. and its Associates, no Shareholder is required to abstain from voting on the ordinary resolution relating to the Assured Entitlement Waiver to be proposed at the EGM.

The Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio, should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

As of the Latest Practicable Date, the Company has not obtained the SEHK Listing Committee's approval on the Proposed Spin-Off. Such approval may or may not be granted. In the event that the Company is unable to obtain the SEHK Listing Committee's approval, the Proposed Spin-Off will not take place and the Company will not be required to satisfy, or seek the Assured Entitlement Waiver under PN15 at the EGM. The Company will make further announcement(s) as and when necessary in accordance with the HK Listing Rules and the Catalist Rules.

As the Proposed Spin-Off is subject to, among other things, the approval by the SEHK Listing Committee under PN15, the approval of the Singapore Offering by the SGX-ST, the satisfaction of, or waiver from, the assured entitlement requirement under PN15, market conditions and other considerations, Shareholders and potential investors should be aware that there is no assurance that the Proposed Spin-Off will take place and, if so, when they may take place. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

LETTER TO SHAREHOLDERS

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-6 of this Circular, will be held by way of electronic means on Wednesday, 16 February 2022 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modification, the Ordinary Resolution set out in the Notice of EGM.

Pursuant to Rule 13.39(4) of the HK Listing Rules and the Catalist Rules, any vote of the Shareholders at a general meeting must be taken by way of poll. Therefore, all proposed resolutions put to vote at the EGM shall be taken by way of poll.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

8.1. No Physical Attendance at EGM

Due to the current regulatory advisories and restriction orders in respect of the COVID-19 outbreak in Singapore and Hong Kong, Shareholders will not be able to attend the EGM in person and can only participate in the EGM via live webcast.

8.2. Alternative Arrangements

As Shareholders will not be able to attend the EGM physically, Shareholders who wish to vote may vote by electronic means live at the EGM or shall appoint the Chairman of the EGM as proxy to attend and vote at the EGM on their behalf. In the appointment of the Chairman as proxy, Shareholders must complete, sign and return the proxy form attached to the notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 10 Raeburn Park, #02-18, Singapore 088702 (for Singapore Shareholders) or the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong Shareholders) not less than 72 hours before the time fixed for the EGM.

Alternative arrangements have also been put in place to allow Shareholders to participate at the EGM by (a) watching or listening to the EGM proceedings via live webcast, (b) submitting questions in advance of or live the EGM, and (c) voting by electronic means live at the EGM or via appointment of the Chairman of the EGM as proxy to attend and vote at the EGM on their behalf. Shareholders should refer to the Notice of EGM set out in pages N-1 to N-6 of this Circular, for further information, including the steps to be taken by Shareholders to participate at the EGM.

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

LETTER TO SHAREHOLDERS

9. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the EGM:

For Shareholders in Singapore

The Share Transfer Books and Register of Members of the Company will be closed at **5:00 p.m. on Friday, 11 February 2022** for the purpose of determining Shareholders' entitlements to attend the EGM by way of live webcast. Duly completed registrable transfers in respect of the Shares received by the Company's Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 up to **5:00 p.m. on Thursday, 10 February 2022** will be registered to determine shareholders' entitlements to attend the EGM by way of live webcast.

For Shareholders in Hong Kong

The branch register of members of the Company in Hong Kong will be closed between **Friday, 11 February 2022** and **Wednesday, 16 February 2022** (both days inclusive), during which period no transfer of Shares of the Company will be registered in Hong Kong. In order to determine Shareholders' entitlements to attend and vote at the EGM by way of live webcast and to vote by proxy, all share transfers in Hong Kong, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than **4:30 p.m. on Thursday, 10 February 2022**.

For the purpose of determination of Shareholders registered under the Singapore principal register of members and the Hong Kong branch register of members of the Company, all necessary documents, remittances accompanied by the relevant share certificates in respect of removal of Shares between the two (2) register of members, must be submitted no later than **5:00 p.m. and 4:30 p.m. on Friday, 28 January 2022** to the Company's Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Singapore shareholders only) and the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong shareholders only), respectively.

10. CONSENTS

PrimePartners Corporate Finance Pte. Ltd., as the financial adviser to the Company in respect of the Proposed Spin-Off, has given and has not withdrawn its written consent to the issue of this Circular and the inclusion of its name and to act in such capacity in relation to this Circular.

LETTER TO SHAREHOLDERS

11. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular, for which the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular, includes particulars given in compliance with the Catalist Rules and the HK Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Circular is complete and accurate in all material respects and not misleading or deceptive, and there are no other matters, the omission of which would make any statement in this Circular misleading.

In accordance with Rule 1202 of the Catalist Rules, the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Spin-Off and the Proposed Listing, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which will make any statement in this Circular misleading.

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

12. FINANCIAL ADVISER'S RESPONSIBILITY STATEMENT

To the best of the knowledge and belief of PrimePartners Corporate Finance Pte. Ltd., the financial adviser to the Company in relation to the Proposed Spin-Off, this Circular constitutes full and true disclosure of all material facts about the Proposed Spin-Off and the Group in relation to the Proposed Spin-Off, and PrimePartners Corporate Finance Pte. Ltd. is not aware of any facts the omission of which would make any statement in this Circular misleading.

13. DOCUMENTS AVAILABLE FOR INSPECTION

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 during any weekday (excluding public holidays) from the date of this Circular up to the date of the EGM. Furthermore, a copy of the following documents will be published on the websites of the Company (www.lhngroup.com) and the SEHK (www.hkexnews.hk) during the period of 14 days from the date of this Circular:

- (a) the Constitution; and
- (b) the annual reports of the Company for FY2021, FY2020 and FY2019; and
- (c) the letter of consent referred to in Section 10 of this Circular.

Copies of the above documents can also be accessed through the website of the Company, the SGX-ST and the SEHK.

LETTER TO SHAREHOLDERS

14. MISCELLANEOUS

This Circular is in English and Chinese. In case of any inconsistency, the English version shall prevail.

Yours faithfully

For and on behalf of the Board

LHN LIMITED

Kelvin Lim

Executive Chairman, Executive Director and Group Managing Director

APPENDIX A

REVENUE CONTRIBUTIONS BY BUSINESS SEGMENT FOR FY2019, FY2020 AND FY2021

	FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER					
	2019		2020		2021	
	S\$'000	%	S\$'000	%	S\$'000	%
	(AUDITED)		(AUDITED)		(AUDITED)	
Space Optimisation Business						
Industrial properties	39,239	35.3	26,886	20.0	17,663	14.6
Commercial properties	21,232	19.1	15,606	11.6	7,735	6.4
Residential properties	5,319	4.8	26,985	20.1	12,998	10.7
Total – Space Optimisation Business	65,790	59.2	69,477	51.7	38,396⁽¹⁾	31.7
Facilities Management Business						
	20,367	18.3	39,551	29.5	55,419	45.8
The New LHN Group						
	86,157	77.5	109,028	81.2	93,815	77.5
Logistics Services Business						
	24,937	22.5	25,185	18.8	27,162	22.5
TOTAL	111,094	100.0	134,213	100.0	120,977	100.0

Notes:

(1) The decrease in revenue for the Space Optimisation Business was partially a result of the adoption of the International Financial Reporting Standards (“IFRS”) 16 where subleases of the Group (which were part of the ordinary course of business of the Group) were classified as finance leases under IFRS 16 since the beginning of FY2020, and revenue from subleases were derecognised since FY2020. The revenue of the Space Optimisation Business decreased by S\$31.1 million, or 44.7%, from S\$69.5 million in FY2020 to S\$38.4 million in FY2021 primarily due to the following reasons:

- (i) *Industrial properties*: Revenue decreased by S\$9.2 million due to (i) decrease in revenue from subleases as a result of the expiry of four master leases between the second to fourth quarters of FY2020; and (ii) more derecognition of revenue from subleases classified as finance lease pursuant to IFRS 16;
- (ii) *Commercial properties*: Revenue decreased by S\$7.9 million due to (i) decrease in revenue from subleases as a result of the expiry of three master leases during FY2021; (ii) renewal of subleases at lower rates; (iii) decrease in revenue from 1557 Keppel Road Singapore as the property had undergone progressive renovations from the second quarter of FY2020 to the third quarter of FY2021; and (iv) more derecognition of revenue from subleases classified as finance lease pursuant to IFRS 16; and
- (iii) *Residential properties*: Revenue decreased by \$14.0 million due to the absence of a non-recurring revenue of approximately S\$16.1 million from the setup and retrofitting of the dormitory business in the second half of FY2020. This was partially offset by an increase in revenue of approximately S\$1.8 million from our co-living business in Singapore and S\$0.3 million from our overseas Residential Properties.

The increase in revenue from our co-living business in Singapore arose mainly from (i) the commencement of operations of the new co-living space at 1557 Keppel Road which started generating revenue from the third quarter of FY2021 after completion of progressive renovations; and (ii) our master lease at 1A Lutheran Road which started generating revenue from the second quarter of FY2020.

For the overseas Residential Properties, the increase in revenue was mainly due to the commencement of operations of the new serviced residence in Cambodia which started generating revenue from the first quarter of FY2021 but was partially offset by the decrease in revenue from our serviced residence in Myanmar due to lower occupancy rates.

APPENDIX B

KEY FINANCIAL ITEMS OF THE SPIN-OFF GROUP FOR FY2019, FY2020 AND FY2021

S\$'000	FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER ⁽³⁾		
	2019	2020	2021
Revenue ⁽²⁾	24,937	25,189	27,181
Net profit	4,328	3,394	3,984

S\$'000	AS AT 30 SEPTEMBER ⁽³⁾		
	2019	2020	2021
Total assets	18,767	37,131	38,120
Total liabilities	9,662	25,569	23,217
Net asset value	9,105	11,562	14,903

Notes:

- (1) The above financial information for FY2019, FY2020 and FY2021 was extracted from the unaudited management accounts of the Spin-Off Group prepared in accordance with the IFRS effective as at the respective financial years. The above financial information is subject to audit and finalisation, and there may be adjustments to the final numbers.
- (2) The difference of approximately S\$4,000 and S\$19,000 respectively in the revenue of the Spin-Off Group for FY2020 and FY2021 as stated in the table set out in **Appendix A**, compared with the figures stated hereof, was due to intergroup eliminations between the Spin-Off Group and the New LHN Group.
- (3) The above financial information for the Spin-Off Group will differ from the combined financial statements in the Offer Document to be published by LHN Logistics in Singapore as the combined financial statements are prepared on a first time adoption basis of Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). Under the first time adoption basis, SFRS(I) 16 Leases is adopted and reflected in the FY2019 financials on a full retrospective basis. However, in the above financial information, SFRS(I) 16 is only adopted and reflected in the FY2020 financials on a modified retrospective basis, which is consistent with the basis for the audited financial statements of the Group.

APPENDIX C

KEY FINANCIAL ITEMS OF THE NEW LHN GROUP FOR FY2019, FY2020 AND FY2021

S\$'000	FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER		
	2019	2020	2021
Revenue ⁽³⁾	87,380	110,770	95,204
Net profit	7,395	22,073	26,174
Net profit attributable to the shareholders of the New LHN Group	7,403	22,071	26,040
Adjusted net profit attributable to the shareholders of the New LHN Group for the purpose of Rule 8.05 of the HK Listing Rules ⁽⁴⁾	1,813	21,923	22,922

S\$'000	AS AT 30 SEPTEMBER		
	2019	2020	2021
Total assets	170,083	308,074	349,658
Total liabilities	81,580	195,328	215,550
Net asset value	88,503	112,746	134,108

Notes:

- (1) The above financial information for FY2019, FY2020 and FY2021 has been prepared by the management of the Group based on the audited financial statements of the Company for the respective periods.
- (2) The directors of the Company have confirmed that the unaudited financial information of the New LHN Group has been prepared using the same accounting policies adopted by the Group as at FY2021.
- (3) The difference of approximately S\$1,223,000 for FY2019, S\$1,742,000 for FY2020 and S\$1,389,000 for FY2021 respectively in the revenue of LHN Logistics as stated in the table set out in **Appendix A** above, compared with the figures stated here, was due to intergroup eliminations between the New LHN Group and the Spin-Off Group.
- (4) The amounts exclude: (a) profit or loss attributable to non-controlling interests; (b) share of profits or losses from investments accounted for using equity method attributable to shareholders; (c) items not within normal course of business attributable to shareholders for the purpose of Rule 8.05 of the HK Listing Rules.

NOTICE OF EXTRAORDINARY GENERAL MEETING

HONG KONG EXCHANGES AND CLEARING LIMITED, THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS ANNOUNCEMENT, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ANNOUNCEMENT.

LHN LIMITED 賢能集團有限公司*

(the “Company”)
(Incorporated in the Republic of Singapore with limited liability)
(Hong Kong stock code: 1730)
(Singapore stock code: 410)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as ascribed to them in the circular dated 25 January 2022 issued by the Company (the “Circular”).

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of LHN Limited (the “Company” and together with its subsidiaries the “Group”) will be held by way of live webcast on Wednesday, 16 February 2022 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution:

ORDINARY RESOLUTION

THE PROPOSED SPIN-OFF, THE PROPOSED LISTING AND THE ASSURED ENTITLEMENT WAIVER

That:

- (a) approval be and is hereby given for the Company to carry out and implement the Proposed Spin-Off and the Proposed Listing, as well as any other transactions contemplated thereunder;
- (b) the assured entitlement requirement in respect of the proposed spin-off and separate listing of the shares of LHN Logistics Pte. Ltd. on the Catalist Board of SGX-ST in accordance with Practice Note 15 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited be and is hereby waived; and
- (c) the Directors and/or each of them be and are hereby authorised to do all acts and things (including executing such documents as may be required) as they or each of them deem desirable, necessary or expedient to give effect to the matters referred to in the above paragraphs of this ordinary resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

ON BEHALF OF THE BOARD

Chong Eng Wee
Company Secretary
Singapore,
25 January 2022

NOTICE OF EXTRAORDINARY GENERAL MEETING

IMPORTANT:

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the EGM

For Shareholders in Singapore

The Share Transfer Books and Register of Members of the Company will be closed at **5:00 p.m. on Friday, 11 February 2022** for the purpose of determining shareholders' entitlements to attend the EGM by way of live webcast. Duly completed registrable transfers in respect of the Shares received by the Company's Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 up to **5:00 p.m. on Thursday, 10 February 2022** will be registered to determine shareholders' entitlements to attend the EGM by way of live webcast.

For Shareholders in Hong Kong

The branch register of members of the Company in Hong Kong will be closed from **Friday, 11 February 2022 to Wednesday, 16 February 2022** (both days inclusive), during which period no transfer of Shares of the Company will be registered in Hong Kong. In order to determine shareholders' entitlements to attend the EGM by way of live webcast and to vote by proxy, all share transfers in Hong Kong, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than **4:30 p.m. on Thursday, 10 February 2022**. Please refer to pages N-3 to N-5 for more details on attending and voting at the EGM, which will be held by way of live webcast.

For the purpose of determination of shareholders registered under the Singapore principal register of members and the Hong Kong branch register of members of the Company, all necessary documents, remittances accompanied by the relevant share certificates in respect of removal of Shares between the two (2) register of members, must be submitted no later than **5:00 p.m. and 4:30 p.m. on Friday, 28 January 2022** to the Company's Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Singapore shareholders only) and the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong shareholders only), respectively.

NOTICE OF EXTRAORDINARY GENERAL MEETING

HOLDING OF THE EXTRAORDINARY GENERAL MEETING THROUGH ELECTRONIC MEANS

1. Participation in the EGM via live webcast

In view of the ongoing COVID-19 situation, the EGM is being convened, and will be held by way of electronic means. The Company will not accept any physical attendance by shareholders.

The following steps are taken to allow shareholders to participate in the EGM:

- (a) the Company will provide for the EGM to be shown by live webcast, by way of (i) audio and video feed ("**Live Webcast**"), or (ii) audio feed only, as shareholders may elect at their discretion;
- (b) shareholders who wish to participate in the EGM via Live Webcast or audio feed only must register their details on the Company's pre-registration website at <https://smartagm.sg/LHN2022EGM> by 10.00 a.m. on Sunday, 13 February 2022 ("**Registration Deadline**") for the Company to verify their status as shareholders;
- (c) corporate shareholders must also submit the Corporate Representative Certificate to the Company at egm@lhngroup.com.sg, in addition to the registration procedures as set out in paragraph (b) above, by the Registration Deadline, for verification purpose;
- (d) verified shareholders will receive an email by 10.00 a.m. on Tuesday, 15 February 2022 containing instructions to access the Live Webcast. Shareholders must not forward the link or their log-in details to third persons who are not shareholders and who are not entitled to attend the EGM proceedings;
- (e) shareholders who do not receive an email by 10.00 a.m. on Tuesday, 15 February 2022 but have registered by the Registration Deadline should email to: bcasmeetings@boardroomlimited.com for assistance, with the following details included: (i) shareholder's full name; (ii) NRIC/FIN/Passport no. (if the shareholder is an individual) or the Company Registration No. (if the shareholder is a corporation); and (iii) manner in which the shares are held (e.g. via Central Depository/scrip/ Supplementary Retirement Scheme ("**SRS**")), for verification purposes; and
- (f) shareholders, whose shares are not held under SRS and are registered under Depository Agents ("**DAs**"), must also contact their respective DAs to indicate their interest in order for their DAs to make the necessary arrangements for them to participate in the Live Webcast.

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. Submission of Questions relating to the agenda of the EGM

Shareholders who have any questions in relation to any agenda item of this notice, may send their queries to the Company in advance by 10.00 a.m. on Wednesday, 2 February 2022, via electronic means at the URL <https://smartagm.sg/LHN2022EGM> or by post to the registered office of the Company at 10 Raeburn Park, #02-18, Singapore 088702 (for Singapore shareholders), or at the Company's principal place of business in Hong Kong at Unit 912, 9/F, Two Harbourfront, 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong (for Hong Kong shareholders). The Company will endeavour to respond to substantial and relevant queries from shareholders prior to the EGM and/or at the EGM.

In view of the current COVID-19 measures which may make it difficult for Shareholders to submit their questions by post, Shareholders are strongly encouraged to submit their questions electronically via email.

Shareholders who pre-registered and are verified to attend the EGM will be able to ask questions relating to the agenda of the EGM by submitting text-based questions during the EGM within a certain prescribed time limit. The Company will endeavour to respond to questions as far as reasonably practicable. Where there are substantially similar questions, the Company will consolidated such questions. Consequently, not all questions may be individually addressed.

The Company will publish the minutes of the EGM via SGXNet on the SGX website and the Company's website within one (1) month from the date of the EGM.

3. Voting

Live Voting:

Shareholders (except a Relevant Intermediary (as defined below)) may cast their votes for each resolution live at the EGM. Unique access details for live voting will be provided to shareholders who pre-registered and are verified to attend the EGM.

Voting via appointment of Chairman of the EGM as proxy:

As an alternative to live voting, a shareholder (whether individual or corporate) may vote through submission of proxy form. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it may appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

A member of the Company (including a Relevant Intermediary (as defined below)) entitled to vote at the EGM may appoint the Chairman of the EGM to act as proxy and direct the vote at the EGM in his/her stead. The Chairman of the EGM, as proxy, need not be a member of the Company.

The accompanying proxy form for the EGM may be accessed from the SGX website at www.sgx.com, the HKEX website at www.hkexnews.com or the Company's website at www.lhngroup.com.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The instrument appointing the Chairman of the EGM as proxy, duly executed, must be submitted in hard copy form or electronically via email not less than seventy-two (72) hours before the time appointed for the holding of the EGM:

- (a) If submitted by post, to be deposited at the registered office of the Company at 10 Raeburn Park, #02-18, Singapore 088702 (for Singapore shareholders), or at the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong shareholders); and
- (b) If submitted electronically, be submitted via email to the Company, at egm@lhngroup.com.sg.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

The instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where an instrument appointing Chairman of the EGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

Members who hold shares under SRS, who wish to appoint the Chairman of the EGM as their proxy, should approach their SRS Operators to submit their votes by 4 February 2022, 5:00 p.m., being at least seven (7) working days before the EGM.

A "Relevant Intermediary" is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

NOTICE OF EXTRAORDINARY GENERAL MEETING

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the EGM and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

PERSONAL INFORMATION COLLECTION STATEMENT

"Personal Data" in this statement has the same meaning as "personal data" as defined in the Personal Data (Privacy) Ordinance, Chapter 486 of the Laws of Hong Kong ("**PDPO**"), which include your name(s) and address(es) and those of your proxy. For Shareholders on the register of members in Hong Kong, your supply of your and your proxy's (or proxies') Personal Data is on a voluntary basis for the purpose of processing your request for the appointment of a proxy (or proxies) and your voting instructions for the EGM of the Company (the "**Purposes**"). We may transfer your and your proxy's (or proxies') Personal Data to our agent, contractor, or third party service provider who provides administrative, computer and other services to us for use in connection with the Purposes and to such parties who are authorised by law to request the information or are otherwise relevant for the Purposes and need to receive the information. Your and your proxy's (or proxies') Personal Data will be retained for such period as may be necessary to fulfil the Purposes. Request for access to and/or correction of the relevant Personal Data can be made in accordance with the provisions of the Personal Data (Privacy) Ordinance and any such request should be in writing to Tricor Investor Services Limited at the above address.

PROXY FORM

LHN LIMITED

賢能集團有限公司#

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong stock code: 1730)

(Singapore stock code: 410)

PROXY FORM

(Please see notes overleaf before completing this form)

IMPORTANT:

1. The Extraordinary General Meeting ("EGM" or "Meeting") is being convened, and will be held, by electronic means in view of the ongoing COVID-19 situation and the related safe-distancing orders and/or regulations put in place in Singapore.
2. Alternative arrangements relating to, among others, attendance, submission of questions in advance of or live at the EGM and/or voting by electronic means live or by proxy at the EGM are set out in the Notice of EGM dated 25 January 2022 which has been uploaded on websites of SGXNet, the HKEX and the Company on the same day as this form.
3. A shareholder will not be able to attend the EGM in person. Shareholders (except a Relevant Intermediary) may cast their votes for each resolution live at the EGM. Unique access details for live voting will be provided to shareholders who pre-registered and are verified to attend the EGM. As an alternative to live voting, a shareholder (whether individual or corporate) who wishes to exercise his/her/its voting rights at the EGM may appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
4. For Supplementary Retirement Scheme investors ("SRS Investors") who wish to appoint the Chairman of the EGM as their proxy, they should approach their SRS Operators to submit their votes at least seven (7) working days before the EGM.
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the shareholder accepts and agrees to the personal data privacy terms and the personal information collection statement set out in the Notice of EGM dated 25 January 2022.
6. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a shareholder's proxy to vote on his/her/its behalf at the EGM.
7. This proxy form shall be read together with the Notice of EGM and the Circular of the Company dated 25 January 2022 (the "Circular"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

I/We* _____

(Name) _____ (NRIC/Passport No./Company Registration No./HKID No.*)

of _____ (Address)

being a Member/Members* of LHN LIMITED (the "Company") hereby appoint the Chairman of the Meeting as my/our* proxy to attend, speak and vote for me/us* on my/our* behalf at the Meeting to be held through live webcast on Wednesday, 16 February 2022 at 10:00 a.m. and at any adjournment thereof.

I/We* direct the Chairman of the Meeting to vote for, against or to abstain from voting the Ordinary Resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

Please indicate your vote "For", "Against" or "Abstain" with an "X" within the boxes provided below. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
To approve that:			
(a) the Company to carry out and implement the Proposed Spin-Off and the Proposed Listing, as well as any other transactions contemplated thereunder;			
(b) the assured entitlement requirement in respect of the proposed spin-off and separate listing of the shares of LHN Logistics Pte. Ltd. on the Catalist Board of SGX-ST in accordance with Practice Note 15 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited be and is hereby waived; and			
(c) the Directors and/or each of them be and are hereby authorised to do all acts and things (including executing such documents as may be required) as they or each of them deem desirable, necessary or expedient to give effect to the matters referred to in the above paragraphs of this ordinary resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.			

Notes: Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against"; or to "Abstain" from, the relevant resolution, please indicate with an "X" within the relevant box provided. Alternatively, if you wish to exercise your votes in a proportion of "For", "Against" or/and to "Abstain" from the relevant resolution, please indicate the number of shares in the boxes provided. In the absence of directions in respect of a specific resolution, the appointment of Chairman of the Meeting as your proxy for that specific resolution will be treated as invalid.

Dated this _____ day of _____ 2022

Total Number of Shares Held

Signature of Member(s) or, Common Seal of Corporate Member

For identification purpose only

* Delete accordingly

PROXY FORM

NOTES:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the Meeting as proxy shall be deemed to relate to all the Shares held by you.
2. Due to the ongoing COVID-19 situation and the COVID-19 restriction orders in Singapore, members of the Company will not be able to attend the EGM in person. Shareholders (except a Relevant Intermediary (as defined below)) may cast their votes for each resolution live at the EGM. Unique access details for live voting will be provided to shareholders who pre-registered and are verified to attend the EGM. As an alternative to live voting, a member of the Company (whether individual or corporate) may exercise his/her/its voting rights at the EGM by submitting his/her/its proxy form appointing the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
3. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM through submission of proxy form, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) should give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
4. A member of the Company (including a Relevant Intermediary (as defined below)) entitled to vote at the Meeting may appoint Chairman of the Meeting to act as proxy and direct the vote at the Meeting in his/her stead. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The instrument appointing Chairman of the Meeting as proxy, duly executed, must be submitted in hard copy form or electronically via email:
 - (a) If submitted by post, to be lodged at the registered office of the Company at 10 Raeburn Park, #02-18, Singapore 088702 (for Singapore shareholders), or at the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong shareholders); and
 - (b) If submitted electronically, be submitted via email to the Company, at egm@lhngroup.com.sg.

In either case, by 13 February 2022, 10:00 a.m., being not less than seventy-two (72) hours before the time appointed for the holding of the EGM (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

A shareholder who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

6. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where an instrument appointing Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with its Constitution and Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
8. For SRS Investors who wish to appoint the Chairman of the EGM as their proxy, they should approach their SRS Operators to submit their votes at least seven (7) working days before the EGM (i.e. by 4 February 2022, 5:00 p.m.), in order to allow sufficient time for their respective SRS Operators to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by the cut-off date.

A "Relevant Intermediary" is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

GENERAL

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the EGM and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

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