

CIRCULAR DATED 23 DECEMBER 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 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 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Circular, 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 Circular.

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
GROUP**
SPACE OPTIMISED

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 DIVERSIFICATION OF THE GROUP’S BUSINESS TO INCLUDE THE PROPERTY DEVELOPMENT BUSINESS AND THE ENERGY BUSINESS

A notice convening the extraordinary general meeting of the Company (“EGM”) to be held by way of live webcast on Monday, 30 January 2023 at 11:00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held by way of electronic means at 10:00 a.m. on the same day) is set out on pages N-1 to N-7 of this Circular. A form of proxy for use at the EGM is also enclosed with this Circular.

The EGM will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

The Company will arrange for the EGM to be held by live webcast (“Live Webcast”), by way of (a) audio-visual webcast, or (b) live audio-only stream, as Shareholders may elect at their discretion. Shareholders and their appointed proxy (or proxies) can only participate in the EGM via the foregoing Live Webcast. The Company will not accept any physical attendance by shareholders. 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	:	27 January 2023 at 11:00 a.m.
Date and time of EGM	:	30 January 2023 at 11:00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held by way of electronic means at 10:00 a.m. on the same day)
Place of EGM	:	The EGM will be held by way of electronic means (please refer to the notes to the Notice of EGM dated 23 December 2022 for further details)

* For identification purpose only

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DEFINITIONS

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

“Aggregated Transactions”	:	Has the meaning ascribed to it in Section 2.10(a) of this Circular
“Audit Committee”	:	The audit committee of the Company as constituted from time to time
“BCA”	:	Has the meaning ascribed to it in Section 2.4(b) 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 23 December 2022
“Companies Act”	:	The Companies Act 1967 of Singapore, 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
“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
“CPF”	:	The Central Provident Fund
“Deed of Non-Competition”	:	the deed of non-competition dated 6 December 2017 given by, among others, Kelvin Lim as covenantors in favour of the Company (for itself and as trustee for its subsidiaries) in respect of certain non-compete undertakings

DEFINITIONS

“Director(s)”	:	The director(s) of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be convened and held by way of electronic means on Monday, 30 January 2023 at 11:00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held by way of electronic means at 10:00 a.m. on the same day), notice of which is set out on pages N-1 to N-7 of this Circular
“EMA”	:	Has the meaning ascribed to it in Section 2.4(b) of this Circular
“Energy Business”	:	Has the meaning ascribed to it in Section 2.2(b) of this Circular
“EPS”	:	Earnings per Share
“EV Charging Bill”	:	Has the meaning ascribed to it in Section 2.4(b) of this Circular
“Existing Core Business”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“First Major Transaction”	:	Has the meaning ascribed to it in Section 2.10(a) of this Circular
“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
“Hong Kong”	:	The Hong Kong Special Administrative Region of the People’s Republic of China
“Jess Lim”	:	Ms. Lim Bee Choo (also known as Lin Meizhu), an executive Director and the group deputy managing director of the Company

DEFINITIONS

“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”	:	14 December 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
“LTA”	:	Has the meaning ascribed to it in Section 2.4(b) of this Circular
“Notice of EGM”	:	The notice of the EGM which is set out on pages N-1 to N-7 of this Circular
“NTA”	:	Net tangible assets
“Property Business”	:	Has the meaning ascribed to it in Section 2.2(a) of this Circular
“Proposed Diversification”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“Proposed New Businesses”	:	The proposed Property Business and the proposed Energy Business
“Proxy Form”	:	The proxy form in respect of the EGM which is set out on pages P-1 to P-2 of this Circular
“SCDF”	:	Has the meaning ascribed to it in Section 2.4(b) of this Circular
“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
“SFA”	:	Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“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

DEFINITIONS

- “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
- (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
- “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

DEFINITIONS

“Share(s)”	:	Ordinary share(s) in the share capital of the Company
“solar power systems”	:	Has the meaning ascribed to it in Section 2.2(b)(iii) of this Circular
“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
“URA”	:	Has the meaning ascribed to it in Section 2.4(b) of this Circular

Currencies, units and others

“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.

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.

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.

DEFINITIONS

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 the Proposed Diversification. No other legal advisors were previously engaged by the Company in relation to this Circular.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements. Further, the Company disclaims any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

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	:	75 Beach Road #04-01 Singapore 189689	
PRINCIPAL PLACE OF BUSINESS IN HONG KONG	:	Unit 912, 9/F Two Harbourfront 22 Tak Fung Street Hunghom, Kowloon Hong Kong	
CONTINUING SPONSOR	:	PrimePartners Corporate Finance Pte. Ltd. 16 Collyer Quay #10-00 Collyer Quay Centre Singapore 049318	
SINGAPORE LEGAL ADVISER TO THE COMPANY IN RESPECT OF THE PROPOSED DIVERSIFICATION	:	Morgan Lewis Stamford LLC 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315	
SINGAPORE PRINCIPAL SHARE REGISTRAR	:	Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632	
HONG KONG BRANCH SHARE REGISTRAR	:	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong	

CORPORATE INFORMATION

AUDITORS : **PricewaterhouseCoopers LLP**
Registered Public Interest Entity Auditor
7 Straits View
Marine 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

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
#09-00 OCBC Centre
Singapore 049513

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

LETTER TO SHAREHOLDERS

**LHN
GROUP**
SPACE OPTIMISED

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

Independent Non-executive Directors:

Ms. Ch'ng Li Ling

(Lead Independent Non-Executive Director)

Mr. Yong Chee Hiong

Mr. Chan Ka Leung Gary

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

75 Beach Road

#04-01

Singapore 189689

Principal Place of Business in Hong Kong:

Unit 912, 9/F

Two Harbourfront

22 Tak Fung Street

Hunghom, Kowloon

Hong Kong

Date: 23 December 2022

To: The Shareholders of the Company

Dear Sir/Madam

**THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE THE
PROPERTY DEVELOPMENT BUSINESS AND THE ENERGY BUSINESS**

1. INTRODUCTION

1.1. EGM

The Directors are convening an EGM to be held on 30 January 2023 at 11:00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held by way of electronic means at 10:00 a.m. on the same day) via electronic means to seek Shareholders' approval for the proposed diversification of the Group's business to include the Proposed New Businesses (the "**Proposed Diversification**"). For further details on the Proposed Diversification, please refer to Section 2 of this Circular.

The Proposed Diversification is set out as ordinary resolutions in the Notice of EGM accompanying this Circular.

* For identification purpose only

LETTER TO SHAREHOLDERS

1.2. Purpose of this Circular

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the abovementioned Proposed Diversification. Shareholders' approval will be sought at the EGM, notice of which is set out on pages N-1 to N-7 of this Circular.

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

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. Inter-conditionality of Resolutions

Shareholders should note that:

- (a) sub-paragraphs (a) to (c) in ordinary resolution 1 are inter-conditional. By approving ordinary resolution 1, Shareholders are approving sub-paragraphs (a) to (c) of ordinary resolution 1. Sub-paragraphs (a) to (c) in ordinary resolution 1 are inter-conditional as they comprise integral parts of the same transaction, namely the Proposed Diversification of the Group's Existing Core Business to include the Property Business;
- (b) sub-paragraphs (a) to (c) in ordinary resolution 2 are inter-conditional. By approving ordinary resolution 2, Shareholders are approving sub-paragraphs (a) to (c) of ordinary resolution 2. Sub-paragraphs (a) to (c) in ordinary resolution 2 are inter-conditional as they comprise integral parts of the same transaction, namely the Proposed Diversification of the Group's Existing Core Business to include the Energy Business; and
- (c) for the avoidance of doubt, ordinary resolution 1 and ordinary resolution 2 are not inter-conditional.

2. THE PROPOSED DIVERSIFICATION

2.1. Existing Core Business of the Group

The Company has been listed on the Catalist of the SGX-ST since 13 April 2015 and subsequently dually-listed on the Main Board of the SEHK since 29 December 2017. As at the Latest Practicable Date, the Company, through its subsidiaries, is engaged in three main business segments as follows (collectively, the "**Existing Core Business**"):

(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 Group currently offers three main types of properties for lease, namely, commercial properties, industrial properties, and residential properties.

LETTER TO SHAREHOLDERS

(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.

(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.

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.

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, Thailand and Myanmar. The Group principally services major shipping lines and container leasing companies under this business segment.

The Group's logistics services business is separately listed under its subsidiary, LHN Logistics Limited, on the Catalist Board.

As at the Latest Practicable Date, the Existing Core Business is the sole revenue contributor to the Group. Subsequent to the Proposed Diversification, it is envisaged that the Group will continue to rely substantially on the Existing Core Business for the short to medium term.

The Group remains committed to the Existing Core Business so long as its continuity is in the best interest of the Group and the Shareholders.

2.2. Information regarding the Proposed Diversification

Upon obtaining the approval of Shareholders for the Proposed Diversification at the EGM, the Group intends to expand the Existing Core Business to include the Proposed New Businesses as set out below, as and when appropriate opportunities arise.

(a) Property Business

The Property Business is intended to consist of:

(i) Property Development

It is intended for the Group to engage in property development activities such as the acquisition, development and/or sale of various types of properties (including but not limited to residential, hospitality, commercial (retail and office), industrial

LETTER TO SHAREHOLDERS

and any other types of properties (including but not limited to mixed development properties and boutique hotels)). The Group also intends to engage in property redevelopment activities and undertake asset enhancement works to increase the capital value of such properties, with a view towards realising such increased capital value through the sale of such properties; and

(ii) Property Investment

It is intended for the Group to engage in property investment activities, with a particular focus on property, property related assets (including investments, securities or other interests in entities holding property related assets or which are in the business of property development, property investment and property management, including but not limited to the holding of property related assets as long-term investments for the collection of rent, capital growth potential) and/or the provision of property related services and facilities,

(collectively, the “**Property Business**”).

The Group intends to focus efforts on the Property Business initially in Singapore as the Company’s dual-listed status provides the Group with a wide network of business associates to leverage in seeking out opportunities in the Singapore property industries. The Group may subsequently venture into other countries when suitable opportunities arise.

The Board is of the view that the Property Business has been relatively stable vis-à-vis other industries in Singapore and that notwithstanding the current challenges and headwinds in the worldwide economy, the nature, volume of transactions and outlook in the Property Business remain encouraging in the medium to long term.

(b) Energy Business

The Group intends to target electricity efficiency and the reduction of carbon footprint through the engineering, procurement, design, construction, installation, operation, maintenance, and/or sale of renewable energy power generating facilities such as solar photovoltaic electric power generating facilities, as well as the sale of electricity (collectively, the “**Energy Business**”), including but not limited to through the following:

(i) Electricity Retailing Business

The Group is currently supplying electricity to its subsidiaries and its affiliates. It is intended for the Group to enter into electricity retailing agreements for the supply of electricity to corporate customers. Each customer will be billed based on the volume of electricity consumed, which will be measured by an electric meter, and the price agreed in the relevant electricity retailing agreement. The price agreed in the relevant electricity retailing agreement will be subject to variation in accordance with the prevailing prices in the energy market.

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(ii) *Electric Vehicle Charging Business*

It is intended for the Group to enter into licensing agreements with building owners or head lessors of buildings to install, operate and maintain electric vehicle charging stations and to sell electricity to users of such electric vehicle charging stations. Title to and ownership of such electric vehicle charging stations will remain with the Group.

(iii) *DBO (Design-Build-Operate) Solar Power Contracting Business*

It is intended for the Group to enter into power purchase agreements with building owners to design, construct, install, operate and maintain solar photovoltaic electric power generating facilities (the “**solar power systems**”), which will be installed on the roofs of buildings, pursuant to which an agreed volume of energy generated by each solar power system will be sold by the Group to the relevant building owner at a mutually agreed price. Any excess energy generated by the solar power system will be sold by the Group to the relevant power grids in the respective countries. Under such arrangement, title to and ownership of each solar power system will remain with the Group (unless purchased by the building owner under specific circumstances) and the Group will bear all costs and expenses required in maintaining the solar power systems.

(iv) *BOT (Build-Operate-Transfer) Solar Power Contracting Business*

It is intended for the Group to enter into engineering, procurement and construction agreements with building owners for the design, procurement and installation of solar power systems, which will be installed on the roofs of buildings, pursuant to which the performance of each solar power system will be guaranteed by the Group. In the event of a performance shortfall in any assessment year, the Group may be liable to pay compensation to the building owner in accordance with a predetermined compensation formula. Under such arrangement, title to and ownership of each solar power system will be transferred to the building owner over time and the Group will provide a 12 month material and workmanship warranty.

The Group intends to focus the Energy Business efforts initially in Singapore. The Group may subsequently venture into other countries when suitable opportunities arise.

The Board is cautiously optimistic about the business prospects of the Energy Business in Singapore as global demand for electricity is expected to increase. In addition, supply constraints, rising prices, dependence on foreign countries for fuel feedstock and environmental concerns could potentially limit the ability of many conventional sources of electricity to supply the rapidly expanding global demand, thereby creating a unique growth opportunity for the renewable energy industry, including solar energy. The Proposed Diversification into the Energy Business is also proposed to form part of the Group’s sustainability road map in integrating Environmental, Social and Governance (ESG) factors into our business expansion strategies.

LETTER TO SHAREHOLDERS

2.3. Rationale for the Proposed Diversification

The Board proposes to diversify the Group's business to include the Proposed New Businesses for the following reasons:

(a) Reduce reliance on the Existing Core Business and create more revenue streams

The Group is currently only involved in the Existing Core Business which is becoming increasingly challenging and competitive. The Proposed Diversification will reduce the Group's reliance on the Existing Core Business and open up new business segments and revenue streams for the Group by leveraging and building on the Group's existing strengths and current businesses.

(b) Enhance Shareholders' value

The Proposed Diversification is part of the corporate strategy of the Company to realign the Group's business strategies and improve profits, as well as provide Shareholders with diversified returns and long-term growth. The Board believes that the Proposed Diversification will offer new business opportunities, provide the Group with new revenue streams and improve its prospects, so as to enhance Shareholders' value for the Company.

(c) The Proposed Diversification will give the Group flexibility to enter into transactions relating to the Proposed New Businesses in the ordinary course of business

Upon Shareholders' approval of the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the Proposed New Businesses, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the Proposed New Businesses and which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions relating to the Proposed New Businesses arise. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

Notwithstanding the foregoing, the Group will seek Shareholders' approval in the scenarios described in Sections 2.10(a) to 2.10(c) of this Circular and will comply with the HK Listing Rules as and when necessary.

The Group currently intends to gradually build and develop the Proposed New Businesses. The Existing Core Business will remain as the principal business of the Group for the foreseeable future and there will be no fundamental change to the principal business of the Group. Accordingly, the nature of the Group's principal business will remain materially the same even after the Proposed Diversification has been approved.

Based on the above, the Board is of the view that the Proposed Diversification is in the best interests of the Company and Shareholders.

LETTER TO SHAREHOLDERS

2.4. Approvals, Licences and Government Regulations

(a) Property Business

There are numerous regulations pertaining to the operation of the Property Business in Singapore, including but not limited to, the Housing Developers (Control & Licensing) Act 1965 of Singapore which relates to licensing and control of developers, and the Building Control Act 1989 of Singapore which aims to ensure that building works comply with standards for safety, accessibility, environmental sustainability and buildability. Additionally, the Securities and Futures Act 2001 of Singapore may be applicable to the sale of real estate and/or real estate projects insofar as property investment and development is concerned, to the extent that such sale may give rise to a collective investment scheme. The Group currently intends to carry out the Property Business in Singapore in the initial stage.

The Group will apply for all the requisite licences and/or permits as are necessary, desirable or required for any activities carried out in the relevant jurisdictions under the Property Business.

(b) Energy Business

Singapore's electricity industry is regulated by the Electricity Act 2001 of Singapore and the Energy Market Authority ("EMA"). The EMA issues licences to companies involved in the generation, retail and transmission of electricity, the provision of market support services and the operation of a wholesale electricity market. From time to time, the EMA also introduces new policies and codes of practice, including but not limited to, the Handbook for Photovoltaic (PV) Systems (jointly issued by the EMA with the Building and Construction Authority of Singapore ("BCA") which governs the installation of solar photovoltaic systems in Singapore, the Market Support Services Code which sets forth the minimum standards of performance which the service provider must adhere to when carrying out its operations, the Metering Code which sets out the rights and obligations of the metering service providers and metered entities, and the Code of Conduct for Retail Electricity Licensees which sets out the minimum standards of performance which retail electricity licensees must adhere to. The Group currently possess an Electricity Licence for retail electricity licensees, and the validity of such licence is subject to audit by the EMA on an annual basis. The installation of solar photovoltaic systems in Singapore is also subject to certain rules, guidelines, planning permissions and submission requirements from the BCA, the Urban Redevelopment Authority of Singapore ("URA") and the Singapore Civil Defence Force ("SCDF"). These include the BCA's Green Handbook, which complements the EMA's Handbook for Photovoltaic (PV) Systems, the URA's Circular to Professional Institutes on Planning Guidelines for Solar Panels and the SCDF's Fire Safety Requirements for Solar Photo-Voltaic Installations on Roof.

Electric vehicle charging in Singapore is subject to certain rules and guidelines from the Land Transport Authority of Singapore ("LTA"). As of the Latest Practicable Date, the Electric Vehicles (EV) Charging Bill (the "**EV Charging Bill**") has been passed in Parliament on 30 November 2022. The EV Charging Bill will establish rules and regulations that will govern the charging of electric vehicles and the LTA will be empowered with statutory powers for enforcement. Pursuant to the EV Charging Bill, electric vehicle charging operators are required to obtain a licence in order to provide the service and comply with the relevant conditions thereunder. The Group currently intends to carry out the Energy Business in Singapore in the initial stage.

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The Group will apply for all the requisite licences, permits and/or permissions, and/or make the necessary submissions, each as are necessary, desirable or required for any activities carried out in the relevant jurisdictions under the Energy Business.

2.5. Management of the Proposed New Businesses

The Group recognises that the Proposed New Businesses are ultimately different from the Existing Core Business. However, the Group notes that the relevant experience and expertise required can be acquired and developed by the Group over time as it progresses in the Proposed New Businesses. The Group will monitor developments and progress in the Proposed New Businesses and will continually evaluate the manpower and expertise required for the Proposed New Businesses. As and when required, the Group will seek the advice of or hire suitably qualified personnel, external consultants, external industry experts and professionals for the Proposed New Businesses, to manage the Proposed New Businesses and take it forward. Shareholders will be updated accordingly from time to time. It is currently envisaged that the management of the Proposed New Businesses will be initially spearheaded by Lim Lung Tieng, the Group Chairman, who will be responsible for the strategic development of the Proposed New Businesses and will also lead the Property Business. He will be supported by senior management of the Group, who will also assist with the operations and growth of the Proposed New Businesses. Jeremy Ong, head of LHN Parking, and Danny Wong, chief executive officer of Work+Store have been appointed to co-lead the Energy Business. Thereafter, the Group will recruit personnel with the relevant expertise as and when the need arises.

The Group may enter into joint ventures and/or foster partnerships with third parties in the relevant industries to undertake the Proposed New Businesses more effectively. Such partnerships may either be on a case-by-case basis or on a longer-term basis. In selecting prospective partners, the Group will consider the specific expertise and competencies necessary for the project(s) in question and the experience, track record and financial standing of the party and/or parties concerned. The Group may also look for potential targets which will allow the Group to undertake acquisitions of existing businesses in the Property Business and/or the Energy Business. This will enable the Group to have an immediate foothold in the Proposed New Businesses.

2.6. Risk Management Procedures

The Audit Committee (which also undertakes the risk management and risk assessment functions of the Group) will be tasked with the responsibility of overseeing the risk management activities and internal controls of the Group in relation to the Proposed New Businesses following the Proposed Diversification.

The Audit Committee will, with the input and/or recommendations of the management team:

- (a) be involved in identifying and managing the various business risks relating to the Proposed New Businesses;
- (b) be required to review and accept appropriate risk management and internal control procedures and measurement methodologies formulated by the management team before tabling to the Board for its approval; and

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- (c) adopt internal investment policies and procedures which will be implemented by the management in evaluating new investments before tabling to the Board for its approval.

The Board will, with the input and/or recommendations of the Audit Committee:

- (i) endeavour to ensure that the relevant risk management and internal control systems implemented commensurate with the risk and business profile, nature, size and complexity of operations and business activities of the Proposed New Businesses, protects the integrity of the Group's financial and accounting information, promote accountability and prevent fraud where necessary; and
- (ii) review the adequacy and effectiveness of such risk management and internal control systems at least annually.

All investments will be subject to the approval of the Board. The decision on whether an investment and/or project should be undertaken by the Group will be made by the Board after taking into consideration various factors, such as the nature and scale of the project, amount of investment required and risks associated with such an investment, availability and costs of financing, nature of expertise required, the period of time that is required to complete the project and market conditions, taking into account the opportunities available.

The Board and the Audit Committee will be updated by the Company's management on the performance of its projects and/or investments on the Proposed New Businesses on at least a quarterly basis.

As at the date of this Circular, the Group has not identified any specific viable opportunities pertaining to the Proposed New Businesses. This Circular does not contain information on any project or transaction that may be entered into by the Group in the future.

2.7. Funding for the Proposed New Businesses

Each of the Proposed New Businesses will require sufficient capital to fund its inception, daily operations and future growth and expansion plans. In particular, property development activities are capital intensive in nature. To the extent that funds generated from operations and internal funds have been exhausted and subject to the then market conditions and financial consideration, the Group may tap into the capital markets and explore secondary fund-raising exercises such as rights issues, share placements and/or issuance of debt instruments to fund the Proposed New Businesses.

In addition, as and when necessary and deemed appropriate, the Group may also raise funds through borrowings from external parties (including financial institutions). The Directors will determine the optimal mix of internal funding and external borrowings, taking into account the Group's cash flow and prevailing bank financing costs, amongst other factors.

Please refer to Sections 3.2(i) and 3.3.2(f) of this Circular for more information on the risk factors relating to the funding of the Proposed New Businesses.

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2.8. Financial Effects

As at the Latest Practicable Date, the Company has no affirmative and binding plans in relation to the Proposed New Businesses and is therefore unable to determine the financial impact from the Proposed Diversification on the net profit, EPS or NTA per Share of the Group for FY2023.

Should there be any material impact on the Group's NTA per Share and EPS for FY2023 as a result of the Proposed Diversification, the Company will make the necessary announcements at the appropriate time.

2.9. Financial Reporting

If approved by Shareholders, the Proposed New Businesses will be accounted for as two new business segments in the Group's financial statements in line with the applicable financial reporting standards and accordingly, the Group will disclose the financial results of each of the Proposed New Businesses as part of the Group's financial statements. The Group's financial results of each of the Proposed New Businesses together with the financial results of the Existing Core Business will be periodically announced pursuant to the requirements as set out in Chapter 7 of the Catalist Rules. In these periodic results announcements, the Group may provide segmented financial results relating to the Proposed New Businesses where appropriate or if required under any applicable accounting standards and the Catalist Rules.

2.10. Chapter 10 of the Catalist Rules

As the Proposed New Businesses are substantially different from the Existing Core Business, it is envisaged that the Proposed Diversification may change the risk profile of the Group. Accordingly, the Company is seeking Shareholders' approval for the Proposed Diversification at the EGM to be convened.

Upon the Shareholders' approval of the Proposed Diversification, any investment or acquisition which is in, or in connection with, the Proposed New Businesses, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the Proposed New Businesses and which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential opportunities arise. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

Notwithstanding that Shareholders' approval of the Proposed Diversification has been obtained:

- (a) when the Group enters into its first major transaction as defined under Rule 1014 of the Catalist Rules (the "**First Major Transaction**") involving each of the Proposed New Businesses, or where any of the Catalist Rule 1006 figures in respect of several transactions in respect of each of the Proposed New Businesses aggregated (the "**Aggregated Transactions**") over the course of 12 months exceeds 75%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon approval of the Shareholders at general meeting;

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- (b) Rule 1015 of the Catalist Rules will apply to acquisitions of assets (including options to acquire assets) whether or not in the Company's ordinary course of business and which results in any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeding 100% or results in a change in control of the Company. Such acquisitions must therefore be, amongst others, made conditional upon approval of Shareholders at a general meeting; and
- (c) Practice Note 10A of the Catalist Rules will apply to acquisitions or disposals of assets (including options to acquire or dispose assets) which will change the risk profile of the Company. Such acquisitions or disposals must therefore be, amongst others, made conditional upon approval of Shareholders at a general meeting.

Pursuant to Rule 1005 of the Catalist Rules, separate transactions completed within the last 12 months may also be aggregated and treated as if they were one transaction in determining whether a transaction falls under category (a), (b), (c) or (d) of Rule 1004 of the Catalist Rules. The Company will be required to comply with any applicable and prevailing Catalist Rules as amended or modified from time to time.

2.11. HK Listing Rules

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the Proposed Diversification in compliance with the applicable Catalist Rules as mentioned in Section 2.10 of this Circular. Being dual-primary listed on both the Catalist of the SGX-ST and the Main Board of the SEHK, the Company has undertaken to comply with the more onerous set of listing rules, being the Catalist Rules in this case. Accordingly, while the publication of this Circular and the seeking of Shareholders' approval for the Proposed Diversification, as contemplated above, are not required under the HK Listing Rules, the Company has prepared this Circular in accordance with the applicable requirements under the Catalist Rules.

Should Shareholders' approval of the Proposed Diversification be obtained, the Company will comply with the applicable requirements under the HK Listing Rules as and when necessary with respect to any transaction entered into by the Group in connection with the Proposed New Businesses in the future, including but not limited to notifiable transaction requirements under Chapter 14 of the HK Listing Rules.

2.12. Conflicts of Interest

Pursuant to the Catalist Rules, conflicts of interest arise when any of the Directors, chief executive officer, SG Controlling Shareholders and/or their SG Associates are involved in any of the following situations:

- (a) carry on business transactions with the Company or provide services to or receive services from the Group;
- (b) lend to or borrow from the Group;
- (c) lease property to or from the Group; or
- (d) have an interest in businesses that are competitors, suppliers or customers of the Group.

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As stated in Section 2.5 of this Circular above, the Group may undertake the Proposed New Businesses through, *inter alia*, acquisitions or joint ventures, in the Property Business and/or the Energy Business. If any such acquisition or joint venture (or such other “transaction” as defined under Chapter 9 of the Catalist Rules) is entered into with a Director, chief executive officer or SG Controlling Shareholder of the Company, and/or their SG Associates, it will be regarded as an interested person transaction under Chapter 9 of the Catalist Rules. In addition, should any of the Proposed New Businesses involve recurring transactions of a revenue or trading nature or necessary for the day-to-day operations of such business, and such recurring transactions are entered into with a Director, chief executive officer or SG Controlling Shareholder of the Company and/or their SG Associates, these recurring transactions are also interested person transactions which will be subject to a general mandate to be obtained from Shareholders under Chapter 9 of the Catalist Rules.

(a) Potential conflicts of interest

As at the Latest Practicable Date, Kelvin Lim, the Executive Chairman of the Company, is interested in two companies whereby he is one of the directors and a 50% shareholder for one of the companies and the sole director and a 50% shareholder of the other company. The two abovementioned companies each owns and redevelops a property for intended commercial accommodation and F&B-related operations. As such, Kelvin Lim is considered to have material interest in such entities carrying on similar business to the Property Business after the Proposed Diversification if the Property Business is approved by the Shareholders at the EGM. However, the Board is of the opinion that there will not be any potential conflict of interest to the Existing Core Business and after the Proposed Diversification into the Property Business for the following reasons:

- (i) both of the aforesaid property development projects are expected to obtain temporary occupation permit by the first quarter of 2023, and Kelvin Lim does not intend to undertake any new property development projects or hold any material interest, direct or indirect, in any other entity carrying on the same business as the Group after the Proposed Diversification into the Property Business and the Energy Business;
- (ii) pursuant to the Deed of Non-Competition, Kelvin Lim had irrevocably undertaken that he would not, and would procure that his associates would not, directly or indirectly, either on his own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, partner, principal, agent, director, employee or otherwise) (other than through the Group) any business which is or may be in competition with the business of any member of our Group from time to time. Both of the aforesaid property development projects are pre-existing projects of Kelvin Lim before the Proposed Diversification into the Property Business.

As at the Latest Practicable Date, save as disclosed above, none of the Directors or SG Controlling Shareholder of the Company or their respective SG Associates has any other material interest, direct or indirect, in any entity carrying on the same business as the Group after the Proposed Diversification into the Property Business and the Energy Business.

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(b) Review by Audit Committee

The Audit Committee shall undertake annual reviews of the internal controls and risk management systems for the Property Business and the Energy Business to ensure that such controls and systems are complied with. The Audit Committee will also from time to time consider and address any conflicts of interests and potential conflicts of interests in respect of the Property Business and the Energy Business and shall also consider the sufficiency of controls in place, and/or implement such further controls where necessary, with regards to addressing such conflicts or potential conflicts of interests.

(c) Sale of property units

As disclosed in Section 2.2(a)(i) of this Circular, it is intended for the Group to engage in property development activities. The Group may be required to comply with Part IV of Chapter 9 of the Catalist Rules should there be any sale or proposed sale of any units of its local or non-local property projects, or those of its subsidiaries or associated companies, to any of the Directors, chief executive officer, SG Controlling Shareholders and/or their SG Associates.

3. RISK FACTORS

To the best of the Directors' knowledge and belief, the risk factors which are material in making an informed decision in relation to the Proposed Diversification have been set out below.

If any of the factors and/or uncertainties described below develops into actual events affecting the Proposed New Businesses, this may have a material and adverse impact on the Proposed New Businesses and consequently, the overall results of operations, financial condition and prospects of the Group could be similarly affected.

The risks declared below are not intended to be exhaustive. New risk factors may emerge from time to time and it is not possible for the Board to predict all risk factors, nor can the Group assess the impact of all factors on the Proposed New Businesses or the extent to which any factor or combination of factors may affect the Proposed New Businesses.

There may be also other risks associated with the entry into the Proposed New Businesses which are not presently known to the Group, or that the Group may currently deem immaterial and as such, have not been included in the discussion below.

Shareholders should carefully consider and evaluate the following risk factors and all other information contained in this Circular before deciding on whether to vote in favour of the Proposed Diversification. Shareholders should seek professional advice from your accountant, stockbrokers, bank managers, solicitors or other professional advisers if you have any doubt about the actions you should take.

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3.1. General Risk Factors Associated with the Proposed Diversification

(a) The Group may face difficulties in implementing and integrating the Proposed New Businesses

There can be no assurance that the Group will be successful in implementing and integrating the Proposed New Businesses. Delays in implementation and/or integration of the various new businesses into the Company may divert the attention and resources of the Group's management, delay the commencement of or prevent revenue growth in any of the businesses, which may materially and adversely affect the results of operations or financial position of the Group.

In addition to the existing management team, the Group may recruit appropriate management resources for the Proposed New Businesses to strengthen its existing management team. There can be no assurance that the existing management team will be able to integrate with the management resources recruited by the Group, and the Group may experience initial operational difficulties and/or management disputes which may adversely affect the results of operations or financial position of the Group.

(b) The Group is subject to general risks associated with operating businesses outside Singapore

The Group intends to initially focus the Property Business and the Energy Business in Singapore, and may venture beyond that if favourable opportunities are present subsequently. There are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, differences in laws and regulations, difficulties in staffing and managing foreign operations, social and political instability, cultural differences, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding the Group's liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations and consequently, its business, financial performance, financial conditions and operating cash flow.

In addition, if governments tighten or otherwise adversely change their laws and regulations relating to the repatriation of their local currencies, it may affect the ability of the Group's overseas operations to repatriate profits to the Group, and, accordingly, the cash flow of the Group will be adversely affected.

(c) The operations and profitability of the Proposed New Businesses may be disrupted by outbreaks of communicable diseases, terrorist attacks, wars and other acts of violence

The operation and profitability of the Proposed New Businesses may be affected by an outbreak of infectious diseases (such as the severe acute respiratory syndrome (SARS) or the H1N1 virus or the COVID-19 disease), terrorist attacks, acts of violence, civil unrest or wars in the countries in which the Group operates. Any of these may have a material adverse effect on the Group's business operations, financial performance and financial condition. If any of the foregoing occurs in any of the countries in which the Group has operations in the future, customer sentiment and spending could be adversely affected and this may have a negative impact on the Group's business operations, financial performance and financial condition. The staff and employees in these countries may also be adversely affected and this may in turn affect the Group's day-to-day operations.

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(d) *The Group may face legal proceedings arising from the operations of the Proposed New Businesses*

The Group may be involved from time to time in disputes with various parties arising from the operations of the Proposed New Businesses. Further, the Group may have disagreements with regulatory bodies in the course of its operations, which may result in administrative proceedings and unfavourable decrees that result in financial losses. Any claims or disputes arising from the above will adversely affect the Group's business and financial performance.

(e) *The Group's performance in the Proposed New Businesses will be subject to exposure to macro-economic risks*

The business of the Group may be affected by many factors which are beyond the Group's control. Any of the following factors may cause fluctuations and/or declines in the markets in which the Group operates or invests:

- (i) legal and regulatory changes;
- (ii) economic and political conditions;
- (iii) the level and volatility of liquidity and risk aversion;
- (iv) concerns about natural disasters, terrorism and war;
- (v) the level and volatility of equity, debt, property, commodity and other financial markets;
- (vi) the level and volatility of interest rates and foreign currency exchange rates;
- (vii) concerns over inflation; and
- (viii) changes in investor confidence levels.

Any of the above-mentioned factors could adversely impact the performance of the Group.

(f) *The Group may be subject to liquidity or late payment or non-payment risks in connection with the Proposed New Businesses*

The Group faces uncertainties over the timeliness of customers' payments and their solvency or creditworthiness in respect of goods and/or services provided by the Group in connection with the Proposed New Businesses, as the case may be. There is no assurance that the Group will be able to collect any payments on a timely basis, or at all. In the event that there are defaulting customers or a significant delay in collecting payments from customers, the Group may face stress on its liquidity and cash flow. Furthermore, some of the Group's customers may default on their payments to the Group, owing to events or circumstances that are difficult to anticipate or detect that would have an impact on the Group's customers' ability to make timely payments. As a result of the Group's customers defaulting on their payments to it, the Group would have to make provisions for doubtful debts, or to incur write-offs, which may have an adverse effect on its operating results and profitability.

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- (g) *The Group will be subject to various government regulations in the Proposed New Businesses and the Proposed New Businesses may be adversely affected by the Group's ability to obtain, maintain or renew regulatory requisite approvals, permits or licences*

The property and energy industries in countries in which the Group may operate are subject to various laws and regulations, including the policies and procedures established by local authorities designed for the implementation of such laws and regulations, which may require the Group to obtain the requisite regulatory approvals, permits, certificates, and/or licences to engage in the Proposed New Businesses.

In the event that the Group is unable to obtain, maintain or renew such approvals and/or licences, or where there is a delay in obtaining or renewing them, the Group's ability to engage in the Proposed New Businesses may be adversely affected. In addition, the property and energy industries are regulated by a multitude of laws and regulations. Failure to comply with the applicable laws and regulations may subject the Group to penalties or have its licences or approvals revoked, all of which could adversely affect the Group's operations and financial performance.

Any contravention of such aforementioned laws, regulations, requirements or restrictions may subject the Group, its employees and/or its Directors to statutory penalties which may be significant, such as fines imposed by the relevant authorities, or the Group may have to modify, suspend or discontinue its operations. Hence, any conviction for such contravention may have a material adverse effect on the Group's business, financial conditions, results of operations and prospects.

Furthermore, changes to relevant laws and regulations could result in higher compliance costs and may also adversely affect the operations of the Group and resulting in the Group making losses. The Group may also not be able to anticipate any changes to the laws, regulations, requirements or restrictions in the countries in which the Group may expand into for the Proposed New Businesses. In the event that there are unexpected changes to any applicable laws, regulations, requirements or restrictions that renders the Group unable to comply, this will have an adverse effect on the operations and future plans of the Group under the Proposed New Businesses.

- (h) *The Group does not have a proven track record and business history in the operation of the Proposed New Businesses*

The Group as a whole does not have a proven track record in carrying out the Proposed New Businesses. There is no assurance that the Proposed New Businesses will be commercially successful and that the investments carried out pursuant to the Proposed New Businesses will be able to derive sufficient revenue to offset the capital, start-up and financing costs as well as operating costs arising from the new business initiatives.

The Proposed New Businesses may require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

The Proposed New Businesses also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Proposed New Businesses effectively, the overall financial position and profitability of the Group may be adversely affected.

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Notwithstanding that the Group has in place risk management procedures for the Proposed New Businesses, there are still inherent limitations caused by misjudgement or fault. Accordingly, there is no assurance that the risk management procedures will be or are adequate or effective.

- (i) *The Group may be exposed to risks associated with acquisitions, joint ventures or strategic alliances*

Depending on available opportunities, feasibility and market conditions, the Group's expansion into the Proposed New Businesses may involve acquisitions, joint ventures or strategic alliances with third parties.

Participation in joint ventures, strategic alliances, acquisitions, or other investment opportunities involves numerous risks, including the possible diversion of attention of management from existing business operations and loss of capital or other investments deployed in such joint ventures, strategic alliances, acquisition or opportunities. In such events, the Group's financial performance may be adversely affected.

- (j) *The Company may be affected by force majeure and other events beyond the control of the Group*

Diverse factors such as general macroeconomic conditions and business environment, natural disasters, epidemics, pandemics or acts of terrorism and international disputes that affect the economic and business conditions in the countries where the Proposed New Businesses will operate and the livelihood of their people may disrupt the operations of the Proposed New Businesses. The costs of funding, revenue, financial performance and business prospects of the Group may thereby be materially and adversely affected.

- (k) *The Group may require additional funding for future growth, and any equity financing may result in a dilution to Shareholders' equity interest or may require additional investments by Shareholders*

The Proposed New Businesses are capital intensive in nature and the Group may require a substantial amount of capital for its operations and future expansion. As the Group establishes and grows the Proposed New Businesses, its working capital requirements may increase. To the extent that funds generated from operations and internal funds have been exhausted, the Group may have to raise additional funds by way of a placement or a rights offering or by way of borrowings to meet new financing requirements. Should the Group not be able to secure such external borrowings in a difficult credit environment, the Group may also seek access into the capital markets to raise funds for the Proposed New Businesses through equity and/or debt financing.

If the equity capital raising is other than by a rights issue, or if new shares are issued for acquisitions or to fund new joint ventures and strategic partnerships, this will dilute the shareholding interest of existing shareholders. Further, if the Group fails to utilise the new equity to generate a commensurate increase in earnings, the Group's EPS will be diluted and this could lead to a decline in Share price. Any additional debt financing may, apart from increasing the interest expense and gearing, contain restrictive covenants with respect to dividends, future fund raising exercises and other financial

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and operational matters. If the Group is unable to procure the additional funding that may be required, the growth or financial performance of the Proposed New Businesses may be adversely affected.

- (l) *The Group may not have the ability or sufficient expertise to execute the Proposed Diversification into Proposed New Businesses*

The Group has embarked on a diversification strategy with a view to achieving long term sustainable growth. This strategy also exposes the Group to additional businesses and operating risks and uncertainties. The Proposed New Businesses may also be influenced by various factors such as the Group's networks, marketing plans and efficient usage of its management and financial resources.

Furthermore, the Group does not have a proven track record in carrying out the Proposed New Businesses. There is no assurance that the Proposed New Businesses will be commercially successful and that the Group will be able to derive sufficient revenue to offset the initial costs of investment and operating costs arising from the Proposed New Businesses.

The Proposed New Businesses may require a large amount of cash in order to operate. In the event the Group fails to manage its diversification strategy effectively and efficiently, its business and financial performance will be materially and adversely affected.

- (m) *The Group's risk management systems and policies may not be effective in mitigating the Group's risk exposure, and the Group may be exposed to unidentified or unanticipated risks, which may materially and adversely affect its results of operations and financial condition*

The Group's risk management systems, policies and other risk management techniques may not be effective in mitigating the Group's risk exposure in all market environments or against all types of risks, including risks that are unidentified or unanticipated. Any failure of the Group's risk management procedures or any failure to identify any applicable risks may have a material adverse effect on the Group's results of operations and financial condition.

3.2. Risk Factors Associated with the Property Business

- (a) *The Property Business will be dependent on the recruitment and retention of qualified employees and/or consultants for its operations and profitability and Group may not have the ability or sufficient expertise to execute and grow the Property Business*

The Group's ability to successfully diversify into the Property Business is dependent upon its ability to adapt its existing knowledge and to understand and navigate the Property Business. Firstly, there is no assurance that the Group's existing experience and expertise mainly provided by management staff and qualified employees will be sufficient for the Property Business and the Group cannot guarantee that it will not experience initial operational difficulties or that its operations will achieve the expected level of revenue and profitability. Next, there is also no assurance that the employees hired by the Group to implement the Property Business will have the relevant expertise and knowledge. The Group recognises that there may be an increasing shortage of

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personnel with the relevant expertise and knowledge and any dearth in the availability of such labour resources will have an adverse effect on the operations of the Property Business and eventually its financial performance. Lastly, the Group may not be able to harness the experience and knowledge of new employees in understanding and navigating through the Property Business. Therefore, the Group may not be able to implement the Property Business as successfully or smoothly as expected and this may adversely affect the Group's financial performance and profitability.

Having a team of experienced and skilled personnel is essential in maintaining the quality of services and to grow the Property Business. There is no assurance that the Group will be able to attract and retain key members of the management team who have the necessary qualifications and experience to manage the Property Business. The competition for qualified personnel in the Property Business is intense, and the loss of any key member of the management team without any suitable and/or timely replacement may have a material adverse effect on the Property Business's prospects, financial performance and results of operations of the Group.

The Group may also appoint third party professionals, third party contractors and/or foster partnerships with various third parties to assist in undertaking the Property Business more effectively and efficiently. However, there is no assurance that these third-party professionals and/or contractors will be able to deliver and/or that these partnerships will be successful. As such the Group may not be able to successfully implement the Property Business and this may adversely affect the Group's financial performance and profitability.

- (b) *The Group will be subject to the cyclical nature of the property market in countries where the Group may operate in*

In general, the cyclical nature of the property market in most countries affects property values largely through supply and demand of comparable properties, the rate of economic growth in such countries and political and economic developments in such countries and neighbouring regions. Some property markets are also affected by property cooling measures imposed by the regulatory authorities. There can be no assurance that such further measures will not be introduced and that demand for properties developed by the Group and property values will not decline in the future. Furthermore, in the event of economic decline (whether as a result of an outbreak of infectious diseases such as COVID-19 or otherwise), the Group may experience regulatory pressures, or market pressures from tenants or prospective tenants, to provide rent reductions or longer rent free periods than usually given on investment properties or pressures from prospective purchasers to provide reduced market prices for the sale of properties. These events may adversely affect the property market and in turn the financial performance of the Group.

- (c) *The Group may in the course of conducting the Property Business be exposed to risk of loss and potential liabilities that may not be covered by insurance*

While the Group will, where appropriate, obtain insurance policies to cover losses with respect to its properties and business operations, there is no assurance that any claims made or decided against the Group will be covered under the insurance(s) or if covered, will be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of extraordinary events such as natural disasters like earthquakes or floods. Losses arising out of damage to the Group's assets which are

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not covered by insurance policies or in excess of the amount it is insured would affect the Group's profitability. The Group may also have to commit additional resources, other than to meet the uninsured losses, to complete a project, which would also adversely affect the financial performance of the Group.

- (d) *The Group may face intense competition from existing competitors and new market entrants in the Property Business*

The Property Business is highly competitive, with strong competition from established industry participants who may have larger financial resources and/or stronger track records.

There is no assurance that the Group will be able to compete effectively with its existing and future competitors and adapt quickly to changing market conditions and trends. In the event that the Group is not able to compete successfully against its competitors or adapt to market conditions, its business operations, financial performance and financial condition may be adversely affected.

- (e) *The Group may be exposed to fluctuations in labour costs*

The Group intends to engage in property development activities. The Group intends to hire manpower to carry out such activities. Should the prices of such manpower increase, and the Group is unable to pass on such increase in fees to the purchaser and/or client, the results of the Group's operations and financial condition could be materially and adversely affected.

- (f) *The Group may be subject to poor demand for property*

The Group's performance for the Property Business, in particular its property development segment, will be largely dependent on its ability to sell its developed properties. In the event that the Group is unable to sell its developed properties, its financial performance may be affected.

- (g) *The operation of the Property Business will be subject to numerous risks and uncertainties associated with expanding in overseas markets*

The Group's strategy to carry out the Property Business is subject to numerous risks and uncertainties that are normally associated with expanding into overseas markets should suitable opportunities arise. These include, but are not limited to: (i) possibility of cost overruns and other operating difficulties; (ii) insufficient management resources and potential increase in labour costs; (iii) inability to comply with foreign labour, industrial and tax regulations; (iv) high sales and marketing costs; (v) difficulty in expanding the sales and service network; (vi) difficulty in implementing quality control policies in the Group's overseas operations; (vii) difficulty in controlling costs; (viii) lack of understanding of the local social conditions, or the local business environment, or the financial, management or legal systems in the relevant countries; (ix) unstable political, regulatory or macroeconomic environments and potential foreign exchange differences; and (x) other related factors beyond the Group's control. Such risks and uncertainties may result in high investment costs or loss of investment, government penalties, breach of contract, loss of sales, reduction in revenue as well as expose the Group to liabilities and the requirement to pay compensation under the

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relevant laws and regulations, agreements and lawsuits and damage to the Group's reputation, which could have a material adverse effect on the Group's business, financial condition and results of operations.

- (h) *The Group may not be able to identify, acquire, develop and/or sell profitable property development projects*

The performance and success of the Group's property investment and development depends on the Group's ability to identify profitable property development projects and following such identification, to successfully acquire, develop, sell and/or lease such projects. This ability may be negatively affected by various factors, including competition for new land sites from other property developers, changes to the general economic conditions in countries where the Group carries out its property investment and development operations and changes to relevant interest rates, construction costs, land costs and property prices. There is thus no guarantee that the Group will always be successful in identifying suitable property development projects or completing such property development projects profitably. The Group's inability to identify and acquire attractive new sites at commercially acceptable prices could impair its ability to compete with other property developers and materially and adversely affect the Group's ability to grow its Property Business.

- (i) *The Group may not have adequate resources to finance land acquisition, undertake property development and property investment projects or to otherwise carry out its expansion into property investment and development*

Property development projects usually require high capital outlay during the land acquisition and construction phases and may take one or more years before positive cash flows may be generated through the sale of units whether under development or completed. Depending on the size and complexity of the project, it usually takes more than a year to complete a property development. Moreover, property investment and development projects may require periodic capital expenditure, refurbishment, renovation for improvements and development of the properties to be acquired by the Group in order to remain competitive or be income-producing. Any potential investment opportunities identified by the Group may also require lengthy investment lock-in periods.

Therefore, the Group's ability to successfully grow and sustain its property investment and development operations is dependent on adequate financing. The Group plans to finance its expansion into property investment and development primarily through internal sources of funds, progress payments from purchasers in respect of the Group's development properties as well as financial institution borrowings.

Should the Group not be able to secure borrowings in a difficult credit environment, the Group may also seek access into the capital markets to raise funds for its property investment and development operations through equity and/or debt financing. If the equity capital raising is other than by a rights issue, or if new shares are issued to fund new property investment and development, this will dilute the shareholding interest of existing shareholders. Further, if the Group fails to utilise the new equity to generate a commensurate increase in earnings, the Group's EPS will be diluted and this could lead to a decline in Share price.

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The Group cannot guarantee that it will have sufficient funds at its disposal for land acquisitions or property developments, be able to sell or finance the development of the project through the sale and/or lease of units in any particular development, be able to secure adequate financing, if at all, or obtain or renew credit facilities granted by banks and financial institutions for the projects in question. The Group's ability to obtain sufficient financing for land acquisitions or property developments with a commercially acceptable rate of return is dependent on many factors, some of which may be beyond its control, such as general economic conditions, the terms of credit offered by financial institutions and the availability of other sources of equity or debt financing.

Any incurrence of debt for the Group's property investment and development operations will increase the Group's financing costs and obligations and could result in operating and financial covenants imposed by financial institutions that may restrict its operations and its ability to pay dividends to Shareholders. Any default on any financial covenants could also trigger cross-defaults and affect the Group's financial position and liquidity.

- (j) The Group may lose its deposits on transactions involving the acquisition of land and/or rights over land

The Group may be required to pay certain deposits in connection with its acquisition of land and/or rights over land in line with industry practice. Such deposits, if refundable, may be susceptible to counterparty risk whereby the recipients of the deposits do not refund the deposits to the Group. In the event of any significant delay or inability to recover such deposits, the Group's results of operation and financial condition may be adversely affected.

- (k) The Group may not be able to successfully implement its investment strategy for its property investment and development operations of its Property Business

There is no guarantee that the Group will be able to implement its investment strategy successfully or that it will be able to expand the property portfolio at any specified rate or to any specified size. The Group may not be able to make acquisitions or investments on favourable terms or within a desired time frame.

Even if the Group were able to successfully acquire property or investments, there is no assurance that its property investment and development operations will achieve its intended return on such acquisitions or investments.

- (l) The Group may not be able to generate adequate returns on its future investment properties

The Group may develop properties and hold part of them as investment properties. Property investment is subject to varying degrees of risk. The investment returns available from commercial property investments is reliant, to a large extent, on the amount of capital appreciation generated, income earned from the rental of the relevant properties as well as the costs incurred.

Maximising yields from such properties held for long-term investment also depend to a large extent on active ongoing management and maintenance of the properties. The ability to eventually dispose these investment properties will also depend on market

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conditions and levels of liquidity, which may be limited or subject to significant fluctuation. The revenue derived from and the value of property investment may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, local real estate conditions, perceptions by tenants, businesses, retailers or shoppers of the attractiveness of the development projects, the inability to collect rent due to bankruptcy or insolvency of tenants and the costs resulting from periodic or ad-hoc maintenance, repair and re-letting. If the Group ventures into property investment but is unable to generate adequate returns, its overall financial condition and results of operations may be adversely affected.

- (m) *The Group may be exposed to risks associated with property valuations and decline in property values in relation to its future investment properties*

The net asset value and profitability of the Group may be affected by the valuations of its future investment properties. In the event that the Group applies the fair value model when accounting for all its investment properties, the value of its future investment properties may fluctuate from time to time due to market and other conditions, including changes in the supply and demand of properties as well as rental and occupancy levels. Such adjustments to the fair value of its investment properties could have an adverse effect on its net asset value and profitability. In the event that the Group relies on valuations of the Group's future properties conducted by professional valuers, such valuations will be based on certain assumptions and are not intended to be a prediction of, and may not accurately reflect, the actual values of any of the Group's future property assets. The inspections of the properties and other works undertaken in connection with a valuation exercise may not identify all material defects, breaches of contracts, laws and regulations, and other deficiencies and factors that could affect the valuation. Any factor which affects the value of any of the Group's future investment properties may adversely affect the Group's overall financial condition and results of operations.

- (n) *The Group may be adversely affected by the relatively illiquid nature of unsold property assets*

The ability to eventually dispose of the Group's unsold property assets at a profit is reliant on market conditions and levels of liquidity, which may be limited or subject to significant fluctuations. In the event that the Group is unable to sell a significant proportion of the properties it develops under the Property Business, the Group's financial performance will be materially and adversely affected.

Furthermore, the properties developed and land sites acquired by the Group, along with unsold properties which the Group continues to hold for sale post completion, are relatively illiquid. The illiquidity of such assets may limit the Group's ability to convert these assets into cash on short notice. Such illiquidity may also have an adverse effect in determining the selling prices of the unsold completed property development assets in the future in the event that the Group requires an urgent sale of these assets, and limits the Group's ability to vary its portfolio of property held for sale in response to changes in economic, political, social or regulatory conditions in a timely manner. In such event, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

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- (o) *The property investment and development operations of its Property Business will be subject to risks in relation to pre-sold properties*

The Group may pre-sell most of its properties prior to completion in line with industry practice. In the event of a failure or delay in the delivery of pre-sold properties to purchasers, the Group may be liable for potential losses that purchasers may suffer as a result. Such failure or delay may be attributed to factors such as the duration and the costs involved in completing construction, which are in turn adversely affected by factors such as delays in obtaining requisite licences, permits or approvals from government agencies or authorities, shortages of labour or raw materials, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents, and changes in government priorities and policies. If the delay in delivery extends beyond the contractually specified period, the purchasers may also be entitled to terminate the pre-sale agreements and claim refunds of monies paid, damages and/or compensation for late delivery. There is no guarantee that its property investment and development operations will not experience significant delays in completion or delivery of presold properties. Such failure and delay may therefore lead to a material adverse effect on the Group's revenue, financial performance, prospects and profitability.

- (p) *The Group will be exposed to potential liability and loss arising from damages, injury or death due to accidents at construction worksites*

In the course of any future potential property development projects undertaken by the Group, the Group may face the inherent risk of accidents involving its employees or third parties on its development sites, even if adequate safety measures are in place. Such accidents, or mishaps may severely disrupt the Group's operations and lead to a delay in the completion of a project, and in the event of such delay, the Group could be liable to pay compensation, such as liquidated damages, under its contracts with its customers. If such an event arises, the Group's business, operating results and financial performance may be materially and adversely affected.

In addition, any accidents or mishaps resulting in significant damage to the Group's machinery or equipment may also have a significant adverse effect on the Group's business, financial condition and operating results.

Although the Group will, where appropriate, obtain insurance policies to cover such losses, there is no assurance that any claims made or decided against us will be covered by the insurance(s), or if covered, will not exceed the limits of our coverage. In such event, the Group may also have to commit additional resources to meet the uninsured losses, which would adversely affect the financial performance of the Group.

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3.3. Risk Factors Associated with the Energy Business

3.3.1. Risk Factors Associated with the Solar Power Contracting Business

- (a) The Group's future growth and profitability will depend on the demand for solar products and the development of photovoltaic technologies

The solar power industry is at a relatively early stage of development and has experienced rapid growth in recent years. The cost-effectiveness, performance and reliability of solar power relative to conventional and other renewable energy sources will determine the rate and extent of market acceptance for solar power. Improvements in photovoltaic technologies significantly affect the economics of solar power projects and, thus, are key to stimulating demand for solar products. Demand for solar products is also sensitive to macroeconomic factors, such as energy supply, demand and prices, as well as regulations and policies governing renewable energies and related industries. Any significant decrease in the price of fossil fuels such as oil, coal and natural gas may negatively affected market interest in renewable energy investments. Furthermore, certain financial markets are still recovering from the recent global recession, which has weakened market demand for capital-intensive products, including solar power systems. Ongoing economic concerns and unfavorable credit conditions in several key solar power markets such as increasing interest rates may result in a decrease in investments in new solar power projects and delays in existing solar power projects in these markets. If solar power proves unsuitable for widespread commercial adoption and application or if demand for solar products fails to develop sufficiently, we may not be able to grow our business or generate sufficient revenue to sustain our profitability.

- (b) The Group's revenue and results of operations may be affected by the prevailing market prices of solar products

The prices of solar products depend on, among other factors, demand and supply conditions, the prices of upstream products, including silicon feedstock, and global economic conditions. Aggressive expansion of production capacity by solar cell manufacturers may result in a potential oversupply of solar cells, inventory buildup and further declines in solar cell prices if demand for solar cells does not increase at a rate commensurate with increased production capacity. In addition, a significant increase in the supply of polysilicon worldwide coupled with weakened global macroeconomic conditions in recent years, may significantly reduce the prices for solar grade polysilicon and downstream solar products, including solar cells. Furthermore, the Group may need to price aggressively to gain market share or to remain competitive, which may further reduce the average selling prices. There is no assurance that the prices of solar products will not further decline in the future. Any reduction in the prices of solar products may have a negative impact on our revenue and results of operations.

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- (c) *The Group may be exposed to fluctuations in the prices of parts and components used to build solar power systems*

The Group closely monitors the movement of market prices of solar panels, equipment and all other related components such as Solar Mounting Structures, Solar DC Cables, Inverters, Distribution Boards and Energy Monitoring Systems (collectively referred to as “**Components**”), and will bulk buy the Components when there is a significant price drop. However, the Group cannot guarantee that it will be successful in procuring the above Components when there is significant price drop. Failure to procure the Components at the time of significant price drop may adversely affect the Group’s business and results of operation. The Group may determine the pricing of the solar power systems before it procures the relevant Components. However, if the price of such Components increases significantly after the pricing of the solar power systems is determined, the Group may not be able to renegotiate and pass the increased costs to its customers. In such case, the Group’s business and results of operation may be adversely affected.

- (d) *If the Group is unable to obtain sufficient high quality parts and components for the installation of the solar power systems in a timely manner and at commercially reasonable prices, its business could be materially and adversely affected*

The Group plans to install the solar power systems primarily using Solar Mounting Structures, Solar DC Cables, Inverters, Distribution Boards, and Energy Monitoring Systems (collectively referred to as “**Components**”), and as a result, will be dependent on the supply of such Components for our installation process. The Group must procure sufficient quantities of the Components on a timely basis and on commercially reasonable terms. The need for timely delivery of the Components on commercially reasonable terms will increase as the Group expands its operations in the future. Any disruption in the supply of the components, including the failure of a major supplier to supply an adequate amount of Components that meets the Group’s quality, quantity and cost requirements in a timely manner, could adversely affect its ability to maintain satisfactory utilization of our production facilities, limit our ability to meet customer demand, increase the cost of sourcing for Components (or alternatives to such Components) and consequently materially and adversely affect the Group’s financial condition and results of operations.

- (e) *Failure to adapt to changing market conditions and to compete successfully with existing or new competitors may adversely and materially affect the Group’s business prospects and results of operations*

The markets for solar power systems are intensely competitive and rapidly evolving. In undertaking the Energy Business, we will be competing competitors which may have a longer operating history, stronger brand recognition, greater economies of scale, more established relationships with customers and suppliers, greater financial and other resources, larger customer base, better access to raw materials, more established distribution network and better knowledge of target markets. Furthermore, some of these

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competitors may be integrated players in the solar industry. Accordingly, their business models may give them competitive advantages as these integrated players place less reliance on upstream suppliers, downstream customers or both. Moreover, due to the growth in demand for solar products, there may be an increase in the number of competitors entering this market over the next few years. This could result in a loss of, or the Group's inability to, increase market share and increasing price competition, which could adversely affect the Group's operating and net margins.

- (f) *The solar industry generally competes with other renewable energy as well as conventional energy resources*

Demand for solar products depends in part on the availability and price of alternative energy sources. Solar power competes with other sources of renewable energy, such as wind power, hydroelectricity and geothermal energy. However, this is not the case in Singapore. In Singapore, more conventional sources of energy such as oil and natural gas are used and prices are currently inflated. If prices of conventional sources or other renewable energy sources decrease relative to prices of solar products, the Group may not be able to grow its business or generate sufficient revenue to sustain profitability.

Furthermore, if manufacturers and users of other renewable energy sources receive government subsidies or other economic incentives not offered to manufacturers and users of solar power, the solar industry may be unable to compete effectively with such other renewable energy sources which could have a material adverse effect on the Group's business, financial condition and results of operations.

- (g) *Unsatisfactory performance of or defects in the solar power systems may cause the Group to incur additional expenses, damage its reputation and cause its sales to decline*

It is intended for the Group to enter into engineering, procurement and construction agreements with building owners in Singapore for the design, procurement and installation of solar power systems, which will be installed on the roofs of buildings, pursuant to which the performance of each solar power system will be guaranteed by the Group. However, the solar power systems installed by our Group may contain defects which may result in a performance shortfall, resulting in the Group becoming liable to pay compensation to the building owner. The building owners may also claim against the 12 months' material and workmanship warranty provided by the Group. Further, such performance shortfalls or quality issues could negatively affect the Group's market reputation, thereby leading to a reduction in sales and market share.

- (h) *The Group may engage sub-contractors to carry out installation and maintenance of the solar power systems and the work performance of such sub-contractors may be beyond the Group's control*

Subject to the needs of the Group's customers, the project requirements and the Group's capacity and resources, the Group may engage sub-contractors to carry out installation and maintenance of the solar power systems. The

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Group is not able to guarantee the service provided by these sub-contractors and the Group cannot provide assurance that the Group's monitoring of the work and performance of such sub-contractors will be sufficient to control the quality of their work. In the event that the quality of such sub-contractors fails to meet the Group's requirements or the requirements of our customers, or the standards required by the applicable laws and regulations, the Group may be liable for negligence, losses and damages caused. Costs associated with rectifying any issues caused by such sub-contractors may have a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, if the Group is unable to maintain a cooperative relationship with any of its sub-contractors or procure replacements on equal or more favourable terms in a timely manner, or at all, the Group's work schedule may be delayed which may also have a material adverse effect on the Group's business, financial condition and results of operations.

- (i) *The Group may have limited insurance coverage, which could expose it to significant costs*

The Group may be exposed to risks associated with product liability claims in the event that the use of its solar power systems results in property damage or personal injury. The Group is unable to predict whether product liability claims will be brought against the Group in the future or to predict the impact of any resulting adverse publicity on the Group's business. The successful assertion of product liability claims against the Group could result in potentially significant monetary damages and require the Group to make significant payments. Although the Group will take up product liability insurance coverage in Singapore, the Group may not have adequate resources to satisfy a judgment in the event of a successful claim against the Group. In addition, the Group does not intend to carry any business interruption insurance or property insurance. Any business interruption, natural disaster or accident could result in substantial losses and diversion of the Group's resources and materially adversely affect the Group's business, financial condition and results of operations.

3.3.2. Risk Factors Associated with the Electric Vehicle Charging Business

- (a) *The performance and results of the electric vehicle charging business is highly dependent upon the continuing adoption of and demand for electric vehicles*

Our growth will be highly dependent upon the adoption of electric vehicles both by businesses and consumers. The market for electric vehicles is still evolving, characterized by rapidly changing technologies, increasing consumer choice as it relates to available electric vehicle models, their pricing and performance, evolving government regulation and industry standards, changing consumer preferences and behaviours, intensifying levels of concern related to environmental issues, and governmental initiatives related to climate change and the environment generally. Our revenues will be driven in large part by electric vehicle drivers' driving and charging behaviour. Potential shifts in behaviour may include but are not

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limited to changes in annual vehicle miles travelled, demand from rideshare or urban delivery fleets, and the emergence of autonomous vehicles and/or new forms of mobility. Although demand for electric vehicles has grown in recent years, there is no guarantee of continuing future demand. If the market for electric vehicles develops more slowly than expected, or if demand for electric vehicles decreases, our growth would be reduced and our business, prospects, financial condition and operating results would be harmed. The market for electric vehicles could be affected by numerous factors, such as:

- (i) perceptions about electric vehicle features, quality, driver experience, safety, performance and cost;
- (ii) perceptions about the limited range over which electric vehicles may be driven on a single battery charge and about availability and access to sufficient public charging stations;
- (iii) competition, including from other types of alternative fuel vehicles (such as hydrogen fuel cell vehicles), plug-in hybrid electric vehicles and high fuel-economy internal combustion engine (“ICE”) vehicles;
- (iv) increases in fuel efficiency in legacy ICE and hybrid vehicles;
- (v) volatility in the price of gasoline and diesel at the pump;
- (vi) electric vehicle supply chain disruptions including but not limited to availability of certain components (e.g. semiconductors) availability of batteries, and battery materials;
- (vii) concerns regarding the stability of the electrical grid;
- (viii) the decline of an electric vehicle battery’s ability to hold a charge over time;
- (ix) availability of service for electric vehicles;
- (x) consumers’ perception about the convenience, speed, and cost of electric vehicle charging;
- (xi) government regulations and economic incentives, including adverse changes in, or expiration of, favorable tax incentives related to electric vehicles, electric vehicle charging stations or decarbonization generally;
- (xii) relaxation of government mandates or quotas regarding the sale of electric vehicles;
- (xiii) the number, price and variety of electric vehicle models available for purchase; and
- (xiv) concerns about the future viability of electric vehicle manufacturers.

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In addition, sales of vehicles in the automotive industry can be cyclical, which may affect growth in acceptance of electric vehicles. It is uncertain how macroeconomic factors will impact demand for electric vehicles, particularly since they can be more expensive than traditional gasoline-powered vehicles, when the automotive industry globally has been experiencing a recent decline in sales. Furthermore, because fleet operators often make large purchases of electric vehicles, this cyclicity and volatility in the automotive industry may be more pronounced with commercial purchasers, and any significant decline in demand from these customers could reduce demand for electric vehicle charging and our products and services in particular.

Demand for electric vehicles may also be affected by factors directly impacting automobile prices or the cost of purchasing and operating automobiles, such as sales and financing incentives, prices of raw materials and parts and components, cost of fuel and governmental regulations, including tariffs, import regulation and other taxes. Volatility in demand may lead to lower vehicle unit sales, which may result in reduced demand for electric vehicle charging solutions and therefore adversely affect the Group's business, financial condition and operating results.

- (b) *The Group will face competition from other market players which may intensify in the future as the market for electric vehicle charging develops*

The Group may face competition from other market players. The Group also indirectly competes with site hosts, fleets and utilities that choose to own their own charging infrastructure and procure their electric vehicle supply equipment (“EVSE”) from third-party vendors rather than leveraging on our charging offerings. The principal competitive factors in the industry include charger count, locations and accessibility; charger connectivity to electric vehicles and ability to charge all standards; speed of charging relative to expected vehicle dwell times at the location; direct current fast charger (“DCFC”) network reliability, scale and local density; software-enabled services offering and overall customer experience; and operator brand, track record and reputation; access to equipment vendors, service providers, and policy incentives and pricing. In addition, there are competitors, in particular those with limited funding, experience or commitment to quality assurance, which could cause poor experiences, hampering overall electric vehicle adoption or trust in any particular provider. Further, our current or potential competitors may be acquired by third parties with different commercial objectives and imperatives and greater available resources.

In addition, there are other means for charging electric vehicles, which could affect the level of demand for charging at our DCFCs. For example, certain companies sell chargers designed for customers seeking to have on premise electric vehicle charging capabilities as well as for home or workplace charging, which may reduce the demand for fast charging if electric vehicle owners find “slow” charging at a workplace, at home, or other parking locations to be sufficient. Additionally, future changes in charging preferences; the development of inductive electric vehicle charging capabilities; battery chemistries, ultralong-range batteries or energy storage technologies, industry standards or applications; driver behavior or battery

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efficiency may develop in ways that limit our future share gains in certain high promising market verticals or slow the growth of our addressable or serviceable market. Competitors may be able to respond more quickly and effectively than us to new or changing opportunities, technologies, standards or customer requirements, and may be better equipped to initiate or withstand substantial price competition. In addition, competitors may in the future establish cooperative relationships with vendors of complementary products, technologies or services to increase the availability of their solutions in the marketplace.

If we fail to adapt to changing market conditions or continue to compete successfully with current charging providers or new competitors, our growth will be inhibited, adversely affecting our business and results of operations.

- (c) The Group's charging stations will be often located in areas that are publicly accessible and may be exposed to vandalism or misuse by customers or other individuals, which would increase our replacement and maintenance costs.

Our public charging stations may also be exposed to vandalism or misuse by customers and other individuals, increasing wear and tear of the charging equipment. Such increased wear and tear could shorten the usable lifespan of the chargers and require us to increase our spending on replacement and maintenance costs.

- (d) The Group will be dependent upon the availability of electricity at our planned and potential charging stations. Cost increases, delays and/or other restrictions on the availability of electricity would adversely affect our business and results of operations.

The operation and development of our charging stations will be dependent upon the availability of electricity, which is beyond our control. Our charging stations may be affected by problems accessing electricity sources, such as planned or unplanned power outages. In the event of a power outage, we will be dependent on the utility company, and in some cases the site host, to restore power. Any prolonged power outage could adversely affect customer experience and our business and results of operations. Further, changes in utility electricity pricing or new and restrictive constructs from regulations applicable to pricing may adversely impact future operating results.

- (e) Computer malware, viruses, ransomware, hacking, phishing attacks and other network disruptions could result in security and privacy breaches, loss of proprietary information and interruption in service, which would harm our business

Computer malware, viruses, physical or electronic break-ins and similar disruptions could lead to interruption and delays in our services and operations and loss, misuse or theft of data. Computer malware, viruses, ransomware, hacking, phishing attacks or denial of service, against online networks have become more prevalent and may occur on our systems. Any attempts by cyber attackers to disrupt our services or systems, if successful, could harm our business, introduce liability to data subjects, result in the

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misappropriation of funds, be expensive to remedy and damage our reputation or brand. Insurance may not be sufficient to cover significant expenses and losses related to cyber-attacks. Even with the security measures implemented by us, such as managed security services that are designed to detect and protect against cyber-attacks, and any additional measures we may implement or adopt in the future, our facilities and systems, and those of our third-party service providers, could be vulnerable to security breaches, computer viruses, lost or misplaced data, programming errors, scams, burglary, human errors, acts of vandalism, or other events. Efforts to prevent cyber attackers from entering computer systems are expensive to implement, and we may not be able to cause the implementation or enforcement of such preventions with respect to our third-party vendors. Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, any failure to maintain performance, reliability, security and availability of systems and technical infrastructure may, in addition to other losses, harm our reputation, brand and ability to attract customers.

We may in the future experience service disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, third-party service providers, human or software errors and capacity constraints. We rely on carrier networks to support reliable operation, management and maintenance of our charger network, charging session management, and driver authentication, and payment processing depend on reliable connections with wireless communications networks. As a result, our operations depend on a handful of public carriers and are exposed to disruptions related to network outages and other communications issues on the carrier networks. If our services are unavailable when users attempt to access them, they may seek other services, which could reduce demand for our solutions from customers.

There are several factors ranging from human error to data corruption that could materially impact the efficacy of any processes and procedures designed to enable us to recover from a disaster or catastrophe, including by lengthening the time services are partially or fully unavailable to customers and users. It may be difficult or impossible to perform some or all recovery steps and continue normal business operations due to the nature of a particular cyber-attack, disaster or catastrophe or other disruption, especially during peak periods, which could cause additional reputational damages, or loss of revenues, any of which would adversely affect our business and financial results.

- (f) *The electric vehicle charging business is capital intensive and requires significant capital expenditure which the Group may not be able to recover due to poor demand for electric vehicle charging services*

Due to the initial costs associated with the installation and operation of the electric vehicle charging stations, significant capital expenditure will be required in order to kickstart the electric vehicle charging business. In addition, there are ongoing costs associated with the maintenance of the electric vehicle charging stations. However, there can be no assurance that the demand for electric vehicle charging services will generate sufficient

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revenue for the Group to recover its initial investment. Poor demand for electric vehicle charging services could materially adversely affect the Group's business, financial condition and results of operations.

3.3.3. Risk Factors Associated with the Electricity Retailing Business

- (a) The Group will operate in a highly regulated environment, which may limit its ability to conduct its electricity retailing business in Singapore as it desires

The retail of electricity is subject to extensive regulation by an independent regulatory body, the EMA. The Group will be dependent on the retention of the Electricity Licence for Retail Electricity Licensee issued by the EMA, which is for a period of 10 years but subject to renewal on a yearly basis. There can be no assurance that the EMA will not fundamentally alter the Group's business environment or affect its business in the future. In addition, failure to comply with all relevant laws and regulations the electricity retailing business may result in severe financial penalties, administrative proceedings, or legal proceedings against the Group, including the revocation or suspension of the Electricity Licence for Retail Electricity Licensee.

- (b) The Group may be vulnerable to fluctuations in the cost of electricity which it may not be able to pass on to the end consumer

In connection with the electricity retailing business, the Group will enter into contracts with other electricity retailers to purchase electricity, as well as contracts with end consumers to supply electricity. In the event that the price of electricity in any purchase contract is fixed for the term of the contract, in the event that the market price for electricity falls, the Group will still be contractually bound to purchase electricity from the relevant electricity retailer at a higher price. Conversely, in the event that the price of electricity in any supply contract is fixed for the term of the contract, in the event that the cost of electricity increase, the Group will still be contractually bound to supply electricity to the relevant end consumer at a lower price. All of these could materially adversely affect the Group's business, financial condition and results of operations.

- (c) The Group's business performance may be adversely affected by various business challenges typical of companies in the same industry

The Group may face a number of operating risks applicable to electricity transmission and distribution companies, including service disruptions and variations in power quality in the Group's networks, which may result in revenue loss and potential liabilities to third parties and penalties by the EMA, fluctuations or a decline in aggregate consumer demand for electricity which could result in decreased revenues, information technology system failure, which could result in loss of critical data or injuries to the Group's employees or contractors or third parties, which may result in fines, claims, higher insurance costs for the Group or denial of coverage. All of these could materially adversely affect the Group's business, financial condition and results of operations.

LETTER TO SHAREHOLDERS

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1. Singapore Laws and Regulations

The interests of the Directors and the 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
Lin 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

LETTER TO SHAREHOLDERS

is a discretionary irrevocable trust which the trustee, LHN Capital Pte. Ltd., has all powers in relation to the property comprised in The LHN Capital Trust as the legal owner of such property, subject to any express restrictions contained in The LHN Capital Trust. The beneficial owners of the property in the trust fund are the beneficiaries of The LHN Capital Trust which comprise Lim Hean Nerng, Foo Siau Foon, Kelvin Lim and Kelvin Lim's direct lineal issues (namely, Lim Yun En, Lim Wei Yong Matthew, Lim Wei Yee, Lin Weichen, 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 SG 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 SG 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 SG 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% 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 seven years ago. As such, he was previously considered to be an SG Controlling Shareholder.

With effect from FY2022, the Board has made a reassessment of the status of Lim Hean Nerng as a SG Controlling Shareholder and has concluded that there is basis to regard Lim Hean Nerng as not being a SG Controlling Shareholder given that Lim Hean Nerng has retired from the Group and has not been involved in the strategic development, management and operational affairs of the Group for at least the past seven years.

In addition, once The LHN Capital Trust had been established, Lim Hean Nerng had left The LHN Capital Trust to manage and make decisions on the shareholder matters pertaining to the Group and he has not participated in any shareholder meeting nor has he voted or was involved himself in any shareholder meetings to make any decisions in relation to the Group.

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.

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 and a controlling shareholder of the Company within the meaning of the Fourth Schedule of the SFR.

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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 and a controlling shareholder of the Company within the meaning of the Fourth Schedule of the SFR.

- (8) With effect upon the listing of the Company's Shares on the Main Board of the SEHK, Lim Bee Li is considered a SG Controlling Shareholder and controlling shareholder of the Company within the meaning of the Fourth Schedule of the SFR 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 and a controlling shareholder of the Company within the meaning of the Fourth Schedule of the SFR.

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 Diversification.

4.2. 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:

- (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.

LETTER TO SHAREHOLDERS

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 or was deemed to have 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 the Model Code for Securities Transactions by Directors of Listed Companies contained in the HK Listing Rules.

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, or which were recorded in the register required to be kept under section 336 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%

LETTER TO SHAREHOLDERS

NAME OF SHAREHOLDER	CAPACITY/ NATURE OF INTEREST	NUMBER OF SHARES HELD/ INTERESTED	APPROXIMATE PERCENTAGE OF SHAREHOLDING AS AT THE LATEST PRACTICABLE DATE
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.

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, or which were recorded in the register required to be kept under section 336 of the SFO.

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5. DIRECTORS' RECOMMENDATIONS

The Directors, having considered, *inter alia*, the rationale for the Proposed Diversification, as set out above in this Circular, are of the opinion that the Proposed Diversification is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the ordinary resolutions relating thereto to be proposed at the EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the ordinary resolutions relating to the Proposed Diversification 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.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-7 of this Circular, will be held by way of electronic means on Monday, 30 January 2023 at 11:00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held by way of electronic means at 10:00 a.m. on the same day) for the purpose of considering and, if thought fit, passing with or without modification, the ordinary resolutions 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.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

7.1. No Physical Attendance at EGM

The EGM will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders will not be able to attend the EGM in person and can only participate in the EGM via live webcast.

7.2. 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 appoint the Chairman of the EGM (or any person other than the Chairman of the EGM) as proxy to attend and vote at the EGM on their behalf. In the appointment of the Chairman (or any person other than the Chairman of the EGM) 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 75 Beach Road #04-01, Singapore 189689 (for Singapore Shareholders) or the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for Hong Kong Shareholders) not less than 72 hours before the time fixed for the EGM.

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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 (or any person other than 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 on pages N-1 to N-7 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.

8. 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, 27 January 2023** 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, 19 January 2023** 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, 20 January 2023** and **Monday, 30 January 2023** (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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than **4:30 p.m. on Thursday, 19 January 2023**.

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 Thursday, 12 January 2023** to the Company's Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 (for Singapore shareholders only) and the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for Hong Kong shareholders only), respectively.

LETTER TO SHAREHOLDERS

9. 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 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 Diversification, 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.

10. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 75 Beach Road #04-01, Singapore 189689 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 website of the Company (www.lhngroup.com) 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.

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

11. 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

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 23 December 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 Monday, 30 January 2023 at 11:00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held by way of electronic means at 10:00 a.m. on the same day) for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions:

ORDINARY RESOLUTION 1

THE PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS TO INCLUDE THE PROPERTY BUSINESS

That:

- (a) approval be and is hereby given for the diversification of the Group’s existing core business to include the Property Business as described in Section 2.2(a) of the Company’s circular to the Shareholders dated 23 December 2022, and any other activities related to the Property Business;
- (b) subject to compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist requiring approval from shareholders in certain circumstances, the Company (directly and/or through its subsidiaries) be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of from time to time, any such assets, businesses, investments and shares/interests in any entity that is related to the Property Business, on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all acts and things as they deem desirable, necessary or expedient to give effect to any such investment, purchase, acquisition or disposal; 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.

* For identification purpose only

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 2

THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE THE ENERGY BUSINESS

That:

- (a) approval be and is hereby given for the diversification of the Group's existing core business to include the Energy Business as described in Section 2.2(b) of the Company's circular to the Shareholders dated 23 December 2022, and any other activities related to the Proposed New Businesses;
- (b) subject to compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist requiring approval from shareholders in certain circumstances, the Company (directly and/or through its subsidiaries) be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of from time to time, any such assets, businesses, investments and shares/interests in any entity that is related to the Energy Business, on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all acts and things as they deem desirable, necessary or expedient to give effect to any such investment, purchase, acquisition or disposal; 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,
23 December 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, 27 January 2023** 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, 19 January 2023** 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, 20 January 2023 to Monday, 30 January 2023** (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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than **4:30 p.m. on Thursday, 19 January 2023**. Please refer to pages N-4 to N-7 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 Thursday, 12 January 2023** to the Company's Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 (for Singapore shareholders only) and the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for Hong Kong shareholders only), respectively.

As at the date of this notice, the Board comprises Mr. Lim Lung Tieng and Ms. Lim Bee Choo as executive Directors of the Company; and Ms. Ch'ng Li-Ling, Mr. Yong Chee Hiong and Mr. Chan Ka Leung Gary as independent non-executive Directors of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

HOLDING OF THE EXTRAORDINARY GENERAL MEETING THROUGH ELECTRONIC MEANS

1. Participation in the EGM via live webcast

The EGM will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

The Company will arrange for the EGM to be held by live webcast (“**Live Webcast**”), by way of (a) audio-visual webcast, or (b) live audio-only stream, as Shareholders may elect at their discretion. Shareholders and their appointed proxy (or proxies) can only participate in the EGM via the foregoing Live Webcast. The Company will not accept any physical attendance by shareholders.

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

- (a) shareholders who wish to participate in the EGM via Live Webcast must pre-register themselves or, where applicable, their appointed proxy(ies) on the Company’s pre-registration website at <https://go.lumiengage.com/lhn2023agmegm> by **11:00 a.m. on Friday, 27 January 2023 (“Registration Deadline”)** for the Company to verify their status as shareholders;
- (b) 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;
- (c) verified shareholders, or where applicable, their appointed proxy(ies) will receive an email by **11:00 a.m. on Sunday, 29 January 2023** 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;
- (d) shareholders or, where applicable, their appointed proxy(ies) who do not receive an email by **11:00 a.m. on Sunday, 29 January 2023** 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 The Central Depository (Pte) Limited (“**CDP**”)/scrip/ Supplementary Retirement Scheme (“**SRS**”)), for verification purposes; and
- (e) 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.

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 **11:00 a.m. on Saturday, 31 December 2022**, via electronic means at the URL <https://go.lumiengage.com/lhn2023agmegm> or by post to the registered office of the Company at 75 Beach Road #04-01, Singapore 189689 (for

NOTICE OF EXTRAORDINARY GENERAL MEETING

Singapore shareholders only), or at the Company's principal place of business in Hong Kong at Unit 912, 9/F, Two Harbourfront, 22 Tak Fung Street, Hung Hom, Kowloon, Hong Kong (for Hong Kong shareholders only).

Shareholders who submit questions in advance of the EGM should identify themselves by stating (i) the 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, for verification purposes. The Company will endeavour to respond to substantial and relevant queries from shareholders submitted in advance and received by the Company and publish its responses on the websites of the SEHK and SGX-ST prior to the EGM. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the EGM in respect of substantial and relevant matters.

In view of the current COVID-19 advisories issued by the relevant authorities and to minimise physical interactions and risks of COVID-19 transmission 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 or, where applicable, their appointed proxy(ies) 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 consolidate 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 and Voting by Proxy:

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 at the EGM in the foregoing manner, a shareholder (whether individual or corporate) may appoint the Chairman of the EGM (or any person other than the Chairman of the EGM) to act as their proxy to vote on their behalf at the EGM. In appointing the Chairman of the EGM (or any person other than 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 (or any person other than the Chairman of the EGM) as proxy for that resolution will be treated as invalid. 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 SEHK website at www.hkexnews.hk or the Company's website at www.lhngroup.com.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The instrument appointing the Chairman of the EGM (or any person other than the Chairman of the EGM) as proxy to vote on the shareholder's behalf at the EGM, 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 and any adjournment thereof:

- (a) If submitted by post, to be deposited at the registered office of the Company at 75 Beach Road #04-01, Singapore 189689 (for Singapore shareholders only), or at the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for Hong Kong shareholders only); and
- (b) If submitted electronically, be submitted via email to the Company, at egm@lhngroup.com.sg.

In view of the current COVID-19 advisories issued by the relevant authorities and to minimise physical interactions and risks of COVID-19 transmission 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 proxy form 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 a proxy form 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 and who wish to appoint the Chairman of the EGM as their proxy, should approach their SRS Operators to submit their votes by 16 January 2023, 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 1970 of Singapore 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 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, 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:

“**Personal data**” in this Notice has the meaning ascribed to it pursuant to the Personal Data Protection Act 2012 of Singapore, which includes your name, address and NRIC/Passport number. By submitting (a) details for the registration to observe or participate in the proceeding of the EGM via the Live Webcast, (b) an instrument appointing the Chairman of the EGM (or any person other than the Chairman) as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, or (c) any questions prior to the EGM in accordance with this Notice of EGM, a member of the Company (i) 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 of the EGM (or any person other than the Chairman) as proxy for the EGM, processing the registration for purpose of granting access to members (or their appointed proxy or proxies) to observe and participate in the proceedings of the EGM, addressing relevant and substantial questions from members received before the EGM and if necessary, following-up with the relevant members in relation to such questions, 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 (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and / or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and / or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

Photographic, sound and/or video recordings at the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the EGM and any questions he may raise or motions he propose/ second) may be recorded by the Company for such purpose.

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:

- The Extraordinary General Meeting ("EGM" or "Meeting") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 for Shareholders.
- 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 23 December 2022 which has been uploaded on websites of SGXNet, the SEHK and the Company on the same day as this form.
- A shareholder 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 at the EGM in the foregoing manner, a shareholder (whether individual or corporate) may appoint the Chairman of the EGM (or any person other than the Chairman of the EGM) to act as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting (or any person other than 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 form of proxy, failing which the appointment of the Chairman of the Meeting (or any person other than the Chairman of the EGM) as proxy for that resolution will be treated as invalid. A proxy need not be a member of the Company.
- 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.
- 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 23 December 2022.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting (or any person other than the Chairman of the EGM) as a shareholder's proxy to vote on his/her/its behalf at the EGM.
- This proxy form shall be read together with the Notice of EGM and the Circular of the Company dated 23 December 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:

Name	Email Address	NRIC/Passport No./HKID No.	Proportion of Shareholding (%)

or failing whom, 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 Monday, 30 January 2023 at 11:00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held by way of electronic means at 10:00 a.m. on the same day) and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* 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 my/our* proxy/proxies* 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:			
1. The Proposed Diversification of the Group's Business to include the Property Business			
(a) approval be and is hereby given for the diversification of the Group's existing core business to include the Property Business as described in Section 2.2(a) of the Company's circular to the Shareholders dated 23 December 2022, and any other activities related to the Property Business;			
(b) subject to compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst requiring approval from shareholders in certain circumstances, the Company (directly and/or through its subsidiaries) be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of from time to time, any such assets, businesses, investments and shares/interests in any entity that is related to the Property Business, on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all acts and things as they deem desirable, necessary or expedient to give effect to any such investment, purchase, acquisition or disposal; 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.			
2. The Proposed Diversification of the Group's Business to include the Energy Business			
(a) approval be and is hereby given for the diversification of the Group's existing core business to include the Energy Business as described in Section 2.2(b) of the Company's circular to the Shareholders dated 23 December 2022, and any other activities related to the Energy Business;			
(b) subject to compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst requiring approval from shareholders in certain circumstances, the Company (directly and/or through its subsidiaries) be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of from time to time, any such assets, businesses, investments and shares/interests in any entity that is related to the Energy Business, on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all acts and things as they deem desirable, necessary or expedient to give effect to any such investment, purchase, acquisition or disposal; 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 _____

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 (or any person other than the Chairman of the Meeting) as proxy shall be deemed to relate to all the Shares held by you.
2. The instrument appointing Chairman of the Meeting (or any person other than the Chairman of the Meeting) as proxy to vote on the shareholder's behalf at the EGM, 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 75 Beach Road #04-01 Singapore 189689 (for Singapore shareholders), or at the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for Hong Kong shareholders); or
 - (b) If submitted electronically, be submitted via email to the Company, at egm@lhngroup.com.sg.In either case, by 27 January 2023, 11:00 a.m., being no 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 be treated as invalid.
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 advisories issued by the relevant authorities and to minimise physical interactions and risks of COVID-19 transmission 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.
3. The proxy form 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 a proxy form 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.
4. 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.
5. 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 16 January 2023, 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 1970 of Singapore 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 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, 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 seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

"Personal data" in this Notice has the meaning ascribed to it pursuant to the Personal Data Protection Act 2012 of Singapore, which includes your name, address and NRIC/Passport number. By submitting (a) details for the registration to observe or participate in the proceeding of the EGM via the Live Webcast, (b) an instrument appointing the Chairman of the Meeting (or any person other than the Chairman) as proxy to attend, speak and vote at the Meeting and/or any adjournment thereof, or (c) any questions prior to the EGM in accordance with this Notice of EGM, a member of the Company (i) 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 of the EGM (or any person other than the Chairman) as proxy for the EGM, processing the registration for purpose of granting access to members (or their appointed proxy or proxies) to observe and participate in the proceedings of the EGM, addressing relevant and substantial questions from members received before the EGM and if necessary, following-up with the relevant members in relation to such questions, 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 (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and / or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and / or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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.