

CIRCULAR DATED 1 NOVEMBER 2023

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

If you are in any doubt as to the contents of this Circular or as to any action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled “Definitions” of this Circular.

If you have sold or transferred all of your shares in the capital of the Company held through The Central Depository (Pte) Limited in Singapore (“**CDP**”), you need not forward this Circular with the Notice of EGM and the enclosed Proxy Form 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 of your shares in the capital of the Company represented by physical share certificate(s) or otherwise, 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, the stockbroker or agent through whom the sale 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.

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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:

- (1) THE PROPOSED TRANSFER OF THE LISTING OF THE COMPANY FROM CATALIST TO THE MAINBOARD OF THE SGX-ST**
- (2) THE PROPOSED ADOPTION OF THE NEW SHARE ISSUE MANDATE**
- (3) THE PROPOSED AMENDMENTS TO THE LHN EMPLOYEE SHARE OPTION SCHEME**
- (4) THE PROPOSED PARTICIPATION BY KELVIN LIM, A SG CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE AMENDED LHN ESOS**
- (5) THE PROPOSED PARTICIPATION BY JESS LIM, A SG CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE AMENDED LHN ESOS**
- (6) THE PROPOSED ADOPTION OF THE NEW SHARE BUY-BACK MANDATE**
- (7) THE NEW EXTENSION MANDATE**

A notice convening the EGM to be held at 202 Kallang Bahru Singapore 339339 on Thursday, 23 November 2023 at 10:00 a.m. is set out on pages N-1 to N-11 of this Circular. The Proxy Form is also enclosed with this Circular.

Please refer to Section 10 of this Circular and the Notice of EGM for further information, including the steps to be taken by Shareholders (and their duly appointed proxy (or proxies)) to participate at the EGM.

IMPORTANT DATES AND TIME

Last date and time for lodgement of Proxy Form

20 November 2023 at 10:00 a.m.

Date and time of EGM

23 November 2023 at 10:00 a.m.

Place of EGM

202 Kallang Bahru
Singapore 339339

** For identification purpose only*

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DEFINITIONS

In this Circular, unless the context otherwise requires, the following expressions have the following meanings:

“2023 AGM”	the annual general meeting of the Company held on 30 January 2023
“Board”	the board of Directors of the Company as at the date of this Circular
“Catalist”	the Catalist of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	the SGX-ST Listing Manual Section B: Rules of Catalist, 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 1 November 2023
“Companies Act”	the Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Company”	LHN Limited
“Committee”	the remuneration committee of the Company
“Constitution”	the constitution of the Company, as amended, modified or supplemented from time to time
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held on Thursday, 23 November 2023 at 10:00 a.m., notice of which is set out on pages N-1 to N-11 of this Circular
“Existing Extension Mandate”	has the meaning ascribed to it in Section 3.1 of this Circular
“Existing Share Buy-Back Mandate”	the existing share buy-back mandate of the Company which was approved by Shareholders at the 2023 AGM
“Existing Share Issue Mandate”	the existing share issue mandate of the Company which was approved by Shareholders at the 2023 AGM

DEFINITIONS

“Existing LHN ESOS”	the LHN ESOS, which was adopted by the Company pursuant to an extraordinary general meeting held on 25 September 2017
“Existing LHN ESOS Rules”	the rules of the LHN ESOS as at the Latest Practicable Date, and any reference to a particular rule of the LHN ESOS shall be construed accordingly
“FY”	the financial year ended or ending on 30 September (as the case may be)
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK Listing Rules”	the Rules Governing the Listing of Securities on the SEHK, as amended, modified or supplemented from time to time
“HK Takeover Code”	the Hong Kong Code on Takeovers and Mergers
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Instruments”	offer, agreements or options in relation to any new Share to be allotted or issued under the New Share Issue Mandate
“Jess Lim”	Ms. Lim Bee Choo (also known as Lin Meizhu), the Executive Director and Group Deputy Managing Director of the Company
“Kelvin Lim”	Mr. Lim Lung Tieng (also known as Lin Longtian), the Executive Chairman, Executive Director and Group Managing Director of the Company
“Latest Practicable Date”	24 October 2023, being the latest practicable date prior to the date of this Circular
“LHN ESOS”	the employee share option scheme of the Company, known as the <i>“LHN Employee Share Option Scheme”</i>
“Listing Manual”	the Catalist Rules or Mainboard Rules (as the case may be), as amended, modified or supplemented from time to time
“Mainboard”	the Mainboard of the SGX-ST

DEFINITIONS

“Mainboard Rules”	the rules of the Listing Manual applicable to issuers listed on the Mainboard, as amended, modified or supplemented from time to time
“New Extension Mandate”	has the meaning ascribed to it in Section 3.1 of this Circular
“New Share Buy-Back Mandate”	the proposed general and unconditional mandate to be given by Shareholders to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares in accordance with the terms set out in this Circular, as well as the rules and regulations set forth in the Companies Act, the Mainboard Rules and the HK Listing Rules
“New Share Issue Mandate”	the proposed general and unconditional mandate to be given by Shareholders to authorise the Directors to exercise the power of the Company to allot and issue new Shares and convertible securities in the capital of the Company
“Notice of EGM”	the notice of the EGM as set out on pages N-1 to N-11 of this Circular
“Period Under Review”	the period comprising FY2020, FY2021 and FY2022
“Proposed Adoption of the New Share Buy-Back Mandate”	the proposed adoption of the New Share Buy-Back Mandate to replace the Existing Share Buy-Back Mandate, as further detailed in Section 5 of this Circular
“Proposed Adoption of the New Share Issue Mandate”	the proposed adoption of the New Share Issue Mandate to replace the Existing Share Issue Mandate, as further detailed in Section 3 of this Circular
“Proposed Amendments to the Existing LHN ESOS”	the proposed amendments to the Existing LHN ESOS Rules, as further detailed in Section 4 of this Circular
“Proposed Resolutions”	has the meaning ascribed to it in Section 1.1 of this Circular
“Proposed Transfer”	the proposed transfer of the listing of the Company from Catalist to the Mainboard, as further detailed in Section 2 of this Circular
“Proposed Transfer Date”	the proposed date of transfer of the Company from Catalist to the Mainboard
“Proxy Form”	the proxy form accompanying this Circular as set out on pages P-1 to P-2 of this Circular
“Relevant Period”	has the meaning ascribed to it in Section 5 of this Circular

DEFINITIONS

“Securities Account”	the securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“SEHK”	the Stock Exchange of Hong Kong Limited
“SFA”	the Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as may be amended, modified or supplemented from time to time
“SG Associate”	<p>(a) in relation to any Director, chief executive officer, SG Substantial Shareholder or SG Controlling Shareholder (being an individual) means:</p> <ul style="list-style-type: none">(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; <p>(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</p>
“SG Controlling Shareholder”	<p>a person who:</p> <ul style="list-style-type: none">(a) holds directly or indirectly 15% or more of the nominal amount of all voting Shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a SG Controlling Shareholder; or(b) in fact exercises control (as defined in the Catalist Rules) over the Company

DEFINITIONS

“ SG Substantial Shareholder ”	a person (including a corporation) who has an interest or interests in the voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
“ SG Take-over Code ”	the Singapore Code on Take-overs and Mergers, and all practice notes, rules and guidelines thereunder, as may from time to time be issued or amended
“ SGX-ST ”	Singapore Exchange Securities Trading Limited
“ Share(s) ”	ordinary share(s) in the share capital of the Company
“ Shareholders ”	the registered holders of Shares in the register of members of the Company, except where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context so admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares; and where the registered holder is HKSCC, 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
“ Special Resolution ”	a resolution proposed and passed as such by a majority consisting at least 75% of the total number of votes cast for and against such resolution at a meeting of Shareholders
“ Sponsor ”	PrimePartners Corporate Finance Pte. Ltd.
“ SRS ”	Supplementary Retirement Scheme
“ S\$ ”	Singapore dollars, the lawful currency of Singapore
“ % ” or “ per cent. ”	Percentage or per centum

In this Circular, unless the context otherwise requires, the terms “associate”, “close associate”, “core connected person”, “connected person”, “connected transaction”, “controlling shareholder” and “substantial shareholder”, if used where applicable, shall have the meanings given to such terms in the HK Listing Rules, as modified by the SEHK from time to time.

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

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*.

DEFINITIONS

References to persons shall, where applicable, include corporations.

References to “**Section**” are to the sections of this Circular, unless otherwise stated.

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or chapter in the Listing Manual, unless otherwise stated.

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 Listing Manual, 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 Listing Manual, the SFO, the HK Listing Rules or any modification thereof, as the case may be, unless otherwise provided.

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

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

Any discrepancy in the tables in this Circular between 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.

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

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

75 Beach Road
#04-01

Singapore 189689

Independent Non-executive Directors:

Ms. Ch'ng Li-Ling (Lead Independent
Non-executive Director)
Mr. Yong Chee Hiong
Mr. Chan Ka Leung Gary

Principal Place of Business in Hong Kong:

5th Floor
Standard Chartered Bank Building
4-4A Des Voeux Road Central
Hong Kong

1 November 2023

To: Shareholders of LHN Limited

Dear Sir or Madam,

- (1) **PROPOSED TRANSFER**
- (2) **PROPOSED ADOPTION OF THE NEW SHARE ISSUE MANDATE**
- (3) **PROPOSED AMENDMENTS TO THE EXISTING LHN ESOS**
- (4) **PROPOSED PARTICIPATION BY KELVIN LIM, A SG CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE AMENDED LHN ESOS**
- (5) **PROPOSED PARTICIPATION BY JESS LIM, A SG CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE AMENDED LHN ESOS**
- (6) **PROPOSED ADOPTION OF THE NEW SHARE BUY-BACK MANDATE**
- (7) **THE NEW EXTENSION MANDATE**

1. INTRODUCTION

1.1. Background

The Directors are convening the EGM to seek the approval of Shareholders for:

- (a) the Proposed Transfer;

LETTER TO SHAREHOLDERS

- (b) in conjunction with the Proposed Transfer:
 - (i) the Proposed Adoption of the New Share Issue Mandate to comply with the requirements under Mainboard Rule 806(2);
 - (ii) the Proposed Amendments to the Existing LHN ESOS to comply with the Mainboard Rules;
 - (iii) the Proposed Adoption of the New Share Buy-Back Mandate;
- (c) in connection with the Proposed Amendments to the Existing LHN ESOS:
 - (i) the proposed participation by Kelvin Lim, a SG Controlling Shareholder of the Company, in the amended LHN ESOS;
 - (ii) proposed participation by Jess Lim, a SG Controlling Shareholder of the Company, in the amended LHN ESOS; and
- (d) in connection with the Proposed Adoption of the New Share Issue Mandate and the Proposed Adoption of the New Share Buy-Back Mandate, the New Extension Mandate,

(collectively, the “**Proposed Resolutions**”).

1.2. Purpose of Circular

The purpose of this Circular is to provide Shareholders with information relating to, and the rationale for, the above Proposed Resolutions and to seek Shareholders’ approval in relation thereto at the EGM, notice of which is set out on pages N-1 to N-11 of this Circular.

1.3. Conditionality of Resolutions

The Special Resolution to approve the Proposed Transfer is independent, and the passing of such Special Resolution shall not be conditional on the passing of any of the other Proposed Resolutions at the EGM.

Shareholders should however note the following:

- (a) **The passing of the resolutions for the Proposed Adoption of the New Share Issue Mandate, Proposed Amendments to the Existing LHN ESOS and Proposed Adoption of the New Share Buy-Back Mandate are conditional upon the passing of the Special Resolution approving the Proposed Transfer.**
- (b) **The passing of the respective resolutions for the participation by Kelvin Lim and Jess Lim, SG Controlling Shareholders of the Company, in the amended LHN ESOS, are in turn conditional upon the passing of the resolution approving the Proposed Amendments to the Existing LHN ESOS but not *vice versa*.**
- (c) **The passing of the resolution for the New Extension Mandate is in turn conditional upon the passing of the resolution approving the Proposed Adoption of the New Share Issue Mandate and the Proposed Adoption of the New Share Buy-Back Mandate but not *vice versa*.**

LETTER TO SHAREHOLDERS

This means that:

- (i) if the Special Resolution pertaining to the Proposed Transfer is not approved by Shareholders, all the other Proposed Resolutions will not be passed;**
- (ii) if the Special Resolution pertaining to the Proposed Transfer is approved by Shareholders but the ordinary resolution pertaining to the Proposed Amendments to the Existing LHN ESOS is not passed, the resolutions relating to the participation by Kelvin Lim and Jess Lim, SG Controlling Shareholders of the Company, in the amended LHN ESOS will not be passed; and**
- (iii) if the Special Resolution pertaining to the Proposed Transfer is approved by Shareholders but the ordinary resolutions pertaining to the Proposed Adoption of the New Share Issue Mandate and the Proposed Adoption of the New Share Buy-Back Mandate are not passed, the resolution relating to the New Extension Mandate will not be passed.**

In the event that any of the Proposed Resolutions (other than the Special Resolution pertaining to the Proposed Transfer) is not approved by Shareholders at the EGM, the Company shall undertake not to take any steps/actions insofar as such steps/actions are inconsistent or will be in breach of the Mainboard Rules, until such time that the Company obtains the relevant Shareholders' approval for the relevant resolution at a general meeting of the Company.

1.4. Legal Adviser

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

2. THE PROPOSED TRANSFER

2.1. Announcement

On 11 August 2023, the Company announced that it had submitted an application to the SGX-ST via its Sponsor in respect of the Proposed Transfer. On 24 October 2023, the Company announced that it had obtained the approval in-principle from the SGX-ST in relation to the Proposed Transfer, subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements;**
- (b) an immediate announcement via SGXNET of the Proposed Transfer;**
- (c) Shareholders' approval being obtained for the Proposed Transfer via a Special Resolution under Rule 408(5) of the Catalist Rules;**
- (d) submission of:**
 - (i) a written undertaking from the Company in the format set out in Appendix 2.3.1 of the Mainboard Rules to comply with all of the SGX-ST's requirements and policies applicable to issuers listed on the Mainboard;**

LETTER TO SHAREHOLDERS

- (ii) a written undertaking by the Company and its Sponsor that they are not aware of any material information which has not been previously announced via SGXNET which will affect the Company's suitability for the transfer to the Mainboard;
- (iii) a written undertaking from each of the Directors in the form set out in Appendix 7.7 of the Mainboard Rules and an undertaking from the Company to procure the same written undertaking from any new director appointed to the Company's Board after the Proposed Transfer takes place; and
- (iv) a written confirmation from the Company that it is in compliance with all applicable Catalist Rules.

The approval in-principle from the SGX-ST is not to be taken as an indication of the merits of the Proposed Transfer, the Company, its subsidiaries or its securities.

2.2. Rationale of the Proposed Transfer

Given the growth of the Company over the years since the Company's listing on Catalist, the Group has grown substantially and the Proposed Transfer will provide the Company with a more suitable platform for the listing and trading of its Shares arising from, among others, the perceived premium that investors accord to Mainboard-listed companies as compared to companies listed on Catalist. The focus of the Mainboard is targeted at attracting larger companies and maintaining the quality of such companies after their initial listing on the Mainboard.

Further, the Directors are of the view that a listing on the Mainboard would provide the Company with greater visibility and recognition in the market and amongst investors (including institutional and overseas-based investors) and enhance the image of the Company both locally and overseas. This enables the Company to recruit better talents, strengthen its brand and enlarge business opportunities.

In addition, the Directors believe that listing on the Mainboard would provide the Company with a wider platform and greater opportunities for future fund raising, and give the Company access to a larger and more diverse investor market. This will facilitate and enable the Company to better tap into capital markets (both equity and debt), to meet the Group's funding requirements when needed and provide the Group with greater flexibility to pursue further growth opportunities both locally and overseas.

For the past five years from FY2018 to FY2022, the Group has shown consistent growth on its net profit attributable to Shareholders from S\$5.4 million for FY2018, to S\$45.8 million for FY2022. As such, the Company has clearly demonstrated its ability to sustain its profitability. Given the Company's market position, stage of growth and relative stability, the Directors are of the opinion that the Proposed Transfer is timely and appropriate.

2.3. Requirements for the Proposed Transfer

A transfer from the Catalist to the Mainboard is governed by Catalist Rule 408 and Part IV of Chapter 2 of the Mainboard Rules. As shown in the following table, the Company has met all the requirements for the Proposed Transfer, save for the requirement for Shareholders' approval, which is the subject of this Circular.

LETTER TO SHAREHOLDERS

**Note: Capitalised terms in the column under the heading “Provision of Catalyst Rule” in the table below shall have the meaning ascribed to them in the Catalyst Rules if not defined in this Circular.*

Catalist Rule	Provision of Catalyst Rule	Compliance by the Company								
Rule 408(1)	The issuer must be listed on Catalyst for at least two years.	<p>The Company has met the requirement for being listed on Catalyst for at least two (2) years as it was listed on Catalyst on 13 April 2015.</p> <p>Accordingly, Catalyst Rule 408(1) has been complied with.</p>								
Rule 408(2)	<p>(a) The Company must meet the following minimum quantitative requirements:</p> <p style="padding-left: 20px;">(i) Mainboard Rules 210(2)(a) and 210(3); or</p> <p style="padding-left: 20px;">(ii) Mainboard Rules 210(2)(b) and 210(3); or</p> <p style="padding-left: 20px;">(iii) Mainboard Rules 210(2)(c) and 210(4)(a); and</p> <p>(b) any other listing requirements that the Exchange may prescribe (either generally or in any particular case).</p> <p>When determining whether the issuer complies with the market capitalisation requirement in Mainboard Rule 210(2)(b) or Mainboard Rule 210(2)(c), the Exchange will take into account the issuer’s average daily market capitalisation for one month preceding the application date.</p>	<p>The Company complies with the quantitative requirements set out in Mainboard Rules 210(2)(a) and 210(3) and therefore complies with Catalyst Rule 408(2)(a)(ii) on the following grounds:</p> <ul style="list-style-type: none"> • <u>Compliance with Mainboard Rule 210(2)(a)</u> <p><i>Mainboard Rule 210(2)(a): Pursuant to Mainboard Rule 210(2)(a), the Company must have a minimum consolidated pre-tax profit (based on full year consolidated audited accounts) of at least S\$30 million for the latest financial year and has an operating track record of at least three years.</i></p> <p>The Company has satisfied the requirements under Mainboard Rule 210(2)(a) as follows:</p> <p>(a) The Group has an operating track record of more than three (3) years. The Group’s audited consolidated profit before tax for each of the last three (3) financial years are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #ccc;">FY</th> <th style="background-color: #ccc;">PBT (S\$’000)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2020</td> <td style="text-align: center;">29,320</td> </tr> <tr> <td style="text-align: center;">2021</td> <td style="text-align: center;">34,258</td> </tr> <tr> <td style="text-align: center;">2022</td> <td style="text-align: center;">53,012</td> </tr> </tbody> </table> <p>(b) The Company’s consolidated pre-tax profit after adjusting for one-off items and excluding LHN Logistics Limited and its subsidiaries (“LHN Logistics”) based on the full year consolidated audited accounts for the latest financial year (being FY2022) is approximately S\$51.5 million. Please refer to the table in paragraph (c) under “<i>Compliance with Mainboard Rule 210(3)</i>” below for more information on the calculation of the above consolidated pre-tax profit.</p>	FY	PBT (S\$’000)	2020	29,320	2021	34,258	2022	53,012
FY	PBT (S\$’000)									
2020	29,320									
2021	34,258									
2022	53,012									

LETTER TO SHAREHOLDERS

Catalist Rule	Provision of Catalist Rule	Compliance by the Company
		<ul style="list-style-type: none"> • <u>Compliance with Mainboard Rule 210(3)</u> <p><i>Mainboard Rule 210(3)(a): Pursuant to Mainboard Rule 210(3)(a), the Company must have been engaged in substantially the same business and have been under substantially the same management throughout the period for which the three years operating track record applies.</i></p> <p>During the Period Under Review, the Group was substantially engaged in the same business, being space optimisation, property development, facilities management services, energy business and logistics services (through LHN Logistics). However, in view of the cessation of LHN Logistics as indirect subsidiaries of the Company as announced on 28 August 2023, the logistics services business had ceased as of even date. Accordingly, the Company is now principally engaged in space optimisation, property development, facilities management services and energy business. The Company has the same management throughout the Period under Review, being:</p> <ul style="list-style-type: none"> (a) the Executive Chairman, Executive Director and Group Managing Director, Kelvin Lim, who is primarily responsible for the business development and overall management including investment activities, operations and marketing efforts of the Group; (b) the Group Deputy Managing Director and Executive Director, Jess Lim, who is primarily responsible for the corporate development, overall administration and oversees the Group's finance, human resource, information systems and contracts administration functions; (c) the Group's Chief Financial Officer, Yeo Swee Cheng, who is responsible for the Group's finance related matters and oversees the Group's treasury function, audit and taxation matters and supports the management on all strategic and financial planning matters in relation to the Group's business; and (d) the Group's Chief Executive Officer of Work+Store, Wong Sze Peng, Danny, who is primarily responsible for the Work Plus Store's business, including but not limited to business development, sales and marketing and operations function.

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Catalist Rule	Provision of Catalist Rule	Compliance by the Company														
		<p><i>Mainboard Rule 210(3)(b): Pursuant to Mainboard Rule 210(3)(b), if the group made low profits or losses in the two years before the application due to specific factors which were of a temporary nature and such adverse factors have either ceased or are expected to be rectified upon the issuer's listing, the application may still be considered.</i></p> <p>The Group's audited profit before tax in the two years before the Latest Practicable Date was S\$34.3 million and S\$53.0 million for FY2021 and FY2022 respectively. There is no indication of low profits or losses made in the preceding two years.</p> <p><i>Mainboard Rule 210(3)(c): Pursuant to Mainboard Rule 210(3)(c), in determining the profits, non-recurrent income and items generated by activities outside the ordinary course of business must be excluded.</i></p> <p>The Group's profits after adjusting for non-recurrent income and items generated by activities outside the ordinary course of business and excluding LHN Logistics for FY2022 is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Item</th> <th style="text-align: right;">FY2022 (S\$'000)</th> </tr> </thead> <tbody> <tr> <td>Group profit before tax</td> <td style="text-align: right;">53,012</td> </tr> <tr> <td>Exclude LHN Logistics loss before tax</td> <td style="text-align: right;">2,667</td> </tr> <tr> <td colspan="2"><u>Adjustments for:</u></td> </tr> <tr> <td>Various wage credit schemes, job support scheme, job growth incentives and grants from the Singapore Government</td> <td style="text-align: right;">(1,742)</td> </tr> <tr> <td>Net rental rebates</td> <td style="text-align: right;">(2,414)</td> </tr> <tr> <td>Adjusted Profit for the Group excluding LHN Logistics</td> <td style="text-align: right;">51,523*</td> </tr> </tbody> </table> <p><i>*Includes the non-recurrent impairment loss on PPE of S\$4.1 million.</i></p>	Item	FY2022 (S\$'000)	Group profit before tax	53,012	Exclude LHN Logistics loss before tax	2,667	<u>Adjustments for:</u>		Various wage credit schemes, job support scheme, job growth incentives and grants from the Singapore Government	(1,742)	Net rental rebates	(2,414)	Adjusted Profit for the Group excluding LHN Logistics	51,523*
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Net rental rebates	(2,414)															
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Catalist Rule	Provision of Catalist Rule	Compliance by the Company
		<p><i>Mainboard Rule 210(3)(d): Pursuant to Mainboard Rule 210(3)(d), the SGX-ST will normally not consider an application for listing from an issuer which has changed or proposes to change its financial year end if the SGX-ST is of the opinion that the purpose of the change is to take advantage of exceptional or seasonal profits to show a better profit record.</i></p> <p>The Group did not change its financial year end during the Period under Review and is not proposing to change its financial year end.</p> <p>Accordingly, Catalist Rule 408(2) has been complied with.</p>
Rule 408(3)	The issuer has to provide the Exchange with an undertaking to comply with all the Exchange's requirements and policies applicable to issuers listed on the Mainboard (the " Undertaking "). The Undertaking must be in the form set out in Appendix 2.3.1 of the Mainboard Rules.	The Company has provided the Undertaking in the form set out in Appendix 2.3.1 of the Mainboard Rules. Accordingly, Catalist Rule 408(3) has been complied with.
Rule 408(4)	An offer information statement required by the SFA (meeting the requirements in the Sixteenth Schedule of the SFA) must be lodged with the Authority if the issuer intends to offer additional securities on Mainboard, or a draft shareholder's circular to approve the transfer must be submitted to the Exchange where there is no additional offer of securities.	The Company does not intend to offer additional securities on the Mainboard. This Circular is being provided to Shareholders to, among others, provide them with the requisite information relating to the Proposed Transfer. Accordingly, Catalist Rule 408(4) has been complied with.
Rule 408(5)	The issuer's shareholders have approved the Proposed Transfer by way of a special resolution.	<p>The Directors are convening the EGM to seek the approval of Shareholders for the Proposed Transfer by way of a Special Resolution.</p> <p>Accordingly, upon the approval of Shareholders being obtained at the EGM for the Proposed Transfer, Catalist Rule 408(5) will be complied with.</p>
Rule 408(6)	The issuer is in compliance with all applicable Catalist Rules	The Company has confirmed that the Company is in compliance with all applicable Catalist Rules. Accordingly, Catalist Rule 408(6) has been complied with.

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Catalist Rule	Provision of Catalist Rule	Compliance by the Company									
Rule 408(7)	<p>The issuer may have to meet the minimum shareholding spread requirements applicable to Mainboard issuers set out in Mainboard Rule 210(1).</p> <p>Pursuant to Mainboard Rule 210(1)(a), the following shareholding spread requirements must be met:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3" style="text-align: center;">Public Float</th> </tr> <tr> <th style="text-align: center;">Market Capitalisation (\$ million) ("M")</th> <th style="text-align: center;">Proportion of post-invitation share capital in public hands</th> <th style="text-align: center;">Number of shareholders</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">M < 300</td> <td style="text-align: center;">25%</td> <td style="text-align: center;">500</td> </tr> </tbody> </table>	Public Float			Market Capitalisation (\$ million) ("M")	Proportion of post-invitation share capital in public hands	Number of shareholders	M < 300	25%	500	<p>The Company complies with the requirements under Mainboard Rule 210(1) on the following grounds:</p> <p>(a) The Company's market capitalisation as at the Latest Practicable Date is approximately S\$128.8 million, determined by multiplying the total issued Shares of the Company of 408,945,400 Shares (excluding treasury shares and subsidiary holdings) by the last trading price of the Shares of S\$0.315 on the Latest Practicable Date.</p> <p>(b) As at the Latest Practicable Date, the number of Shares held by the public is 183,124,700 Shares, representing approximately 44.78% of the total issued Shares of the Company of 408,945,400 Shares (excluding treasury shares and subsidiary holdings).</p> <p>(c) As at the Latest Practicable Date, the Company has a total of 1,317 Shareholders, which meets the requirement of at least 500 shareholders under Mainboard Rule 210(1)(a).</p> <p>Accordingly, Catalist Rule 408(7) has been complied with.</p>
Public Float											
Market Capitalisation (\$ million) ("M")	Proportion of post-invitation share capital in public hands	Number of shareholders									
M < 300	25%	500									

3. THE PROPOSED ADOPTION OF THE NEW SHARE ISSUE MANDATE

3.1. Introduction

The Existing Share Issue Mandate of the Company which was obtained at the 2023 AGM authorises the Directors to allot and issue new Shares in the capital of the Company in accordance with the provisions under Section 161 of the Companies Act, Catalist Rule 806 and the HK Listing Rules.

In addition, an ordinary resolution was passed at the 2023 AGM to extend the Existing Share Issue Mandate such that the aggregate number of the Shares which may be allotted and issued under the Existing Share Issue Mandate may be extended by an addition of an amount representing the aggregate number of Shares purchased or acquired under the Existing Share Buy-Back Mandate (the "**Existing Extension Mandate**").

Under the Existing Share Issue Mandate, the Directors are empowered to allot and issue Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2023 AGM, of which the aggregate number of Shares to be issued other than on a pro rata basis to the existing Shareholders shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2023 AGM.

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Pursuant to the aforementioned thresholds, based on the Company's issued share capital of 408,945,400 Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2023 AGM, the maximum number of Shares to be issued other than on a pro rata basis under the Existing Share Issue Mandate is 81,789,080 Shares (excluding treasury shares and subsidiary holdings), representing 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2023 AGM.

Under the Existing Extension Mandate, the aggregate number of the Shares which may be allotted and issued under the Existing Share Issue Mandate is extended by an addition of an amount representing the aggregate number of Shares purchased or acquired pursuant to the Existing Share Buy-Back Mandate. Assuming that the amount of the repurchased Shares represents the maximum 10% of the total number of Shares under the Existing Share Buy-Back Mandate, the aggregate number of Shares which may be allotted and issued under the mandate under Existing Share Issue Mandate would be increased to 30% of the total number of Shares, which is within the limit as stipulated under the Catalist Rules.

As at the Latest Practicable Date, no Shares have been issued under the Existing Share Issue Mandate and the Company has not exercised any power under the Existing Share Buy-Back Mandate. As at the Latest Practicable Date, the Company has no intention of issuing any Shares under its Existing Share Issue Mandate or to purchase Shares pursuant to the Existing Share Buy-Back Mandate prior to the Proposed Transfer Date.

Upon the transfer of the listing of the Company from Catalist to the Mainboard taking effect, the Company is subject to the requirements of the Mainboard Rules. Consequently, in order for the Directors to continue issuing Shares without seeking any further approval from Shareholders, the Existing Share Issue Mandate (which is regulated by the Catalist Rules) is proposed to be replaced with the New Share Issue Mandate which complies with the Mainboard Rules and the HK Listing Rules.

In addition, an ordinary resolution will also be proposed at the EGM to extend the New Share Issue Mandate such that the aggregate number of the Shares which may be allotted and issued under the New Share Issue Mandate may be extended by an addition of an amount representing the aggregate number of Shares purchased or acquired under the New Share Buy-Back Mandate (subject to the limits in the Mainboard Rules and the HK Listing Rules) (the "**New Extension Mandate**"). For the avoidance of doubt, the aggregate number of Shares which may be allotted and issued under the New Share Issue Mandate, as extended pursuant to the New Extension Mandate, shall be subject to the limits in the Mainboard Rules or the HK Listing Rules, whichever is more onerous.

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The main differences between the Catalist Rules and Mainboard Rules relating to the general share issue mandate as at the Latest Practicable Date are summarised in the table below:

	Catalist Rules	Mainboard Rules
Limits (pro rata)	The limits of the general share issue mandate as set out in Rule 806(2)(a) and Rule 806(2)(b) of the Catalist Rules is 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time of the passing of the resolution approving the mandate.	The limit of the general share issue mandate set out in Rule 806(2) of the Mainboard Rules is 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time of the passing of the resolution approving the mandate.
Non-pro rata limits (ordinary resolution)	Pursuant to Rule 806(2)(a) of the Catalist Rules, issuers can only issue up to 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time of the passing of the resolution approving the mandate on a non-pro rata basis.	Pursuant to Rule 806(2) of the Mainboard Rules, issuers can only issue up to 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time of the passing of the resolution approving the mandate on a non-pro rata basis.
Non-pro rata limits (Special Resolution)	Pursuant to Rule 806(2)(b) of the Catalist Rules, issuers can issue up to 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time of the passing of the resolution approving the mandate on a non-pro rata basis if Shareholders approve this by way of a special resolution.	None.

Accordingly, the Company will be seeking Shareholders' approval at the EGM for the Proposed Adoption of the New Share Issue Mandate to authorise the Directors to:

- (a) allot and issue Shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or
- (b) make or grant Instruments that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit pursuant to Section 161 of the Companies Act, Mainboard Rule 806 and the HK Listing Rules.

3.2. Rationale for the Proposed Adoption of the New Share Issue Mandate

A general share issue mandate pursuant to Mainboard Rule 806, if granted by Shareholders at the EGM, will empower the Directors to issue and allot Shares and/or convertible securities within the express limits of the New Share Issue Mandate during the validity of such mandate, without seeking any further approval from Shareholders.

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A general (as opposed to a specific) approval for the Directors to issue Shares and/or convertible securities of the Company under the New Share Issue Mandate will enable the Company to act quickly and take advantage of market conditions.

3.3. Limits of the New Share Issue Mandate

Pursuant to Mainboard Rule 806(2), the aggregate number of Shares that may be issued by the Company pursuant to the New Share Issue Mandate (including Shares to be issued in pursuance of the Instruments made or granted pursuant to the New Share Issue Mandate) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing Shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings).

As at the Latest Practicable Date, a total of 408,945,400 Shares (excluding treasury shares and subsidiary holdings) were in issue. Subject to the passing of the resolution in respect of the Proposed Adoption of the New Share Issue Mandate and on the basis that no Shares will be issued or repurchased and cancelled by the Company prior to the EGM, the Company will be allowed under the New Share Issue Mandate to issue a maximum of 81,789,080 Shares (other than on a pro-rata basis, assuming no Shares are issued or repurchased after the Latest Practicable Date and up to the passing of the relevant resolution).

Subject to such manner of calculation as may be prescribed by the SGX-ST and SEHK, for the purpose of determining the aggregate number of Shares that may be issued pursuant to the New Share Issue Mandate, the percentage of total Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of the resolution approving the New Share Issue Mandate, after adjusting for:

- (a) new Shares arising from the conversion or exercise of any convertible securities;
- (b) new Shares arising from exercising share options or vesting of share awards outstanding and/or subsisting as at the date of the EGM, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Mainboard Rules, the LHN ESOS and the HK Listing Rules; and
- (c) any subsequent bonus issue, consolidation or subdivision of Shares,

and adjustments in accordance with sub-paragraphs (a) and (b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the New Share Issue Mandate.

Additionally, in exercising the authority conferred by the New Share Issue Mandate, the Company will comply with the provisions of the Companies Act, Mainboard Rules and the HK Listing Rules for the time being in force (unless such compliance has been waived by the SGX-ST and/or SEHK) and the Constitution for the time being of the Company.

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The Company will comply with the requirements under the HK Listing Rules or the Mainboard Rules for matters relating to the New Share Issue Mandate, whichever is more onerous.

3.4. Validity period of the New Share Issue Mandate and New Extension Mandate

The New Share Issue Mandate and New Extension Mandate, which are to be tabled as ordinary resolutions at the EGM, if approved by Shareholders, will supersede and replace the Existing Share Issue Mandate and Existing Extension Mandate and shall take force and effect from the effective date of the transfer of the listing of the Company from Catalist to the Mainboard, and the Existing Share Issue Mandate and Existing Extension Mandate shall correspondingly be deemed revoked with effect from the same date. The New Share Issue Mandate and the New Extension Mandate shall continue in force until the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting is required by the Constitution or the applicable laws of Singapore to be held; or (c) revocation or variation by an ordinary resolution of the Shareholders of the Company in a general meeting.

4. THE PROPOSED AMENDMENTS TO THE EXISTING LHN ESOS

4.1. Introduction

The Company adopted the Existing LHN ESOS on 25 September 2017. Pursuant to its rules, the Existing LHN ESOS shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on 25 September 2017. The Proposed Amendments to the Existing LHN ESOS, which is to be tabled as an ordinary resolution at the EGM, if approved by Shareholders, will not affect the expiry date of the Existing LHN ESOS. As at the Latest Practicable Date, no options have been granted under the Existing LHN ESOS.

In connection with the Proposed Transfer, the Company is proposing that the Existing LHN ESOS Rules be amended to take into account the requirements of the Mainboard Rules and the amendments to Chapter 17 of the HK Listing Rules governing share schemes, which include share award schemes and share option schemes, and that Shareholders' approval be sought at the EGM for, among others, the Proposed Amendments to the Existing LHN ESOS.

The Company will submit an application to the SGX-ST for the listing and quotation of the new Shares to be issued pursuant to the exercise of the options granted under the amended LHN ESOS on the Mainboard (the "**New Shares**"). The Company will make the relevant announcement(s) to notify Shareholders when the Company receives the listing and quotation notice from the SGX-ST in respect of the New Shares, and the conditions (if any) upon which such listing and quotation notice is granted. The listing and quotation notice (if granted) is not to be taken as an indication of the merits of the amended LHN ESOS, the New Shares, the Company, its subsidiaries and their securities.

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4.2. Summary of the Proposed Amendments

Capitalised terms and phrases in this section, unless otherwise defined in this Circular, have the same meaning as when used in the Existing LHN ESOS Rules. **Appendix A** to this Circular sets out the Existing LHN ESOS Rules, incorporating the proposed amendments (with deletions blacklined and additions bolded and underlined for ease of reference). The following is a summary of the principal amendments proposed to be incorporated in the Existing LHN ESOS Rules.

4.2.1. Definitions of the Existing LHN ESOS Rules

It is proposed that certain definitions set out in Rule 2.1 of the Existing LHN ESOS Rules be amended and new definitions be inserted as follows (with deletions blacklined and additions bolded and underlined):

“associate(s)”	shall have the same meaning ascribed to it under the HK Listing Rules and/or the Catalist <u>Mainboard</u> Rules;
“ Bankruptcy Act ”	the Bankruptcy Act (Chapter 20) of Singapore as amended from time to time;
“ Catalist Rules ”	the SGX-ST Listing Manual Section B: Rules of Catalist as amended, modified or supplemented from time to time;
“ Companies Act ”	the Companies Act (Chapter 50) 1967 of Singapore as amended from time to time;
“ <u>IRDA</u> ”	<u>the Insolvency, Restructuring and Dissolution Act 2018 of Singapore as amended from time to time;</u>
“ <u>Mainboard</u> ”	<u>the mainboard of the SGX-ST</u>
“ <u>Mainboard Rules</u> ”	<u>the rules of the SGX-ST Listing Manual applicable to issuers listed on the Mainboard, as amended, modified or supplemented from time to time;</u>

4.2.2. Grant of Options

It is now proposed that Rule 6.3 of the Existing LHN ESOS Rules be amended as follows (with deletions blacklined and additions bolded and underlined):

“Subject to Paragraph 9 below, but only insofar as and for so long as the HK Listing Rules require, where any offer of an Option is proposed to be made to a Director, chief executive or a substantial shareholder of the Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors of the Company (excluding the independent non-executive Director who or whose associates is the grantee of an Option).”

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Where any grant of Options to ~~a substantial shareholder or an independent non-executive Director~~ **or a substantial shareholder** of the Company, or any of their respective associates, would result in the securities shares issued and to be issued upon exercise **in respect** of all Options already granted **(excluding any Option lapsed in accordance with the terms of the Scheme)** and to be granted ~~(including Options exercised, cancelled and outstanding)~~ to such person in the 12-month period up to and including the date of such grant:

- (a) ~~representing in aggregate over 0.1% of the relevant class of securities~~ shares in issue; ~~and~~
- (b) ~~(where the securities are listed on the Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million,~~

such further grant of Options must be approved by Shareholders. The Company shall send a circular to the Shareholders. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

Approval from the Shareholders is required for any change in the terms of Options granted to a participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.”

4.2.3. Exercise of Options

It is now proposed that Rule 8.2 of the Existing LHN ESOS Rules be amended as follows (with deletions blacklined and additions bolded and underlined):

“The exercise of any Option ~~may~~**shall** be subject to a vesting schedule ~~to be determined by the Committee in its absolute discretion, which shall be specified in the offer letter as mentioned in Paragraph 6.5~~**period of 1 year.**”

4.2.4. Maximum Number of Shares Available for Subscription

Rule 9.2 of the Existing LHN ESOS Rules currently states that:

“Notwithstanding Paragraph 9.1(a), the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Scheme and any other schemes of the Group shall not exceed 30 per cent. of the Shares in issue from time to time. No Options may be granted under the Scheme and any other share option scheme of the Company if this will result in such limit being exceeded.”

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It is now proposed that Rule 9.2 be amended as follows (with deletions blacklined and additions bolded and underlined):

*“Notwithstanding Paragraph 9.1(a), the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Scheme and any other schemes of the Group shall not exceed ~~30~~ **15** per cent. of the Shares in issue from time to time. No Options may be granted under the Scheme and any other share option scheme of the Company if this will result in such limit being exceeded. **For the purposes of determining the maximum entitlement for each class or category of Eligible Persons and the maximum entitlement for any Eligible Person under the Scheme pursuant to which Options may be offered:***

- (a) **the aggregate number of Shares issued and which may be issued upon exercise of Options granted to the controlling shareholders (as defined in the Mainboard Rules) and their associates must not exceed 25 per cent. of the Shares available under the Scheme;***
- (b) **the number of Shares issued and which may be issued upon exercise of Options granted to each controlling shareholder (as defined in the Mainboard Rules) or any of their associate must not exceed 10 per cent. of the Shares available under the Scheme; and***
- (c) **the aggregate number of Shares issued and which may be made issued upon exercise of Options granted to directors and employees of the Company’s subsidiaries must not exceed 20 per cent. of the Shares available under the Scheme,***

and will be further subject to the limits as stipulated under any applicable Mainboard Rules (including Mainboard Rule 845) and the HK Listing Rules (if any), as amended, modified or supplemented from time to time.”

In view of the proposed amendments to Rule 9.2 above, it is now proposed that Rule 9.3 be amended as follows (with deletions blacklined and additions bolded and underlined):

*“**Subject to Paragraph 9.2 above, the** ~~The~~ maximum number of Shares issued and to be issued upon exercise of the Options **and any awards** granted to any one Eligible Person (including exercised and outstanding Options, **excluding any Options and awards lapsed in accordance with the terms of the Scheme or other relevant scheme**) in any 12-month period shall not exceed 1 per cent. of the Shares in issue from time to time. Where any further grant of Options to such an Eligible Person would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent. of the Shares in issue, such further grant shall be separately approved by the Shareholders in general meeting with such Eligible Person and his close associates (or his associates if such Eligible Person is a connected person) abstaining from voting. The Company shall send a circular to its Shareholders disclosing the identity of the Eligible Person, the number and terms of the Options to be granted (and Options previously granted) to such Eligible Person, and containing the details and information required under the HK Listing Rules and/or ~~Catalist~~ **Mainboard** Rules. The number and terms (including the Subscription Price) of the Options to be granted to such Eligible Person must be fixed before the approval*

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of the Shareholders and the date of the Committee meeting or resolution proposing such grant shall be taken as the Offer Date for the purpose of calculating the Subscription Price of those Options.”

4.2.5. Required Disclosures

It is now proposed that Rule 16 of the Existing LHN ESOS Rules be amended as follows (with deletions blacklined and additions bolded and underlined):

*“The Company shall, for so long as the Scheme continues in operation, make disclosures as required under the HK Listing Rules, the ~~Catalist~~ **Mainboard** Rules and all other applicable laws and requirements-, **including but not limited to the following disclosure in its annual report (to the extent that such disclosure is required by the relevant Mainboard Rules from time to time):***

- (a) **the names of the members of the Committee;***
- (b) **the information required in the table below for the following Eligible Persons:***
 - (i) **Directors of the Company;***
 - (ii) **Eligible Persons who are controlling shareholders of the Company and their associates; and***
 - (iii) **Eligible Persons, other than those in sub-paragraph (i) and (ii) above, who receive 5 per cent. or more of the total number of Options available under the Scheme;***

<u>Name of Eligible Person</u>	<u>Options granted during financial year under review (including terms)</u>	<u>Aggregate Options granted since commencement of Scheme to end of financial year under review</u>	<u>Aggregate Options exercised since commencement of Scheme to end of financial year under review</u>	<u>Aggregate Options outstanding as at end of financial year under review</u>

- (c) **the names of and number and terms of Options granted to each Director or employee of the Company’s subsidiaries who receives 5 per cent. or more of the total number of Options available to all Directors and employees of the Company’s subsidiaries under the Scheme, during the financial year under review;***
- (d) **the aggregate number of Options granted to the Directors and employees of the Company’s subsidiaries for the financial year under review, and since the commencement of the Scheme to the end of the financial year under review;***
- (e) **the number and proportion of Options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted,***

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and such other information as may be required by the Mainboard Rules, provided that if any of the above requirements are not applicable, an appropriate negative statement will be included in the annual report. For the avoidance of doubt, in the event of any modifications or amendments to such disclosure requirements under the HK Listing Rules and the Mainboard Rules, the Company shall comply with such modified or amended requirements of the HK Listing Rules and the Mainboard Rules applicable at such time.

4.2.6. Other Proposed Amendments

In view of the Proposed Transfer, it is now proposed that all references to “Catalist” within the Existing LHN ESOS Rules be amended to refer to the “Mainboard” and all references to specific Catalist Rules be amended to the corresponding Mainboard Rules.

In addition to the above, it is also proposed that the following new Rule 15.3 be inserted to allow the Company to make the relevant modifications to the Existing LHN ESOS Rules for compliance with applicable laws from time to time:

“Notwithstanding anything to the contrary provided in Paragraph 15.2, the Committee may at any time by resolution (and, unless otherwise required by applicable laws, without other formality except for the prior approval of the SGX-ST and/or the Stock Exchange, if necessary) alter the Scheme in any way to the extent necessary to cause the Scheme to comply with requirements under the HK Listing Rules, the Mainboard Rules and all other applicable laws, as well as any requirements of any regulatory or other relevant authority or body (including the SGX-ST and the Stock Exchange).”

4.3. **Rationale for the Proposed Amendments to the Existing LHN ESOS**

The Proposed Amendments to the Existing LHN ESOS will facilitate and enable the Company to comply with the Mainboard Rules should Shareholders’ approval for the Proposed Transfer be obtained at the EGM.

4.4. **Effective date of the amended LHN ESOS**

Reference herein to the “**amended LHN ESOS**” means the LHN ESOS, the rules of which shall refer to such rules as modified to incorporate the Proposed Amendments to the Existing LHN ESOS, such modified rules set out in its entirety in **Appendix A** to the Circular.

If the ordinary resolution in respect of the Proposed Amendments to the Existing LHN ESOS is approved by Shareholders at the EGM, the rules of the amended LHN ESOS shall supersede and replace the Existing LHN ESOS Rules and take force and effect from the effective date of the transfer of the listing of the Company from Catalist to the Mainboard, and the Existing LHN ESOS Rules shall correspondingly be deemed revoked with effect from the same date.

4.5. **Participation by Kelvin Lim and Jess Lim**

In view of the Proposed Amendments to the Existing LHN ESOS, notwithstanding the passing of the resolutions on 25 September 2017 in respect of the participation by Kelvin Lim and Jess Lim in the Existing LHN ESOS, the Company will be seeking Shareholders’ approval for their participation in the amended LHN ESOS.

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Kelvin Lim, the Executive Chairman and Group Managing Director, is primarily responsible for the business development and overall management, including investment activities, operations and marketing efforts, of the Group. Kelvin Lim also oversees the overall investment activities and marketing efforts of the Group to ensure that sound and profitable investments are made and that the operations of the Group are in order.

Jess Lim, the Executive Director and Group Deputy Managing Director, is primarily responsible for the corporate development, overall administration and oversight of the finance, human resource, information systems and contracts administration functions of the Group.

As Kelvin Lim and Jess Lim are siblings, each of them is the other's SG Associate. As at the Latest Practicable Date, each of Kelvin Lim and Jess Lim is also a SG Controlling Shareholder. As at the Latest Practicable Date, Kelvin Lim is deemed to be interested in 224,982,600 Shares, representing approximately 55.02% of the total number of issued Shares, whereas Jess Lim is directly interested in 4,000,000 Shares and deemed to be interested in 220,982,600 Shares, in aggregate representing approximately 55.02% of the total number of issued Shares. Shareholders may refer to Section 6.1 of this Circular for more details on the shareholding interests of Kelvin Lim and Jess Lim and their respective SG Associates. As at the Latest Practicable Date, no options have been granted to Kelvin Lim or Jess Lim under the Existing LHN ESOS.

The Directors (excluding Kelvin Lim and Jess Lim) are of the view that both Kelvin Lim and Jess Lim have contributed substantially to the Group's development and that their continued contribution to the Group is an important factor for the further growth and success of the Group. Accordingly, the Directors (excluding Kelvin Lim and Jess Lim) are of the view that the continued participation by Kelvin Lim and Jess Lim in the amended LHN ESOS will give due recognition for their services and contributions to the growth and development of the Group. The foregoing is also consistent with the Company's objectives to motivate employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company and the Group. Their continued participation will ensure that they are equally entitled, with the other employees who are not controlling shareholders, to take part in and benefit from this system of remuneration, thereby enhancing their long-term commitment to the Company.

For the avoidance of doubt, if approved by Shareholders at the EGM, the ordinary resolutions approving the participation by Kelvin Lim and Jess Lim in the amended LHN ESOS shall supersede and replace the previous approvals obtained on 25 September 2017 and shall take force and effect from the effective date of the transfer of the listing of the Company from Catalist to the Mainboard, and the previous approvals obtained on 25 September 2017 shall correspondingly be deemed revoked with effect from the same date.

5. THE PROPOSED ADOPTION OF THE NEW SHARE BUY-BACK MANDATE

The ordinary resolution in respect of the Existing Share Buy-Back Mandate was passed at the 2023 AGM, granting the Directors authority to exercise all the powers of the Company to purchase or otherwise acquire issued Shares, representing not more than 10% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) as at the date of the 2023 AGM in accordance with the terms set out in the Company's circular dated 6 January 2023, as well as the rules and regulations set forth in the Companies Act, the Catalist Rules and the HK Listing Rules.

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Upon the transfer of the listing of the Company from Catalist to the Mainboard becoming effective, the Company is subject to the requirements of the Mainboard Rules. Subject to Shareholders' approval being obtained at the EGM, the Proposed Adoption of the New Share Buy-Back Mandate will facilitate and enable the Company to continue to comply with the Mainboard Rules through updating of references to "*Catalist*" to refer to the "*Mainboard*" and all references to specific Catalist Rules to be amended to refer to the corresponding Mainboard Rules. For the avoidance of doubt, save for references to "*Catalist*" and certain Catalist Rules instead of the "*Mainboard*" and Mainboard Rules, the Existing Share Buy-Back Mandate is generally compliant with the Mainboard Rules as the limits and requirements under the Catalist Rules and Mainboard Rules are generally the same/similar as at the Latest Practicable Date.

If approved by Shareholders at the EGM, the authority conferred by the New Share Buy-Back Mandate will supersede and replace the Existing Share Buy-Back Mandate and shall take force and effect from the effective date of the transfer of the listing of the Company from Catalist to the Mainboard, and the Existing Share Buy-Back Mandate shall correspondingly be deemed revoked with effect from the same date.

The New Share Buy-Back Mandate shall continue in force until the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is earlier, unless prior thereto, buy-back of the Shares have been carried out to the full extent mandated, or the authority conferred by the New Share Buy-Back Mandate is revoked or varied by Shareholders in a general meeting (the "**Relevant Period**").

Details of the New Share Buy-Back Mandate are set out in **Appendix B** to this Circular.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

6.1. 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⁾	–	–	224,982,600	55.02
Jess Lim ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	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

LETTER TO SHAREHOLDERS

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
LHN Capital Pte. Ltd. ⁽⁴⁾	–	–	220,982,600	54.04
HN Capital Ltd. ⁽⁴⁾	–	–	220,982,600	54.04
Hean Nerng Group Pte. Ltd. ⁽⁴⁾	–	–	220,982,600	54.04
LHN Holdings Ltd ⁽⁵⁾	220,982,600	54.04	–	–
Lim Hean Nerng ⁽⁵⁾	–	–	220,982,600	54.04
Foo Siau Foon ⁽⁵⁾	–	–	220,982,600	54.04
Lim Yun En ⁽⁵⁾	–	–	220,982,600	54.04
Lim Wei Yong Matthew ⁽⁵⁾	–	–	220,982,600	54.04
Lim Wei Yee ⁽⁵⁾	–	–	220,982,600	54.04
Lin Weichen ⁽⁵⁾	–	–	220,982,600	54.04
Lim Wei Kheng (Lin Weiqing) ⁽⁵⁾	–	–	220,982,600	54.04
Lim Yu Yang ⁽⁵⁾	–	–	220,982,600	54.04
Lim Bee Li ⁽⁵⁾	–	–	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 the British Virgin Islands ("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 no beneficiaries. The LHN Capital Trust is a discretionary irrevocable trust which the trustee, LHN Capital Pte. Ltd., has all powers in relation to the property comprised in The LHN Capital Trust as the legal owner of such property, subject to any express restrictions contained in The LHN Capital Trust. The beneficial owners of the property in the trust fund are the beneficiaries of The LHN Capital Trust which comprise Lim Hean Nerng, Foo Siau Foon, Kelvin Lim and Kelvin Lim's direct lineal issues (the "**LHN Capital Trust Beneficiaries**"). Trident Trust Company (Singapore) Pte. Limited is the trust administrator of The LHN Capital Trust.

LHN Holdings Ltd has a direct interest in 220,982,600 Shares.

As Trident Trust Company (B.V.I.) Limited and its SG Associates are entitled to exercise control of not less than 20.0% of the votes attached to the voting shares in LHN Holdings 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 LHN Holdings Ltd.
- (4) Kelvin Lim and Jess Lim are directors of LHN Capital Pte. Ltd., HN Capital Ltd. and Hean Nerng Group Pte. Ltd. respectively. In connection with note (3) above, as each of LHN Capital Pte. Ltd., HN Capital Ltd. and Hean Nerng Group Pte. Ltd. and their respective SG Associates are entitled to exercise control of not less than 20.0% of the votes attached to the voting shares in LHN Holdings Ltd, each of LHN Capital Pte. Ltd., HN Capital Ltd. and Hean Nerng Group Pte. Ltd. is deemed to have an interest in the issued and paid-up share capital of the Company held by LHN Holdings Ltd.
- (5) 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 note (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 LHN Holdings Ltd.

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Notwithstanding that each of Lim Hean Nerng, Foo Siau Foon and Kelvin Lim's direct lineal issues, 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.

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 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 LHN Holdings Ltd, being not less than 5.0% of the total votes attached to all the voting shares of the Company.

Both Kelvin Lim and Jess Lim are directors of LHN Capital Pte. Ltd., HN Capital Ltd., Hean Nerng Group Pte. Ltd., LHN Holdings Ltd and the Company respectively. Accordingly, each of Kelvin Lim and Jess Lim 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.

With effect upon the listing of the Company's Shares on the Mainboard of the SEHK, Lim Bee Li, the sibling of Kelvin Lim and Jess Lim, 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 LHN Holdings 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 shareholding interests in the Company and Kelvin Lim's and Jess Lim's interests as disclosed in this Circular, none of the Directors or their SG Associates or, as far as the Company is aware, the SG Substantial Shareholders or their SG Associates, has any interest, direct or indirect, in the Proposed Resolutions.

6.2. Hong Kong Laws and Regulations

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares or Debentures of the Company or Its Associated Corporations

As at the Latest Practicable Date, the interest or short position in the Shares, underlying shares or debentures of the Company and/or its associated corporations (within the meaning of Part XV of the SFO) that Directors and chief executive of the Company as recorded in the register required to be kept under Section 352 of the SFO, or otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

LETTER TO SHAREHOLDERS

Long positions in the Shares and underlying shares of the Company:

Name	Capacity	Number of Shares	Approximate percentage of issued share capital of the Company (%)
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 Nereng Group Pte. Ltd.. Hean Nereng Group Pte. Ltd. holds the entire issued share capital of LHN Holdings Ltd. LHN Holdings Ltd is the beneficial owner of 220,982,600 Shares. Kelvin Lim is deemed under the SFO to be interested in the Shares held by Trident Trust Company (B.V.I.) Limited and LHN Capital Pte. Ltd.. Trident Trust Company (B.V.I.) Limited is deemed under the SFO to be interested in the interests held by LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd. is deemed under the SFO to be interested in the interests held by HN Capital Ltd.. HN Capital Ltd. is deemed under the SFO to be interested in the interests held by Hean Nereng Group Pte. Ltd.. Hean Nereng Group Pte. Ltd. is deemed under the SFO to be interested in the interests held by LHN Holdings 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 Nereng Group Pte. Ltd.. Hean Nereng Group Pte. Ltd. holds the entire issued share capital of LHN Holdings Ltd. LHN Holdings 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 to be interested in the interests held by HN Capital Ltd. HN Capital Ltd. is deemed under the SFO to be interested in the interests held by Hean Nereng Group Pte. Ltd.. Hean Nereng Group Pte. Ltd. is deemed under the SFO to be interested in the interests held by LHN Holdings Ltd.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of 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 pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers contained in the HK Listing Rules.

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Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at the Latest Practicable Date, as far as is known to the Directors, the following persons/entities (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the Shares and underlying shares of the Company:

Name	Capacity	Number of Shares	Approximate percentage of issued share capital of the Company (%)
LHN Holdings Ltd ⁽¹⁾⁽²⁾	Beneficial owner	220,982,600	54.04
Wang Jialu ⁽¹⁾⁽³⁾	Deemed interest by virtue of interest held by spouse	220,982,600	54.04
Hean Nerng Group Pte. Ltd. ⁽¹⁾⁽²⁾	Interest in a controlled corporation	220,982,600	54.04
HN Capital Ltd. ⁽¹⁾⁽²⁾	Interest in a controlled corporation	220,982,600	54.04
LHN Capital Pte. Ltd. ⁽¹⁾⁽²⁾	Trustee	220,982,600	54.04
Trident Trust Company (B.V.I.) Limited ⁽¹⁾⁽²⁾	Trustee	220,982,600	54.04
Lim Hean Nerng ⁽¹⁾⁽²⁾	Founder of discretionary trusts	220,982,600	54.04
Foo Siau Foon ⁽¹⁾⁽²⁾	Founder of discretionary trusts	220,982,600	54.04

Notes:

- (1) LHN Holdings 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 LHN Holdings 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 LHN Holdings 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 to be interested in the interests held by LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd. is deemed under the SFO to be interested in the interests held by HN Capital Ltd.. HN Capital Ltd. is deemed under the SFO to be interested in the interests held by Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. is deemed under the SFO to be interested in the interests held by LHN Holdings Ltd.
- (3) Wang Jialu, the spouse of Kelvin Lim, is deemed under the SFO to be interested in the interests held by Kelvin Lim.

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Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other person who had 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.

7. ABSTENTION FROM VOTING

7.1. Proposed Amendments to the Existing LHN ESOS

Pursuant to Rule 858 of the Catalist Rules and Rule 859 of the Mainboard Rules, Shareholders who are eligible to participate in the LHN ESOS must abstain from voting on any resolution relating to the LHN ESOS.

Accordingly, all Shareholders who are eligible to participate in the LHN ESOS shall abstain from voting on the ordinary resolution relating to the Proposed Amendments to the Existing LHN ESOS at the EGM, and shall not accept nominations as proxies unless specific instructions have been given in the proxy instruments by the independent Shareholders appointing them on how they wish their votes to be cast.

7.2. Proposed Participation by Kelvin Lim and Jess Lim, being controlling shareholders of the Company, in the amended LHN ESOS

Pursuant to Rule 858 of the Catalist Rules and Rule 859 of the Mainboard Rules, Shareholders who are eligible to participate in the LHN ESOS must abstain from voting on any resolution relating to the LHN ESOS.

Pursuant to Rule 852 of the Catalist Rules and Rule 853 of the Mainboard Rules, participation in the LHN ESOS by SG Controlling Shareholders and their SG Associates must be approved by independent shareholders of the Company.

Accordingly:

- (a) all Shareholders who are eligible to participate in the LHN ESOS shall abstain from voting on the ordinary resolutions relating to the proposed participation by Kelvin Lim and Jess Lim in the amended LHN ESOS at the EGM, and shall not accept nominations as proxies unless specific instructions have been given in the proxy instruments by the independent Shareholders appointing them on how they wish their votes to be cast; and
- (b) Kelvin Lim, Jess Lim and their respective SG Associates shall abstain from voting on the ordinary resolutions relating to the proposed participation by Kelvin Lim and Jess Lim in the amended LHN ESOS at the EGM, and shall not accept nominations as proxies unless specific instructions have been given in the proxy instruments by the independent Shareholders appointing them on how they wish their votes to be cast.

LETTER TO SHAREHOLDERS

8. DIRECTORS' RECOMMENDATION

8.1. Special Resolution – Proposed Transfer

The Directors, having considered and reviewed the rationale for and benefits of the Proposed Transfer, are of the opinion that the Proposed Transfer is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Special Resolution relating to the Proposed Transfer, as set out in the Notice of EGM.

8.2. Ordinary Resolutions – Proposed Adoption of the New Share Issue Mandate, Proposed Adoption of the New Share Buy-Back Mandate and New Extension Mandate

The Directors, having considered and reviewed the information and rationale for the Proposed Adoption of the New Share Issue Mandate, the New Share Buy-Back Mandate and the New Extension Mandate as set out in Sections 3 and 5 of this Circular, are of the opinion that the New Share Issue Mandate, the New Share Buy-Back Mandate and the New Extension Mandate are in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolutions relating to the Proposed Adoption of the New Share Issue Mandate, the Proposed Adoption of the New Share Buy-Back Mandate and the New Extension Mandate as set out in the Notice of EGM.

8.3. Ordinary Resolution – Proposed Amendments to the Existing LHN ESOS

As the Directors are eligible to participate in the LHN ESOS, the Directors have abstained from making any recommendation as to how independent Shareholders should vote on the ordinary resolution relating to the Proposed Amendments to the Existing LHN ESOS.

8.4. Ordinary Resolutions – Proposed Participation by Kelvin Lim and Jess Lim, being controlling shareholders of the Company, in the amended LHN ESOS

Kelvin Lim and Jess Lim are each other's SG Associate. Accordingly, each of Kelvin Lim and Jess Lim has abstained from participating in any deliberations in respect of their own (and the other's) proposed participation in the amended LHN ESOS, and has further abstained from making any recommendation as to how independent Shareholders should vote on the ordinary resolutions for the same.

The Directors (save for Kelvin Lim and Jess Lim), having considered, amongst others, the rationale for the proposed participation by Kelvin Lim and Jess Lim, being SG Controlling Shareholders of the Company, in the amended LHN ESOS as set out in Section 4.5 of this Circular, are of the opinion that their continued participation in the amended LHN ESOS is in the best interests of the Company. Accordingly, they recommend that independent Shareholders vote in favour of the ordinary resolutions in respect of the proposed participation by Kelvin Lim and Jess Lim in the amended LHN ESOS at the EGM.

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-11 of this Circular, will be held on Thursday, 23 November 2023 at 10:00 a.m. at 202 Kallang Bahru Singapore 339339 for the purpose of considering and, if thought fit, passing with or without modifications, the Proposed Resolutions set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf must complete, sign and return the Proxy Form 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 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. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM should he/she subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

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

11. DIRECTORS' RESPONSIBILITY STATEMENT

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 Resolutions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information has in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12. INSPECTION OF DOCUMENTS

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) for a period of three (3) months from the date of this Circular:

- (a) the annual report of the Company for FY2022;
- (b) the Company's circular dated 6 January 2023 (and the accompanying notice of annual general meeting of the Company) setting out the Existing Share Issue Mandate, the Existing Extension Mandate and the Existing Share Buy-Back Mandate;
- (c) the Existing LHN ESOS; and
- (d) the Constitution.

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

LETTER TO SHAREHOLDERS

13. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Circular.

14. MISCELLANEOUS

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

By order of the Board
LHN Limited
Lim Lung Tieng
*Executive Chairman,
Executive Director and
Group Managing Director*

APPENDIX A – PROPOSED AMENDMENTS TO THE EXISTING LHN ESOS RULES

LHN LIMITED

(incorporated in Singapore with limited liability)

LHN EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

This employee share option scheme shall be called the LHN Employee Share Option Scheme.

2. DEFINITIONS

2.1 In this Scheme, unless the context otherwise requires, the following expressions have the following meanings:–

“Acceptance Date”	the date upon which an offer of an Option must be accepted by the relevant Eligible Person, being a date not later than 28 days after the Offer Date;
“Adoption Date”	25 September 2017, being the date of conditional adoption of the Scheme by the Shareholders subject to the conditions set out in Paragraph 4.1 being fulfilled;
“Allotment Date”	the date on which Shares are allotted to a Grantee (or his legal personal representatives) pursuant to the Option granted and exercised hereunder;
“associate(s)”	shall have the same meaning ascribed to it under the HK Listing Rules and/or the Catalist Mainboard Rules;
“Auditors”	the auditors appointed by the Company;
“Bankruptcy Act”	the Bankruptcy Act (Chapter 20) of Singapore as amended from time to time;
“Bankruptcy Ordinance”	the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) as amended from time to time;
“Board”	the board of directors of the Company;
“Business Day”	any day on which the Stock Exchange and the SGX-ST are open for the business of dealing in securities;
“Catalist Rules”	the SGX-ST Listing Manual Section B: Rules of Catalist as amended, modified or supplemented from time to time;
“close associate(s)”	shall have the same meaning ascribed to it under the HK Listing Rules;

APPENDIX A – PROPOSED AMENDMENTS TO THE EXISTING LHN ESOS RULES

“Commencement Date”	in respect of any particular Option, the Business Day on which the Option is deemed to be granted and accepted in accordance with Paragraph 6.6 of the Scheme;
“Committee”	the remuneration committee of the Company;
“Companies Act”	the Companies Act (Chapter 50) <u>1967</u> of Singapore as amended from time to time;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time;
“Company”	LHN Limited, a limited liability company incorporated in Singapore;
“Constitution”	the constitution of the Company as amended from time to time;
“connected person(s)”	shall have the same meaning ascribed to it under the HK Listing Rules;
“core connected person(s)”	shall have the same meaning ascribed to it under the HK Listing Rules;
“Culpable Termination”	termination of the employment of an Employee on the grounds that he has been guilty of serious misconduct, or there exists grounds allowing his summary dismissal under his employment contract or under common law, or he is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance or any other applicable law, or he has become otherwise insolvent or has made any arrangement or composition with his creditors generally, or he has been convicted of any criminal offence involving his integrity or honesty;
“Directors”	directors of the Company;
“Eligible Person”	Means any of the following persons: (a) Employees; and (b) Group Non-Executive Directors;
“Employee”	any full-time employee of any member of the Group;

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“Expiry Date”	in respect of an Option, such date of the expiry of the Option as the Committee may in its absolute discretion determine and which shall not exceed 10 years from the Commencement Date but subject to the provisions for early termination thereof contained herein;
“financial year”	a year or other period for which the Company’s accounts are made up;
“Grantee”	any Eligible Person who accepts the offer of the grant of an Option in accordance with the terms of the Scheme or (in the case of an Eligible Person being an individual and where the context so permits) the legal personal representative(s) entitled to any such Option in consequence of the death or permanent disability of the Eligible Person;
“Group”	the Company and its subsidiaries;
“Group Executive Director”	a director of the Company and/or any of its Subsidiaries, as the case may be, who performs an executive function;
“Group Non-Executive Director”	A director of the Company and/or any of its Subsidiaries, as the case may be, other than an Executive Director;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, modified or supplemented from time to time;
<u>“IRDA”</u>	<u>the Insolvency, Restructuring and Dissolution Act 2018 of Singapore as amended from time to time;</u>
<u>“Mainboard”</u>	<u>the mainboard of the SGX-ST</u>
<u>“Mainboard Rules”</u>	<u>the rules of the SGX-ST Listing Manual applicable to issuers listed on the Mainboard, as amended, modified or supplemented from time to time;</u>
“Non-Executive Director Retirement”	the retirement of a non-executive Director of the Company who retires pursuant to the Company’s Constitution and who notifies the Company that he is not offering himself for re-election at the Company’s annual general meeting;
“Offer Date”	the date of the Committee resolution approving the grant of Options, which must be a Business Day;

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“Option”	an option to subscribe for Shares granted pursuant to the Scheme and for the time being subsisting;
“Option Period”	in respect of an Option, the period commencing after the first anniversary of the Commencement Date and expiring on the Expiry Date for such Option;
“Option Shares”	Shares to which any particular Option relates;
“PRC”	the People’s Republic of China;
“Scheme”	this LHN Employee Share Option Scheme, the rules of which are set out in this document in its present or any amended form;
“SGX-ST”	the Singapore Exchange Securities Trading Limited;
“Shareholders”	shareholders of the Company;
“Shares”	ordinary shares of the Company, or, if there has been a sub-division, consolidation, reclassification of or reconstruction of the share capital of the Company, shares forming part of the ordinary share capital of the Company;
“Singapore”	the Republic of Singapore;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the Scheme;
“Subsidiary”	a subsidiary (within the meaning of both the Companies Ordinance and the Companies Act) of the Company from time to time;
“substantial shareholder”	shall have the same meaning ascribed to it under the HK Listing Rules;
“Underwriting Agreement(s)”	the underwriting agreement(s) to be entered into, among others, the Company and the underwriters relating to the proposed initial public offering of the Company;
“HK\$”	Hong Kong dollars;
“S\$”	Singapore dollars.

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2.2 Paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of the Scheme. References to Paragraphs are to paragraphs of the Scheme. Unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include bodies corporate or unincorporated.

3. PURPOSE OF THE SCHEME AND ELIGIBILITY

3.1 The purpose of the Scheme is to give the Eligible Persons an opportunity to have a personal stake in the Company and help motivate Eligible Persons to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

3.2 Subject to the terms of the Scheme, the Committee shall be entitled at any time during the life of the Scheme to offer the grant of any Option to any Eligible Person as the Committee may in its absolute discretion select.

3.3 Eligible Persons who are controlling shareholders (as defined in the ~~Catalist~~ **Mainboard** Rules) and their associates (as defined in the ~~Catalist~~ **Mainboard** Rules) shall be eligible to participate in the Scheme provided that:

- (a) their participation; and
- (b) the actual number and terms of any Options to be granted to them,

have been approved in separate resolutions by independent Shareholders in a general meeting in respect of each such person, provided always that it shall not be necessary to obtain the approval of independent Shareholders for the participation in the Scheme of a controlling shareholder (as defined in the ~~Catalist~~ **Mainboard** Rules) or his associate (as defined in the ~~Catalist~~ **Mainboard** Rules) who is, at the relevant time, already a participant.

3.4 Subject to the Companies Act, the ~~Catalist~~ **Mainboard** Rules and the HK Listing Rules, the basis of eligibility shall be determined by the Committee from time to time.

4. CONDITIONS PRECEDENT

4.1 The Scheme shall come into effect on the date on which the following conditions are fulfilled:

- (a) the approval of Shareholders for the adoption of the Scheme;
- (b) the approval of the Stock Exchange and the SGX-ST for the listing of and permission to deal in, the Shares (representing the initial Scheme Mandate Limit (as defined in Paragraph 9.1)) to be allotted and issued pursuant to the exercise of the Options in accordance with the terms and conditions of the Scheme;
- (c) the commencement of dealing in the Shares on the Stock Exchange; and

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- (d) the obligations of the underwriters under the Underwriting Agreement(s) becoming unconditional and not being terminated in accordance with the terms thereof or otherwise.
- 4.2 If the permission referred to in Paragraph 4.1(b) is not granted within two calendar months after the Adoption Date:
- (i) the Scheme will forthwith terminate;
 - (ii) any Option granted or agreed to be granted pursuant to the Scheme and any offer of such a grant shall be of no effect;
 - (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Scheme or any Option; and
 - (iv) the Board may further discuss and devise another employee share option scheme for adoption by the Company.

5. DURATION AND ADMINISTRATION

- 5.1 Subject to the fulfilment of the conditions to Paragraph 4 and the termination provisions to Paragraph 14, the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, provided always that the Scheme may continue for a further period of 10 years with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. Upon the expiry of the Scheme as aforesaid, no further Options will be offered but the provisions of the Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Scheme.
- 5.2 The Scheme shall be subject to the administration of the Committee whose decision on all matters arising in relation to the Scheme or its interpretation or effect shall (save as otherwise provided in the Scheme) be final and binding on all parties. The Committee shall not be required to furnish any reasons for any decision or determination made by it.
- 5.3 An Eligible Person who is a member of the Committee shall not be involved in its deliberations in respect of any Option to be granted to him.
- 5.4 Neither the Scheme nor the grant of Options under the Scheme shall impose on the Company or the Committee (or any of its members) any liability whatsoever in connection with:
- (a) the lapsing or early expiry of any Options pursuant to any provision of the Scheme;
 - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Scheme; and/or
 - (c) any decision or determination of the Committee made pursuant to any provision of the Scheme.

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6. GRANT OF OPTIONS

- 6.1 Subject to the terms of the Scheme, the Committee shall be entitled at any time within 10 years from the Adoption Date to offer the grant of an Option to any Eligible Person as the Committee may in its absolute discretion select to subscribe at the Subscription Price for such number of Shares as the Committee may (subject to Paragraph 9) determine (provided the same shall be an integral multiple of the respective board lot sizes for dealing in the Shares on the Stock Exchange and the SGX-ST) provided that:
- (a) no Options shall be granted under this Scheme after the termination of the Scheme in accordance with Paragraph 14;
 - (b) no Options shall be granted if the Company would be required to issue a prospectus or offer document in respect of such grant under relevant laws or regulations applicable to the Company;
 - (c) no Options shall be granted if the grant would result in a breach by the Company or its Directors of relevant laws or regulations (including those relating to securities); and
 - (d) any Option, once issued, shall not be reissued under the Scheme.
- 6.2 Subject to the provisions of the HK Listing Rules and the ~~Catalist~~ **Mainboard** Rules, the Committee may in its absolute discretion when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Scheme as the Committee may think fit (to be stated in the letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Company and/or the Eligible Person, the satisfactory performance or maintenance by the Eligible Person of certain conditions or obligations or the time or period when the right to exercise the Option in respect of all or some of the Option Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of this Scheme. For the avoidance of doubt, subject to such terms and conditions as the Committee may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise), there is no performance target which need to be achieved by the Eligible Person before the Option can be exercised.
- 6.3 Subject to Paragraph 9 below, but only insofar as and for so long as the HK Listing Rules require, where any offer of an Option is proposed to be made to a Director, chief executive or a substantial shareholder of the Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors of the Company (excluding the independent non-executive Director who or whose associates is the grantee of an Option).

Where any grant of Options to ~~a substantial shareholder or an independent non-executive Director~~ **or a substantial shareholder** of the Company, or any of their respective associates, would result in the ~~securities~~ **shares** issued and to be issued ~~upon exercise~~ **in respect** of all Options already granted **(excluding any Option lapsed in accordance with**

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the terms of the Scheme) and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the relevant class of securities shares in issue; and
- (b) (where the securities are listed on the Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by Shareholders. The Company shall send a circular to the Shareholders. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

Approval from the Shareholders is required for any change in the terms of Options granted to a participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

6.4 The Committee shall not offer the grant of an Option to any Eligible Person:

- (a) after inside information has come to its knowledge until such inside information has been announced pursuant to the requirements of the HK Listing Rules and the Catalist Mainboard Rules; or
- (b) during the period commencing one month immediately preceding the earlier of:
 - (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the HK Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the HK Listing Rules);
 - (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the HK Listing Rules, or quarterly or any other interim period (whether or not required under the HK Listing Rules); and
 - (iii) the deadline for the Company to publish an announcement of its results for any interim or full year period under the Catalist Mainboard Rules or any other interim period (whether or not required under the Catalist Mainboard Rules);

and ending on the date of the latest results announcement published on either the website of the Stock Exchange or the SGXNET in respect of the relevant financial period.

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- 6.5 If in accordance with Paragraph 6.1 the Committee determines to offer the grant of an Option to an Eligible Person, the Committee shall forward to the relevant Eligible Person an offer letter specifying:
- (i) the Eligible Person's name, address and occupation;
 - (ii) the Offer Date;
 - (iii) the Acceptance Date;
 - (iv) the number of Shares in respect of which the Option is offered;
 - (v) the Subscription Price and the manner of payment of the Subscription Price of the Shares on and in consequence of the exercise of the Option;
 - (vi) how the Expiry Date in relation to that Option is ascertained;
 - (vii) the method of acceptance of the Option which shall, unless the Committee otherwise determines, be as set out in Paragraph 6.6;
 - (viii) the method of exercise of the Option which shall, unless the Committee otherwise determines, be as set out in Paragraph 8.1; and
 - (ix) such other terms and conditions relating to the offer of the Option which in the opinion of the Committee are fair and reasonable but not inconsistent with the rules and procedures applicable to the Scheme,
- and requiring the Eligible Person to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Scheme.
- 6.6 An offer of the grant of an Option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the Offer Date provided that no such grant of an Option may be accepted after the expiry of the effective period of the Scheme stated in Paragraph 5.1. An Option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 or S\$1.00 (as the case may be) by way of consideration for the grant thereof is received by the Company on or before the Acceptance Date. Such remittance shall in no circumstances be refundable.
- 6.7 Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of board lots for dealing in Shares on the Stock Exchange and the SGX-ST respectively or an integral multiple thereof and such number is clearly stated in the duplicate offer letter comprising acceptance of the offer of the Option in the manner as set out in Paragraph 6.6 above. To the extent that the offer of the grant of an Option is not accepted by the Acceptance Date, it will be deemed to have been irrevocably declined.

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6.8 In the event that the grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null, void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.

7. SUBSCRIPTION PRICE

7.1 The Subscription Price in respect of any particular Option shall be such price as the Committee may in its absolute discretion determine at the time of offer of the grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but the Subscription Price shall not be less than whichever is the highest of:

- (a) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet or as published by the SGX-ST on the Offer Date (whichever is higher); and
- (b) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets or as published by the SGX-ST for the five Business Days immediately preceding the Offer Date (whichever is higher).

8. EXERCISE OF OPTIONS

8.1 An Option shall be exercised in whole or in part (but if in part only, in respect of a board lot for dealing in the Shares on the Stock Exchange or the SGX-ST, as the case may be, or any integral multiple thereof) within the Option Period in the manner as set out in Paragraphs 8.3 and 8.4 by the Grantee (or his legal personal representative(s)) by giving notice in writing to the Company stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and, where appropriate, receipt of the Auditors' certificate pursuant to Paragraph 13, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or his legal personal representative(s)) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the Grantee (or his legal personal representative(s)) share certificate(s) in respect of the Shares so allotted.

8.2 The exercise of any Option ~~may~~shall be subject to a vesting schedule ~~to be determined by the Committee in its absolute discretion, which shall be specified in the offer letter as mentioned in Paragraph 6.5~~period of 1 year.

8.3 Subject as hereinafter provided and subject to the terms and conditions upon which the Option was granted, an Option may be exercised by the Grantee at any time during the Option Period, provided that:

- (a) in the event that the Grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full) and none of the events for termination of employment or engagement under Paragraph 8.3(e) exists with respect to such Grantee, he (or his legal personal representative(s)) may exercise the Option up to the Grantee's entitlement immediately prior to the death or permanent disability (to the extent not already exercised) within a period of 12 months following his death or permanent disability or such longer period as the Committee may determine;

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- (b) in the event that the Grantee ceases to be an Employee by reason of his retirement pursuant to such retirement scheme applicable to the Group at the relevant time and none of the events for termination of employment or engagement under Paragraph 8.3(e) exists with respect to such Grantee, his Option (to the extent not already exercised) shall be exercisable up to the Grantee's entitlement immediately prior to his retirement until the expiry of the relevant Option Period;
- (c) in the event that the Grantee ceases to be an Employee by reason of his transfer of employment to a member of the Group, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option Period unless the Committee in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Committee has determined;
- (d) in the event that the Grantee ceases to be an Employee for any reason (including his employing company ceasing to be a member of the Group) other than his death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group at the relevant time or the transfer of his employment to a member of the Group or the termination of his employment with the relevant member of the Group by resignation or Culpable Termination, the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Committee otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Committee may in its absolute discretion determine following the date of such cessation;
- (e) in the event that the Grantee ceases to be an Employee by reason of the termination of his employment by resignation or Culpable Termination, the Option (to the extent not already exercised) shall lapse on the date on which the notice of termination is served (in the case of resignation) or the date on which the Grantee is notified of the termination of his employment (in the case of Culpable Termination) and not be exercisable unless the Committee otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Committee may in its absolute discretion determine following the date of such service or notification. A resolution of the Committee resolving that the Employee's Option has lapsed pursuant to this Paragraph 8.3(e) shall be final and conclusive;
- (f) if a Grantee being:
 - (i) a Group Executive Director ceases to be an Employee but remains a Group Non-Executive Director, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option Period unless the Committee in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Committee has determined; or

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- (ii) a Group Non-Executive Director ceases to be a director:
 - (1) by reason of Non-Executive Director Retirement, his Option (to the extent not already exercised) shall be exercisable up to the Grantee's entitlement immediately prior to his retirement until the expiry of the relevant Option Period unless the Committee in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Committee has determined; or
 - (2) for reasons other than Non-Executive Director Retirement, his Option (to the extent not already exercised) shall lapse on the date of cessation of such appointment and not be exercisable unless the Committee otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Committee may in its absolute discretion determine following the date of such cessation;

(g) if:

- (i) the Committee in its absolute discretion at any time determines that a Grantee has ceased to be an Eligible Person; or
- (ii) a Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions that may be attached to the grant of the Option or which were the basis on which the Option was granted,

the Option (to the extent not already exercised) shall lapse on the date on which the Grantee is notified thereof (in the case of (i)) or on the date on which the Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions as aforesaid (in the case of (ii)) and not be exercisable unless the Committee otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the determination of the Committee (in the case of (i)) or the failure of the Grantee to satisfy or comply with the criteria or terms and conditions attached to the grant of the Option or which were the basis on which the Option was granted (in the case of (ii)) within such period as the Committee may in its absolute discretion determine following the date of such notification or the date of such failure, non-satisfaction or non-compliance. In the case of (i), a resolution of the Committee resolving that the Grantee's Option has lapsed pursuant to this Paragraph 8.3(g) shall be final and conclusive;

(h) if a Grantee (being an individual):

- (i) is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance, the ~~Bankruptcy Act~~ **IRDA** or any other applicable law or has otherwise become insolvent; or
- (ii) has made any arrangement or composition with his creditors generally; or
- (iii) has been convicted of any criminal offence involving his integrity or honesty; or
- (iv) commits, or his associate commits, a breach of any contract entered into between the Grantee or his associate and any member of the Group,

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the Option (to the extent not already exercised) shall lapse on the date on which he is deemed unable or to have no reasonable prospects of being able to pay his debts as aforesaid or on the date on which a petition for bankruptcy has been presented in any jurisdiction or on the date on which he enters into the said arrangement or composition with his creditors or on the date of his conviction or on the date of the said breach of contract (as the case may be) and not be exercisable unless the Committee otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the occurrence of any of the event(s) mentioned in paragraphs (i) to (iv) of the Paragraph within such period as the Committee may in its absolute discretion determine following the date of such occurrence. A resolution of the Committee resolving that the Grantee's Option has lapsed pursuant to this Paragraph 8.3(i) for breach of contract as aforesaid shall be final and conclusive;

- (i) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of Shareholders (in the case of a scheme of arrangement), the Grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by the Company;

- (j) if a compromise or arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall give notice thereof to the Grantees who have Options unexercised at the same time as it despatches notices to all members or creditors of the Company summoning the meeting to consider such a compromise or arrangement and thereupon each Grantee (or his legal personal representatives or receiver) may until the expiry of the earlier of:
 - (i) the Option Period;
 - (ii) the period of two months from the date of such notice; or
 - (iii) the date on which such compromise or arrangement is sanctioned by the court,

exercise in whole or in part his Option. Except insofar as exercised in accordance with this Paragraph 8.3(k), all Options outstanding at the expiry of the relevant period referred to in this Paragraph 8.3(k) shall lapse. The Company may thereafter require each Grantee to transfer or otherwise deal with the Shares issued on exercise of the Option to place the Grantee in the same position as would have been the case had such Shares been the subject of such compromise or arrangement; and

- (k) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than five Business

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Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

- 8.4 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Constitution (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the Company) and the laws of Singapore from time to time and shall rank pari passu in all respects with the then existing fully paid Shares in issue commencing from (i) the Allotment Date or, (ii) if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members.

Accordingly, it will entitle the holders to participate in all dividends or other distributions paid or made on or after (i) the Allotment Date or, (ii) if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Allotment Date.

- 8.5 A Share issued upon the exercise of an Option shall not carry rights until the registration of the Grantee (or any other person) as the holder thereof.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 9.1 The maximum number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and any other schemes of the Group shall not in aggregate exceed 10 per cent. of the Shares in issue as at the date of listing of the Shares on the Main Board of the Stock Exchange (the “**Scheme Mandate Limit**”) provided that:

- (a) the Company may at any time as the Board may think fit seek approval from Shareholders to refresh the Scheme Mandate Limit, save that the maximum number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and any other schemes of the Company shall not exceed 10 per cent. of the Shares in issue as at the date of approval by the Shareholders in general meeting where the Scheme Mandate Limit is refreshed. Options previously granted under the Scheme and any other schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Scheme or any other schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. The Company shall send to Shareholders a circular containing the details and information required under the HK Listing Rules and/or the ~~Catalist~~ Mainboard Rules; and
- (b) the Company may seek separate approval from its Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit, provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Person specified by the Company before such approval is obtained. The Company shall issue a circular to its Shareholders containing the details and information required under the HK Listing Rules and/or the ~~Catalist~~ Mainboard Rules.

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9.2 Notwithstanding Paragraph 9.1(a), the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Scheme and any other schemes of the Group shall not exceed ~~30~~**15** per cent. of the Shares in issue from time to time. No Options may be granted under the Scheme and any other share option scheme of the Company if this will result in such limit being exceeded. **For the purposes of determining the maximum entitlement for each class or category of Eligible Persons and the maximum entitlement for any Eligible Person under the Scheme pursuant to which Options may be offered:**

- (a) **the aggregate number of Shares issued and which may be issued upon exercise of Options granted to the controlling shareholders (as defined in the Mainboard Rules) and their associates must not exceed 25 per cent. of the Shares available under the Scheme;**
- (b) **the number of Shares issued and which may be issued upon exercise of Options granted to each controlling shareholders (as defined in the Mainboard Rules) or any of their associates must not exceed 10 per cent. of the Shares available under the Scheme; and**
- (c) **the aggregate number of Shares issued and which may be issued upon exercise of Options granted to directors and employees of the Company's subsidiaries must not exceed 20 per cent. of the Shares available under the Scheme,**

and will be further subject to the limits as stipulated under any applicable Mainboard Rules (including Mainboard Rule 845) and the HK Listing Rules (if any), as amended, modified or supplemented from time to time.

9.3 **Subject to Paragraph 9.2 above, the** The maximum number of Shares issued and to be issued upon exercise of the Options **and any awards** granted to any one Eligible Person (including exercised and outstanding Options, **excluding any Options and awards lapsed in accordance with the terms of the Scheme or other relevant scheme**) in any 12-month period shall not exceed 1 per cent. of the Shares in issue from time to time. Where any further grant of Options to such an Eligible Person would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent. of the Shares in issue, such further grant shall be separately approved by the Shareholders in general meeting with such Eligible Person and his close associates (or his associates if such Eligible Person is a connected person) abstaining from voting. The Company shall send a circular to its Shareholders disclosing the identity of the Eligible Person, the number and terms of the Options to be granted (and Options previously granted) to such Eligible Person, and containing the details and information required under the HK Listing Rules and/or ~~Catalist~~ **Mainboard** Rules. The number and terms (including the Subscription Price) of the Options to be granted to such Eligible Person must be fixed before the approval of the Shareholders and the date of the Committee meeting or resolution proposing such grant shall be taken as the Offer Date for the purpose of calculating the Subscription Price of those Options.

APPENDIX A – PROPOSED AMENDMENTS TO THE EXISTING LHN ESOS RULES

9.4 The maximum numbers set out in Paragraphs 9.1 to 9.3 above shall be adjusted, in such manner as the Auditors shall certify in writing to the Board to be fair and reasonable in the event of any alteration to the capital structure of the Company in accordance with Paragraph 13 below whether by way of capitalisation of profits or reserves, open offer, rights issue, consolidation, reclassification, reconstruction, subdivision or reduction of the share capital of the Company but shall not in any event exceed the limits imposed by the HK Listing Rules or the ~~Catalist~~ **Mainboard** Rules. Any such adjustment shall give the Eligible Persons the same proportion of equity capital as they were previously entitled to. In respect of any such adjustments, other than any made on a capitalisation issue, the Auditors shall confirm to the Board in writing that the adjustments satisfy this requirement.

10. TRANSFERABILITY OF OPTIONS

10.1 An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to the Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

11. LAPSE OF OPTION

11.1 An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of any of the period referred to Paragraph 8.3;
- (c) subject to Paragraph 8.3(l), the date of the commencement of the winding-up of the Company;
- (d) there is an unsatisfied judgement, order or award outstanding against the Grantee or the Committee has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his/its debts; or
- (e) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in Paragraphs 8.3(h) or 11.1(d).

No compensation shall be payable upon the lapse of any Option, provided that the Committee shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.

APPENDIX A – PROPOSED AMENDMENTS TO THE EXISTING LHN ESOS RULES

12. CANCELLATION OF OPTIONS

- 12.1 The Committee shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the Grantee stating that such Option is thereby cancelled with effect from the date specified in such notice (the “**Cancellation Date**”):
- (a) the Grantee commits or permits or attempts to commit or permit a breach of Paragraph 10.1 or any terms or conditions attached to the grant of the Option;
 - (b) the Grantee makes a written request to the Committee for the Option to be cancelled;
or
 - (c) if the Grantee has, in the opinion of the Committee, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of the Company or a Subsidiary.
- 12.2 The Option shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the Option which has not been exercised as at the Cancellation Date. No compensation shall be payable upon any such cancellation, provided that the Committee shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.

13. REORGANISATION OF CAPITAL STRUCTURE

- 13.1 In the event of any alteration to the capital structure of the Company while any Option remains outstanding, whether by way of capitalisation of profits or reserves, open offer, rights issue, consolidation, distribution, reclassification, reconstruction, sub-division or reduction of the share capital of the Company, the Committee may, if it considers the same to be appropriate, direct that adjustments be made to:
- (a) the maximum number of shares subject to the Scheme;
 - (b) the class and/or aggregate number of shares subject to the Option so far as unexercised;
 - (c) the Subscription Price of each outstanding Option; and/or
 - (d) the class and/or number of shares in respect of which additional Options may be granted,

provided that:

- (a) any such adjustments shall give the Eligible Persons the same proportion of equity capital as they were previously entitled to. In respect of any such adjustments, other than any made on a capitalisation issue, the Auditors shall confirm to the Committee in writing that the adjustments satisfy this requirement;
- (b) any such adjustments shall be made on the basis that the aggregate Subscription Price payable by the Grantee on the full exercise of any Option shall remain as nearly as practicable the same as (but shall not be greater than) it was before such event;

APPENDIX A – PROPOSED AMENDMENTS TO THE EXISTING LHN ESOS RULES

- (c) no such adjustments shall be made if as a result, a participant receives a benefit that a Shareholder does not receive; and
- (d) any such adjustments shall be made in accordance with the provisions as stipulated under Chapter 17 of the HK Listing Rules and any applicable ~~Catalist~~ **Mainboard** Rules and supplementary guidance on the interpretation of the HK Listing Rules and ~~Catalist~~ **Mainboard** Rules issued by the Stock Exchange and SGX-ST from time to time.

Any adjustment (other than an adjustment arising from a capitalisation issue) must be certified in writing by the Auditors to the Committee to be in their opinion fair and reasonable. The capacity of the Auditors in Paragraph 13.1 is that of experts and not arbitrators and their certification shall be final and binding on the Company and the Grantees in the absence of manifest error. The costs of the Auditors shall be borne by the Company.

13.2 The following (whether singly or in combination) shall not be regarded as events requiring adjustments unless the Committee considers an adjustment to be appropriate pursuant to Paragraph 13.1 above:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the issue of Shares upon the exercise of any options or conversion of any convertible securities issued by the Company; or
- (c) the cancellation of issued Shares purchased by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST or the Stock Exchange during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force.

13.3 If there has been any alteration in the capital structure of the Company as referred to in Paragraph 13, the Company shall, upon receipt of a notice from the Grantee in accordance with Paragraph 8.1, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the Auditors obtained by the Company for such purpose, or if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors to issue a certificate in that regard in accordance with Paragraph 13.

14. TERMINATION

14.1 The Scheme may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required. Upon termination of the Scheme as aforesaid, no further Options shall be offered but the provisions of the Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Scheme.

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15. ALTERATION OF THE SCHEME

15.1 Subject to Paragraph 15.2, the Scheme may be altered in any respect by a resolution of the Committee.

15.2 The following shall not be carried out except with the prior sanction of an ordinary resolution of the Shareholders in general meeting:

- (a) any material alteration to its terms and conditions or any change to the terms of Options granted (except where the alterations take effect under the existing terms of the Scheme);
- (b) any alteration to the provisions of the Scheme in relation to the matters set out in (i) Rule 17.03 of the HK Listing Rules, or (ii) Rules ~~843-844~~ to ~~848-849~~ and Rules ~~852-853~~ to ~~853-854~~ of the ~~Catalist-~~**Mainboard** Rules, to the advantage of participants;
- (c) any change to the authority of the Committee to administer the day-to-day running of the Scheme; and
- (d) any alteration to Paragraph 15,

provided always that the amended terms of the Scheme shall comply with the applicable requirements of the HK Listing Rules and the ~~Catalist-~~**Mainboard** Rules.

15.3 **Notwithstanding anything to the contrary provided in Paragraph 15.2, the Committee may at any time by resolution (and, unless otherwise required by applicable laws, without other formality except for the prior approval of the SGX-ST and/or the Stock Exchange, if necessary) alter the Scheme in any way to the extent necessary to cause the Scheme to comply with requirements under the HK Listing Rules, the Mainboard Rules and all other applicable laws, as well as any requirements of any regulatory or other relevant authority or body (including the SGX-ST and the Stock Exchange).**

16. REQUIRED DISCLOSURES

The Company shall, for so long as the Scheme continues in operation, make disclosures as required under the HK Listing Rules, the ~~Catalist-~~**Mainboard** Rules and all other applicable laws and requirements, **including but not limited to the following disclosure in its annual report (to the extent that such disclosure is required by the relevant Mainboard Rules from time to time):**

- (a) **the names of the members of the Committee;**
- (b) **the information required in the table below for the following Eligible Persons:**
 - (i) **Directors of the Company;**
 - (ii) **Eligible Persons who are controlling shareholders of the Company and their associates; and**

APPENDIX A – PROPOSED AMENDMENTS TO THE EXISTING LHN ESOS RULES

- (iii) Eligible Persons, other than those in sub-paragraph (i) and (ii) above, who receive 5 per cent. or more of the total number of Options available under the Scheme;

<u>Name of Eligible Person</u>	<u>Options granted during financial year under review (including terms)</u>	<u>Aggregate Options granted since commencement of Scheme to end of financial year under review</u>	<u>Aggregate Options exercised since commencement of Scheme to end of financial year under review</u>	<u>Aggregate Options outstanding as at end of financial year under review</u>
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- (c) the names of and number and terms of Options granted to each director or employee of the Company's subsidiaries who receives 5 per cent. or more of the total number of Options available to all directors and employees of the Company's subsidiaries under the Scheme, during the financial year under review;
- (d) the aggregate number of Options granted to the directors and employees of the Company's subsidiaries for the financial year under review, and since the commencement of the Scheme to the end of the financial year under review;
- (e) the number and proportion of Options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted,

and such other information as may be required by the Mainboard Rules, provided that if any of the above requirements are not applicable, an appropriate negative statement will be included in the annual report. For the avoidance of doubt, in the event of any modifications or amendments to such disclosure requirements under the HK Listing Rules and the Mainboard Rules, the Company shall comply with such modified or amended requirements of the HK Listing Rules and the Mainboard Rules applicable at such time.

17. DISPUTES

- 17.1 Any dispute arising in connection with the Scheme (whether as to the number of Shares the subject of an Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and conclusive and binding on all persons who may be affected thereby.

18. MISCELLANEOUS

- 18.1 The Company shall bear the costs of establishing and administering the Scheme (including the costs of the Auditors).
- 18.2 A Grantee shall be entitled to inspect copies of all notices and other documents sent by the Company to its members at the same time or within a reasonable time of such notices or documents being sent, which shall be made available to him during normal office hours at the principal office of the Company in Singapore and Hong Kong.

APPENDIX A – PROPOSED AMENDMENTS TO THE EXISTING LHN ESOS RULES

- 18.3 Any notices, documents or other communication between the Company and a Grantee shall be in writing and may be sent by prepaid post or by personal delivery to, in the case of the Company, its principal office in Singapore and, in the case of the Grantee, his address in Singapore as notified to the Company from time to time.
- 18.4 Any notice or other communication served:
- (a) by the Company shall be deemed to have been served 24 hours after the same was put in the post or if delivered by hand, when delivered; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 18.5 All allotments and issues of Shares pursuant to the Scheme shall be subject to any necessary consents or approval under the relevant laws, enactments or regulations for the time being in force in Singapore or elsewhere and a Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of his Option. By accepting an Offer or exercising his Option, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents. A Grantee shall indemnify the Company fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of the Grantee to obtain any necessary consent or to pay tax or other liabilities referred therein. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme.
- 18.6 A Grantee shall pay all taxes and discharge all other liabilities to which he may become subject as a result of his participation in the Scheme or the exercise of any Option.
- 18.7 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 18.8 The Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any participant and the rights and obligations of any participant under the terms of his office or employment shall not be affected by his participation in it and the Scheme shall afford such a participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 19. GOVERNING LAW**
- 19.1 The Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

APPENDIX B – PROPOSED ADOPTION OF THE NEW SHARE BUY-BACK MANDATE

1. BACKGROUND

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the Constitution. Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act.

The Company is currently listed on Catalist and the Main Board of the SEHK. Following the Proposed Transfer, the Company will be dual-listed on the Mainboard and the Main Board of the SEHK. Accordingly, such purchase or acquisition shall comply with the Companies Act, Mainboard Rules, HK Listing Rules, SFO and such other laws and regulations as may for the time being be applicable.

Subject to Shareholders' approval to be obtained at the EGM in respect of the Proposed Transfer, the Company will be listed on the Mainboard and is therefore required to comply with Part XIII of Chapter 8 of the Mainboard Rules, which relates to the purchase or acquisition by an issuer of its own shares. Regulation 50(2) of the Constitution expressly permits the Company to purchase its issued Shares. It is a requirement under the Companies Act and the Mainboard Rules that a company which wishes to purchase or otherwise acquire its own shares should obtain approval of its shareholders to do so at a general meeting.

The HK Listing Rules permit companies whose primary listing is on the SEHK to repurchase their shares on the SEHK and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the SFC and the SEHK subject to certain restrictions. Among such restrictions, the HK Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. RATIONALE FOR THE NEW SHARE BUY-BACK MANDATE

The New Share Buy-Back Mandate will give the Directors the flexibility to purchase or acquire the Shares of the Company if and when circumstances permit, subject to market conditions.

The Directors believe that Share buy-backs provide the Company and its Directors a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to lead to enhancing the earnings per Share ("**EPS**") and/or net asset value ("**NAV**") per Share. The Directors believe that a Share buy-back by the Company will also help the Company mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence. Further, Share buy-backs will allow management to effectively manage and minimise the dilution impact, if any, that may be associated with any share-based incentive scheme of the Company.

If and when circumstances permit, the Directors will decide whether to effect the Share purchases via on-market purchases or off-market purchases, after taking into account the

APPENDIX B – PROPOSED ADOPTION OF THE NEW SHARE BUY-BACK MANDATE

amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

Shareholders should note that purchases or acquisitions of Shares pursuant to the New Share Buy-Back Mandate will only be made when the Directors believe that such purchases or acquisitions would be made in circumstances which would not have a material adverse effect on the financial position of the Company or the Group as a whole and when the Directors believe that such purchases or acquisitions would benefit the Company and its Shareholders.

3. TERMS OF THE NEW SHARE BUY-BACK MANDATE

The authority and limitations placed on purchases and acquisitions of Shares by the Company under the New Share Buy-Back Mandate are summarised below:

3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company pursuant to the New Share Buy-Back Mandate during the Relevant Period is limited to that number of Shares representing not more than 10% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings), as at the date of the EGM at which the Proposed Adoption of the New Share Buy-Back Mandate is approved (the “**Approval Date**”), unless the Company has effected a reduction of the share capital by a special resolution of the Company in accordance under Section 78C of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered by the special resolution of the Company or by the order of the court or the case may be. As at the Latest Practicable Date, the Company does not hold any subsidiary holdings.

Based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 408,945,400 Shares, and assuming that no further Shares are issued on or prior to the EGM, not more than 40,894,540 Shares (representing 10% of the issued and paid-up share capital of the Company as at the date of the EGM) may be purchased or acquired by the Company pursuant to the New Share Buy-Back Mandate for the duration referred to in Section 3.2 of this **Appendix B**.

3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

- (a) the conclusion of the next annual general meeting of the Company or the date by which such annual general meeting of the Company is required by the applicable law in Singapore or the Constitution to be held;
 - (b) the date on which the buy-back of the Shares is carried out to the full extent mandated;
- or

APPENDIX B – PROPOSED ADOPTION OF THE NEW SHARE BUY-BACK MANDATE

- (c) the date on which the authority conferred in the New Share Buy-Back Mandate is varied or revoked by the Shareholders in a general meeting of the Company.

The New Share Buy-Back Mandate, if adopted, may be renewed at each annual general meeting of the Company or any other general meeting of the Company.

3.3 Manner of Purchase of Shares

Purchases of Shares may be made by way of:

- (a) on-market purchases (“**Market Purchases**”), transacted on the SGX-ST (for shares listed on SGX-ST) or SEHK (for shares listed on the SEHK) through the ready market and which may be transacted through one or more duly licensed stockbrokers in Singapore (for Shares listed on SGX-ST) or in Hong Kong (for Shares listed on the SEHK) appointed by the Company for the purpose; and/or
- (b) off-market purchases (“**Off-Market Purchases**”) (if effected otherwise than on the SGX-ST or SEHK) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act.

Pursuant to the Companies Act, an Off-Market Purchase must satisfy all of the following conditions:

- (a) offer for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Mainboard Rules provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share buy-back;

APPENDIX B – PROPOSED ADOPTION OF THE NEW SHARE BUY-BACK MANDATE

- (d) the consequences, if any, of Share buy-backs by the Company that will arise under the SG Take-over Code or other applicable take-over rules;
- (e) whether the Share buy-back, if made, would have any effect on the listing of the Shares on Mainboard;
- (f) details of any Share buy-back made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases in accordance with an equal access scheme), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

In Hong Kong, companies with a primary listing of its equity securities in Hong Kong may only engage an off-market share repurchase approved in accordance with Rule 2 of the Hong Kong Code on Share Buy-Backs. According to the Hong Kong Code on Share Buy-Backs, off-market purchases must be approved by the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director before a repurchasing company purchases or acquires any shares pursuant to such share buy-backs. Such approval will normally be conditional upon, amongst others, a general meeting to be convened to consider the proposed off-market share buy-back, a circular along with the notice of meeting convening such general meeting and containing information as required under the Hong Kong Code on Share Buy-Backs, and approval of the proposed off-market share buy-back by at least three-fourths of the votes cast on a poll by disinterested shareholders in attendance in person or by proxy at such general meeting of shareholders duly convened. The repurchasing company should also comply with such other applicable requirements under the Hong Kong Code on Share Buy-Backs. Accordingly, even if the New Share Buy-Back Mandate shall have been approved by Shareholders at the EGM, the Company will still be required to, among others, convene a general meeting to seek specific approval from the Shareholders in the event it wishes to conduct an Off-Market Purchase in order to comply with the applicable requirements of the Hong Kong Code on Share Buy-Backs.

3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchase or acquisition of the Shares, must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase in accordance with an equal access scheme, 110% of the Average Closing Price (as defined hereinafter),

(the “**Maximum Price**”) in either case, excludes related expenses of the purchase or acquisition.

APPENDIX B – PROPOSED ADOPTION OF THE NEW SHARE BUY-BACK MANDATE

For the above purposes:

“Average Closing Price” means, (i) in the case of a Market Purchase made on the SGX-ST, the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded on the SGX-ST, preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action, in accordance with the Mainboard Rules, that occurs during the relevant five (5)-day period and the day on which the purchases are made; and (ii) in the case of a Market Purchase made on the SEHK, the average closing market price for the five (5) preceding trading days on which the Shares were traded on the SEHK;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“market day” means a day on which the SGX-ST or SEHK (as the case may be) is open for trading in securities.

4. STATUS OF PURCHASED SHARES AND CANCELLATION

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, as the Directors deem fit in the best interest of the Company at that time.

However, under the HK Listing Rules, Shares purchased or acquired by the Company (whether on the SEHK or otherwise) shall be automatically cancelled upon purchase or acquisition, and the Company must apply for listing of any further issues of that type of shares in the normal way. Furthermore, under the HK Listing Rules, the Company shall ensure that the documents of title of purchased or acquired shares are cancelled and destroyed as soon as reasonably practicable following settlement of any such purchase.

As such, any Share which is purchased or acquired by the Company will be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. The total number of Shares will be diminished by the number of Shares purchased or acquired by the Company. Furthermore, following the cancellation, the Company shall: (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company; (b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or (c) reduce the amount of its share capital and profits proportionately where the Shares are purchased or acquired out of both the capital and the profits of the Company, by the total amount of the purchase price paid by the Company for the Shares cancelled.

APPENDIX B – PROPOSED ADOPTION OF THE NEW SHARE BUY-BACK MANDATE

All Shares purchased or acquired by the Company will be automatically de-listed from the Mainboard (if purchased on the SGX-ST) or from the Main Board of the SEHK (if purchased on the SEHK), and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

5. SOURCE OF FUNDS FOR SHARE BUY-BACK

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase in accordance with its Constitution, and the applicable laws in Singapore. The Company may not buy Shares on the SGX-ST or the SEHK for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Mainboard Rules, the HK Listing Rules, the trading rules of the SEHK and the Companies Act. As stated in the Companies Act, the Share buy-back may be made out of the Company's profits or capital so long as the Company is solvent.

When Shares are purchased or acquired, and cancelled:

- (a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (including brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses incurred directly in the purchase or acquisition by the Company of its Shares) (the "**Purchase Price**") and the amount available for the distribution of dividends by the Company will not be reduced;
- (b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits and the amount available for distribution of dividends by the total amount of the Purchase Price; or
- (c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital, profits and the amount available for distribution of dividends proportionately by the total amount of the Purchase Price.

The Company may use internal resources and/or external borrowings to finance purchases or acquisitions of its Shares pursuant to the New Share Buy-Back Mandate. In purchasing or acquiring Shares pursuant to the New Share Buy-Back Mandate, the Directors will principally consider the availability of internal resources. In addition, the Directors will also consider the availability of external financing. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group.

The Directors do not propose to exercise the Share buy-backs in a manner and to such extent that the financial position of the Group would be materially adversely affected. The purchase of shares under the New Share Buy-Back Mandate will only be effected after considering relevant factors such as working capital requirements, availability of financial resources, expansion plans of the Group and the prevailing market conditions.

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6. TAKE-OVER IMPLICATIONS UNDER THE SG TAKE-OVER CODE

The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

6.1 Appendix 2 of the SG Take-over Code

Appendix 2 of the SG Take-over Code contains the Share Buy-back Guidance Note applicable as at the Latest Practicable Date (“**Appendix 2**”). The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

6.2 Obligation to make a take-over offer

Rule 14 of the SG Take-over Code (“**Rule 14**”) requires, inter alia, that except with the consent of the Securities Industry Council of Singapore (“**SIC**”), where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

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

In calculating the percentages of voting rights of such person and their concert parties, treasury shares (if any) shall be excluded.

6.3 Persons acting in concert

Persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons, inter alia, will be presumed to be acting in concert, namely:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

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- (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status;
- (c) an individual with his/her close relatives, related trusts and person(s) who are accustomed to act in accordance with his instructions.

Consequently, a Director and persons acting in concert (as such term is defined in the SG Take-over Code) with him/her could, depending on the level of increase in his/her or their interest in the Company, become obliged to make a mandatory offer in accordance with Rule 14 as a result of the Company's buy-back of Shares.

Further details of the interests of the Directors and SG Substantial Shareholders in the Shares as at the Latest Practicable Date are set out in Section 6 of this Circular.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the SG Take-over Code.

6.4 Effect of Rule 14 and Appendix 2 of the SG Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the SG Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares:

- (a) the voting rights of such Directors and persons acting in concert with them would increase to 30% or more; or
- (b) in the event that such Directors and persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and persons acting in concert with them would increase by more than 1% in any period of six (6) months.

Under Appendix 2 of the SG Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:

- (a) the voting rights of such Shareholder would increase to 30% or more; or
- (b) if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months.

Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the New Share Buy-Back Mandate.

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Based on the interest of the SG Substantial Shareholders and the interest of Directors as at the Latest Practicable Date, the Directors are not aware of any SG Substantial Shareholders or group of Shareholders acting in concert that will be obliged to make a take-over offer for the Company under Rule 14 of the SG Take-Over Code as a result of the acquisition or purchase by the Company of the maximum limit of 10% of its issued Shares (excluding treasury shares and subsidiary holdings) pursuant to the New Share Buy-Back Mandate.

7. HONG KONG CODE ON SHARE BUY-BACKS

If a Shareholder's proportionate interest in the voting rights of the Company increases when the Company exercises its powers to purchase or acquire Shares pursuant to the New Share Buy-Back Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the HK Takeover Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 or Rule 32 of the HK Takeover Code.

As at the Latest Practicable Date, to the best knowledge of the Directors, the controlling shareholders of the Company, namely Kelvin Lim, Jess Lim, Ms. Lim Bee Li, LHN Holdings Ltd., Hean Nerng Group Pte. Ltd. and HN Capital Ltd. together exercise and/or control the exercise of approximately 55.02% voting rights in the general meeting of the Company. Details of the interests of the Directors and SG Substantial Shareholders in the Shares as at the Latest Practicable Date are set out in Section 6 of this Circular.

In the event that the Directors should exercise in full the power to buy back Shares which is proposed to be granted pursuant to the New Share Buy-Back Mandate, the direct and indirect shareholding of the controlling shareholders in the Company would increase to approximately 61.13% of the issued share capital of the Company. To the best knowledge and belief of the Directors, since the controlling shareholders of the Company holds over 50% of the Shares, such increase will not give rise to an obligation to make a mandatory offer under Rule 26 or Rule 32 of the HK Takeover Code. The Directors have no present intention to repurchase the Shares to the extent that will trigger the obligations under the HK Takeover Code for the controlling shareholders to make a mandatory offer.

8. ADVICE TO SHAREHOLDERS

The Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting Shares in the capital of the Company should or ought to be consolidated, and consequences under the SG Take-over Code or the HK Takeover Code would ensue as a result of a purchase or acquisition of Shares by the Company pursuant to the New Share Buy-Back Mandate.

SHAREHOLDERS WHO ARE IN DOUBT AS TO THEIR OBLIGATIONS, IF ANY, TO MAKE A MANDATORY TAKE-OVER OFFER UNDER THE SG TAKE-OVER CODE OR THE HK TAKEOVER CODE AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY SHOULD CONSULT THEIR PROFESSIONAL ADVISERS AND/OR SIC AND/OR OTHER RELEVANT AUTHORITIES AT THE EARLIEST OPPORTUNITY.

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9. FINANCIAL IMPACT

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the New Share Buy-Back Mandate on the financial effects as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration (including brokerage, commission, applicable goods and services tax and other related expenses) paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The financial effects presented in this section are based on the assumptions set out below:

(a) Information as at Latest Practicable Date

As at the Latest Practicable Date, the Company has 408,945,400 issued Shares. The Company has no treasury shares or subsidiary holdings as at the Latest Practicable Date.

(b) Maximum number of Shares purchased or acquired

Purely for illustrative purposes, on the basis of 408,945,400 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the EGM, the purchase by the Company of 10% of its issued Shares will result in the purchase of 40,894,540 Shares.

In the case of Market Purchases by the Company on the Mainboard and assuming that the Company purchases or acquires 40,894,540 Shares at the Maximum Price of S\$0.330 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Mainboard immediately preceding the Latest Practicable Date), the maximum amount required for the purchase or acquisition of 40,894,540 Shares is approximately S\$13.5 million.

In the case of Market Purchases by the Company on the SEHK and assuming that the Company purchases or acquires 40,894,540 Shares at the Maximum Price of HK\$1.886 (equivalent to S\$0.330 based on an exchange rate of S\$1:HK\$5.71, being the closing exchange rate as at the Latest Practicable Date) for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares as stated in the SEHK's daily quotation sheets for the five (5) consecutive trading days on which the Shares were traded on the SEHK immediately preceding the Latest Practicable Date), the maximum amount required for the purchase or acquisition of 40,894,540 Shares is approximately HK\$77.1 million (equivalent to S\$13.5 million).

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In the case of Off-Market Purchases by the Company on the Mainboard and assuming that the Company purchases or acquires 40,894,540 Shares at the Maximum Price of S\$0.345 for each Share (being the price equivalent to 110% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Mainboard immediately preceding the Latest Practicable Date), the maximum amount required for the purchase or acquisition of 40,894,540 Shares is approximately S\$14.1 million.

For illustrative purposes only and on the basis of the assumptions set out above and assuming that: (a) the purchase of Shares will be funded by the Company solely from its internal funds through loan repayments from subsidiaries to the Company prior to the purchase or acquisition of Shares by the Company; (b) the New Share Buy-Back Mandate had been effective on 1 October 2021; (c) transaction costs incurred for the purchase or acquisition of Shares pursuant to the New Share Buy-Back Mandate are assumed to be insignificant and have been ignored for the purposes of computing the financial effects; and (d) the Company had purchased the 40,894,540 Shares (representing 10% of the total number of issued Shares of the Company as at 30 September 2022) on 1 October 2021, the financial effects of:

- (a) the acquisition of 10% Shares by the Company in a Market Purchase or Off-Market Purchase pursuant to the New Share Buy-Back Mandate by way of purchases made entirely out of capital and cancelled on the Mainboard (“**Scenario A**”); and
- (b) the acquisition of 10% Shares by the Company in a Market Purchase or Off-Market Purchase pursuant to the New Share Buy-Back Mandate by way of purchases made entirely out of profits and cancelled on the Mainboard (“**Scenario B**”),

on the audited financial results of the Company and the Group for FY2022, are set out below.

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Scenario A

	Group			Company		
	Before Share Buyback	After Share Buyback		Before Share Buyback	After Share Buyback	
		After Market Purchase	After Off Market Purchase		After Market Purchase	After Off Market Purchase
(S\$'000)						
Share Capital	65,496	52,001	51,387	65,496	52,001	51,387
Other Reserves	(25,868)	(25,868)	(25,868)	–	–	–
Retained Profits	147,237	147,237	147,237	6,430	6,430	6,430
Exchange Translation Reserve	(961)	(961)	(961)	–	–	–
Total Shareholders' Equity	185,904	172,409	171,795	71,926	58,431	57,817
NTA ⁽¹⁾	185,904	172,409	171,795	71,926	58,431	57,817
Current Assets	100,147	86,652	86,038	41,515	28,020	27,406
Current Liabilities	90,679	90,679	90,679	2,317	2,317	2,317
Working Capital	9,468	(4,027)	(4,641)	39,198	25,703	25,089
Total Borrowings	229,549	229,549	229,549	–	–	–
Cash and Cash Equivalents	39,743	26,248	25,634	4,279	4,279	4,279
Total Number of Issued Shares ('000)	408,945 ⁽⁵⁾	368,050	368,050	408,945 ⁽⁵⁾	368,050	368,050
Weighted Average Number of Shares ('000)	408,945	368,050	368,050	408,945	368,050	368,050
Net Profit attributable to Shareholders	45,838	45,838	45,838	8,009	8,009	8,009
Financial Ratios						
NTA per Share (cents) ⁽²⁾	45.46	46.84	46.68	17.59	15.88	15.71
Gearing (times) ⁽³⁾	0.6	0.6	0.6	–	–	–
Current Ratio (times)	1.1	1.0	0.9	17.9	12.1	11.8
EPS (cents) ⁽⁴⁾	11.21	12.45	12.45	1.96	2.18	2.18

Notes:

- (1) NTA refers to net assets less intangible assets and non-controlling interests.
- (2) NTA per Share equals to NTA divided by the number of Shares outstanding as at 30 September 2022.
- (3) Gearing equals to interest-bearing debt divided by total capital. Total capital is calculated as interest-bearing debt plus total shareholders' equity.
- (4) EPS equals to net profit attributable to owners of the Company divided by the weighted average number of Shares during FY2022.
- (5) Based on the issued share capital of 408,945,400 ordinary Shares as at 30 September 2022.

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Scenario B

	Group			Company		
	Before Share Buyback	After Share Buyback		Before Share Buyback	After Share Buyback	
		After Market Purchase	After Off Market Purchase		After Market Purchase	After Off Market Purchase
(S\$'000)						
Share Capital	65,496	65,496	65,496	65,496	65,496	65,496
Other Reserves	(25,868)	(25,868)	(25,868)	–	–	–
Retained Profits/(Accumulated Losses)	147,237	133,742	133,128	6,430	(7,065)	(7,679)
Exchange Translation Reserve	(961)	(961)	(961)	–	–	–
Total Shareholders' Equity	185,904	172,409	171,795	71,926	58,431	57,817
NTA ⁽¹⁾	185,904	172,409	171,795	71,926	58,431	57,817
Current Assets	100,147	86,652	86,038	41,515	28,020	27,406
Current Liabilities	90,679	90,679	90,679	2,317	2,317	2,317
Working Capital	9,468	(4,027)	(4,641)	39,198	25,703	25,089
Total Borrowings	229,549	229,549	229,549	–	–	–
Cash and Cash Equivalents	39,743	26,248	25,634	4,279	4,279	4,279
Total Number of Issued Shares ('000)	408,945 ⁽⁵⁾	368,050	368,050	408,945 ⁽⁵⁾	368,050	368,050
Weighted Average Number of Shares ('000)	408,945	368,050	368,050	408,945	368,050	368,050
Net Profit attributable to Shareholders	45,838	45,838	45,838	8,009	8,009	8,009
Financial Ratios						
NTA per Share (cents) ⁽²⁾	45.46	46.84	46.68	17.59	15.88	15.71
Gearing (times) ⁽³⁾	0.6	0.6	0.6	–	–	–
Current Ratio (times)	1.1	1.0	0.9	17.9	12.1	11.8
EPS (cents) ⁽⁴⁾	11.21	12.45	12.45	1.96	2.18	2.18

Notes:

- (1) NTA refers to net assets less intangible assets and non-controlling interests.
- (2) NTA per Share equals to NTA divided by the number of Shares outstanding as at 30 September 2022.
- (3) Gearing equals to interest-bearing debt divided by total capital. Total capital is calculated as interest-bearing debt plus total shareholders' equity.
- (4) EPS equals to net profit attributable to owners of the Company divided by the weighted average number of Shares during FY2022.
- (5) Based on the issued share capital of 408,945,400 ordinary Shares as at 30 September 2022.

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The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the New Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

Shareholders should note that the financial effects illustrated, based on the respective aforesaid assumptions, are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Group and Company for FY2022, and is not necessarily representative of the future financial performance of the Group and the Company.

It should be noted that although the New Share Buy-Back Mandate would authorise the Company to purchase or otherwise acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire 10% of the issued Shares. In addition, the Company will cancel all the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share purchase before execution.

10. INTERESTED PERSONS

The Company is prohibited from knowingly buying Shares on the Mainboard from an interested person, that is, a Director, the chief executive officer of the Company or SG Controlling Shareholder or any of their SG Associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

11. REPORTING REQUIREMENTS

Under the Singapore Companies Act

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Accounting and Corporate Regulatory Authority ("**ACRA**") of Singapore. Within 30 days of a purchase of Shares on the Mainboard or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including, inter alia, details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the Company's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company and such other particulars as may be required by ACRA.

Within 30 days of the cancellation in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form as required by ACRA.

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Under the Mainboard Rules

Under Rule 884 of the Mainboard Rules, the Company may only purchase Shares by way of a market acquisition at a price which is not more than 5% above the average closing market price and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the day on which the purchases are made. The term average closing market price is defined as the average of the closing market prices of Shares over the last five (5) market days, on which transactions in the Shares were recorded, before the day on which purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 3.4 of this **Appendix B**, conforms to this restriction.

Additionally, Rule 886 of the Mainboard Rules also provides that the Company shall report all purchases or acquisitions of its Shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its Shares; and
- (b) in the case of an Off-Market Purchase in accordance with an equal access scheme, on the second Market Day after the close of acceptances of the offer.

The notification of such purchases or acquisition of Shares to the SGX-ST shall be in such form and shall include such details as the SGX-ST may prescribe. The Company shall make arrangements with its brokers to ensure that they provide the necessary information to the Company in a timely fashion to enable the Company to make the notifications to the SGX-ST.

Under the HK Listing Rules

Under the HK Listing Rules, after the Company has made purchase or acquisition of its Shares, it shall:

- (a) submit for publication to the SEHK not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which the Company makes a purchase or acquisition of Shares (whether on the SEHK or otherwise), the total number of Shares purchased or acquired by the Company the previous day, the purchase or acquisition price per Share or the highest and lowest prices paid for such purchases or acquisitions, where relevant, and shall confirm that those purchases or acquisitions which were made on the SEHK were made in accordance with the HK Listing Rules and if the Company's primary listing is on the SEHK, that there have been no material changes to the particulars contained in this **Appendix B**. In respect of purchases and acquisitions made on another stock exchange, the Company's report must confirm that those purchases or acquisitions were made in accordance with the domestic rules applying to purchases on that other stock exchange. Such reports shall be made on a return in such form and containing such information as the SEHK may from time to time prescribe. In the event that no Shares are purchased or acquired on any particular day then no return need be made to the SEHK. The Company should make arrangements with its brokers to ensure that they provide to the Company in a timely fashion the necessary information to enable the issuer to make the report to the SEHK; and

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- (b) include in the Company's annual report and accounts a monthly breakdown of purchases or acquisitions of Shares made during the financial year under review showing the number of Shares purchased or acquired each month (whether on the SEHK or otherwise) and the purchase or acquisition price per Share or the highest and lowest price paid for all such purchases or acquisitions, where relevant, and the aggregate price paid by the issuer for such purchases or acquisitions. The Directors' report shall contain reference to the purchases or acquisitions made during the year and the Directors reasons for making such purchases.

12. RESTRICTIONS IN SHARE BUY-BACKS

Under the Mainboard Rules

The Company does not have any individual shareholding limit or foreign shareholding limit. However, the Company is required under Rule 723 of the Mainboard Rules to ensure that at least ten per cent (10%) of its Shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public. The term "**public**", as defined under the Mainboard Rules, are persons other than: (a) the Directors, chief executive officer, SG Substantial Shareholders or SG Controlling Shareholders of the Company and its subsidiaries; and (b) the SG Associates of persons in (a).

As at the Latest Practicable Date, approximately 44.78% of the total issued Shares of the Company are held in the hands of the public. Assuming that the Company repurchased the maximum of 10% of its issued Shares as at the Latest Practicable Date from the public by way of a Market Purchase, the percentage of Shares held by the public would be approximately 38.64%.

Accordingly, the Company is of the view that there is a sufficient number of issued Shares held by the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the New Share Buy-Back Mandate without affecting the listing status of the Shares on the Mainboard, and that the remaining number of Shares held by the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading of the Shares.

The Board, when purchasing Shares, will ensure (a) that there is a sufficient float for an orderly market in the Company's securities, and (b) that the listing status of the Shares on the Mainboard is not affected by such purchase.

While the Mainboard Rules does not expressly prohibit any purchase of Shares by a listed company during any particular time, because the listed company would be regarded as an "**insider**" under the Securities and Futures Act 2001 of Singapore in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the New Share Buy-Back Mandate at any time after any matter or development of a trade-sensitive or materially price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced.

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Further, in conformity with the best practices on dealing with securities under the Mainboard Rules, the Company will not purchase or acquire any Shares during the period commencing one (1) month immediately preceding the announcement of the Company's half-year and full-year financial statements.

Under the HK Listing Rules

Under the HK Listing Rules, the SEHK has imposed the dealing restrictions relating to purchases or acquisitions of the Company of the Shares as follows:

- (a) the Company shall not purchase its shares on the SEHK if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the SEHK;
- (b) the Company shall not purchase its shares on the SEHK for a consideration other than cash or for settlement otherwise than in accordance with the HK Listing Rules from time to time;
- (c) the Company shall not knowingly purchase its shares from a core connected person and a core connected person shall not knowingly sell shares to the issuer, on the SEHK;
- (d) the Company shall procure that any broker appointed by the Company to effect the purchase of its Shares shall disclose to the SEHK such information with respect to purchases or acquisitions made on behalf of the Company as the SEHK may request;
- (e) the Company shall not purchase or acquire its Shares at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of:
 - (i) the date of the board meeting (as such date is first notified to the SEHK in accordance with the HK Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the HK Listing Rules); and
 - (ii) the deadline for the Company to announce its results for any year or half-year under the HK Listing Rules, or quarterly or any other interim period (whether or not required under the HK Listing Rules),

and ending on the date of the results announcement, the issuer may not purchase its shares on the SEHK, unless the circumstances are exceptional; and

- (f) the Company may not purchase or acquire its Shares if that purchase or acquisition would result in the number of listed securities which are in the hands of the public falling below 25%.

Furthermore, following any of the purchases or acquisitions of Shares by the Company, the Company, whose dual primary listing is on the SEHK and the SGX-ST, may not make a new issue of Shares or announce a proposed new issue of Shares for a period of 30 days after any purchase or acquisition by it of Shares, whether on the SEHK or otherwise (other than an issue of securities pursuant to the exercise of warrants, share options or similar

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instruments requiring the Company to issue securities, which were outstanding prior to that purchase or acquisition of its own securities), without the prior approval of the SEHK.

13. DETAILS OF THE SHARE PRICES OF THE COMPANY

The Shares are traded on the SEHK and the highest and lowest prices at which the Shares have been traded on the SEHK in each of the following months immediately preceding the Latest Practicable Date are as follows:

	Highest HK\$	Lowest HK\$
October 2022	1.58	1.46
November 2022	1.98	0.67
December 2022	1.94	1.61
January 2023	1.86	1.80
February 2023	1.85	1.60
March 2023	1.81	1.56
April 2023	1.76	1.43
May 2023	1.92	1.53
June 2023	2.01	1.77
July 2023	2.18	1.96
August 2023	2.10	1.84
September 2023	1.94	1.71
October 2023 (up to the Latest Practicable Date)	1.86	1.65

14. DETAILS OF THE SHARES BOUGHT BY THE COMPANY IN THE PREVIOUS 12 MONTHS

The Company has not made any purchases by way of Market Purchases or Off-Market Purchases on both the SEHK and the SGX-ST over the past twelve (12) months.

15. CONFIRMATIONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined under the HK Listing Rules) has any present intention to sell any Shares to the Company if the New Share Buy-Back Mandate is approved by the Shareholders.

The Directors have undertaken to the SEHK that they will exercise the power of the Company to make repurchases pursuant to the New Share Buy-Back Mandate in accordance with the HK Listing Rules, the applicable laws of Singapore and the regulations set out in the Constitution.

No core connected person (as defined under the HK Listing Rules) of the Company has notified the Company that he/she has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any Shares held by him/her to the Company in the event that the New Share Buy-Back Mandate is adopted.

APPENDIX B – PROPOSED ADOPTION OF THE NEW SHARE BUY-BACK MANDATE

The Directors will not exercise the New Share Buy-Back Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25% pursuant to the HK Listing Rules, being the more onerous requirement between the two sets of listing rules. The Directors will use their best efforts to ensure that the Company does not effect buy-back of Shares if the buy-back of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company or adversely affect the orderly trading of the Shares.

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 NOTICE, 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 NOTICE.

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 1 November 2023 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 at 202 Kallang Bahru Singapore 339339 on Thursday, 23 November 2023 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions (each such resolution referred herein as a “Resolution”) as set out below.

Note on inter-conditionality of resolutions:

The passing of Resolution 1 is independent and shall not be conditional on the passing of any of the other Resolutions to be proposed at the EGM.

Shareholders should however note the following:

- (a) The passing of Resolution 2, Resolution 3 and Resolution 6 are conditional on the passing of Resolution 1.*
- (b) The passing of Resolution 4 and Resolution 5 are in turn conditional upon the passing of Resolution 3 but not vice versa.*
- (c) The passing of Resolution 7 is in turn conditional on the passing of Resolution 2 and Resolution 6 but not vice versa.*

This means that:

- (i) if Resolution 1 is not approved by Shareholders, all the other Resolutions will not be passed;*
- (ii) if Resolution 1 is approved by Shareholders but Resolution 3 is not passed, Resolution 4 and Resolution 5 will not be passed; and*
- (iii) if Resolution 1 is approved by Shareholders but Resolution 2 and Resolution 6 are not passed, Resolution 7 will not be passed.*

NOTICE OF EXTRAORDINARY GENERAL MEETING

RESOLUTION 1 (SPECIAL RESOLUTION)

THE PROPOSED TRANSFER

Resolved that:

- (a) approval be and is hereby given for the Company to transfer its listing from the Catalist to the Mainboard; and
- (b) the Directors and each of them be and are hereby authorised to complete and do all acts and things (including executing all such documents and ancillary agreements and to make all such amendments thereto as may be required in connection with the Proposed Transfer) as they or he/she may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Transfer.

RESOLUTION 2 (ORDINARY RESOLUTION)

THE PROPOSED ADOPTION OF THE NEW SHARE ISSUE MANDATE

Resolved that, subject to and contingent upon the passing of Resolution 1:

- (a) Resolution 8 (Authority to Issue Shares) under the heading “**As Special Business**” referred to in the Company’s notice of annual general meeting dated 6 January 2023, which was approved by Shareholders at the 2023 AGM, be revoked in its entirety with effect from the date of transfer of the listing of the Company from Catalist to the Mainboard;
- (b) pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”), Rule 806 of the Mainboard Rules and the HK Listing Rules, the Directors of the Company be authorised and empowered to:
 - (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (c) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution is in force,

provided that:

- (1) the aggregate number of Shares to be allotted and issued pursuant to this Resolution (including Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below), of which the aggregate number of

NOTICE OF EXTRAORDINARY GENERAL MEETING

Shares to be allotted and issued other than on a pro rata basis to existing shareholders of the Company (including Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below);

- (2) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Companies Act, the HK Listing Rules, the Code on Share Buy-Backs of Hong Kong and the Mainboard Rules for the time being in force (unless such compliance has been waived by the SEHK, the Hong Kong Securities and Futures Commission or the SGX-ST, respectively) and the Constitution, for the time being in force, of the Company;
- (3) subject to such manner of calculation as may be prescribed by the SGX-ST and the SEHK for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Mainboard Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

and adjustments in accordance with sub-paragraphs 3(a) and 3(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of this Resolution; and

- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next annual general meeting of the Company; or (ii) the date by which the next annual general meeting of the Company is required by law or the Constitution to be held, whichever is earlier.

RESOLUTION 3 (ORDINARY RESOLUTION)

THE PROPOSED AMENDMENTS TO THE EXISTING LHN ESOS

Resolved that, subject to and contingent upon the passing of Resolution 1:

- (a) the Proposed Amendments to the Existing LHN ESOS be and are hereby approved, and, accordingly, the rules of the LHN ESOS incorporating such proposed amendments (such rules of the LHN ESOS so modified as set out in **Appendix A** to the Circular and hereinafter referred to in this Resolution as the “**modified LHN ESOS Rules**”) be and are hereby adopted, and shall replace and supersede the Existing LHN ESOS Rules, with effect from the date of transfer of the listing of the Company from Catalist to the Mainboard;
- (b) the Directors be and are hereby authorised to administer the amended LHN ESOS and offer and grant options under the amended LHN ESOS in accordance with the provisions of the modified LHN ESOS Rules and allot and issue from time to time such number of shares in

NOTICE OF EXTRAORDINARY GENERAL MEETING

the capital of the Company as may be required to be issued pursuant to the exercise of options under the amended LHN ESOS in accordance with the modified LHN ESOS Rules; and

- (c) the Director and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they or he/she may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

Note to Resolution 3: Pursuant to Rule 858 of the Catalist Rules and Rule 859 of the Mainboard Rules, Shareholders who are eligible to participate in the LHN ESOS must abstain from voting on any resolution relating to the LHN ESOS (including this Resolution 3). Accordingly, all Shareholders who are eligible to participate in the LHN ESOS shall abstain from voting on this Resolution 3, and shall not accept nominations as proxies unless specific instructions have been given in the proxy instruments by the independent Shareholders appointing them on how they wish their votes to be cast.

RESOLUTION 4 (ORDINARY RESOLUTION)

THE PROPOSED PARTICIPATION BY KELVIN LIM, A SG CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE AMENDED LHN ESOS

Resolved that, subject to and contingent upon the passing of Resolution 1 and Resolution 3, approval be and is hereby given for the participation by Kelvin Lim, a SG Controlling Shareholder of the Company, in the amended LHN ESOS.

Note to Resolution 4:

- (1) In this Resolution 4, reference to the “amended LHN ESOS” means the LHN ESOS, the rules of which shall refer to such rules as modified to incorporate the Proposed Amendments to the Existing LHN ESOS, such modified rules set out in its entirety in Appendix A to the Circular. Shareholders should refer to Section 4 and Appendix A to the Circular for further details on the Proposed Amendments to the Existing LHN ESOS and the amended LHN ESOS.
- (2) Pursuant to Rule 858 of the Catalist Rules and Rule 859 of the Mainboard Rules, Shareholders who are eligible to participate in the LHN ESOS must abstain from voting on any resolution relating to the LHN ESOS (including this Resolution 4). Pursuant to Rule 852 of the Catalist Rules and Rule 853 of the Mainboard Rules, participation in the LHN ESOS by SG Controlling Shareholders and their SG Associates must be approved by independent Shareholders of the Company. Accordingly, Kelvin Lim, Jess Lim and their respective SG Associates shall abstain from voting on this Resolution 4, and shall not accept nominations as proxies unless specific instructions have been given in the proxy instruments by the independent Shareholders appointing them on how they wish their votes to be cast.

RESOLUTION 5 (ORDINARY RESOLUTION)

THE PROPOSED PARTICIPATION BY JESS LIM, A SG CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE AMENDED LHN ESOS

Resolved that, subject to and contingent upon the passing of Resolution 1 and Resolution 3, approval be and is hereby given for the participation by Jess Lim, a SG Controlling Shareholder of the Company, in the amended LHN ESOS.

Note to Resolution 5:

- (1) In this Resolution 5, reference to the “amended LHN ESOS” means the LHN ESOS, the rules of which shall refer to such rules as modified to incorporate the Proposed Amendments to the Existing LHN ESOS, such modified rules set out in its entirety in Appendix A to the Circular. Shareholders should refer to Section 4 and Appendix A to the Circular for further details on the Proposed Amendments to the Existing LHN ESOS and the amended LHN ESOS.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (2) Pursuant to Rule 858 of the Catalist Rules and Rule 859 of the Mainboard Rules, Shareholders who are eligible to participate in the LHN ESOS must abstain from voting on any resolution relating to the LHN ESOS (including this Resolution 5). Pursuant to Rule 852 of the Catalist Rules and Rule 853 of the Mainboard Rules, participation in the LHN ESOS by SG Controlling Shareholders and their respective SG Associates must be approved by independent shareholders of the Company. Accordingly, Kelvin Lim, Jess Lim and their respective SG Associates shall abstain from voting on this Resolution 5, and shall not accept nominations as proxies unless specific instructions have been given in the proxy instruments by the independent Shareholders appointing them on how they wish their votes to be cast.

RESOLUTION 6 (ORDINARY RESOLUTION)

THE PROPOSED ADOPTION OF THE NEW SHARE BUY-BACK MANDATE

Resolved that, subject to and contingent upon the passing of Resolution 1:

- (a) Resolution 11 (Proposed Renewal of the Share Buy-Back Mandate) under the heading “**As Special Business**” referred to in the Company’s notice of annual general meeting dated 6 January 2023, which was approved by Shareholders at the 2023 AGM, be revoked in its entirety with effect from the date of transfer of the listing of the Company from Catalist to the Mainboard;
- (b) for the purposes of Sections 76C and 76E of the Companies Act and the HK Listing Rules, approval be and is hereby given for the adoption of the New Share Buy-Back Mandate; and the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
- (i) on-market purchases (each a “**Market Purchase**”) on the SGX-ST and/or the SEHK; and/or
- (ii) off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST and/or SEHK in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

provided always such purchases and acquisitions shall be carried out in accordance with all other laws and regulations, including but not limited to, the Company’s Constitution, the provisions of the Companies Act, the Mainboard Rules, the SG Take-over Code, the HK Listing Rules, The Code on Share Buy-backs of Hong Kong and the HK Takeover Code, as may for the time being be applicable (the “**New Share Buy-Back Mandate**”);

- (c) any Share that is purchased or otherwise acquired by the Company pursuant to the New Share Buy-Back Mandate shall be deemed cancelled and dealt with in accordance with the Companies Act;
- (d) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the New Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (i) the conclusion of the next annual general meeting of the Company or the date by which such annual general meeting is required by the Constitution of the Company or the applicable laws of Singapore to be held;
 - (ii) the date on which the buy-back of the Shares is carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred in the New Share Buy-Back Mandate is varied or revoked by the shareholders of the Company in a general meeting;
- (e) for purposes of this Resolution:

“Prescribed Limit” means ten per cent (10%) of the issued ordinary share capital of the Company as at the date of passing of this Resolution (excluding subsidiary holdings) unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any subsidiary holdings that may be held by the Company from time to time);

“Relevant Period” means the period commencing from the date of passing of this Resolution and expiring on the date the next annual general meeting of the Company is held, or is required by the Constitution of the Company or the applicable laws in Singapore to be held, the date on which the buy-back of the Shares are carried out to the full extent mandated, or the date the said mandate is revoked or varied by the shareholders of the Company in a general meeting, whichever is the earlier; and

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price, where:

“Average Closing Price” means (x) in the case of a Market Purchase on the SGX-ST, the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded on the SGX-ST, preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase and deemed to be adjusted for any corporate action, in accordance with the Mainboard Rules, that occurs during the relevant five (5)-day period and the day on which the purchase was made; and (y) in the case of a Market Purchase made on the SEHK, the average closing market price for the five (5) preceding trading days on which the Shares were traded on the SEHK;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

“**market day**” means a day on which the SGX-ST or SEHK (as the case may be) is open for trading in securities; and

- (f) any of the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he/she may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.

RESOLUTION 7 (ORDINARY RESOLUTION)

THE NEW EXTENSION MANDATE

Resolved that, subject to and contingent upon the passing of Resolution 1, Resolution 2 and Resolution 6:

- (a) Resolution 12 (Extension Mandate on Issue Shares Repurchased) under the heading “**As Special Business**” referred to in the Company’s notice of annual general meeting dated 6 January 2023, which was approved by Shareholders at the 2023 AGM, be revoked in its entirety with effect from the date of transfer of the listing of the Company from Catalist to the Mainboard; and
- (b) the New Share Issue Mandate adopted pursuant to Resolution 2 above be and is hereby extended by the addition to the aggregate number of which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate number of shares of the Company purchased or acquired, or agreed to be purchased or acquired by the Company pursuant to or in accordance with the authority granted under paragraph (b) of Resolution 6 above, provided that the aggregate number of shares which may be allotted and issued shall be subject to the limits in the Mainboard Rules or the HK Listing Rules, whichever is more onerous.

ON BEHALF OF THE BOARD

Chong Eng Wee
Company Secretary

Singapore, 1 November 2023

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 Hong Kong

In order to determine the identity of Shareholders in Hong Kong who are entitled to attend and vote at the EGM, the branch register of members of the Company in Hong Kong will be closed from Monday, 20 November 2023 to Thursday, 23 November 2023 (both days inclusive), during which period no transfer of Shares will be registered in Hong Kong. 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 Friday, 17 November 2023.

For Shareholders in Singapore

The share transfer books and register of members of the Company will be closed at 5:00 p.m. on Monday, 20 November 2023 for the purpose of determining Shareholders' entitlements to attend and vote at the EGM. 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 Friday, 17 November 2023 will be registered to determine Shareholders' entitlements to attend and vote at the EGM.

For the purpose of determination of Shareholders registered under the Singapore principal register of members and the Hong Kong branch register of members of the Company, all necessary documents, remittances accompanied by the relevant share certificates in respect of removal of shares between the two (2) register of members, must be submitted no later than 5:00 p.m. and 4:30 p.m. on Friday, 10 November 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, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for Hong Kong Shareholders only), respectively.

As at the date of this Notice of EGM, 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

1. PROXY AND VOTING AT THE EGM

- 1.1. (a) A Shareholder who is not a Relevant Intermediary (as defined below) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such Shareholder's Proxy Form appoints more than one (1) proxy, the proportion of his/her/its shareholding concerned to be represented by each proxy shall be specified in the Proxy Form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this Proxy Form as invalid.
- (b) A Shareholder who is Relevant Intermediary (as defined below) is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder's Proxy Form appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act.

1.2. A proxy need not be a member of the Company.

1.3. The Proxy Form appointing the 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 20 November 2023, 10:00 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 Proxy Form shall be treated as invalid.

The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

1.4. SRS investors:

- (a) may vote at the EGM if they are appointed as proxies by their SRS Operators, and should contact their or SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the EGM as proxy, in which case they should approach their SRS Operators to submit their votes by 5:00 p.m. on 13 November 2023.

NOTICE OF EXTRAORDINARY GENERAL MEETING

1.5. The Circular, this Notice of EGM and the Proxy Form may be accessed from the SGX-ST website at (www.sgx.com), the SEHK website at (www.hkexnews.hk) and on the Company's website at (www.lhngroup.com). Printed copies of the foregoing documents will be despatched to Shareholders in Hong Kong. Please note that only printed copies of this Notice of EGM, Proxy Form and Request Form (on how to request for a copy of this Circular) will be despatched to Shareholders in Singapore as the Company has opted for electronic dissemination.

2. QUESTIONS

2.1. Submission of questions in advance of the EGM

Members can submit their questions related to the resolutions to be tabled for approval at the EGM in advance of the EGM in the following manner:

- (a) by post to the registered office of the Company at 75 Beach Road #04-01 Singapore 189689 (for Singapore Shareholders only), or at the Company's principal place of business in Hong Kong at 5th Floor, Standard Chartered Bank Building, 4-4A Des Voeux Road Central, Hong Kong (for Hong Kong Shareholders only); or
- (b) by email to the Company at egm@lhngroup.com.sg,

by 10:00 a.m. on Thursday, 9 November 2023. Shareholders who submit questions in advance of the EGM should identify themselves by stating (i) his/her/its 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) the manner in which he/she/it holds his/her/its Shares in the Company for verification purposes.

The Company will endeavour to respond to substantial and relevant questions from members submitted in advance and received by the Company via the SGX-ST website at (www.sgx.com), the SEHK website at (www.hkexnews.hk) and the Company's website at (www.lhngroup.com) no later than 48 hours before the deadline for submission of the Proxy Forms. 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.

2.2. Asking questions at the EGM

Members and (where applicable) their duly appointed proxies will be able to ask questions related to the resolutions to be tabled for approval at the EGM, live at the EGM itself.

The Company will endeavour to respond to and address substantial and relevant questions as far as reasonably practicable during the EGM. Where there are substantially similar questions, the Company will consolidate such questions and consequently not all questions may be individually addressed.

3. PERSONAL DATA

3.1. Personal Data Privacy

"**Personal data**" in this Notice has the meaning ascribed to it pursuant to the Personal Data Protection Act 2012 of Singapore ("**PDPA**"), which includes your name, address and NRIC/Passport number. By submitting (a) details for the registration to observe or participate

NOTICE OF EXTRAORDINARY GENERAL MEETING

in the proceeding of the EGM, (b) an instrument appointing a proxy or proxies 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 proxy(ies) for the EGM (including any adjournment thereof), processing the registration for purpose of granting access to members (or their appointed proxy(ies)) 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 (including any adjournment thereof), 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 "**Use of Data 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 Use of Data 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 (including any adjournment thereof) 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.

3.2. 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**") and, where applicable, as defined in the PDPA, which include your name(s) and address(es) and those of your proxy(ies). 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 PDPO (or, where applicable, the PDPA) and any such request should be in writing to Tricor Investor Services Limited at the above address or to the Company at its registered office address.

PROXY FORM

LHN LIMITED

賢能集團有限公司#

(Incorporated in the Republic of Singapore with limited liability)

(Company Registration No. 201420225D)

(Hong Kong stock code: 1730)

(Singapore stock code: 410)

PROXY FORM

(Please see notes overleaf before completing this form)

IMPORTANT:

1. A Relevant Intermediary may appointment more than two proxies to attend the Extraordinary General Meeting ("EGM" or "Meeting") and vote (please see the notes for the definition of "Relevant Intermediary").
2. Please read the notes overleaf which contain instructions on, among others, the appointment of the Chairman of the Meeting (or any person other than the Chairman of the Meeting) as a Shareholder's proxy to vote on his/her/its behalf at the EGM.
3. This Proxy Form shall be read together with the Notice of EGM and the Circular of the Company dated 1 November 2023 (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 at 202 Kallang Bahru Singapore 339339 on Thursday, 23 November 2023 at 10:00 a.m. and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for, against or to abstain from the 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, my/our* proxy/proxies* may vote or abstain from voting at his or her discretion. Where the Chairman of the EGM is appointed as proxy and the absence of specific directions as to voting, the appointment of Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

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

	FOR	AGAINST	ABSTAIN
SPECIAL RESOLUTION			
1. To approve the Proposed Transfer			
ORDINARY RESOLUTIONS			
2. To approve the Proposed Adoption of the New Share Issue Mandate			
3. To approve the Proposed Amendments to the Existing LHN ESOS			
4. To approve the proposed participation by Kelvin Lim, a SG Controlling Shareholder of the Company, in the amended LHN ESOS			
5. To approve the proposed participation by Jess Lim, a SG Controlling Shareholder of the Company, in the amended LHN ESOS			
6. To approve the Proposed Adoption of the New Share Buy-Back Mandate			
7. To approve the New Extension Mandate			

* Delete accordingly

Dated this _____ day of _____

Total Number of Shares Held

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

For identification purpose only

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 Proxy Form appointing the 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 20 November 2023, 10:00 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 Proxy Form shall be treated as invalid.

A Shareholder who wishes to submit the Proxy Form must 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.
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 Proxy Form, failing which the Proxy Form 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. SRS Investors may attend and vote at the EGM if they are appointed as proxies by their SRS Operators and should contact their SRS Operators if they have any queries regarding their appointment as proxies. For SRS investors who wish to appoint the Chairman of the Meeting as their proxy, they should approach their SRS Operators to submit their votes by 13 November 2023 at 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.

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 CDP to the Company.

PERSONAL DATA PRIVACY

"Personal data" has the meaning ascribed to it pursuant to the Personal Data Protection Act 2012 of Singapore ("PDPA"), 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, (b) an instrument appointing a proxy or proxies to attend, speak and vote at the EGM and/or any adjournment thereof, or (c) any questions prior to the EGM in accordance with the 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 proxy(ies) for the EGM (including any adjournment thereof), processing the registration for purpose of granting access to members (or their appointed proxy(ies)) 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 (including any adjournment thereof), 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 "Use of Data 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 Use of Data 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 (including any adjournment thereof) 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") and, where applicable, as defined in the PDPA, which include your name(s) and address(es) and those of your proxy(ies). 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 PDPO (or, where applicable, the PDPA) and any such request should be in writing to Tricor Investor Services Limited at the above address or to the Company at its registered office address.

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