

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

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

If you have sold or transferred all of your shares in the capital of Company held through The Central Depository (Pte) Limited in Singapore (“CDP”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular 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, together with the accompanying notice of annual general meeting and the attached form of proxy to the purchaser or transferee or to the bank, the stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”) in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist.

This Circular has not been examined or approved by the SGX-ST. 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 Gillian Goh, Director, Head of Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: 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 RE-ELECTION OF RETIRING DIRECTORS;**
- (2) THE PROPOSED RENEWAL OF THE INTERESTED PERSON TRANSACTIONS MANDATE;**
- (3) THE PROPOSED ADOPTION OF THE ISSUE MANDATE;**
- (4) THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE; AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the 2020 Annual General Meeting (“2020 AGM”) of the Company to be held at 10 Raeburn Park, #02-18, Singapore 088702 on Thursday, 30 January 2020 at 10:00 a.m. is set out on pages 64 to 72 of this Circular. A form of proxy for use at the 2020 AGM is also enclosed with this Circular.

Shareholders who are unable to attend the 2020 AGM and wish to appoint a proxy to attend and vote at the 2020 AGM on their behalf must complete, sign and return the proxy form attached to the notice of 2020 AGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 10 Raeburn Park, #02-18, Singapore 088702 (for Singapore Shareholders) or the Company’s Branch Share Registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong (for Hong Kong Shareholders) not less than 72 hours before the time fixed for the 2020 AGM. The completion and return of a proxy form by a Shareholder does not preclude him from attending and voting in person at the 2020 AGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

### **IMPORTANT DATES AND TIME**

Last date and time for lodgement of the proxy form	27 January 2020 at 10:00 a.m.
Date and time of the 2020 AGM	30 January 2020 at 10:00 a.m.
Place of the 2020 AGM	10 Raeburn Park, #02-18 Singapore 088702

\* For identification purpose only

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## DEFINITIONS

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

“2019 AGM”	The annual general meeting of the Company held on 30 January 2019
“2020 AGM”	The annual general meeting of the Company to be held at 10 Raeburn Park, #02-18, Singapore 088702 on Thursday, 30 January 2020 at 10:00 a.m.
“ACRA”	Accounting and Corporate Regulatory Authority of Singapore
“Audit Committee”	The audit committee of the Company, comprising Ms Ch’ng Li-Ling, Mr Yong Chee Hiong and Mr Chan Ka Leung Gary, the independent non-executive Directors, who are deemed to be independent for the purpose of making a recommendation to Shareholders in respect of the Proposed Renewal of the IPT Mandate
“Act” or “Companies Act”	The Companies Act, Chapter 50 of the laws of Singapore, as amended, modified or supplemented from time to time
“AGM”	The annual general meeting of the Company
“Annual Report”	The annual report of the Company for FY2019
“Board of Directors” or “Board”	The board of Directors of the Company as at the date of this Circular
“BVI”	British Virgin Islands
“Catalist”	Catalist of the SGX-ST
“Catalist Rules”	Section B: Rules of Catalist of the Listing Manual of the SGX-ST as amended, supplemented or modified 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 27 December 2019

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## DEFINITIONS

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“Company”	LHN Limited (formerly known as LHN Pte. Ltd.), a company incorporated with limited liability on 10 July 2014 under the laws of Singapore, the shares of which are listed on the Catalist and the Main Board of the SEHK
“Control”	Has the meaning as ascribed to it under the Catalist Rules, namely, the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“Constitution”	The Constitution of the Company, as amended, supplemented or otherwise modified from time to time
“Directors”	The directors of the Company
“Entity At Risk”	(a) the Company;  (b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or  (c) a SG Associated Company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Company and the Interested Person(s), have control over the SG Associated Company
“EPS”	Earnings per Share
“Extension Mandate”	A general and unconditional mandate proposed to be granted to the Directors to the effect that the aggregate number of the Shares which may be allotted and issued under the Issue Mandate may be extended by an addition of an amount representing the aggregate number of Shares purchased or acquired under the Share Buy-Back Mandate
“FY”	Financial year of the Company ended or ending 30 September (as the case may be)
“Group”	The Company and its subsidiaries
“Head of Finance”	The Company’s finance personnel who is heading the finance team at that point in time
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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“HK Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, modified or supplemented from time to time
“HK Share Buy-Backs Code”	Hong Kong Code on Share Buy-Backs
“HK Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Interested Person”	(a) A Director, chief executive officer or SG Controlling Shareholder of the Company; or  (b) a SG Associate of any such Director, chief executive officer or SG Controlling Shareholder
“Interested Person Transaction(s)” or “IPT(s)”	Means a transaction between an Entity at Risk and an Interested Person
“IPT Mandate”	Has the meaning ascribed to it in Section 3 of this Circular
“Jess Lim”	Ms Lim Bee Choo (also known as Lin Meizhu), the Group Deputy Managing Director and an executive Director of the Company
“Issue Mandate”	A general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with unissued Shares with an aggregate number of Shares not exceeding 20% of the total number of Shares of the Company in issue as at the date of passing the relevant resolution at the 2020 AGM
“Kelvin Lim”	Mr Lim Lung Tieng (also known as Lin Longtian), the Executive Chairman, the Group Managing Director and an executive Director of the Company
“Latest Practicable Date”	18 December 2019, being the latest practicable date prior to the printing of this Circular for the purpose of ascertaining certain information in this Circular prior to its publication
“LHN Culinary”	LHN Culinary Concepts Pte. Ltd., a limited liability company incorporated in Singapore on 26 April 2010, which is an Interested Person of the Company, wholly-owned by Lim Hean Nerng who in turn is a SG Controlling Shareholder, and the father of Kelvin Lim and Jess Lim
“Mandated Interested Persons”	Has the meaning ascribed to it in Section 2 of Appendix II to this Circular

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## DEFINITIONS

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“Mandated Transactions”	Has the meaning ascribed to it in Section 3 of Appendix II to this Circular
“Market Day”	A day on which SGX-ST or SEHK, as the case may be, is open for securities trading
“Market Purchases”	Share purchases by the Company transacted on the SGX-ST or SEHK through the ready market and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose
“NAV”	Net asset value
“NTA”	Net tangible assets
“Off-Market Purchases”	Share purchases by the Company (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, for the purchase of Shares from the Shareholders.
“Proposed Renewal of the IPT Mandate”	The proposed renewal of the IPT Mandate
“Proposed Renewal of the Share Buy-Back Mandate”	The proposed renewal of the Share Buy-Back Mandate
“PJS Companies”	Cafe @ Phoenix Pte. Ltd. and DJ Culinary Concepts Pte. Ltd., which are each wholly owned by Pang Joo Siang, the sole director of each company, who is the spouse of Jess Lim and brother-in-law of Kelvin Lim
“Relevant Period”	The period commencing from the date on which the ordinary resolution in relation to the Proposed Renewal of the Share Buy-Back Mandate is passed in a general meeting and expiring on the earliest of the date on which the next AGM is held or is required by law to be held, or the date the said mandate is revoked or varied by the Company in a general meeting
“Securities Account”	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“Securities and Futures Act” or “SFA”	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SEHK”	The Stock Exchange of Hong Kong Limited
“SFC”	The Securities and Futures Commission of Hong Kong

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## DEFINITIONS

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“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as 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"><li>(i) his immediate family;</li><li>(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</li><li>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more</li></ul> <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 Associated Company”	A company in which at least 20% but not more than 50% of its shares are held by the Company and/or its subsidiaries
“SG Controlling Shareholder”	<p>A person who:</p> <ul style="list-style-type: none"><li>(a) holds directly or indirectly 15% or more of the issued share capital of the Company (excluding Treasury Shares and subsidiary holdings); or</li><li>(b) in fact exercises Control over the Company</li></ul>
“SG Substantial Shareholder”	A person (including a corporation) who holds, directly or indirectly, 5% or more of the total issued share capital of the Company
“SG Take-over Code”	The Singapore Code on Take-overs and Mergers, 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



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## DEFINITIONS

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“Share(s)”	Ordinary share(s) in the share capital of the Company
“Shareholders”	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares; 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
“Share Buy-Back Mandate”	The proposed and unconditional mandate given by Shareholders at the AGM to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire issued Shares within the Relevant Period with an aggregate number of Shares not exceeding 10% of the total number of Shares in issue (excluding Treasury Shares and Subsidiary Holdings) as at the date of passing the relevant resolution at the AGM, in accordance with the terms set out in this Circular, as well as the rules and regulations set forth in the Companies Act, the Catalist Rules and the HK Listing Rules
“SIC”	Securities Industry Council of Singapore
“Subsidiary Holdings”	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
“Treasury Shares”	Issued Shares which was (or is treated as having been) purchased by the Company in circumstances which Section 76H of the Companies Act applies and has since been continuously held by the Company

### Currencies, Units and Others

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

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

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## DEFINITIONS

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

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

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

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

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

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

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## LETTER FROM THE BOARD

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# LHN GROUP

SPACE OPTIMISED

LHN LIMITED

賢能集團有限公司\*

*(Incorporated in the Republic of Singapore with limited liability)*

(Hong Kong stock code: 1730)

(Singapore stock code: 410)

**Executive Directors:**

Mr Lim Lung Tieng (Executive Chairman)

Ms Lim Bee Choo

**Independent Non-executive Directors:**

Ms Ch'ng Li-Ling

(Lead Independent Non-executive Director)

Mr Yong Chee Hiong

Mr Chan Ka Leung Gary

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

10 Raeburn Park #02-18

Singapore 088702

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

Rooms 802-804, 8/F.,

Kin Wing Commercial Building

24-30 Kin Wing Street

Tuen Mun, New Territories

Hong Kong

27 December 2019

To the Shareholders

Dear Sir or Madam,

- (A) THE PROPOSED RE-ELECTION OF RETIRING DIRECTORS;**
- (B) THE PROPOSED RENEWAL OF THE INTERESTED PERSON TRANSACTIONS MANDATE;**
- (C) THE PROPOSED ADOPTION OF THE ISSUE MANDATE;**
- (D) THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE; AND**
- (E) NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for the following matters at the 2020 AGM:

- (a) the proposed re-election of retiring Directors;
- (b) the proposed renewal of the IPT Mandate;

\* For identification purpose only

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## LETTER FROM THE BOARD

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- (c) the proposed adoption of the Issue Mandate; and
- (d) the proposed renewal of the Share Buy-Back Mandate.

These resolutions will be proposed at the 2020 AGM, as set out in the notice of the 2020 AGM contained in this Circular.

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

### 2. THE PROPOSED RE-ELECTION OF RETIRING DIRECTORS

- 2.1 To comply with Appendix 14 to the HK Listing Rules and in accordance with the Regulation 99 of the Constitution, Ms Lim Bee Choo and Mr Yong Chee Hiong, being the executive Director and independent non-executive Director of the Company respectively, shall retire by rotation at the 2020 AGM.

All of the above retiring Directors, being eligible, shall offer themselves for re-election at the 2020 AGM. Details of the retiring Directors proposed to be re-elected as Directors at the 2020 AGM, which are required to be disclosed under the HK Listing Rules, are set out in **Appendix I** to this Circular.

#### 2.2 Procedure and Process for Nomination of Directors

The Board, through the delegation of its authority to the nominating committee (the “**NC**”), has used its best efforts to ensure that Directors (including independent non-executive Directors) appointed to the Board possess qualified criteria which are relevant and valuable to the Group.

The NC will take into account whether a candidate has the qualifications, skills, experience and gender diversity that add to and complement the range of skills, experience and background of existing Directors by considering the highest personal and professional ethics and integrity of the Director candidates, proven achievement and competence in the nominee’s field and the ability to exercise sound business judgment, skills that are complementary to those of the existing Board, the ability to assist and support management and make significant contributions to the Company’s success and such other factors as it may deem are in the best interests of the Company and the Shareholders.

The process of re-electing Directors are as follows:–

- The NC would assess the performance of the Director in accordance with the performance criteria set by the Board and consider the current needs of the Board; and
- Subject to the NC’s satisfactory assessment, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval.

Criteria to be considered as part of the process for the re-appointment of Directors include the composition and progressive renewal of the Board and each Director’s competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candor).

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## LETTER FROM THE BOARD

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As a broad-based NC policy, the Board nomination process for evaluating an executive Director vis-à-vis an independent non-executive Director is different. For an executive Director, the nomination process would in general be tied to his or her ability to contribute through his or her business acumen and strategic thinking process for the business. As for an independent non-executive Director, his or her nominations are hinged on myriad of criteria whereby he or she should possess the independence of mind despite confirmation via in writing, as evaluated by the NC. The existing independent non-executive Directors were selected from contacts recommended to the NC and the management, where the NC and the management had in their opinion, deemed that these professionals will be able to give an independent view to take the Group's business to a higher level.

The Board will also take into consideration on the guideline on time devotion by the proposed directors as set out in the guidance for boards and directors published by SEHK in July 2018.

Upon considering a Director candidate suitable for the directorship, the NC will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment, including re-election. In the meantime, the NC will provide the relevant information of the selected Director candidate to the remuneration committee for consideration of the remuneration package of such selected candidate.

The NC will thereafter make the recommendation to the Board in relation to the proposed appointment including re-election; while the remuneration committee will make the recommendation to the Board on the policy and structure for the remuneration.

The Board will arrange for the selected candidate to be interviewed by the members of the Board and the Board, with the recommendation of the NC, will deliberate and decide on the appointment including re-election.

### **2.3 Recommendation of the Nomination Committee**

The NC, with Yong Chee Hiong having abstained from the deliberations, had assessed and reviewed the annual written confirmation of independence of Yong Chee Hiong for the financial year ended 30 September 2019 based on the independence criteria as set out in Rule 406(3)(d) of the Catalist Rules, Guideline 2.3 of the SG Corporate Governance Code and Rule 3.13 of the HK Listing Rules and confirmed that Yong Chee Hiong remains independent. In addition, the NC had evaluated the performance of Lim Bee Choo and Yong Chee Hiong (in the case of Yong Chee Hiong, with him having abstained from the deliberations) for the financial year ended 30 September 2019 and found their performance satisfactory. Therefore, the NC nominated Lim Bee Choo and Yong Chee Hiong as the retiring Directors to be re-appointed to the Board and proposed to the Shareholders for re-election at the 2020 AGM.

Accordingly, with the recommendation of the NC, the Board has proposed that Lim Bee Choo and Yong Chee Hiong, the retiring Directors, stand for re-election as Directors at the 2020 AGM.

Further information about the Board's composition and diversity is disclosed in the Corporate Governance Report of the Annual Report.

In proposing a resolution to re-elect Yong Chee Hiong as an independent non-executive Director, the Board has also considered his skills, knowledge and professional experience

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## LETTER FROM THE BOARD

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as described in his biographical information set out in Appendix I to this Circular. Having regard to the Company's nomination policy and diversity policy, the Board is of the view that Yong Chee Hiong has extensive professional experience in affairs of listed corporations and property management which has enabled him to provide valuable and diverse views, as well as relevant insights to the Board and contribute to the diversity of the Board. Yong Chee Hiong will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

### **3. THE PROPOSED RENEWAL OF THE IPT MANDATE**

#### **3.1 Background**

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

#### **3.2 Validity Period of the IPT Mandate**

The IPT Mandate, if renewed, will take effect from the date of receipt of Shareholders' approval, and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM. Approval from Shareholders will be sought for the renewal of the IPT Mandate at each subsequent AGM to the date by which the next AGM is required by law to be held, subject to satisfactory review by the Audit Committee of its continued application to the transactions with the Mandated Interested Persons.

At the 2019 AGM, a general unconditional mandate was given to the Directors to exercise all powers of the Company to enter into the IPTs in accordance with the terms of the mandate set out in the resolution authorising the same.

The IPT Mandate will expire at the conclusion of the 2020 AGM, unless renewed at that meeting. Accordingly, the Directors propose that the IPT Mandate be renewed at the 2020 AGM to take effect until the next AGM. There is no change to the scope and terms of the IPT Mandate which is proposed to be renewed since its last renewal.

#### **3.3 Rationale and Benefits for the Proposed Renewal of the IPT Mandate**

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

The renewal of the IPT Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential Interested Person Transactions with the Mandated Interested Persons arise, thereby substantially reducing the administrative time and expenses in convening such

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## LETTER FROM THE BOARD

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general meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

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

### 3.4 Appendix

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

### 3.5 Disclosure

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

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

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

### 3.6 Audit Committee's Statements

The Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices has not changed since the 2019 AGM; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the Mandated Transactions with the Mandated Interested Persons will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and minority Shareholders.

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

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## LETTER FROM THE BOARD

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### 3.7 HK Listing Rules Implications

All Mandated Transactions with the Mandated Interested Persons to be carried out under the IPT Mandate constitute *de minimis* continuing connected transactions, which are exempt from the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the HK Listing Rules. Please refer to the section headed "Directors' Statement – Continuing Connected Transactions" of the Annual Report for further details.

The Company will ensure compliance with the HK Listing Rules for the Mandated Transactions to be carried out with the Mandated Interested Persons under the IPT Mandate from time to time, including but not limited to the reporting, announcement, annual review and/or independent Shareholders' approval requirements under Chapter 14A of the HK Listing Rules if such transactions will constitute connected transactions under Chapter 14A of the HK Listing Rules and the Company is required to do so under the HK Listing Rules.

## 4. THE PROPOSED ADOPTION OF THE ISSUE MANDATE

- 4.1 At the 2019 AGM, a general mandate was given to the Directors to exercise powers of the Company to issue Shares. Such mandate will lapse at the conclusion of the 2020 AGM.

At the 2020 AGM, an ordinary resolution pursuant to Section 161 of the Companies Act will be proposed to grant to the Directors a general mandate to exercise the powers of the Company to:–

- (i) allot, issue and deal with unissued 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) 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.

Notwithstanding the authority conferred by the Issue Mandate may have ceased to be in force, the Directors be authorised to issue Shares in pursuance of any Instruments made or granted by the Directors while the Issue Mandate was in force, provided that:

- (1) the aggregate number of Shares to be issued pursuant to the Issue Mandate (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to the Issue Mandate) shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding Treasury Shares and Subsidiary Holdings) in the capital of the Company, of which the aggregate number of Shares to be issued other than on a pro rata basis to Shareholders shall not exceed twenty per cent (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 (2) below);



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- (2) (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 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 the resolution approving the Issue Mandate, after adjusting for:
- (a) new Shares arising from the conversion or exercise of convertible securities;
  - (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of the resolution approving the Issue Mandate; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares.

In exercising the authority conferred by the Issue Mandate, the Company shall comply with the provisions of the Companies Act, Catalist Rules and the HK Listing Rules for the time being in force (unless such compliance has been waived by the SGX-ST and SEHK) and the Constitution for the time being of the Company.

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

- 4.2 As at the Latest Practicable Date, a total of 402,445,400 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased and cancelled by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 80,489,080 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).
- 4.3 In addition, an ordinary resolution will also be proposed at the 2020 AGM to extend the Issue Mandate that the aggregate number of the Shares which may be allotted and issued under the Issue Mandate may be extended by an addition of an amount representing the aggregate number of Shares purchased or acquired under the Share Buy-Back Mandate.
- 4.4 The Issue Mandate would expire at the earliest of: (a) the conclusion of the next AGM; or (b) the expiration of the period within which the next AGM of the Company is required by the Constitution or the applicable laws of the Singapore to be held; or (c) revocation or variation by an ordinary resolution of the Shareholders of the Company in a general meeting.

### **5. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**

At the 2020 AGM, an ordinary resolution will be proposed for renewal, to grant the Directors an unconditional mandate 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 2020 AGM, in accordance with the terms set out in this Circular, as well as the rules and regulations set forth in the Companies Act, the Catalist Rules and the HK Listing Rules.

Under the Companies Act, Catalist Rules and the HK Listing Rules, the Company is required to give to its Shareholders all information which is reasonably necessary to enable

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## LETTER FROM THE BOARD

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Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Share Buy-Back Mandate at the 2020 AGM.

See “Explanatory Statement on the Share Buy-back” as set-out in **Appendix III** to this Circular for details.

Set out are some general information on the Share Buy-Back Mandate:

### **5.1 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. Furthermore, the Company is primary dual-listed on the Catalist and the Main Board of SEHK, hence, such purchase or acquisition shall comply with the Companies Act, Catalist Rules, HK Listing Rules, SFO and such other laws and regulations as applicable for the time being.

It is a requirement under the Companies Act and the Catalist 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.

The previous Share Buy-Back Mandate will lapse at the 2020 AGM. Accordingly, approval is being sought from Shareholders at the 2020 AGM for the Proposed Renewal of the Share Buy-Back Mandate.

### **5.2 Duration of Authority**

If approved by Shareholders at the 2020 AGM, the authority conferred by the Share Buy-Back Mandate will continue to be in force until the next AGM of the Company (whereupon it will lapse, unless renewed at such meeting), or until the date by which the next AGM of the Company is required by law or the Constitution to be held, or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the next AGM), whichever is earlier.

### **5.3 Rationale of the Share Buy-Back Mandate**

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

The Directors believe that Share buy-backs provide the Company and its Directors with 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

## LETTER FROM THE BOARD

enhancing the EPS and/or NAV per Share. The Directors believe that a Share buy-back by the Company will also help 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.

### 5.4 Appendix

Details of the Share Buy-Back Mandate, including the maximum number of Shares that may be purchased or acquired, maximum purchase price, take-over implications as well as illustrative financial effects are set out in the **Appendix III** to this Circular.

## 6. INTERESTS OF THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

### 6.1 Singapore Laws and Regulations

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

	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
<b>Directors</b>				
Kelvin Lim <sup>(2)(3)(4)(5)(6)(7)</sup>	–	–	216,930,000	53.90
Jess Lim <sup>(2)(3)(4)(5)(6)(7)</sup>	–	–	216,930,000	53.90
Ch'ng Li-Ling	–	–	–	–
Yong Chee Hiong	–	–	–	–
Chan Ka Leung Gary	–	–	–	–
<b>Substantial Shareholders (other than Directors)</b>				
Trident Trust Company (B.V.I.) Limited <sup>(3)</sup>	–	–	216,930,000	53.90
LHN Capital Pte. Ltd. <sup>(4)</sup>	–	–	216,930,000	53.90
HN Capital Ltd. <sup>(5)</sup>	–	–	216,930,000	53.90
Hean Nerng Group Pte. Ltd. <sup>(6)</sup>	–	–	216,930,000	53.90
Fragrance Ltd. <sup>(7)</sup>	216,930,000	53.90	–	–
Lim Hean Nerng <sup>(7)</sup>	–	–	216,930,000	53.90
Foo Siau Foon <sup>(7)</sup>	–	–	216,930,000	53.90
Lim Yun En <sup>(7)</sup>	–	–	216,930,000	53.90
Lim Wei Yong Matthew <sup>(7)</sup>	–	–	216,930,000	53.90
Lim Wei Yee <sup>(7)</sup>	–	–	216,930,000	53.90
Lin Weichen <sup>(7)</sup>	–	–	216,930,000	53.90
Lim Wei Kheng (Lin Weiqing) <sup>(7)</sup>	–	–	216,930,000	53.90
Lim Yu Yang <sup>(7)</sup>	–	–	216,930,000	53.90
Lim Bee Li <sup>(8)</sup>	–	–	216,930,000	53.90

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### Notes:

- (1) The percentage is calculated based on issued number of Shares of the Company of 402,445,400 Shares as at the Latest Practicable Date.
- (2) Kelvin Lim and Jess Lim are siblings. They are therefore deemed interested in each other's interests in the Shares of the Company.
- (3) Trident Trust Company (B.V.I.) Limited, a licensed trust company incorporated in BVI, holds the entire issued and paid-up share capital in LHN Capital Pte. Ltd. as trustee of The Land Banking Trust in BVI. LHN Capital Pte. Ltd., a company incorporated in Singapore, is the trustee of The LHN Capital Trust in Singapore. LHN Capital Pte. Ltd. holds the entire issued and paid-up share capital in HN Capital Ltd., a company incorporated in BVI. The Land Banking Trust is a discretionary purpose trust with the principal purpose of (a) promoting the operation of the businesses owned directly or indirectly by LHN Capital Pte. Ltd. ("**LHN Capital Business**"); and (b) to enable the operation of the LHN Capital Business in accordance with the terms of the business plan. Accordingly, there are no beneficiaries to The Land Banking Trust. The LHN Capital Trust is a discretionary irrevocable trust which the trustee, LHN Capital Pte. Ltd., has all powers in relation to the property comprised in The LHN Capital Trust as the legal owner of such property, subject to any express restrictions contained in The LHN Capital Trust. The beneficial owners of the property in the trust fund are the beneficiaries of The LHN Capital Trust which comprise Lim Hean Nerng, Foo Siau Foon, Kelvin Lim and Kelvin Lim's direct lineal issues (namely, Lim Yun En, Lim Wei Yong Matthew, Lim Wei Yee, Lin Weichen, Lim Wei Kheng (Lin Weiqing) and Lim Yu Yang) ("**LHN Capital Trust Beneficiaries**"). Trident Trust Company (Singapore) Pte. Limited is the trust administrator of The LHN Capital Trust.

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

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

Fragrance Ltd. has a direct interest in 216,930,000 ordinary shares of the Company.

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

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

Notwithstanding that each of Lim Hean Nerng, Foo Siau Foon and Kelvin Lim's direct lineal issues (namely, Lim Yun En, Lim Wei Yong Matthew, Lim Wei Yee, Lin Weichen, Lim Wei Kheng (Lin Weiqing) and Lim Yu Yang), being a beneficiary of The LHN Capital Trust, is deemed to be interested in 15.0% or more of the voting shares of the Company, each of them only receives an economic benefit under The LHN Capital Trust but has no control over the property comprised in The LHN Capital Trust and also does not, in fact, have any voting rights in or exercise control over the Company. Pursuant to the Fourth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("**SFR**"), a controlling shareholder in relation to a corporation means (a) a person who has an interest in the voting shares of the corporation and who exercises control over the corporation; or (b) a person who has an interest in the voting shares of the corporation of an aggregate of not less than 30.0% of the total votes attached to all voting shares

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## LETTER FROM THE BOARD

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in the corporation, unless he does not exercise control over the corporation. Accordingly, it is not meaningful to consider them as controlling Shareholders of the Company within the meaning of the Fourth Schedule of the SFR.

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

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

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

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

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

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

Based on the interest of the SG Substantial Shareholders recorded in the Register of SG Substantial Shareholders and the interest of Directors recorded in the Register of Directors' Shareholdings 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 Share Buy-Back Mandate.

### 6.2 Hong Kong Laws and Regulations

#### (A) DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

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

- (I) Long Position in the Ordinary Shares and Underlying Shares of the Company
  - (i) Interests in the Company

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## LETTER FROM THE BOARD

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NAME OF SHAREHOLDER	CAPACITY/ NATURE OF INTEREST	NUMBER OF SHARES HELD/ INTERESTED	APPROXIMATE PERCENTAGE OF SHAREHOLDING AS AT THE LATEST PRACTICABLE DATE
Kelvin Lim <sup>(1)(2)</sup>	Founder of discretionary trusts, beneficiary of a trust	216,930,000	53.90%

**Notes:**

- (1) Kelvin Lim is one of the founders of The LHN Capital Trust and The Land Banking Trust. Trident Trust Company (B.V.I.) Limited, in its capacity as the trustee of The Land Banking Trust, holds the entire issued share capital of LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd., in its capacity as the trustee of The LHN Capital Trust, holds the entire issued share capital of HN Capital Ltd., which in turn holds 85% of the total issued share capital of Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. holds the entire issued share capital of Fragrance Ltd.. Fragrance Ltd. is the beneficial owner of 216,930,000 Shares. Kelvin Lim is deemed under the SFO to be interested in the Shares held by Trident Trust Company (B.V.I.) Limited and LHN Capital Pte. Ltd.. Trident Trust Company (B.V.I.) Limited is deemed under the SFO interested in the interests held by LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd. is deemed under the SFO interested in the interests held by HN Capital Ltd.. HN Capital Ltd is deemed under the SFO interested in the interests held by Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. is deemed under the SFO interested in the interests held by Fragrance Ltd..
- (2) Kelvin Lim is one of the beneficiaries of The LHN Capital Trust of which LHN Capital Pte. Ltd. is the trustee. LHN Capital Pte. Ltd., in its capacity as the trustee, holds the entire issued share capital of HN Capital Ltd., which in turn holds 85% of the total issued share capital of Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. holds the entire issued share capital of Fragrance Ltd.. Fragrance Ltd. is the beneficial owner of 216,930,000 Shares. Kelvin Lim is deemed under the SFO to be interested in the Shares held by LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd. is deemed under the SFO interested in the interests held by HN Capital Ltd.. HN Capital Ltd. is deemed under the SFO interested in the interests held by Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. is deemed under the SFO interested in the interests held by Fragrance Ltd..

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

**(B) SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY**

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

## LETTER FROM THE BOARD

Long position in the ordinary shares and underlying shares of the Company

NAME OF SHAREHOLDER	CAPACITY/ NATURE OF INTEREST	NUMBER OF SHARES HELD/ INTERESTED	APPROXIMATE PERCENTAGE OF SHAREHOLDING AS AT THE LATEST PRACTICABLE DATE
Fragrance Ltd. <sup>(1)</sup>	Beneficial owner	216,930,000	53.90%
Wang Jialu <sup>(1)(3)</sup>	Deemed interest by virtue of interest held by spouse	216,930,000	53.90%
Hean Nerng Group Pte. Ltd. <sup>(1)(2)</sup>	Interest in a controlled corporation	216,930,000	53.90%
HN Capital Ltd. <sup>(1)(2)</sup>	Interest in a controlled corporation	216,930,000	53.90%
LHN Capital Pte. Ltd. <sup>(1)(2)</sup>	Trustee	216,930,000	53.90%
Trident Trust Company (B.V.I.) Limited <sup>(1)(2)</sup>	Trustee	216,930,000	53.90%
Lim Hean Nerng <sup>(1)(2)</sup>	Founder of discretionary trusts	216,930,000	53.90%
Foo Siau Foon <sup>(1)(2)</sup>	Founder of discretionary trusts	216,930,000	53.90%

**Notes:**

- (1) Fragrance Ltd., which is wholly-owned by Hean Nerng Group Pte. Ltd., which in turn is owned as to 5% by Kelvin Lim, 10% by Jess Lim and 85% by HN Capital Ltd., is the beneficial owner of 216,930,000 Shares. By virtue of the SFO, Kelvin Lim, Wang Jialu, Hean Nerng Group Pte. Ltd., HN Capital Ltd., LHN Capital Pte. Ltd., Trident Trust Company (B.V.I.) Limited, Lim Hean Nerng and Foo Siau Foon are deemed to be interested in all of the Shares held by Fragrance Ltd..
- (2) Lim Hean Nerng, Foo Siau Foon and Kelvin Lim are the founders of The LHN Capital Trust and The Land Banking Trust. Trident Trust Company (B.V.I.) Limited, in its capacity as the trustee of The Land Banking Trust, holds the entire issued share capital of LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd., in its capacity as the trustee of The LHN Capital Trust, holds the entire issued share capital of HN Capital Ltd., which in turn holds 85% of the total issued share capital of Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. holds the entire issued share capital of Fragrance Ltd. Lim Hean Nerng, Foo Siau Foon and Kelvin Lim are deemed under the SFO to be interested in the Shares held by Trident Trust Company (B.V.I.) Limited and LHN Capital Pte. Ltd.. Trident Trust Company (B.V.I.) Limited is deemed under the SFO interested in the interests held by LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd. is deemed under the SFO interested in the interests held by HN Capital Ltd.. HN Capital Ltd. is deemed under the SFO interested in the interests held by Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. is deemed under the SFO interested in the interests held by Fragrance Ltd..
- (3) Wang Jialu, the spouse of Kelvin Lim, is deemed under the SFO to be interested in the interests held by Kelvin Lim.

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



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### 7. ABSTENTION FROM VOTING

Kelvin Lim and Jess Lim, whom are executive Directors of the Company, and their SG Associates, will abstain from voting their shareholdings in respect of ordinary resolution 10 in the notice of the 2020 AGM as set out in this Circular approving the Proposed Renewal of the IPT Mandate. Kelvin Lim and Jess Lim will also decline, and will ensure that their SG Associates will decline to accept appointment as proxy(ies) to vote on the ordinary resolution 10 in respect of the Proposed Renewal of the IPT Mandate to be tabled at the 2020 AGM unless specific instructions as to voting have been given by the Shareholder concerned.

### 8. DIRECTORS' RECOMMENDATION

8.1 All of the Directors, other than Lim Bee Choo and Yong Chee Hiong (who by virtue of themselves being the retiring Directors, are abstaining from making any recommendation in respect of the proposed re-election of the retiring Directors), are pleased to recommend the retiring Directors, details of which are set out in **Appendix I** to this Circular, pursuant to Rule 720(5) of the Catalist Rules for re-election at the 2020 AGM, and consider that the proposed re-election of the retiring Directors is in the interests of the Company and its Shareholders as a whole, and recommend that Shareholders vote in favour of the resolution relating to the re-election of the retiring Directors, as set out in the notice of the 2020 AGM in this Circular.

8.2 Kelvin Lim and Jess Lim (who, by virtue of each being an Interested Person, are abstaining from making any recommendation in respect of the Proposed Renewal of the IPT Mandate). The independent non-executive Directors who are considered independent for the purposes of the Proposed Renewal of the IPT Mandate, having carefully considered the rationale and benefits of the IPT Mandate are of the opinion that the Proposed Renewal of the IPT Mandate is in the best interests of the Company and its Shareholders as a whole and accordingly, recommend that Shareholders vote in favour of the resolution relating to the Proposed Renewal of the IPT Mandate, as set out in the notice of the 2020 AGM in this Circular.

8.3 The Directors, having carefully considered the rationale and benefits of the Share Buy-Back Mandate, as set out in Section 5 and **Appendix III** of this Circular, the Issue Mandate and the Extension Mandate, are of the opinion that the Proposed Renewal of the Share Buy-Back Mandate, the Issue Mandate and the Extension Mandate, are in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend that Shareholders vote in favour of the resolutions in respect of the Proposed Renewal of the Share Buy-Back Mandate, the Issue Mandate and the Extension Mandate, as set out in the notice of the 2020 AGM in this Circular.

### 9. ANNUAL GENERAL MEETING

A notice convening the 2020 AGM is set out on pages 64 to 72 of this Circular. At the 2020 AGM, ordinary resolutions will be proposed to approve, among other things, the re-election of the retiring Directors, the Proposed Renewal of the IPT Mandate, the Proposed Adoption of the Issue Mandate and the Extension Mandate, and the Proposed Renewal of the Share Buy-Back Mandate. Pursuant to Rule 13.39(4) of the HK Listing Rules and Catalist Rules, any vote of the Shareholders at a general meeting must be taken by way of poll. Therefore, all proposed resolutions put to vote at the 2020 AGM shall be taken by way of poll.



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## LETTER FROM THE BOARD

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### 10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2020 AGM and wish to appoint a proxy to attend and vote at the 2020 AGM on their behalf must complete, sign and return the proxy form attached to the notice of 2020 AGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 10 Raeburn Park, #02-18, Singapore 088702 (for Singapore Shareholders) or the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong Shareholders) not less than 72 hours before the time fixed for the 2020 AGM. The completion and return of a proxy form by a Shareholder does not preclude him from attending and voting in person at the 2020 AGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

A Depositor shall not be regarded as a Shareholder of the Company and not entitled to attend the 2020 AGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the 2020 AGM.

### 11. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM

*For Shareholders in Singapore*

The Share Transfer Books and Register of Members of the Company will be closed at **5:00 p.m. on Friday, 24 January 2020** for the purpose of determining Shareholders' entitlements to attend the 2020 AGM. 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 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 up to **5:00 p.m. on Wednesday, 22 January 2020** will be registered to determine shareholders' entitlements to attend the AGM.

*For Shareholders in Hong Kong*

The branch register of members of the Company in Hong Kong will be closed between **Thursday, 23 January 2020 and Thursday, 30 January 2020** (both days inclusive), during which period no transfer of Shares of the Company will be registered in Hong Kong. In order to determine Shareholders' entitlements to attend and vote at the 2020 AGM, all share transfers in Hong Kong, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than **4:30 p.m. on Wednesday, 22 January 2020**.

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 Wednesday, 15 January 2020** to the Company's Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Singapore shareholders) and the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong shareholders), respectively.

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## LETTER FROM THE BOARD

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### 12. DIRECTORS' RESPONSIBILITY STATEMENT

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

In accordance with Rule 1202 of the Catalist Rules, the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Renewal of the IPT Mandate, Proposed Adoption of the Issue Mandate and the Extension Mandate, Proposed Renewal of the Share Buy-Back Mandate, proposed re-election of the retiring directors, 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 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.

### 13. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 10 Raeburn Park, #02-18, Singapore 088702 and the principal place of business in Hong Kong of the Company at Rooms 802-804, 8/F, Kin Wing Commercial Building, 24-30 Kin Wing Street Tuen Mun, New Territories, Hong Kong during normal business hours during any weekday (excluding public holidays) from the date of this Circular up to the date of the 2020 AGM:

- (a) the Constitution of the Company;
- (b) the Annual Report; and
- (c) this Circular.

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

### 14. GENERAL INFORMATION

Your attention is drawn to the information set out in **Appendix I**, **Appendix II** and **Appendix III** to this Circular.

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## LETTER FROM THE BOARD

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### 15. MISCELLANEOUS

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

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

Kelvin Lim  
Executive Chairman, Executive Director and Group Managing Director

As required by the HK Listing Rules, the following are the particulars of the Directors proposed to be re-elected at the 2020 AGM:

**1. Ms Lim Bee Choo (林美珠)**

Ms Lim, age 45, has been appointed as an executive Director of the Company since 10 July 2014 and she is currently the Group Deputy Managing Director and a director of various subsidiaries of the Group.

Ms Lim has over 20 years of extensive and varied experience in business and supply chain management, comprising of over 15 years of experience in the leasing and facilities management business, and over 10 years of experience in the logistics services business. Prior to joining the Group, Ms Lim was a planner with Hewlett Packard Singapore (Private) Limited between 1996 and 2002, where she was responsible for the scheduling of the worldwide production plans of ink cartridges. She joined the Group in 2002 and is primarily responsible for the corporate development and overall administration for the Group and oversees the Group's finance, human resource, information systems and administration functions.

Ms Lim graduated with a Bachelor of Business Administration degree from the National University of Singapore in August 1996. She also obtained an Executive Diploma in Directorship from the Singapore Management University and the Singapore Institute of Directors in June 2015.

***Relationship with other Directors, senior management or substantial or controlling shareholders***

Ms Lim is the sister of Kelvin Lim (the Chairman, an executive Director, a substantial shareholder and a controlling shareholder of the Company). Ms Lim is also the daughter of Lim Hean Nerng and Foo Siau Foon, each a substantial shareholder of the Company, sister-in-law of Wang Jialu, a substantial shareholder of the Company, and sister of Lim Bee Li, a controlling shareholder of the Company.

Save as disclosed above, Ms Lim does not have any relationships with any Directors, senior management, substantial or controlling shareholders (as defined under the HK Listing Rules) of the Company.

***Length of service***

Ms Lim had entered into a service contract with the Company on 16 March 2015 for an initial term of three years commencing from 13 April 2015, and the agreement shall be automatically renewed thereafter until terminated by not less than six months' notice in writing served by either party on the other. She is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Constitution of the Company.

***Amount of emolument***

Pursuant to the service contract, Ms Lim will receive an annual salary of S\$288,000, plus annual fixed bonus of one month last drawn monthly salary and incentive bonus to be

approved by the remuneration committee of the Board. Her remuneration was determined with reference to her duties and responsibilities, the Company's remuneration policy and the prevailing market conditions, which will be subject to annual review by the remuneration committee of the Board and the Board from time to time with reference to her responsibility and annual performance. Ms Lim's emoluments recorded in FY2019 was approximately S\$401,000, including directors' fees, allowances and benefits-in-kind, discretionary bonuses, and share-based payments (if applicable).

#### ***Interest in shares***

Under Singapore laws and regulations, Ms Lim is deemed to be interested in 216,930,000 Shares (within the meaning of SFA in Singapore), representing approximately 53.90% of the total issued Shares of the Company, through her relationship with Kelvin Lim, her brother. Ms Lim is also a director of LHN Capital Pte. Ltd., HN Capital Ltd., Hean Nerng Group Pte. Ltd., Fragrance Ltd. and the Company. Accordingly, she is deemed to be able to exercise control over the Company. However, under Hong Kong laws and regulations, Ms Lim does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures (within the meaning of Part XV of the SFO) of the Company as at the Latest Practicable Date.

#### ***Other directorship***

Save as disclosed above, Ms Lim does not hold any other position in the Company or its subsidiaries nor any directorship in other listed public company in Singapore, Hong Kong or overseas in the last three years prior to the Latest Practicable Date.

#### ***Other information***

Below is a list of companies which has been struck off or applied to be struck off when Ms Lim was a director of such company or within 12 months after her ceasing to act as a director of such company:

<b>Name of company</b>	<b>Place of incorporation</b>	<b>Nature of business</b>	<b>Date of cessation of being a director</b>	<b>Status date</b>	<b>Status</b>
SRM Capital Pte. Ltd.	Singapore	Business management consultancy services	18 February 2015	18 February 2015 <sup>(1)</sup>	Struck off
Luiz Fernando (Asia) Pte. Ltd.	Singapore	Fashion (including accessories) design services	8 July 2013	8 July 2013 <sup>(1)</sup>	Struck off

**APPENDIX I****DETAILS OF RETIRING DIRECTORS  
PROPOSED FOR RE-ELECTION**

<b>Name of company</b>	<b>Place of incorporation</b>	<b>Nature of business</b>	<b>Date of cessation of being a director</b>	<b>Status date</b>	<b>Status</b>
Competent Builders Pte. Ltd.	Singapore	General contractors (building construction including major upgrading works)	5 June 2017	5 June 2017 <sup>(1)</sup>	Struck off
LHN Automobile Pte. Ltd.	Singapore	Storage, pre-delivery inspection and delivery services for motor vehicles	8 January 2018	8 January 2018 <sup>(1)</sup>	Struck off
MQ Furnishing Pte. Ltd.	Singapore	Sales of furniture	N/A	23 September 2019 <sup>(2)</sup>	Gazetted to be struck off
Nopest Pte. Ltd.	Singapore	Pest control consultancy and pest consultancy services	N/A	23 September 2019 <sup>(2)</sup>	Gazetted to be struck off

**Notes:**

(1) Date of striking off of the company.

(2) We have applied for the striking off of the company and the application has been approved by ACRA on 23 September 2019. The striking off application was gazetted on 6 November 2019 and the company will be automatically struck off 60 days after the application being gazetted if no objection is raised.

Save as disclosed above, there was no matter relating to the re-election of Ms Lim that needs to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to any requirements of Rules 13.51(2)(h) to (v) of the HK Listing Rules.

**2. Mr Yong Chee Hiong (楊志雄)**

Mr Yong Chee Hiong, age 66, has been appointed as an independent non-executive Director of the Company since 10 March 2015. Mr Yong is currently the chairman of the nominating committee and member of the audit committee and the remuneration committee.

Mr Yong has been the managing partner of Equity & Land LLP since September 2013, a limited liability partnership that provides advisory services in equities and real-estate investments. He has 40 years' experience in the real estate business ranging from land acquisition, planning and development, marketing and asset management.

He started his career as a land officer and centre manager responsible for land acquisition and property management at the Urban Redevelopment Authority of Singapore between July 1977 and February 1985, was a property and marketing manager responsible for marketing,

leasing and management of properties at Tong Eng Brothers Group, a real estate development and investment company, between February 1985 and February 1987, a director and then a partner at Knight Frank Property Consultancy, a real estate consultancy company, between March 1987 and July 1996, Mr Yong held the positions of a director of marketing and business development between August 1996 and December 2004, a deputy chief operating officer between January 2005 and January 2008, a chief operating officer of the corporate real estate business group and executive director of Far East Organization between July 2008 and December 2011, and an executive director of investment properties of Far East Organization between January 2012 and July 2013 at the Far East Organization.

He also served as an executive director between July 2008 to April 2012 at SGX-ST listed Far East Orchard Limited (formerly Orchard Parade Holdings Limited) (Singapore Stock Code: O10).

Mr Yong was the deputy chairman of the industry and development committee and board member of the Singapore Corporation of Rehabilitative Enterprises between September 1996 and August 2013. He served as the management committee member of Real Estate Developers' Association of Singapore between 1997 and 2009, holding various positions including honorary treasurer and honorary secretary. Mr Yong was awarded the public service medal (Pingat Bakti Masyarakat) in 2010 for his public service contributions.

Mr Yong holds a Master of Science (Property and Maintenance Management) degree from the National University of Singapore in March 1992 and a Bachelor of Science (Honours) degree in Urban Estate Management from Liverpool John Moores University (previously known as Liverpool Polytechnic), United Kingdom in July 1983. He has professional affiliations with the Singapore Institute of Surveyors & Valuers since 1986 and the Institute of Real Estate Management (USA) since 1994.

#### ***Length of service***

Mr Yong had entered into a letter of appointment with the Company on 10 March 2015 (as amended by an addendum dated 25 September 2017) for an initial term of three years commencing on 10 March 2015 and was extended for a period of three years with effect from 10 March 2018, which may be terminated by not less than three months' notice in writing served by either party on the other. He is subject to retirement by rotation and re-election at annual general meetings, and will continue thereafter until terminated in accordance with the terms of the service agreement/letter of appointment.

#### ***Amount of emolument***

Pursuant to Shareholders' approval obtained at the 2019 annual general meeting, Mr Yong will receive a director fee of S\$60,000 for FY2019. His remuneration was determined with reference to his duties and responsibilities, the Company's remuneration policy and the prevailing market conditions, which will be subject to annual review by the remuneration committee of the Board and the Board from time to time with reference to his responsibility and annual performance. Mr Yong's emoluments recorded in FY2019 was approximately S\$62,000, including directors' fees, allowances and benefits in-kinds, discretionary bonuses, and share-based payments (if applicable).

***Other directorship***

Save as disclosed above, Mr Yong does not hold any other position in the Company or its subsidiaries nor any directorship in other listed public company in Singapore, Hong Kong or overseas in the last three years prior to the Latest Practicable Date.

***Relationship with other Directors, senior management or substantial or controlling shareholders***

Save as disclosed above, Mr Yong does not have any relationships with any Directors, senior management, substantial or controlling shareholders (as defined under the HK Listing Rules) of the Company.

***Interest in shares***

Further, Mr Yong does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures (within the meaning of Part XV of the SFO) of the Company as at the Latest Practicable Date.

***Other information***

Below is a list of companies which has been struck off when Mr Yong was a director of such company or within 12 months after his ceasing to act as a director of such company:

<b>Name of company</b>	<b>Place of incorporation</b>	<b>Nature of business</b>	<b>Date of cessation of being a director</b>	<b>Status date</b>	<b>Status</b>
Kzones.com Pte Ltd	Singapore	Publishing of directories and mailing lists, development of software and programming activities	1 August 2014	21 April 2015 <sup>(1)</sup>	Struck off

**Note:**

(1) Date of striking off of the company.

Save as disclosed above, there was no matter relating to the re-election of Mr Yong that needs to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to any requirements of Rules 13.51(2)(h) to (v) of the HK Listing Rules.



**APPENDIX I**
**DETAILS OF RETIRING DIRECTORS  
PROPOSED FOR RE-ELECTION**

The information, as required under Catalist Rule 720(5), is disclosed in the following table.

	<b>Ms Lim Bee Choo</b>	<b>Mr Yong Chee Hiong</b>
Date of Initial Appointment	10 July 2014	10 March 2015
Date of last re-appointment (if applicable)	19 March 2018	19 March 2018
Age	45	65
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualifications, work experience and suitability of Ms Lim Bee Choo; in particular, in respect of her appointment as an Executive Director and Group Deputy Managing Director of the Group. The Board is satisfied that Ms Lim Bee Choo possesses the requisite experience and capabilities to assume the responsibilities of the Executive Director and Group Deputy Managing Director of the Group.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualifications, work experience and suitability of Mr Yong Chee Hiong; in particular, in respect of his appointment as an Independent Non-executive Director, Chairman of the Nominating Committee and Member of the Audit and Remuneration Committees of the Group. The Board is satisfied that Mr Yong Chee Hiong is independent and possesses the requisite experience and capabilities to assume the responsibilities of an Independent Non-executive Director and the Chairman of the Nominating Committee of the Group.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Group Deputy Managing Director of the Group.	Non-executive Director, Chairman of the Nominating Committee, member of the Audit Committee and Remuneration Committee of the Group.
Professional qualifications	Not applicable.	Professional affiliations with the Singapore Institute of Surveyors & Valuers and the Institute of Real Estate Management (USA).

**APPENDIX I**
**DETAILS OF RETIRING DIRECTORS  
PROPOSED FOR RE-ELECTION**

	<b>Ms Lim Bee Choo</b>	<b>Mr Yong Chee Hiong</b>
Working experience and occupation(s) during the past 10 years	Executive Director/Management of the company's business operations and primarily responsible for the corporate development and overall administration of the company in HN Holdings Pte. Ltd. (formerly known as Hean Nerng Holdings Pte Ltd) from 2002 to 2008.	Deputy Chairman of the industry and development committee and board member of the Singapore Corporation of Rehabilitative Enterprises from 1996 to 2013.  Management committee member of Real Estate Developers' Association of Singapore from 1997 to 2009.
Shareholding interest in the listed issuer and its subsidiaries	Deemed interested in 216,930,000 shares of the Company, representing 53.90% shareholding interest.	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Lim Bee Choo and Lim Lung Tieng, Executive Chairman, Executive Director and Group Managing Director are siblings. Both Lim Bee Choo and Lim Lung Tieng are deemed interested in each other's interests in the shares of the Company and are controlling shareholders of the Company.	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships#  * "Principal Commitments" has the same meaning as defined in the Code.  # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8) Past (for the last 5 years)	LHN Limited (" <b>Group</b> ") — the Executive Director, the Group Deputy Managing Director. Director of all of the subsidiaries of the Group other than LHN Asset Management (Xiamen) Co. Limited, 南安市賢能商務管理有限公司, PT Hean Nerng Group, PT Hub Hijau Serviced Offices and LHN Parking HK Limited.  A list of Ms Lim's private directorships are set out under the notes below <sup>(1)</sup> .	Mr Yong Chee Hiong is currently a Managing Partner of Equity & Land LLP.
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</b>		

**APPENDIX I**

**DETAILS OF RETIRING DIRECTORS  
PROPOSED FOR RE-ELECTION**

	<b>Ms Lim Bee Choo</b>	<b>Mr Yong Chee Hiong</b>
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

**APPENDIX I**

**DETAILS OF RETIRING DIRECTORS  
PROPOSED FOR RE-ELECTION**

	<b>Ms Lim Bee Choo</b>	<b>Mr Yong Chee Hiong</b>
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

**APPENDIX I**

**DETAILS OF RETIRING DIRECTORS  
PROPOSED FOR RE-ELECTION**

	<b>Ms Lim Bee Choo</b>	<b>Mr Yong Chee Hiong</b>
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

**APPENDIX I**

**DETAILS OF RETIRING DIRECTORS  
PROPOSED FOR RE-ELECTION**

	<b>Ms Lim Bee Choo</b>	<b>Mr Yong Chee Hiong</b>
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
<b>Disclosure applicable to the appointment of Director only</b>		
Any prior experience as a director of an issuer listed on the Exchange? (Yes/No)  If yes, please provide details of prior experience.  If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.  Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Yes  Ms Lim has been the director of LHN Limited since its listing on SGX-ST.  Not applicable, this is a re-election of a director, and Ms Lim is not a first-time director for reasons as stated above.	Yes  Aside from LHN Limited, Mr Yong was previously a director of Far East Orchard Limited, a company listed on the SGX-ST.  Not applicable, this is a re-election of director, and Mr Yong is not a first-time director for reasons as stated above.

**Note:**

- (1) A list of Ms Lim's directorships in private companies is set out as follows:

Present Directorships

85 SOHO Apartel Limited  
85SOHO LHN (Cambodia) Co., Ltd.  
Axis A1 Properties Co., Ltd  
Axis Properties Limited  
Chua Eng Chong Holdings Pte. Ltd.  
Fragrance Ltd.  
GreenHub Serviced Offices Yangon Limited  
GreenHub Suited Offices Pte. Ltd.  
GreenHub Ventures Pte. Ltd.  
Hean Nerng Facilities Management Pte. Ltd.  
Hean Nerng Group Pte. Ltd.  
Hean Nerng Logistics Pte. Ltd.  
HLA Container Services (Myanmar) Limited  
HLA Container Services (Thailand) Limited  
HLA Container Services Pte. Ltd.  
HLA Holdings (Thailand) Limited  
HLA Holdings Pte. Ltd.  
HN Capital Ltd.  
Industrial & Commercial Facilities Management Pte. Ltd.  
Industrial & Commercial Security Pte. Ltd.  
LHN Cambodia Pte. Ltd.  
LHN Capital Pte. Ltd.  
LHN Energy Resources Pte. Ltd.  
LHN Facilities Management Pte. Ltd.  
LHN Group (China) Asset Management Pte. Ltd.  
LHN Group Pte. Ltd.  
LHN Logistics Sdn Bhd  
LHN Management Services Pte. Ltd.  
LHN Parking (GMT) Pte. Ltd.  
LHN Parking Pte. Ltd.  
LHN Properties Investments Pte. Ltd.  
LHN Residence Pte. Ltd.  
LHN Space Resources Pte. Ltd.  
Pickjunction Pte. Ltd.  
S K A I — 85 SOHO Co., Ltd.  
Singapore Handicrafts Pte. Ltd.  
Soon Wing Investments Pte. Ltd.  
Work Plus Store (Joo Seng) Pte. Ltd.  
Work Plus Store Pte. Ltd.  
WPS KB Pte. Ltd.

Past Directorships (for the last 5 years)

Alkaff Mansion Ristorante Pte. Ltd.  
Competent Builders Pte. Ltd.  
Kelim & Co Pte. Ltd.  
LHN Automobile Pte. Ltd.  
LHN Culinary Concepts Pte. Ltd.  
MQ Furnishing Pte. Ltd.  
Nopest Pte. Ltd.  
Parco Caffè Holdings Pte. Ltd.  
SRM Capital Pte. Ltd.  
Work Plus Store (Kallang Bahru) Pte. Ltd.

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**THE IPT MANDATE****1. General Information Relating to Chapter 9 of the Catalist Rules****Scope**

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

**Definitions**

In this Appendix II:

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

An “**associate**” means:

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

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

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

**General Requirements**

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and are hence excluded from the ambit of Chapter 9 of the Catalist Rules, immediate announcement, or, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain thresholds (which are based on the value of the transaction as



compared with the listed company's latest audited consolidated NTA), are reached or exceeded. In particular, shareholders' approval is required where:

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

Immediate announcement of a transaction is required where:

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

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

### **General Mandate**

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

## **2. Classes of Mandated Interested Persons**

During FY2016, the shareholding of LHN Culinary was transferred from Hean Nerng Group Pte. Ltd. to Lim Hean Nerng, who was one of the initial founders of the Group. Our Executive Directors and their immediate family are directly and indirectly interested in the entire issued and paid-up share capital of Hean Nerng Group Pte. Ltd. through HN Capital Ltd. and The LHN Capital Trust. The subsidiary of LHN Culinary, namely Alkaff Mansion Ristorante Pte. Ltd. is involved in the food and beverage business.

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

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

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

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

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

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

### 3. Categories of Mandated Interested Person Transactions

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

- (a) the provision or obtaining of leases or sub-leases of commercial space, industrial space, residential space and/or land to or from the Mandated Interested Persons;
- (b) the provision of facilities management services under the Group's Facilities Management business such as building maintenance services, security services and pest control services to the Mandated Interested Persons;
- (c) the provision of renovation and related services such as, project management services, fitting-out works, addition and alteration works and replacement of mechanical and electrical installations to the Mandated Interested Persons;

- (d) purchase of food and beverage products and services from the Mandated Interested Persons; and
- (e) the provision or obtaining of such other products and/or services which are incidental to or in connection with the transactions in (a) to (d) above,

(collectively, the “**Mandated Transactions**”).

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

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

#### **4. Review Procedures for Mandated Transactions with Mandated Interested Persons**

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

- (a) In particular, the following review procedures have been put in place:
  - (i) Provision of services or sale of products to Mandated Interested Persons
    - aa. In general, all contracts entered into or transactions with Mandated Interested Persons are to be carried out in accordance with the Group’s usual business policies and practices, consistent with the usual margins or at the prevailing market rates for the same or substantially similar type of service or product provided, and on terms which are no more favourable to the Mandated Interested Persons than those extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms. Where possible and practicable, the Group will use its reasonable endeavours to make comparisons with at least two (2) other contracts or invoices issued to unrelated third parties for the same or substantially similar types of transactions. In the event where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, the Head of Finance and a senior executive of the Company designated by the Audit Committee (both of whom must have no interest, direct or indirect, in the transactions) will, subject to the approval thresholds set out below, determine whether the prices and terms offered to the Mandated Interested Persons are fair and reasonable, taking into account factors such as, but not limited to, the Group’s then

prevailing capacity and resources, nature and scope of services, rationale for and benefits of the transaction, duration of the contracts or services, requirements and specifications, industry's terms and practices (if applicable) and credit standing of the Mandated Interested Persons.

bb. Provision of property leases or sub-leases

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

cc. Provision of facilities management services

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

dd. Provision of renovation and related services

Renovation and related services are primarily provided to entities within the Group for internal support in connection with the Group's businesses and operations. Although the Group may extend such services to unrelated third parties such as the tenants, upon request, revenue contribution from such renovation and related services provided to the tenants were historically not material. In the event that the Group renders any renovation and related services to Mandated Interested Persons, factors such as, but not limited to, costs of services provided, scope of work and duration of the renovation period, will be taken into account and marked up with a gross profit margin which will not be more favourable to the Mandated Interested Persons than those extended to unrelated third parties. In addition, the Head of Finance and a senior executive of the Company designated by the Audit Committee (both of whom must have no interest, direct or indirect, in the transactions) will, subject to the approval thresholds set out below, determine whether the prices and terms offered to the Mandated Interested Persons are fair and reasonable, taking into account factors such as, but not limited to, the Group's then prevailing capacity and resources, nature and scope of services, rationale for and benefits of the transaction, duration of the services and credit standing of the Mandated Interested Persons, prior to rendering any renovation and related services to Mandated Interested Persons.

- (ii) Obtaining of services or purchasing of products from Mandated Interested Persons
  - aa. All contracts entered into or transactions with Mandated Interested Persons are to be carried out by obtaining quotations (wherever possible or available) from at least two (2) other unrelated third party suppliers for the same or substantially similar quantities and/or quality of services or products, prior to the entry into the contract or transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of services or products. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, requirements and specifications, quality, reputation, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account.
  - bb. In the event that such competitive quotations cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), the Head of Finance and a senior executive of the Company designated by the Audit Committee (both of whom must have no interest, direct or indirect in the transactions) will, subject to the approval thresholds set out below, determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable, taking into account factors such as, including but not limited to, the costs and benefits of entering into the transactions and the prices charged to unrelated third parties by the Mandated Interested Persons.
  - cc. In addition to (ii)(aa) above, with regards to the obtaining of property leases or sub-leases from Mandated Interested Persons, factors such as, but not limited to, prevailing market rental rates for other properties within the vicinity of similar or comparable standing and facilities, market rental rates as determined by independent valuers, the tenure of the lease, the area of the leased premises and any other factors which may affect the rental rates or terms of the lease, will be taken into account.
- (b) In addition to the above review procedures, the following approval procedures and thresholds will apply to the Mandated Transactions:
  - (i) Mandated Transactions relating to the provision or obtaining of property leases or sub-leases below or equal to the Property Leases Financial Limit (as defined below) each in value and Mandated Transactions not relating to the provision or obtaining of property leases or sub-leases below or equal to the Category 1 Financial Limit (as defined below) each in value, will be reviewed and approved by the Head of Finance and a senior executive of the Company designated by the Audit Committee (both of whom must have no interest, direct or indirect, in the Mandated Transactions) from time to time for such purpose, and tabled for review by the Audit Committee on a half-yearly basis;
  - (ii) Mandated Transactions relating to the provision or obtaining of property leases or sub-leases above the Property Leases Financial Limit (as defined below), each in value and Mandated Transactions not relating to the provision or obtaining of

property leases or sub-leases above the Category 1 Financial Limit (as defined below), each in value will be reviewed and approved by the Audit Committee;

- (iii) Where the value of a Mandated Transaction not involving the provision or obtaining of property leases or sub-leases, when aggregated with previous Mandated Transactions of the same kind in any particular financial year, is equal to or exceeds the Category 2 Financial Limit (as defined below), such Mandated Transaction, and all future Mandated Transactions of the same kind in that particular financial year will be reviewed and approved by the Audit Committee; and
- (iv) The Head of Finance and a senior executive of the Company designated by the Audit Committee from time to time for such purpose, and the Audit Committee, may, as he/she/it deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, which includes obtaining valuations from independent professional valuers.

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

- (c) The following will apply to the review and approval process for all categories of Mandated Transactions:
  - (i) if the Head of Finance has an interest in the Mandated Transaction or is a nominee for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by such other senior executive of the Company designated by the Audit Committee and the Chairman of the Audit Committee;
  - (ii) if the Head of Finance and the appointed senior executive have an interest in the Mandated Transaction(s) or are nominees for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by the Chairman of the Audit Committee or another member of the Audit Committee (who is not a nominee of the Mandated Interested Person(s) and has no interest in the Mandated Transaction(s)) designated by the Chairman of the Audit Committee from time to time for such purpose;
  - (iii) if a member of the Audit Committee has an interest in any Mandated Transaction or is a nominee for the time being of the Mandated Interested Person(s), he/she shall abstain from participating in the review and approval process of the Audit Committee in relation to that Mandated Transaction; and

- (iv) if a member of the Audit Committee (who is not a nominee of the Mandated Interested Person(s) and has no interest in the Mandated Transaction) also serves as an independent non-executive director on the board of directors or (as the case may be) an audit or other board committee of the Mandated Interested Person, and he/she participates in the review and approval process of the Audit Committee in relation to a Mandated Transaction with that Mandated Interested Person, he/she will abstain from participating on any decision before the board or committee of that Mandated Interested Person with respect to such Mandated Transaction.
- (d) The Company has also implemented the following procedures for the identification of Interested Persons and the recording of all Interested Person Transactions (including the Mandated Transactions):
  - (i) The Company will maintain an updated list of Interested Persons and will disclose the list to relevant key personnel within the Group (including after each update to the list) to enable identification of Interested Persons. This master list of Interested Persons shall be reviewed on a half-yearly basis by the Audit Committee;
  - (ii) The Company will obtain signed letters of confirmation from key management personnel and Directors on an annual basis with respect to their interest in any transactions with the Group; and
  - (iii) The Company will maintain a register of Interested Person Transactions, including the Mandated Transactions (“**IPT Register**”) carried out with Mandated Interested Persons. The IPT Register shall include information pertinent to all the Mandated Transactions, such as, but not limited to, the list of Associates, the nature of the Mandated Transactions, the amount of the Mandated Transactions, the basis and rationale for determining the transaction prices, material terms and conditions and supporting evidence and quotations to support such basis. For the avoidance of doubt, all Mandated Transactions including those below S\$100,000 shall be recorded in the IPT Register.

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

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

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



## 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. Furthermore, the Company is primary dual-listed on the Catalist and the Main Board of SEHK, hence, such purchase or acquisition shall comply with the Companies Act, Catalist Rules, HK Listing Rules, SFO and such other laws and regulations as may for the time being be applicable.

As the Company is listed on Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist 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 Catalist 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.

The previous Share Buy-Back Mandate will lapse at the 2020 AGM. Accordingly, approval is being sought from Shareholders at the 2020 AGM for the Proposed Renewal of the Share Buy-Back Mandate.

## 2. Rationale for the Share Buy-Back Mandate

The 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 with 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 EPS and/or NAV per Share. The Directors believe that a Share buy-back by the Company will also help 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 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 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 Share Buy-Back Mandate

The authority and limitations placed on purchases and acquisitions of Shares by the Company under the 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 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 2020 AGM at which the Proposed Renewal of the 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 did 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 402,445,400 Shares, and assuming that no further Shares are issued on or prior to the 2020 AGM, not more than 40,244,540 Shares (representing 10% of the issued and paid-up share capital of the Company as at the date of the 2020 AGM) may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate for the duration referred to in Section 3.2 of this Appendix.

#### 3.2 Duration of Authority

Purchases or acquisitions of Shares may be made during the Relevant Period, 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 AGM or the date by which such AGM 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 are carried out to the full extent mandated; or
- (c) the date on which the authority conferred in the Share Buy-Back Mandate is varied or revoked by the Shareholders in a general meeting.

(referred to as the “**Relevant Period**”).

The Share Buy-Back Mandate may be renewed at each AGM 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:

- (i) 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;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) 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 Catalist 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:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share buy-back;
- (iv) the consequences, if any, of Share buy-back by the Company that will arise under the SG Take-over Code or other applicable take-over rules;
- (v) whether the Share buy-back, if made, would have any effect on the listing of the Shares on Catalist;

- (vi) 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
- (vii) 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 HK Share Buy-Backs Code. According to the HK Share Buy-Backs Code, 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 HK Share Buy-Backs Code, 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 HK Share Buy-Backs Code. Accordingly, even if the Share Buy-Back Mandate shall have been approved by Shareholders at the 2020 AGM, the Company will still be required to, among other things, 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 HK Share Buy-Backs Code.

### 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.

For the above purposes:

“**Average Closing Price**” means, (i) in the case of 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 Catalist Rules, that occurs after the relevant five (5)-day period; and (ii) in the case of 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.

#### **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.

All Shares purchased or acquired by the Company will be automatically de-listed from Catalist (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 Catalist 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 Catalist 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) (“**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 Share Buy-Back Mandate. In purchasing or acquiring Shares pursuant to the 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 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.

## 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 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);
- (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 of the Company 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 Share Buy-Back Mandate.

As at the Latest Practicable Date, based on the interest of the SG Substantial Shareholders recorded in the Register of SG Substantial Shareholders and the interest of Directors recorded in the Register of Directors' Shareholdings, 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 Share Buy-Back Mandate.

#### **7. The HK Share Buy-Backs Code**

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 Share Buy-Back Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the HK Takeovers 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 Takeovers Code.

As at the Latest Practicable Date, to the best knowledge of the Directors, the controlling shareholders (as defined under the HK Listing Rules) of the Company, namely Kelvin Lim, Jess Lim, Ms Lim Bee Li, Fragrance Ltd., Hean Nerng Group Pte. Ltd. and HN Capital Ltd. together exercise and/or control the exercise of approximately 53.90% voting rights in the general meeting of the Company. See "6. Interests of the Directors and/or Substantial Shareholders" in the Circular for shareholding details.

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 Share Buy-Back Mandate, the direct and indirect shareholding of the controlling shareholders (as defined under the HK Listing Rules) in the Company would increase to approximately 59.89% 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 Takeovers Code. The Directors have no present intention to repurchase the Shares to the extent that

will trigger the obligations under the HK Takeovers Code for the controlling shareholders (as defined under the HK Listing Rules) 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 Takeovers Code would ensue as a result of a purchase or acquisition of Shares by the Company pursuant to the 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 TAKEOVERS 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.**

#### 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 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 of this Appendix are based on the assumptions set out below:

(a) Information as at Latest Practicable Date

As at the Latest Practicable Date, the Company has 402,445,400 issued Shares. The Company has no Treasury Shares or subsidiary holdings as at Latest Practicable Date.

(b) Maximum number of Shares purchased or acquired

**Purely for illustrative purposes**, on the basis of 402,445,400 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2020 AGM, the purchase by the Company of 10% of its issued Shares will result in the purchase of 40,244,540 Shares.



In the case of Market Purchases by the Company on the Catalist and assuming that the Company purchases or acquires 40,244,540 Shares at the Maximum Price of S\$0.130 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 Catalist immediately preceding the Latest Practicable Date), the maximum amount required for the purchase or acquisition of 40,244,540 Shares is approximately S\$5.2 million.

In the case of Market Purchases by the Company on the SEHK and assuming that the Company purchases or acquires 40,244,540 Shares at the Maximum Price of HK\$0.758 (equivalent to S\$0.132 based on an exchange rate of S\$1:HK\$5.75, 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 40,244,540 Shares is approximately HK\$30.5 million (equivalent to S\$5.3 million).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 40,244,540 Shares at the Maximum Price of S\$0.136 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 Catalist immediately preceding the Latest Practicable Date), the maximum amount required for the purchase or acquisition of 40,244,540 Shares is approximately S\$5.5 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 Share Buy-Back Mandate had been effective on 1 October 2018; (c) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate are assumed to be insignificant and have been ignored for the purposes of computing the financial effects; (d) the Company had purchased the 40,244,540 Shares (representing 10% of the total number of issued Shares of the Company as at 30 September 2019) on 1 October 2018; and (e) the Maximum Price in relation to a Share to be purchased will be based on the lower of the Average Closing Price on the SGX-ST or the SEHK, in the case of this illustration, being S\$0.124 (equivalent to HK\$0.713 based on an exchange rate of S\$1: HK\$5.75, being the closing exchange rate as at the Latest Practicable Date) per Share on SGX-ST, the financial effects of:

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

on the audited financial results of the Company and the Group for FY2019, are set out on pages 56 to 57:

**Scenario A**

	Group			Company		
	Before Share Buyback	After Market Purchase	After Off-Market Purchase	Before Share Buyback	After Market Purchase	After Off-Market Purchase
<b>(S\$'000)</b>						
Share Capital	63,407	58,175	57,934	63,407	58,175	57,934
Other Reserves	(26,747)	(26,747)	(26,747)	–	–	–
Retained Profits	59,587	59,587	59,587	2,953	2,953	2,953
Exchange Translation Reserve	(904)	(904)	(904)	–	–	–
<b>Total Shareholders' Equity</b>	<b>95,343</b>	<b>90,111</b>	<b>89,870</b>	<b>66,360</b>	<b>61,128</b>	<b>60,887</b>
<b>NTA<sup>(1)</sup></b>	<b>95,235</b>	<b>90,003</b>	<b>89,762</b>	<b>66,360</b>	<b>61,128</b>	<b>60,887</b>
Current Assets	50,707	45,475	45,234	34,389	29,157	28,916
Current Liabilities	43,796	43,796	43,796	765	765	765
<b>Working Capital</b>	<b>6,911</b>	<b>1,679</b>	<b>1,438</b>	<b>33,624</b>	<b>28,392</b>	<b>28,151</b>
Total Borrowings	53,776	53,776	53,776	–	–	–
Cash and Cash equivalents	21,300	16,068	15,827	4,260	4,260	4,260
Total Number of Issued Shares ('000)	402,445 <sup>(5)</sup>	362,200	362,200	402,445 <sup>(5)</sup>	362,200	362,200
Weighted Average No. of Shares ('000)	402,445	362,200	362,200	402,445	362,200	362,200
Net Profit attributable to shareholders	8,186	8,186	8,186	2,066	2,066	2,066
<b>Financial Ratios</b>						
NTA per Share (cents) <sup>(2)</sup>	23.66	24.85	24.78	16.49	16.88	16.81
Gearing (times) <sup>(3)</sup>	0.6	0.6	0.6	–	–	–
Current Ratio (times)	1.2	1.0	1.0	45.0	38.1	37.8
EPS (cents) <sup>(4)</sup>	2.03	2.26	2.26	0.51	0.57	0.57

**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 2019.
- (3) Gearing equals to total bank and other borrowings divided by total shareholders' equity.
- (4) EPS equals to net profit attributable to owners of the Company divided by the weighted average number of Shares during FY2019.
- (5) Based on the issued share capital of 402,445,400 ordinary shares as at 30 September 2019.

**Scenario B**

	Group			Company		
	Before Share Buyback	After Share Market Purchase	After Off-Market Purchase	Before Share Buyback	After Share Market Purchase	After Off-Market Purchase
<b>(S\$'000)</b>						
Share Capital	63,407	63,407	63,407	63,407	63,407	63,407
Other Reserves	(26,747)	(26,747)	(26,747)	–	–	–
Retained Profits/(Accumulated Losses)	59,587	54,355	54,114	2,953	(2,279)	(2,520)
Exchange Translation Reserve	(904)	(904)	(904)	–	–	–
<b>Total Shareholders' Equity</b>	<b>95,343</b>	<b>90,111</b>	<b>89,870</b>	<b>66,360</b>	<b>61,128</b>	<b>60,887</b>
<b>NTA<sup>(1)</sup></b>	<b>95,235</b>	<b>90,003</b>	<b>89,762</b>	<b>66,360</b>	<b>61,128</b>	<b>60,887</b>
Current Assets	50,707	45,475	45,234	34,389	29,157	28,916
Current Liabilities	43,796	43,796	43,796	765	765	765
<b>Working Capital</b>	<b>6,911</b>	<b>1,679</b>	<b>1,438</b>	<b>33,624</b>	<b>28,392</b>	<b>28,151</b>
Total Borrowings	53,776	53,776	53,776	–	–	–
Cash and Cash equivalents	21,300	16,068	15,827	4,260	4,260	4,260
Total Number of Issued Shares ('000)	402,445 <sup>(5)</sup>	362,200	362,200	402,445 <sup>(5)</sup>	362,200	362,200
Weighted Average No. of Shares ('000)	402,445	362,200	362,200	402,445	362,200	362,200
Net Profit attributable to shareholders	8,186	8,186	8,186	2,066	2,066	2,066
<b>Financial Ratios</b>						
NTA per Share (cents) <sup>(2)</sup>	23.66	24.85	24.78	16.49	16.88	16.81
Gearing (times) <sup>(3)</sup>	0.6	0.6	0.6	–	–	–
Current Ratio (times)	1.2	1.0	1.0	45.0	38.1	37.8
EPS (cents) <sup>(4)</sup>	2.03	2.26	2.26	0.51	0.57	0.57

**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 2019.
- (3) Gearing equals to total bank and other borrowings divided by total shareholders' equity.
- (4) EPS equals to net profit attributable to owners of the Company divided by the weighted average number of Shares during FY2019.
- (5) Based on the issued share capital of 402,445,400 ordinary shares as at 30 September 2019.

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 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 FY2019, and is not necessarily representative of the future financial performance of the Group and the Company.**

It should be noted that although the 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. Taxation

Pursuant to Section 10J of the Income Tax Act, Chapter 134 of Singapore, where a company buys back its own shares and makes payment out of its contributed capital, it will not be regarded as a payment of dividend. Where a company buys back its own shares using its distributable profits, it is deemed as having paid a dividend to the shareholders from whom the shares are purchased or acquired.

**Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisors.**

#### 11. Interested Persons

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

#### 12. 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 ACRA. Within 30 days of a purchase of Shares on Catalist 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.

***Under the Catalist Rules***

Under Catalist Rule 869, a listed 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 after the relevant 5-day period. 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, conforms to this restriction.

Additionally, Catalist Rule 871 also specifies that a listed 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.

Such announcement shall include, inter alia, details of the total number of Shares authorised for purchase, the date of purchase, the total number of Shares purchased, the purchase price per Share or (in the case of Market Purchases) the purchase price per Share or the highest price and lowest price per Share, the total consideration paid for the Shares and the number of issued Shares after purchase, in the form of Appendix 8D prescribed under the Catalist Rules.

***Under the HK Listing Rules***

Under the HK Listing Rules, after the Company has made purchases 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 Explanatory Statement. 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

- (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.

### 13. Restrictions in Share Buy-Backs

#### *Under the Catalist Rules*

The Company does not have any individual shareholding limit or foreign shareholding limit. However, the Company is required under Rule 723 of the Catalist Rules to ensure that at least ten per cent (10%) of its Shares are in the hands of the public. The term "**public**", as defined under the Catalist Rules, are persons other than (i) the Directors, chief executive officer, SG Substantial Shareholders or SG Controlling Shareholders of the Company and its subsidiaries; and (ii) the SG Associates of persons in (i).

As at the Latest Practicable Date, approximately 45.96% of the issued share capital of the Company are held in the hands of the public. Assuming that the Company repurchased the maximum of 10% of its issued share capital as at the Latest Practicable Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be approximately 39.96%.

While the Catalist 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 of Singapore (Chapter 289) 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 Share Buy-Back Mandate at any time after any matter or development of a 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.

Further, in conformity with the best practices on dealing with securities under the Catalist Rules, the Company will not purchase or acquire any Shares during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one (1) month immediately preceding the announcement of the Company's 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 Exchange, 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, 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 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.



**14. 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:

	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
December 2018	1.14	0.86
January 2019	0.99	0.85
February 2019	0.99	0.86
March 2019	0.95	0.85
April 2019	0.98	0.87
May 2019	0.91	0.75
June 2019	0.92	0.52
July 2019	0.87	0.57
August 2019	0.75	0.56
September 2019	0.68	0.61
October 2019	0.67	0.57
November 2019	0.84	0.58
December 2019 (up to the Latest Practicable Date)	0.84	0.66

**15. 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 over the past twelve (12) months.

**16. 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 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 Share Buy-Back Mandate in accordance with the HK Listing Rules, the applicable laws of the 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 Share Buy-Back Mandate is adopted.

The Directors will not exercise the 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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**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)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of **LHN LIMITED** will be held at 10 Raeburn Park, #02-18, Singapore 088702 on Thursday, 30 January 2020 at 10:00 a.m. to transact the following business:

### **AS ORDINARY BUSINESS**

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 30 September 2019 together with the Independent Auditor's Report thereon. **(Resolution 1)**
2. To declare a final dividend of 0.5 Singapore cents (S\$0.005) (equivalent to 2.9 Hong Kong cents) per ordinary share tax exempt (one-tier) for the financial year ended 30 September 2019. **(Resolution 2)**
3. To re-elect the following Directors of the Company retiring pursuant to Regulation 99 of the Constitution of the Company, and who have, being eligible, offered themselves for re-election as Directors:

Ms Lim Bee Choo

**(Resolution 3)**

Mr Yong Chee Hiong

**(Resolution 4)**

The detailed information of the above mentioned Directors as recommended under Guideline 4.7 of the Code of Corporate Governance 2012 and as required under rule 13.74 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**HK Listing Rules**") can be found under the sections entitled "Board of Directors" and the "Corporate Governance Report" in the Annual Report and circular of the Company dated 27 December 2019.

*[See Explanatory Note (i)]*

4. To approve the payment of Directors' fees of S\$192,000 for the financial year ending 30 September 2020, payable quarterly in arrears (FY2019: S\$192,000). **(Resolution 5)**

\* *For identification purpose only*

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## NOTICE OF ANNUAL GENERAL MEETING

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5. To approve the payment of Directors' meeting allowances of S\$6,000 for the financial year ended 30 September 2019.  
*[See Explanatory Note (ii)]* **(Resolution 6)**
6. To re-appoint Messrs PricewaterhouseCoopers LLP as the Independent Auditor of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**
7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

#### 8. Authority to issue shares

That pursuant to Section 161 of the Singapore Companies Act, Chapter 50 (the "**Companies Act**") and Rule 806 of Section B of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual: Rules of Catalist (the "**Catalist Rules**") and HK Listing Rules, the Directors of the Company be authorised and empowered to:

- (a) (i) 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

- (b) (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 of the Company to be allotted and issued pursuant to this Resolution (including Shares of the Company to be allotted and issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 100% 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 Shares to be allotted and issued other than on a pro rata basis to shareholders of the Company (including Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to this Resolution) does 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);

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## NOTICE OF ANNUAL GENERAL MEETING

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- (2) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Companies Act, HK Listing Rules, the Code on Share Buy-Backs of Hong Kong and Catalist Rules for the time being in force (unless such compliance has been waived by The Stock Exchange of Hong Kong Limited (the “SEHK”), the Hong Kong Securities and Futures Commission or SGX-ST, respectively) and the Constitution, for the time being in force, of the Company;
- (3) (subject to such 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 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 which are outstanding or subsisting at the time this Resolution is passed; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares; 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.

*[See Explanatory Note (iii)]*

**(Resolution 8)**

9. **Authority to issue Shares under the LHN Share Option Scheme (the “Share Option Scheme”)**

That pursuant to Section 161 of the Singapore Companies Act, Cap 50, of Singapore, the Directors of the Company be authorised to offer and grant options in accordance with the provisions of the Share Option Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued pursuant to the exercise of options under the Share Option Scheme, provided always that the aggregate number of new Shares to be allotted and issued pursuant to the Share Option Scheme, when added to the aggregate number of Shares issued and issuable in respect of all options granted under the Share Option Scheme and any other share option, share incentive, performance share or restricted share plan implemented by the Company, shall not exceed 10% of the total number of issued Shares in the capital of the Company at the date of the passing of this Resolution.

*[See Explanatory Note (iv)]*

**(Resolution 9)**

10. **Proposed Renewal of the Shareholders’ Mandate for Interested Person Transactions**

That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules of the SGX-ST (“**Chapter 9**”), for the Company, its subsidiaries and associated companies that are “entities at risk” (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the circular of the Company dated 27 December 2019 (the “**Circular**”) with any party who is of the class of interested persons described in the Circular, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval given in paragraph (a) above (the “**IPT Mandate**”) shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company;
- (c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendments to Chapter 9 of the Catalist Rules which may be prescribed by the SGX-ST from time to time; and
- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.  
*[See Explanatory Note (v)]* **(Resolution 10)**

### 11. Proposed Renewal of the Share Buy-Back Mandate

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act (Chapter 50 of Singapore) (the “**Act**”) and the HK Listing Rules, approval be and is hereby given for the renewal of the Share Buy-Back Mandate (as defined therein the Circular of the Company dated 27 December 2019); and the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire ordinary shares of the Company (“**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 hereafter 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 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 Act, the Catalist Rules, the Singapore Code on Take-overs and Mergers, the HK Listing Rules, The Code on Share Buy-backs of Hong Kong and the Code on Takeovers and Mergers of Hong Kong, as may for the time being be applicable (the “**Share Buy-Back Mandate**”);
- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall be deemed cancelled and dealt with in accordance with the Act;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the 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:
- (i) the conclusion of the next AGM or the date by which such AGM 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 Share Buy-Back Mandate is varied or revoked by the shareholders of the Company in a general meeting;
- (d) 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 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 AGM 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 (i) in the case of Market Purchase on 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 Catalist Rules, that occurs after the relevant five (5)-day period; and (ii) in the case of 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; and

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## NOTICE OF ANNUAL GENERAL MEETING

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“**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; and

- (e) 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 may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.

*[See Explanatory Note (vi)]*

**(Resolution 11)**

### 12. **Extension Mandate on Issue Shares Repurchased**

That conditional on the passing of resolutions numbered 8 and 11 above, the general mandate adopted pursuant to resolution number 11 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 (a) of resolution numbered 11 above.

*[See Explanatory Note (vii)]*

**(Resolution 12)**

By Order of the Board

Victor Lai  
Joint Company Secretary  
Singapore,  
27 December 2019



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## NOTICE OF ANNUAL GENERAL MEETING

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### Explanatory Notes:

- (i) Ms Lim Bee Choo, upon re-election as a Director of the Company, will remain as the Executive Director and Group Deputy Managing Director.

Mr Yong Chee Hiong, upon re-election as a Director of the Company, will remain as the Chairman of the Nominating Committee and a member of both the Audit and Remuneration Committees, and the Board of Directors (save for Mr Yong Chee Hiong) considers him independent for the purposes of Rule 704(7) of the Catalist Rules and Rule 3.13 of the HK Listing Rules.

- (ii) The payment of Directors' meeting allowances is for the additional and ad-hoc board meetings attended by the Directors during the financial year ended 30 September 2019.
- (iii) The Ordinary Resolution 8 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per cent (100%) of the total number of issued shares in the capital of the Company of which up to twenty per cent (20%) may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding subsidiary holdings) will be calculated based on the total number of issued shares (excluding subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities, share options or share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

- (iv) The Ordinary Resolution 9 in item 9 above, if passed, will empower the Directors of the Company to issue Shares up to an amount in aggregate not exceeding ten per cent (10%) of the issued share capital of the Company pursuant to the Share Option Scheme, and such other share-based incentive scheme or share plan. This authority is in addition to the general authority to issue Shares sought under Ordinary Resolution 8.
- (v) The Ordinary Resolution 10 proposed in item 10 above, if passed, will allow the Company and its subsidiaries to enter into transactions with interested persons as defined in Chapter 9 of the Catalist Rules. Please refer to the Circular of the Company dated 27 December 2019 for details.
- (vi) The Ordinary Resolution 11 in item 11 above, if passed, will empower the Directors of the Company, with the effective period commencing from the date on which the ordinary resolution in relation to the Share Buy-Back Mandate is passed in a general meeting and expiring on the earliest of the date on which the next Annual General Meeting is held or is required by law to be held, or the date the said mandate is revoked or varied by the Company in a general meeting to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per cent (10%) of the total number of issued shares in the capital of the Company (excluding subsidiary holdings) at the Maximum Price as defined in this Notice of Annual General Meeting.

The rationale for the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate on the audited consolidated financial accounts of the Group for the financial year ended 30 September 2019 are set out in greater detail in the Circular.

- (vii) The Ordinary Resolution 12 in item 12 above, if passed, will extend the aggregate number of the Shares which may be allotted and issued under the mandate under Ordinary Resolution 8 by an addition of an amount representing the aggregate number of Shares purchased or acquired pursuant to the mandate under Ordinary Resolution 11. It is required under Rule 13.36(2)(b) of the HK Listing Rules that a separate ordinary resolution must be passed by the Shareholder in the general meeting to add such repurchased securities to the 20% general mandate under Ordinary Resolution 8. Assuming that the amount of the repurchased securities represents the maximum ten per cent (10%) of the total number of Shares under Ordinary Resolution 11, the aggregate number of Shares which may be allotted and issued under the mandate under Ordinary Resolution 8 would be increased to thirty per cent (30%) of the total number of Shares, which is within the limit under the Catalist Rules.

### **Notes:**

- A member who is not a relevant intermediary is entitled to appoint one or two proxies to attend and vote at the annual general meeting ("**Meeting**") of the Company.
  - A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the Meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member,  
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.
- A proxy need not be a member of the Company.



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## NOTICE OF ANNUAL GENERAL MEETING

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3. A member of the Company which is a corporation is entitled to appoint its authorised representatives or proxies to vote on his behalf.
4. The instrument appointing a proxy(ies) must be deposited at the registered office of the Company at **10 Raeburn Park, #02-18, Singapore 088702** (for Singapore shareholders), or at the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited at **Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong** (for Hong Kong shareholders) not less than **seventy-two (72) hours** before the time set for the Meeting. The completion and return of a proxy form by a Shareholder does not preclude him from attending and voting in person at the Meeting should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

### **Personal data privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), 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) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

### **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the AGM

#### *For Shareholders in Singapore*

The Share Transfer Books and Register of Members of the Company will be closed at **5:00 p.m. on Friday, 24 January 2020** for the purpose of determining shareholders' entitlements to attend the AGM. 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 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 up to **5:00 p.m. on Wednesday, 22 January 2020** will be registered to determine shareholders' entitlements to attend the AGM.

#### *For Shareholders in Hong Kong*

The branch register of members of the Company in Hong Kong will be closed from **Thursday, 23 January 2020 to Thursday, 30 January 2020** (both days inclusive), during which period no transfer of Shares of the Company will be registered in Hong Kong. In order to determine shareholders' entitlements to attend and vote at the AGM, all share transfers in Hong Kong, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than **4:30 p.m. on Wednesday, 22 January 2020**.

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 Wednesday, 15 January 2020** to the Company's Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Singapore shareholders) and the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong shareholders), respectively.

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## NOTICE OF ANNUAL GENERAL MEETING

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For determining the entitlement to the Proposed Final Dividend

*For Shareholders in Singapore*

The Share Transfer Books and Register of Members of the Company will be closed at **5:00 p.m. on Friday, 7 February 2020** for the purpose of determining shareholders' entitlements to the proposed final dividend. 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 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 up to **5:00 p.m. on Friday, 7 February 2020** will be registered to determine shareholders' entitlements to the proposed final dividend.

*For Shareholders in Hong Kong*

The branch register of members of the Company in Hong Kong will be closed between **Monday, 10 February 2020 and Tuesday, 11 February 2020** (both days inclusive), during which period no transfer of Shares of the Company will be registered in Hong Kong. In order to determine shareholders' entitlements to the proposed final dividend, all share transfers in Hong Kong, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than **4:30 p.m. on Friday, 7 February 2020**.

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, 31 January 2020** to the Company's Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Singapore shareholders) and the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong shareholders), respectively.

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

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