

CIRCULAR DATED 6 JANUARY 2020

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

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

If you have sold or transferred all your shares in the capital of LHT Holdings Limited (**Company**), you should forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker, or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should at once hand this circular with the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (**SGX-ST**) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



LHT HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198003094E)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED LEASE OF THE PROPERTY KNOWN AS PTE LOT A7000010 AT KRANJI WAY (PID: 8201710044) FOR A TERM OF 30 YEARS

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	18 January 2020 at 3.30 pm
Date and time of Extraordinary General Meeting	:	21 January 2020 at 3.30 pm
Place of Extraordinary General Meeting	:	27 Sungei Kadut Street 1, Singapore 729335

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DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout unless the context requires otherwise:

<i>Agreement to Lease</i>	:	The agreement to lease the Property from JTC and proposed to be entered into by the Company on the terms set out in the letter from JTC dated 8 May 2019 (as varied and supplemented by the variation letter from JTC dated 4 November 2019 and JTC's email dated 27 December 2019)
<i>Board</i>	:	The board of Directors of the Company, as at the date of this Circular
<i>Business Day</i>	:	A day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore
<i>CDP</i>	:	The Central Depository (Pte) Limited
<i>Circular</i>	:	This circular to Shareholders dated 6 January 2020
<i>Commencement Date</i>	:	The date of commencement of the Lease Term, which is 1 April 2020
<i>Companies Act</i>	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
<i>Company</i>	:	LHT Holdings Limited
<i>Director(s)</i>	:	The director(s) of the Company for the time being
<i>EGM</i>	:	The extraordinary general meeting of the Company to be held on 21 January 2020, notice of which is given in the Notice of EGM (or any adjournment thereof)
<i>EPS</i>	:	The earnings per share
<i>FY</i>	:	The financial year ended or ending, as the case may be, 31 December
<i>GST</i>	:	Goods and Services Tax
<i>Group</i>	:	The Company and its subsidiaries, collectively
<i>JTC</i>	:	JTC Corporation
<i>Listing Manual</i>	:	The listing manual of the SGX-ST, as may be amended or modified from time to time

DEFINITIONS

<i>Lease Term</i>	:	The term of the lease of the Property for a period of thirty (30) years subject to the terms and conditions as set out in the Agreement to Lease
<i>NTA</i>	:	The net tangible assets
<i>No. 27</i>	:	The property situated at 27 Sungei Kadut Street 1, Singapore 729335 with a land area of approximately 28,287 square metres
<i>No. 44</i>	:	The property situated at 44 Sungei Kadut Street 1 Singapore 729349 with a land area of approximately 35,281 square metres
<i>No. 27 Lease</i>	:	The existing lease over No. 27 granted by JTC to the Company which will expire on 30 June 2025
<i>No. 44 Lease</i>	:	The existing short-term lease over No. 44 granted by JTC to the Company which will expire on 30 December 2020
<i>Notice of EGM</i>	:	The notice of EGM which is set out on pages 15 and 16 of this Circular
<i>Ordinary Resolution</i>	:	The ordinary resolution proposed to be passed at the EGM and set out in the Notice of EGM on pages 15 and 16 of this Circular
<i>Property</i>	:	The premises at 30 Kranji Way (PID: 8201710044) with a land area of approximately 18,000 square metres
<i>Proposed Lease</i>	:	The Company's proposed entry into the lease by JTC to the Company in respect of the Property on the terms and subject to the conditions of the Agreement to Lease
<i>SGXNET</i>	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<i>SGX-ST</i>	:	Singapore Exchange Securities Trading Limited
<i>Shares</i>	:	Ordinary shares in the capital of the Company
<i>Shareholders</i>	:	Registered holders of Shares, except that where the registered holder is CDP, the term <i>Shareholders</i> shall, in relation to such Shares, mean Depositors who have Shares entered against their names in the Depository Register
<i>Shareholder Proxy Form</i>	:	The proxy form for shareholders which is set out on pages 17 and 18 of this Circular

DEFINITIONS

S\$ and cents : Singapore dollars and cents respectively

% or per cent. : Per centum or percentage

The terms **Depositor**, **depository agent** and **Depository Register** shall have the same meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Cap. 289). The term “subsidiary” shall have the meaning ascribed to it in Section 5 of the Companies Act.

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

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 gender and *vice versa*. References to persons shall, where applicable, include corporations.

The words **written** and **in writing** include any means of visible reproduction.

Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the Securities and Futures Act (Cap. 289), the Listing Manual, the Take-over Code or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act (Cap. 289), the Listing Manual, the Take-over Code or any statutory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in tables included herein between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

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

LETTER TO SHAREHOLDERS

LHT HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198003094E)

Board of Directors:

Yap Mui Kee (Managing Director)
Tan Kim Sing (Executive Director)
Billy Neo Kian Wee (Executive Director)
Tan Kok Hiang (Non-Executive, Lead Independent Director)
Low Peng Kit (Non-Executive, Independent Director)
Wu Chiaw Ching (Non-Executive, Independent Director)
Li Suet Man (Non-Executive, Independent Director)
Sally Yap Mei Yen (Alternate Director to Yap Mui Kee)

Registered Office:

27 Sungei Kadut Street 1
Singapore 729335

6 January 2020

To: The Shareholders of LHT Holdings Limited

Dear Sir/Madam

PROPOSED LEASE OF THE PROPERTY KNOWN AS PTE LOT A7000010 AT 30 KRANJI WAY (PID: 8201710044) FOR A TERM OF 30 YEARS

1. INTRODUCTION

- 1.1 The Company currently occupies two premises in Singapore at 27 Sungei Kadut Street 1, Singapore 729335 (**No. 27**) and 44 Sungei Kadut Street 1 Singapore 729349 (**No. 44**).
- 1.2 The existing tenancy at No. 44 will expire next year on 30 December 2020. The existing lease at No. 27 will expire on 30 June 2025.
- 1.3 The JTC has offered the Company a 30-year lease for the property known as Pte Lot A7000010 at 30 Kranji Way (PID: 8201710044), Singapore (the **Property**) from JTC (the **Proposed Lease**) on and subject to the terms and conditions set out in its letter of 8 May 2019 (as supplemented and amended by the variation letter from JTC dated 4 November 2019 and JTC's email dated 27 December 2019) (**Agreement to Lease**).
- 1.4 As the leases of the existing premises of the Company will be expiring soon, the Company is desirous of entering into the Agreement to Lease and to build on the Property a five (5) storey building (together with a vehicle ramp) with a gross floor area of about 45,000 square metres (the **Proposed New Building**).
- 1.5 However, the Proposed Lease would constitute a major transaction as defined in Chapter 10 of the Listing Manual and is accordingly subject to the approval of Shareholders. The Company has applied to the Exchange for waiver of the requirements under Rule 1015 of the Listing Manual for a very substantial acquisition, and for the Proposed Lease to be treated as a major transaction as defined in Rule 1014 of the Listing Manual instead. The Exchange has granted the Company a waiver of Rule 1015 and accordingly, the Proposed Lease is subject to the approval of Shareholders as a major transaction. Please refer to Section 6 for more details.

LETTER TO SHAREHOLDERS

- 1.6 The Board proposes to convene an EGM to seek Shareholders' approval in respect of the Proposed Lease.
- 1.7 The purpose of the Circular is to provide Shareholders with information relating to, and explain the rationale for, the Proposed Lease. This Circular is also meant to seek Shareholders' approval for the Ordinary Resolution set out in the Notice of EGM.

2. INFORMATION ON THE PROPERTY

- 2.1 The Property is vacant land situated at 30 Kranji Way, at the waterfront bordering and adjacent to the Kranji Reservoir, and covers a land area of approximately 18,000 square metres. The authorised use of the Property is the research, testing and manufacturing of green packaging materials and timber-related products, the manufacturing of technical wood, recycling of wood waste, and/or production of woodchips for technical wood and biomass (**Authorised Use**).
- 2.2 The landlord of the Property is JTC, the lead agency responsible for the development of industrial infrastructure in Singapore.
- 2.3 Under the Agreement to Lease, the lease term of the Property is for a period of thirty (30) years (**Lease Term**) commencing on 1 April 2020 (**Commencement Date**), subject to the satisfaction of certain conditions by the Company. Please refer to Section 4 for more information.
- 2.4 Should the Company enter into the Agreement to Lease with JTC, the Company will be taking possession of the Property in a bare condition and will have to complete the construction of the Proposed New Building within three years after the Commencement Date.

3. RATIONALE FOR THE PROPOSED LEASE

- 3.1 The Company is currently leasing two (2) premises from JTC.
- 3.2 The Company has a lease with JTC in respect of No. 44 (the **No. 44 Lease**) which will expire on 30 December 2020. The No. 44 Lease was entered into by the Company with JTC in connection with a surrender and leaseback arrangement entered into by the parties in 2017, whereby the Company had surrendered its then remaining leasehold interest in No.44 to JTC with compensation from JTC. This was in conjunction with the planned redevelopment and infrastructure works for the area around No. 44.
- 3.3 The Company has another lease with JTC in respect of No. 27 (the **No. 27 Lease**). The No. 27 Lease expires on 30 June 2025.
- 3.4 The Company understands from JTC that No. 27 may be required for redevelopment and infrastructural works and the Company's existing lease for No. 27 will not be renewed upon its expiry. The Company would thus need to source for a replacement premises for its operations in Singapore.
- 3.5 For the reasons set out above and based on the terms and conditions in the Agreement to Lease, the Company considers it to be in the interests of the Company to enter into the Proposed Lease and to construct the Proposed New Building.

LETTER TO SHAREHOLDERS

4. KEY TERMS OF THE PROPOSED LEASE

The key terms and conditions of the Agreement to Lease include the following:–

4.1 Confirmation of Tenure

Based on the terms of the Agreement to Lease, the grant of the lease of the Property to the Company by JTC (**Confirmation of Tenure**) is subject to the following obligations being satisfied by the Company:

- (a) the Company's fulfilment of a minimum investment amount on plant and machinery of at least \$6,801,000 on the Property (**Declared Investment**) within three (3) years from the Commencement Date; and
- (b) the Company's completion of construction to erect and install a building, structures and installations on the Property in accordance with the building terms annexed to the Agreement to Lease (**Building Works**), within a period of three (3) years from the Commencement Date (**Building Period**), to a gross plot ratio of 2.50 (**Minimum Gross Floor Area**), and in accordance with the Aesthetic Control Guidelines and Planning Design Guidelines annexed to the Agreement to Lease and plans approved by JTC and or the relevant authorities.

To satisfy the condition set out in Section 4.1(b), the Company will be erecting on the Property the Proposed New Building.

The Declared Investment of at least \$6,801,000 comprises of two components. The first component is the minimum investment amount of S\$3,000,000 for the new plant and machinery for the Property to be acquired by the Company. The second component comprises the Group's existing plant and machinery to be relocated to the Property, the value of which is arrived at by taking into account the net book value of the Group's existing plant and machinery as at 31 December 2018. Based on the audited financial statements of the Group as at 31 December 2018, the net book value of the plant and machinery of the Group is S\$3,801,000.

Until the receipt by the Company of the Confirmation of Tenure following the Company's satisfaction of the conditions set out in Sections 4.1(a) and 4.1(b) above, the Company will be a licensee of the Property.

4.2 Lease Term

The Lease Term is thirty (30) years commencing from 1 April 2020 (the **Commencement Date**). However, in the event that the Company fails to fulfil the conditions set out above relating to Minimum Gross Floor Area and the Declared Investment, JTC has the option to grant to the Company a lease of the Property, save that the Lease Term of thirty (30) years may be reduced proportionately based on the actual gross floor area developed by the Company, and/or the actual investment of the Company on plant and machinery for the Property (including the new plant and machinery to be acquired by the Company for the Property and the value of the Group's existing plant and machinery to be relocated to the Property), as the case may be. JTC may also choose not to grant the lease of the Property to the Company.

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4.3 Land Rent

The initial Land Rent payable by the Company to JTC is \$18.54 per square metre per annum (**Land Rent**), payable in advance. This amounts to a rate per annum of \$333,720.

The Land Rent will be revised on 1 April 2021 and on 1 April every year of the Lease Term (**Respective Revision Dates**) and based on the prevailing market rent for the Property (excluding the Proposed New Building). However, any increase will not exceed 5.5% of the land rent for the preceding year. The market rent for the Property refers to the rent per square metre per annum of the Property (excluding the Proposed New Building) as determined by JTC on or about the Respective Revision Dates.

Based on the initial Land Rent and assuming that the Lease Term is thirty (30) years, the aggregate projected Land Rent for the lease of the Property amounts to S\$10,712,412 (including GST).

4.4 Special Conditions

In addition to the obligations above, the allocation of the Property to the Company under the Agreement to Lease is subject to the fulfilment of the following conditions by the Company:

- (a) the Company shall not sublet, grant a licence, encumber or otherwise part with or share possession or occupation of No. 27 or any part thereof to any other company, entity of person at all times from the date of the Company's letter of acceptance of the Property to 30 June 2025, save for Kim Hiap Lee Company (Pte) Limited (UEN No.: 195000096C) which had been approved by JTC for such purpose;
- (b) the Company shall surrender such area in No. 27 to JTC as and when required by JTC to facilitate JTC's redevelopment and infrastructural works, at no compensation or refund made by JTC and on such terms and conditions to be imposed by JTC.

4.5 Authorised Use, Reinstatement & Other Obligations

In addition to the foregoing, the Company is required to:—

- (a) use the Property only for the Authorised Use;
- (b) obtain all necessary approvals required for the Building Works, any construction and development at the Property and Authorised Use, including the installation and maintenance of plant and machinery and other fixtures and fittings, and keep such approvals in force throughout the Lease Term; and
- (c) at the expiry of the Lease Term, to complete reinstatement works, vacate and deliver the Property to JTC on the terms and subject to the conditions set out in the Agreement to Lease.

LETTER TO SHAREHOLDERS

4.6 Restrictive Covenants

The Company may apply to JTC to sublet the Property only after temporary occupation permit for the Property has been obtained. The Company may apply to JTC for assigning the lease of the Property only five (5) years after the Confirmation of Tenure but excluding the last five (5) years of the Lease Term.

Upon the Company's entry into the Agreement to Lease, subject to JTC's approval, the Company may mortgage the Property by submitting a notice of mortgage in accordance with JTC's requirements.

5. TOTAL INVESTMENT AND FUNDING

Pursuant to the terms of the Agreement to Lease, the Company would have to incur costs of an additional S\$3,000,000 on new plant and machinery on the Property in order to meet the Declared Investment requirement, as well as estimated costs of an additional S\$53,000,000 required for and relating to the construction of the Proposed New Building and the Proposed Lease.

Based on the Company's current estimates, the estimated total investment costs required for the Company for the Proposed Lease would be S\$56,000,000 (the ***Estimated Total Investment Costs***).

The Estimated Total Investment Costs do not include the aggregate amount of Land Rent (payable on an annual basis) payable by the Company to JTC over the Lease Term of thirty (30) years.

The Company will be getting secured financing from banks to finance up to approximately S\$36,000,000 of the Estimated Total Investment Costs. The balance amount of S\$20,000,000 will be provided by internal funds of the Company.

Under the terms of the Agreement to Lease, upon the Company's entry into the Agreement to Lease, the Company would be allowed to mortgage the Property subject to JTC's approval.

6. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

For the purposes of Chapter 10 of the Listing Manual, the relative figures for the Proposed Lease computed on the bases set out in Rule 1006 and based on the latest audited financial results of the Group for the period ended 31 December 2018 are as follows:

Rule	Bases	Relative Figure (%)
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	N.A.
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	N.A.

LETTER TO SHAREHOLDERS

Rule	Bases	Relative Figure (%)
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	202 ⁽¹⁾
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	N.A.
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	N.A.

Note 1: Based on the Estimated Total Investment Costs of S\$56 million to be incurred for the Proposed Lease and the Company's market capitalisation of approximately S\$27.7 million as at 27 December 2019.

As the relative figures under Rule 1006(c) of the Listing Manual in relation to the Proposed Lease exceeds 100%, the Proposed Lease was deemed to be a "very substantial acquisition" pursuant to Rule 1015 of the Listing Manual. The Company had submitted an application to the SGX-ST for a waiver from compliance of Rule 1015 of the Listing Manual in respect of the Proposed Lease and for the Proposed Lease to be treated as a "major transaction" under Rule 1014 of the Listing Manual and not as a "very substantial acquisition" ("**Waiver**").

The Company sought the Waiver from the SGX-ST for the following reasons:

- (a) the Proposed Lease does not result in any significant change in the core business of the Company and will not significantly change the risk profile of the Company;
- (b) the additional requirements imposed on a "very substantial acquisition", such as the requirement for the asset or business to be acquired to be profitable and in a healthy financial position, an independent valuation of the asset or business to be acquired, and the provision of an accountants' report on the business to be acquired and the enlarged group, are not applicable to the Proposed Lease as the Company is not purchasing any securities, business or undertaking from any party;
- (c) the Proposed Lease does not involve any issue of the Company's shares; and
- (d) the expenditure to be incurred for the Proposed Lease (for new plant and equipment and the Proposed Building) over the course of about 3 years is in the form of capital expenditure incurred for building the Proposed Building and the plant and machinery to be installed in accordance with the terms of the Agreement to Lease, and includes the building, installation and construction costs to be incurred. The Proposed Lease is not a transaction for the purchase of an existing building. The Proposed Lease is needed for the Company's business as the leases for its existing premises will be expiring over the next few years.

LETTER TO SHAREHOLDERS

On 11 December 2019, the SGX-ST granted its approval subject to the following:

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met; and
- (b) the Company complying with Rule 1014(2) of the Listing Manual and the Proposed Lease being approved by Shareholders at an extraordinary general meeting to be convened.

As at the date of this Circular, all the conditions of the Waiver have been complied with, save for the Shareholders' approval to be obtained at the EGM. The Shareholders may wish to refer to the Company's announcement dated 12 December 2019.

7. FINANCIAL EFFECTS OF THE PROPOSED LEASE

7.1 Bases and Assumptions

The pro forma financial effects of the Proposed Lease on the Company are set out below and are prepared for illustrative purposes only and are therefore not indicative of the actual financial performance or position of the Company after entering into the Proposed Lease.

The financial effects of the Proposed Lease on consolidated NTA, EPS and gearing of the Group have been computed based on the audited financial statements of the Company for the financial year ended 31 December 2018.

For illustrative purposes, the financial effects of the Proposed Lease are based on, inter alia, the following assumptions:

- (a) for the purpose of computing the financial effects of the Proposed Lease on the NTA of the Company, the Proposed Lease is assumed to have been entered into on 31 December 2018;
- (b) for the purpose of computing the financial effects of the Proposed Lease on the EPS and gearing of the Company, the Proposed Lease is assumed to have been entered into on 1 January 2018;
- (c) S\$36,000,000 of the Estimated Total Investment Costs will be substantially financed by bank borrowings; and
- (d) no earnings and expenses resulting from the Proposed Lease has been taken into consideration for the purpose of calculating the financial effects as the Property will still be under construction as at 31 December 2018 had the Proposed Lease been entered into on 1 January 2018, save as set out in Section 7.3 below.

LETTER TO SHAREHOLDERS

7.2 Net Tangible Assets (NTA) per Share

Assuming that the Proposed Lease was entered into on 31 December 2018, the pro forma financial effects of the Proposed Lease on the consolidated NTA of the Company are as follows:

	Before entering into the Proposed Lease	After entering into the Proposed Lease
NTA of the Company as at 31 December 2018 (S\$'000)	44,720	44,720
Number of issued and paid-up shares ('000)	53,245	53,245
NTA per Share (cents)	83.99	83.99

7.3 Earnings per Share (EPS)

Assuming that the Proposed Lease had been entered into on 1 January 2018, the impact of the Proposed Lease on the EPS of the Company would be as follows:

	Before entering into the Proposed Lease	After entering into the Proposed Lease
Profit for the year attributable to owners of the Company (S\$'000)	1,383	232 ⁽²⁾
Weighted average number of issued and paid-up shares for FY2018 ('000)	53,245	53,245
EPS for FY2018 (cents)	2.60	0.44

Note 2: The adjusted EPS of the Company takes into account the sum of S\$1,151,000, comprising (a) S\$720,000, being the interest on bank loan of S\$36,000,000 at an interest of 4.0% per annum and on the basis that S\$18,000,000 has been disbursed; (b) S\$146,000, being the depreciation of right-of-use leased asset; and (c) S\$285,000, being the finance cost of lease liabilities.

7.4 Gearing Ratio

Assuming that the Proposed Lease had been entered into on 31 December 2018, the impact of the Proposed Lease on the gearing of the Company is as follows:

	Before entering into the Proposed Lease	After entering into the Proposed Lease
Total borrowings as at 31 December 2018 (S\$'000)	5,247	41,247 ⁽³⁾
Total equity as at 31 December 2018 ('000)	44,720	44,720
Gross gearing (times)	0.12	0.92

Note 3: It is currently estimated that the Company will require additional borrowings of S\$36,000,000 to fund the Estimated Total Investment Costs.

LETTER TO SHAREHOLDERS

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and, to the best of the Directors' knowledge, none of the controlling shareholders of the Company (other than in their capacity as directors or shareholders of the Company) has any interests, directly or indirectly, in the Proposed Lease.

9. SERVICE AGREEMENTS

No person will be appointed to the Board in connection with the Proposed Lease and no service contracts in relation thereto will be entered into by the Company.

10. DIRECTORS' RECOMMENDATIONS

The Directors took into account, *inter alia*, the rationale, the terms and conditions of the Agreement to Lease, the financial effects of the Proposed Lease and all other relevant facts set out in this Circular, in coming to the unanimous view that the Proposed Lease is on commercial terms not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Ordinary Resolution to approve the Proposed Lease as set out in the Notice of EGM.

In giving the above recommendation, the Directors have not had regard to the general or specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice should consult his stockbroker, accountant, bank manager or other professional advisers immediately.

11. EXTRAORDINARY GENERAL MEETING

The EGM will be held on 21 January 2020 at 27 Sungei Kadut Street 1, Singapore 729335 at 3.30 pm (or any adjournment thereof) for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution set out in the Notice of EGM, which is set out at pages 15 and 16 of this Circular.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as certified by CDP, not less than seventy-two (72) hours before the EGM.

12. ACTIONS TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the Shareholder Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company not less than seventy-two (72) hours before the time fixed for the EGM. Completion and return of the Shareholder Proxy Form by a Shareholder will not preclude him from attending and voting at the EGM if he so wishes. An appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Shareholder Proxy Form to the EGM.

LETTER TO SHAREHOLDERS

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Lease, the issuer 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 the 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 the Circular in its proper form and context.

14. DOCUMENTS FOR INSPECTION

A copy of the Agreement to Lease (with all annexures) is available for inspection at the registered office of the Company at 27 Sungei Kadut Street 1, Singapore 729335 during the Company's normal business hours for three (3) months from the date of this Circular.

Yours faithfully
For and on behalf of
the Board of Directors of
LHT Holdings Limited

Yap Mui Kee
Managing Director

6 January 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

LHT HOLDINGS LIMITED

(Company Registration No. 198003094H)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the meanings given in the Circular dated 6 January 2020 issued by the Company.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Shareholders will be held on 21 January 2020 at 3.30 pm at 27 Sungei Kadut Street 1, Singapore 729335 for the purpose of considering and, if thought fit, passing, with or without amendment, the following Ordinary Resolution:

RESOLUTION 1: ORDINARY RESOLUTION

PROPOSED LEASE OF THE PROPERTY KNOWN AS PTE LOT A7000010 AT 30 KRANJI WAY (PID: 8201710044) FOR A TERM OF 30 YEARS

That:

- (a) approval be and is hereby given for the Company to enter into the Agreement to Lease with JTC in respect of the premises known as Pte Lot A7000010 at 30 Kranji Way (PID: 8201710044) and the transactions contemplated therein be approved, confirmed and ratified; and
- (b) the Directors of the Company and each of them be and is hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents and to approve any amendments, alteration or modification to any documents) as the Directors or any of them may consider necessary, desirable or expedient to give effect to the Proposed Lease and this Ordinary Resolution.

By Order of the Board

LHT Holdings Limited
Sally Yap Mei Yen
Company Secretary
6 January 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at a meeting of the Company is entitled to appoint one proxy or two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
3. The Shareholder Proxy Form must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
4. A body corporate which is a member may also appoint by resolution of its directors or other governing body an authorised representative or representatives in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore to attend and vote for and on behalf of such body corporate.
5. The Shareholder Proxy Form must be deposited at the registered office of the Company at 27 Sungei Kadut Street 1, Singapore 729335 not less than 72 hours before the time appointed for holding the EGM.
6. Please insert in the space in the instrument of proxy provided the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument of proxy shall be deemed to relate to all the shares held by you.
7. The Company shall be entitled to reject the instrument of proxy if it is incomplete, not properly completed, or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in the case of a member whose shares are deposited with the Central Depository (Pte) Limited ("CDP"), the Company may reject any instrument of proxy lodged if such member is not shown to have shares entered against his/her name in the Depository Register 72 hours before the time fixed for holding the above EGM, as certified by CDP to the Company.

PERSONAL DATA PRIVACY

8. Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General 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 Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Extraordinary General 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.
9. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 6 January 2020.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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IMPORTANT

1. Each relevant intermediary may appoint more than two proxies to attend the Extraordinary General Meeting and vote (please see Notes for the definition of "relevant intermediary")
2. For investors who have used their CPF monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Please read the notes to the Proxy Form.

LHT HOLDINGS LIMITED

Company Registration No. 198003094E
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____ (Name)

of _____ (Address)

being a member/members of LHT HOLDINGS LIMITED (the "Company"), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings (%)
Address		

and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings (%)
Address		

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at Extraordinary General Meeting of the Company to be held on 21 January 2020, at 27 Sungei Kadut Street 1, Singapore 729335 at 3.30p.m. and at any adjournment thereof. The proxy is to vote on the business before the Meeting as indicated below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the Meeting.

No.	Resolution(s) relating to:	For	Against
1	PROPOSED LEASE OF THE PROPERTY KNOWN AS PTE LOT A7000010 AT KRANJI WAY (PID: 8201710044) FOR A TERM OF 30 YEARS		

Please indicate with a cross [X] in the space provided whether you wish your vote to be cast "For" or "Against" the Resolution as set out in the Notice of the Meeting. Alternatively, please indicate the number of votes "For" or "Against" for the resolution.

Dated this _____ day of _____ 2020

Total number of Shares in:	No. of Shares
(a) Depository Register	
(b) Register of Members	

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

Please
affix
stamp
here

The Company Secretary
LHT HOLDINGS LIMITED
27 Sungei Kadut Street 1
Singapore 729335

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Notes:

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