THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Appendix is circulated to the Shareholders of LH Group Limited (the "**Company**") [together with the Company's Annual Report 2014 (as defined herein)]. Its purpose is to explain to the Shareholders the rationale and to provide information pertaining to the proposed renewal of the IPT Mandate (as defined herein) and to seek Shareholders' approval at the Annual General Meeting to be held on **27 April 2015 at 10:00 a.m. at 51 Benoi Road, Block 8 Level 1, Liang Huat Industrial Complex Singapore 629908** (or any adjournment thereof).

If you have doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold all your shares in the capital of LH Group Limited (the "**Company**") you should immediately forward this Appendix, to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

LH GROUP LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 198203779D

APPENDIX

In relation to

THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

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DEFINITIONS

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

"AGM"	:	The forthcoming annual general meeting of the Company to be held on 27 April 2015 at 10.00 a.m. to seek Shareholders' approval for the resolutions set out in the AGM Notice
"Audit Committee"	:	The audit committee of the Company comprising Bob Low Siew Sie, David Lim Teck Leong and Tan Hai Seng Benjamin
"Audit Committee Chairman"	:	Chairman of the Audit Committee, Bob Low Siew Sie
"CDP"	:	The Central Depository (Pte) Limited
"Chapter 9"	:	Chapter 9 of the Listing Manual
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or re-enacted from time to time
"Company"	:	LH Group Limited
"Customisation Transaction"	:	Has the meaning ascribed to it in Section 2.5(c) of this Appendix
"Directors"	:	The directors of the Company as at the date of this Appendix
"FY"	:	Financial year ending 31 December
"Goods"	:	Has the meaning ascribed to it in section 2.5(d) of this Appendix
"HLC"	:	Ho Lee Construction Pte Ltd
"Ho Lee"	:	Ho Lee Group Pte Ltd
"Interested Persons"	:	The interested persons of the Company who fall within the IPT Mandate, as set out in section 2.4 of this Appendix
"Interested Person Transactions"	:	The categories of transactions with Interested Persons which fall within the IPT Mandate, as set out in section 2.5 of this Appendix
"IP Goods Transactions"	:	Has the meaning ascribed to it in section 2.5(d)(ii) of this Appendix
"IP Services Transactions"	:	Has the meaning ascribed to it in section 2.5(b)(ii) of this Appendix

"IPT Mandate"	:	The proposed renewal of the Shareholders' general mandate pursuant to Chapter 9 of the Listing Manual permitting the Company, its subsidiaries and associated companies or any of them, to enter into certain types of recurrent transactions of a revenue or trading nature or those necessary for day-to-day operations with specified classes of Interested Persons
"KWD"	:	Khai Wah Development Pte Ltd
"Latest Practicable Date"	:	The latest practicable date prior to the printing of this Appendix, being 27 March 2015
"LHAI"	:	LH Aluminium Industries Pte Ltd
"LH Goods Transactions"	:	Has the meaning ascribed to it in section 2.5(d)(i) of this Appendix
"LH Services Transactions"	:	Has the meaning ascribed to it in section 2.5(b)(i) of this Appendix
"LH Group"	:	The Company, its subsidiaries and its associated companies
"Listing Manual"	:	The Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time
"month"	:	Calendar month
"NTA"	:	Net tangible assets as determined in accordance with the Singapore Financial Reporting Standards
"Premises"	:	Has the meaning ascribed to it in section 2.5(a) of this Appendix
"Register"	:	Has the meaning ascribed to it in section 2.6(c)(ii) of this Appendix
"Securities Account"	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
"Services"	:	Has the meaning ascribed to it in section 2.5(b) of this Appendix
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	Registered holders of Shares, except that where the registered holder is CDP, the term "Shareholders" shall, where the context admits, means the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with Shares

"Shares"	:	Ordinary shares in the share capital of the Company
"$" and "cents"	:	Singapore dollars and cents respectively
"%" or "per cent."	:	Percentage or per centum

The expressions "controlling shareholder", "subsidiary", "associated company" and "substantial shareholder" shall have the meanings ascribed to them respectively in the Listing Manual and the Companies Act.

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. References to persons shall, where applicable, include corporations.

The headings in this Appendix are inserted for convenience only and shall not affect the construction of this Appendix.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in this Appendix shall have the meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be, unless otherwise provided.

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

Any reference to a monetary denomination in this Appendix shall be a reference to the lawful currency of the Republic of Singapore, unless otherwise stated.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

LH GROUP LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 198203779D

Board of Directors:–
Tan Hai Peng Micheal (Executive Chairman)
Chng Hee Kok (Managing Director)
Tan Hai Seng Benjamin (Non-Independent Non-Executive Director)
Bob Low Siew Sie (Lead Independent Non-Executive Director)
David Lim Teck Leong (Independent Non-Executive Director)

Registered Office:–
51 Benoi Road
Block 8 #08-05
Liang Huat Industrial Complex
Singapore 629908

10 April 2015

To: The Shareholders of
LH Group Limited

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

The directors propose to seek Shareholders' approval for the proposed renewal of the IPT Mandate at the upcoming AGM.

1.1 Purpose of this Appendix

The purpose of this Appendix is to explain the reasons for and to provide Shareholders with the relevant information pertaining to the proposed renewal of the IPT Mandate and to seek Shareholders' approval for the proposed resolution set out in the AGM Notice.

2. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

2.1 Background

The IPT Mandate will expire on the date of the AGM of the Company on 27 April 2015. If the proposed resolution for the renewal of the IPT Mandate is approved at the forthcoming AGM, the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM of the Company is held or is required by law to be held, whichever is the earlier date.

2.2 Scope and duration of the IPT Mandate

The purpose of the IPT Mandate is to enable companies in the LH Group to enter into transactions with Interested Persons identified in section 2.4 of this Appendix.

The IPT Mandate will not cover any Interested Person Transaction that is below $100,000 in value as the threshold and aggregation requirements of Chapter 9 would not apply to such transactions. In addition, the IPT Mandate only covers recurrent transactions of a revenue or trading nature or those necessary for the day-to-day operations such as the purchase and sale of supplies and materials, but will not cover the transactions relating to the purchase or sale of assets, undertakings or businesses.

Transactions with interested persons (including the Interested Persons) that do not fall within the ambit of the IPT Mandate will be subject to the provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

The IPT Mandate will take effect from the date of the passing of the ordinary resolution relating thereto to be proposed at the AGM and will continue in force until the date of the next AGM of the Company.

2.3 Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual governs transactions which a listed company or any of its subsidiaries or associated companies proposes to enter into with an interested person of the listed company. Under Chapter 9, where a listed company or any of its subsidiaries or target associated companies which is an "entity at risk" proposes to enter into a transaction with an "interested person", an immediate announcement or an immediate announcement and shareholders' approval would be required in respect of the transaction if the value of the transaction is equal to or exceeds certain thresholds.

In particular, an immediate announcement is required where:

(a) the transaction is of a value equal to, or more than, 3% of the group's latest audited NTA; or

(b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited NTA.

Further, shareholders' approval (in addition to an immediate announcement) is required where:

(a) the transaction is of a value equal to, or more than, 5% of the group's latest audited NTA; or

(b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, 5% of the group's latest audited NTA.

For the purposes of aggregation, any transaction with an interested person which is below $100,000 is to be excluded.

The following definitions are relevant:

(a) An "interested person" is defined in the Listing Manual to mean a director, chief executive officer or controlling shareholder of the listed issuer or an associate of any such director, chief executive officer or controlling shareholder.

(b) An "associate" means:

(i) in relation to any director, chief executive officer or controlling shareholder (being an individual):

(aa) his immediate family member (that is, the person's spouse, child, adopted child, step-child, sibling and parent);

(bb) 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

(cc) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and

(ii) in relation to a controlling shareholder (being a company), its subsidiary or holding company or a subsidiary of such holding company or a company in which it and/or such company or companies taken together (directly or indirectly) have an interest of 30% or more.

(c) A "controlling shareholder" is defined in the Listing Manual to mean a person who:

(i) holds directly or indirectly 15.0% or more of the total number of issued shares, excluding treasury shares, in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or

(ii) in fact exercises control over a company.

(d) An "entity at risk" means:

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.

(e) An "approved exchange" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9.

(f) An "interested person transaction" means a transaction between an entity at risk and an interested person and includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

Chapter 9 permits a listed company to seek a mandate from its shareholders for recurrent transactions 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), which may be carried out with the listed company's interested persons.

2.4 Classes of Interested Persons

The IPT Mandate, if renewed, will apply to the following class of persons only:–

(a) Ho Lee, a controlling shareholder of the Company who, as at the Latest Practicable Date, has an interest of 50.68% in the issued share capital of the company;

(b) Tan Hai Seng Benjamin, Director of the Company and a deemed substantial shareholder of the Company;

(c) Tan Hai Peng Micheal, Director of the Company and a deemed substantial shareholder of the Company; and

(d) Any person, entity or company who, at the point of time when the transaction is proposed to be entered into, is an associate of any one or more of the persons or companies named in paragraphs 2.4(a), (b), (c) above.

The associates of Ho Lee include KWD and HLC, which currently have subsisting transactions with companies in the LH Group as described below.

Transactions with Interested Persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9.

2.5 Categories of Interested Person Transactions

The interested person transactions which are covered by the IPT Mandate (the "**Interested Person Transactions**") consist of:

(a) Tenancies

Companies in the LH Group may from time to time lease premises from Interested Persons in the ordinary course of business.

Currently, certain companies in the LH Group are already leasing premises from KWD. The Premises is located at 51 Benoi Road, Liang Huat Industrial Complex, Singapore 629908 (the "**Premises**"). Other companies in the LH Group may wish to lease other parts of the Premises from KWD so as to be near the other offices and factories of the companies in the LH Group.

(b) Provision of Services

"**Services**" refers to building and construction services under construction contracts.

(i) Provision of Services by companies in the LH Group to Interested Persons ("**LH Services Transactions**")

Being in the same industry, it is likely that opportunities for LH Services Transactions would arise. In such event, companies in the LH Group would like to seize these opportunities and continue the LH Group's long-standing working relationship with the various Interested Persons.

It should be noted that there is usually a term in a construction sub-contract allowing the main contractor to step in to perform the works in the event the sub-contractor fails to complete the works in time, or for the main contractor to rectify any defects in the sub-contractor's works. In such circumstances, the main contractor would be entitled to claim the costs of such works from the sub-contractor. Hence, it is possible that Interested Persons who engage companies in the LH Group as sub-contractors may charge the relevant companies for works performed by these Interested Persons in relation to the sub-contract. This will be considered a IP Services Transaction.

(ii) Provision of Services by Interested Persons to companies in the LH Group ("**IP Services Transactions**")

As the LH Group's businesses also comprise of construction-related activities, there may be occasions when companies in the LH Group may require general builders' work or other services to be carried out by third parties for its projects. Hence, although there are no subsisting IP Services Transactions as at the Latest Practicable Date, there may be occasions when companies in the LH Group would engage Interested Persons to undertake such works.

(c) Provision of customisation services and products ("**Customisation Transactions**")

Interested Persons may require services in relation to the design, manufacturing and/or fabrication of aluminium and other metal parts and components ("**customised products**") for their construction projects. As the LH Group is in this line of business, companies in the LH Group would want to offer their services and customised products to these Interested Persons. Hence, although there are no subsisting Customisation Transactions as at the Latest Practicable Date, there may be occasions when companies in the LH Group would engage Interested Persons to undertake such transactions.

(d) Supply of Goods

"**Goods**" refer to building and construction related goods and materials other than the custom-manufactured products referred to in section 2.5(c) above.

(i) Supply of Goods by companies in the LH Group to Interested Persons ("**LH Goods Transactions**")

Companies in the LH Group may wish to supply Goods to Interested Persons when it makes commercial sense for them to do so.

(ii) Supply of Goods by Interested Persons to companies in the LH Group ("**IP Goods Transactions**")

Companies in the LH Group may wish to obtain Goods from Interested Persons when it makes commercial sense for them to do so.

There may also be occasions when companies in the LH Group are unable to obtain Goods from certain suppliers when they require Goods on an urgent basis. Since some Interested Persons are in the construction industry and may be able to supply these Goods, the companies in the LH Group may wish to request for the supply of such Goods from the Interested Persons on such terms as may be agreed by the parties. Conversely, Interested Persons who are in the construction industry may require Goods on an urgent basis, which the LH Group is in a position to supply on terms as may be agreed by the parties.

2.6 Guidelines and review procedures for Interested Person Transactions under the IPT Mandate

The Company has in place an internal control system to ensure that transactions with Interested Persons are made on normal commercial terms and will not be prejudicial to the interest of the Company and its minority Shareholders. The Audit Committee confirms that the methods and procedures for determining transaction prices are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to

the interests of the Company and its minority Shareholders. The review procedures set out below will be applied to all Interested Person Transactions in section 2.5 entered before as well as after the Latest Practicable Date.

(a) Review Procedures

The Company has established the review procedures set out below to ensure that transactions with Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with the LH Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties.

(i) Tenancies

With respect to tenancies with Interested Persons, the relevant company in the LH Group will obtain at least two quotations from unrelated third parties for properties within the vicinity of similar or comparable standing and facilities. A tenancy with an Interested Person will only be entered into or renewed if the rental rate is in line with the market rental rate, on normal commercial terms, and is of benefit to the relevant company in the LH Group, taking into consideration factors such as sufficiency of the available area to meet the needs of the relevant company in the LH Group, available options and expenses associated with a change of premises.

Where it is impractical or impossible to obtain comparable quotes from unrelated third parties, the price and terms offered by the Interested Person shall be reviewed by a Director (who shall be familiar with the prevailing market rentals for leases and sub-leases of property and/or who shall not be an Interested Person in respect of the tenancy) to ensure that the same are fair and reasonable, and beneficial to the relevant company in the LH Group, taking into account the rental rates charged by the Interested Person to other tenants on the same premises and/or a desktop valuation conducted by independent property valuers to assess its open market rental value of the premises proposed to be tenanted.

(ii) Provision of Services

(A) LH Services Transactions

In the event an Interested Person requests the provision of Services by companies in the LH Group, factors such as, but not limited to the timing requirements for the Services, the relevant LH Group company's technical capability in undertaking such provision of Services, its resources (financial or otherwise) and the profit margin will be considered in assessing whether the price and terms offered by the Interested Person is fair and reasonable. The fees for the provision of services are to be determined based on prevailing market rates for similar services, on terms no more favourable to the Interested Persons than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates, discounts to preferential customers or for bulk purchases) or otherwise in accordance with applicable industry norms.

(B) IP Services Transactions

The relevant company in the LH Group will obtain at least two quotations from unrelated third parties for similar scope of work and similar quality services as a basis for comparison to determine whether the price and terms offered by the Interested Person are fair, reasonable and comparable to those unrelated third parties.

Notwithstanding the above, companies in the LH Group may enter into transactions with Interested Persons in certain circumstances, notwithstanding that the price offered may be higher than the comparative quotes. The reason is that in order to maintain the quality of its services and to meet or exceed customer expectations, a choice of contractor must be predicated not only on price but on qualitative factors as well. In selecting a contractor, the LH Group considers factors such as timeliness, consistency of quality, service response, track record, experience and expertise.

Where it is impractical or impossible to obtain comparable quotes from unrelated third parties, the price and terms offered by the Interested Person shall be reviewed by a Director (who shall be familiar with the relevant industry practices and pricing policies and/or who shall not be an Interested Person in respect of the particular transaction) to ensure that the same are fair and reasonable, and beneficial to the relevant company in the LH Group, taking into account industry norms and whether the transactions would result in cost savings, increased profit margins or other advantages to the said company in the LH Group.

(iii) Customisation Transactions

In the event that an Interested Person requests for the provision of design, manufacturing and fabrication services and/or customised products by companies in the LH Group, factors such as, but not limited to the timing requirements for the services, the relevant LH Group company's technical capability in undertaking such provision of services, its resources (financial or otherwise) and the profit margin will be considered in assessing whether the price and terms offered to the Interested Person is fair and reasonable.

Due to the nature of the customised services to be provided or the customised products to be sold, there may not be other customers for similar services or products available to establish the prevailing market rates or prices. As such, the transaction price will be determined by a Director (who shall be familiar with the relevant industry practices and pricing policies and/or who shall not be an Interested Person in respect of the particular transaction) in accordance with the LH Group's usual business practices and pricing policies and consistent with its usual margin for substantially similar types of transaction with unrelated third parties.

(iv) Supply of Goods

(A) LH Goods Transactions

In the event that an Interested Person requests the supply of Goods by companies in the LH Group, factors such as, but not limited to the timing requirements for the supply of Goods, the relevant LH Group company's

ability to fulfil the terms of the transaction, market conditions and the profit margin will be taken into account in determining whether the price and terms offered to the Interested Persons are fair and reasonable.

The prices charged by companies in the LH Group shall be determined by a Director (who shall be familiar with the relevant industry practices and pricing policies and/or who shall not be an Interested Person in respect of the particular transaction), in accordance with LH Group's usual business practices and consistent with the profit margin to be obtained by the LH Group for the same or substantially the same Goods from unrelated third parties, on terms no more favourable to the Interested Persons than the usual commercial terms extended to unrelated third parties.

(B) IP Goods Transactions

The relevant company in the LH Group will obtain at least two quotations from unrelated third parties for similar quantities and/or quality products as a basis for comparison to determine whether the price and terms offered by the Interested Person are fair, reasonable and comparable to those unrelated third parties.

Notwithstanding the above, companies in the LH Group may enter into transactions with Interested Persons in certain circumstances, notwithstanding that the price offered may be higher than the comparative quotes. The reason is that in order to maintain the quality of its services and to meet or exceed customer expectations, a choice of supplier must be predicated not only on price but on qualitative factors as well. In selecting a supplier, the LH Group considers factors such as credit terms, timeliness, consistency of quality and supply, service response, market conditions and where appropriate, preferential rates, rebates or discounts accorded.

Where it is impractical or impossible to obtain comparable quotes from unrelated third parties, the price and terms offered by the Interested Person shall be reviewed by a Director (who shall be familiar with the relevant industry practices and pricing policies and/or who shall not be an Interested Person in respect of the particular transaction) to ensure that the same are fair and reasonable, and beneficial to the relevant company in the LH Group, taking into account industry norms and whether the transactions would result in cost savings, increased profit margins or other advantages to the said company in the LH Group.

(b) Threshold Limit

In addition, the following review and approval procedures will be implemented by the Company:

(i) the approval of a Director (with no interest, direct or indirect, in the proposed Interested Person Transaction) is required for any proposed Interested Person Transaction below the sum of $100,000; and

(ii) the approval of the Audit Committee is required for any proposed Interested Person Transaction above the sum of $100,000.

(c) Identification of Interested Persons and recording of Interested Person Transactions

The Company has also implemented the following procedures for the identification of Interested Persons and the recording of all its Interested Person Transactions:

(i) the Company will maintain a list of Directors and controlling Shareholders and their respective associates, and disclose the list to relevant personnel to enable identification of Interested Persons. Such a master list of Interested Persons will be reviewed on a quarterly basis or when there are any changes to the list (whichever is the shorter period), by the Audit Committee and maintained by the Company;

(ii) the Company will maintain a register of Interested Person Transactions (the **"Register"**) carried out with Interested Persons (recording the basis and rationale, including the comparable quotations obtained to support such basis on which they are entered into) pursuant to the IPT Mandate; and

(iii) the Company will obtain signed letters of confirmation from key management personnel, controlling Shareholders and the Directors on an annual basis as to their interests in any transactions with the LH Group.

(d) Other procedures

The Audit Committee led by the Audit Committee Chairman will review all Interested Person Transactions. The Company has implemented the following procedures to facilitate the review of the Audit Committee:

(i) In respect of Goods and Services provided in respect of construction contracts, reconciliation of differences between actual invoices and progress claims and any settlement thereof will be compiled on a quarterly basis and submitted to the Audit Committee for review. The differences arising from any reconciliation will be settled between the relevant company in the LH Group and the Interested Person.

(ii) The Audit Committee will review all the Interested Person Transactions recorded in the Register on a quarterly basis to ensure that the Interested Person Transactions are carried out on normal commercial terms and in accordance with the established procedures outlined above.

(iii) If during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the review procedures as stated above have become inappropriate or insufficient in view of the changes to the nature of, or the manner in which, the business activities of the LH Group are conducted, the Company will revert to Shareholders for a fresh mandate based on new guidelines and review procedures to ensure that Interested Person Transactions will be on arm's length and normal commercial bases.

(iv) If a member of the Audit Committee has an interest in an Interested Person Transaction to be reviewed by the Audit Committee, he will abstain from any decision-making in respect of that transaction and the review and approval (if any) of such transaction shall be undertaken by the remaining members of the Audit Committee.

(e) Disclosure of the Interested Person Transactions pursuant to the IPT Mandate

The Company will:

(i) disclose the IPT Mandate in its Annual Report, giving details of the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate during the financial year, and in the Annual Reports for subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9; and

(ii) announce the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate for the relevant financial periods which the Company reports on pursuant to Rule 705 of the Listing Manual, and within the time required for the announcement of such reports, in accordance with the requirements of Chapter 9.

The disclosure will include the name of the Interested Person and the corresponding aggregate value of the Interested Person Transactions, presented to indicate (aa) the aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under the IPT Mandate); and (bb) the aggregate value of all Interested Person Transactions, conducted under the IPT Mandate.

2.7 Rationale and benefits of the IPT Mandate

(a) Tenancies

In view of the fact that companies in the LH Group may wish to tenant other parts of the Premises from KWD in future so as to be near the other offices and factories of companies in the LH Group, it is impractical for the Company to convene extraordinary general meetings each time a company in the LH Group wishes to do so. Extraordinary general meetings take time and cost to convene. If Interested Persons have third parties seeking to lease the same premises at the same time, it would be to the relevant LH Group company's disadvantage if the conclusion of such tenancies was delayed because of the need to obtain Shareholders' approval. The IPT Mandate would enable the companies in the LH Group to conclude such tenancies expeditiously.

(b) Provision of Services

(i) LH Services Transactions

Transactions for Services need to be concluded in a timely manner. Extraordinary general meetings require much time and cost to convene. It would therefore be prejudicial to the LH Group for extraordinary general meetings to be convened on each occasion an LH Services Transaction is proposed. The IPT Mandate will therefore enable companies in the LH Group to avoid the loss of business opportunities and reduce substantially the administrative time, inconvenience and costs associated with the convening of such meetings.

(ii) IP Services Transactions

The LH Group has a long-standing business relationship with certain Interested Persons. The LH Group may lose the opportunity to work with an Interested Person despite being offered favourable terms if the conclusion of the agreement were delayed due to the need to convene an extraordinary general meeting in

order to seek Shareholders' approval. The IPT Mandate will enable companies in the LH Group to avoid the loss of such business opportunities and reduce substantially the administrative time, inconvenience and costs associated with the convening of such extraordinary general meetings.

(c) Customisation Transactions

Like LH Services Transactions, Customisation Transactions need to be concluded in a timely manner. Extraordinary general meetings require much time and cost to convene. It would therefore be prejudicial to the LH Group for extraordinary general meetings to be convened on each occasion a Customisation Transaction is proposed. The IPT Mandate will therefore enable companies in the LH Group to avoid the loss of business opportunities and reduce substantially the administrative time, inconvenience and costs associated with the convening of such meetings.

(d) Supply of Goods

(i) LH Goods Transactions

Certain companies in the LH Group have from time to time supplied Goods to Interested Persons.

It would therefore be prejudicial to companies in the LH Group if they were unable to conclude LH Goods Transactions in a timely manner due to the need to obtain Shareholders' approval. The IPT Mandate will enable companies in the LH Group to avoid the loss of such business opportunities and reduce substantially the administrative time, inconvenience and costs associated with the convening of such meetings.

(ii) IP Goods Transactions

Due to the long-standing relationship between companies in the LH Group and certain Interested Persons, companies in the LH Group may wish to obtain Goods from Interested Persons when it makes commercial sense for them to do so.

If Interested Persons were able to supply these Goods at market rate or on better terms, the LH Group would wish to transact with these Interested Persons.

It is therefore impractical for an extraordinary general meeting to be convened every time such IP Goods Transactions are proposed as such supply agreements have to be concluded expeditiously. The IPT Mandate will enable companies in the LH Group to avoid the loss of such business opportunities and reduce substantially the administrative time, inconvenience and costs associated with the convening of such meetings.

There may also be times when companies in the LH Group require Goods on an urgent basis and Interested Persons are able to supply these Goods on short notice. It would not be in the interest of the companies in the LH Group if they were unable to conclude such supply agreements with Interested Persons by reason of the need to convene an extraordinary general meeting to obtain Shareholders' approval. The IPT Mandate will enable companies in the LH Group to avoid the loss of business opportunities and reduce substantially the administrative time, inconvenience and costs associated with the convening of such meetings.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 Directors' Interests in Shares

As at the Latest Practicable Date, the interests of the Directors in the Shares, as recorded in the Company's Register of Directors' Shareholdings, are set out below:

Name of Director	Direct Interest		Deemed/Indirect Interest		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Tan Hai Peng Micheal[1]	–	–	2,000,056,583	50.68	2,000,056,583	50.68
Chng Hee Kok	–	–	–	–	–	–
Tan Hai Seng Benjamin[1]	–	–	2,000,056,583	50.68	2,000,056,583	50.68
Bob Low Siew Sie	–	–	–	–	–	–
David Lim Teck Leong	–	–	–	–	–	–

Save as disclosed above, none of the Directors has any interest, direct or indirect, in the Shares as at the Latest Practicable Date.

3.2 Substantial Shareholders' Interests in Shares

As at the Latest Practicable Date, the interests of the substantial Shareholders, as recorded in the Company's Register of Substantial Shareholders' Shareholdings, are set out below:

Name of Substantial Shareholder	Direct Interest		Deemed/Indirect Interest		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Ho Lee	2,000,000,000	50.68	56,583	0.001	2,000,056,583	50.68
Teck Lee Holdings Pte Ltd	–	–	2,000,056,583	50.68	2,000,056,583	50.68
Tan Thuan Teck	–	–	2,000,056,583	50.68	2,000,056,583	50.68
Tan Hai Peng Micheal	–	–	2,000,056,583	50.68	2,000,056,583	50.68
Tan Hai Seng Benjamin	–	–	2,000,056,583	50.68	2,000,056,583	50.68

Notes:

(a) Based on the issued share capital of the Company of 3,946,428,548 Shares as at the Latest Practicable Date.

(b) Ho Lee is deemed to be interested in the Shares held by its wholly-owned subsidiary, Ho Lee Construction Pte Ltd.

[1] Tan Hai Peng Micheal and Tan Hai Seng Benjamin each has 20% shareholding in Teck Lee Holdings Pte Ltd

(c) Messrs Tan Thuan Teck, Tan Hai Seng Benjamin, Tan Hai Peng Micheal and Teck Lee Holdings Pte Ltd are deemed interested in the Shares held by Ho Lee and Ho Lee Construction Pte Ltd.

(d) "n.m." denotes not meaningful.

Save as disclosed above, none of the substantial Shareholders has any interest, direct or indirect, in the Shares as at the Latest Practicable Date.

4. AUDIT COMMITTEE'S STATEMENT

The Audit Committee has reviewed the terms of the proposed renewal of the IPT Mandate and is satisfied that the review procedures for the Interested Person Transactions as well as the reviews to be made periodically by the Audit Committee in relation thereto, are adequate to ensure that the said transactions will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If during the periodic reviews by the Audit Committee, it is of the view that the established guidelines and procedures are no longer appropriate or adequate to ensure that the Interested Person Transactions will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, or in the event of any amendment(s) to Chapter 9, it will in consultation with the board of Directors take such action as it deems proper in respect of such procedures and/or modify or implement such procedures as may be necessary and direct the Company to revert to Shareholders for a fresh mandate based on new guidelines and procedures for the Interested Person Transactions.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the Proxy Form attached to the notice of AGM 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 at 51 Benoi Road, Block 8 #08-05, Liang Huat Industrial Complex, Singapore 629908, not less than 48 hours before the time fixed for the AGM. The completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting at the AGM in person in place of his proxy, if he so wishes. In such event, the Proxy Form will be deemed revoked.

A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register, as certified by CDP, at least 48 hours before the time fixed for the AGM.

6. DIRECTORS' RECOMMENDATIONS

After having considered the rationale for the proposed renewal of the IPT Mandate, the Directors are of the opinion that the renewal of the IPT Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution as set out in the AGM Notice at the AGM (with the exception of Ho Lee, Tan Hai Seng Benjamin and Tan Hai Peng Micheal, who are, as described in section 2.4 above, regarded as interested in the proposal relating to the renewal of the IPT Mandate and who have refrained from making any recommendation, and as interested persons, will abstain from voting on the resolution).

Save as set out in this Appendix, none of the Directors or controlling Shareholders of the Company or any of their associates have any interest in the IPT Mandate. The Directors and controlling Shareholders of the Company who are required to abstain from voting shall decline to accept appointment as proxies for Shareholders to vote on the resolution for the

renewal of the IPT Mandate unless the Shareholder concerned shall have given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of the resolution.

7. DIRECTORS' RESPONSIBILITY STATEMENT

This Appendix has been reviewed and approved by all the Directors (including those who may have delegated detailed supervision of this Appendix) and they collectively and individually accept full responsibility for the accuracy of the information contained in this Appendix and confirm that, having made all reasonable enquiries and to the best of their knowledge and belief, the facts stated and opinions expressed in this Appendix are fair and accurate in all material respects as at the date of this Appendix and that there are no material facts the omission of which would make any statement in this Appendix misleading.

8. DOCUMENTS MADE AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 51 Benoi Road, Block 8 #08-05, Liang Huat Industrial Complex, Singapore 629908, during normal business hours on any weekday (public holidays excepted) from the date of this Appendix up to and including the date of the AGM:

(a) Memorandum and Articles of Association of the Company; and

(b) the annual report of the Company for FY2014.

Yours faithfully
For and on behalf of
the Board of Directors
LH GROUP LIMITED

Tan Hai Peng Micheal
Executive Chairman