

LIONHUB GROUP LIMITED

Level 3A, 148 Elizabeth Street, Sydney NSW 2000 Australia Tel: (02) 8281 3000 Fax: (02) 8281 3030

ASX Release
1 May 2014

ASX: LHB

Replacement Prospectus and Application Form

LionHub Group Limited announces that a Replacement Prospectus and Application Form as **attached** are now available for review.

The Company can only accept Applications made in accordance with the Replacement Prospectus dated 1 May 2014 and the Prospectus released to the market on 17 April 2014 should be disregarded.

The Replacement Prospectus can be obtained free of charge by contacting the Company Secretary on (08) 9367 8133 or by downloading a copy from the Company's webpage at www.lionhub.com.au



LionHub Group Limited

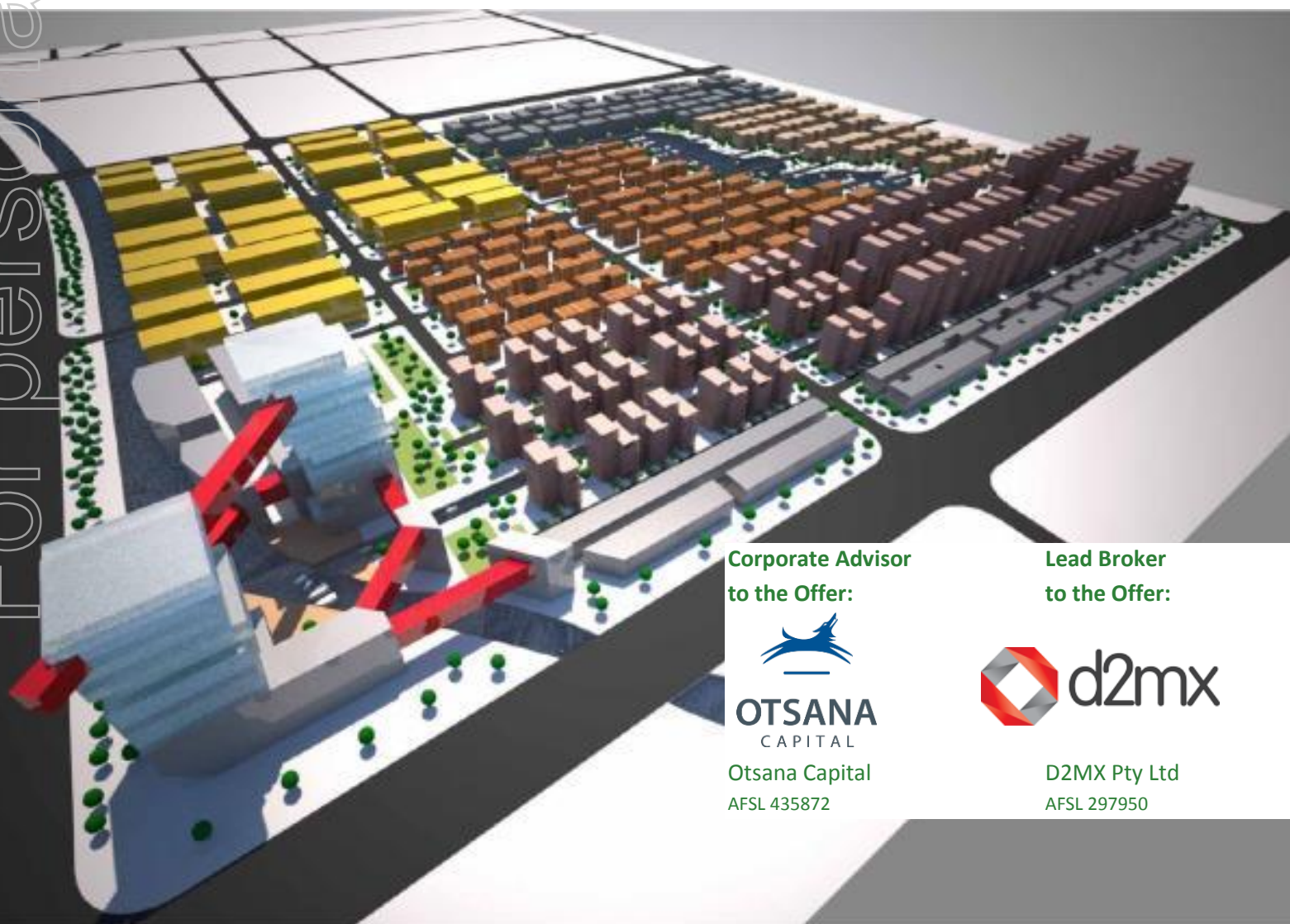
ACN 119 999 441

Replacement Prospectus

**THIS REPLACEMENT PROSPECTUS REPLACES THE ORIGINAL PROSPECTUS
DATED 17 APRIL 2014**

Prospectus for the issue of 35,000,000 Shares to be offered for subscription at 20 cents each to raise \$7,000,000 (with provision to accept oversubscriptions of up to a further 25,000,000 Shares at 20 cents each to raise an additional \$5,000,000).

This is an important document that you should read in its entirety. If you do not understand it, you should consult your professional adviser without delay. The Shares offered by this Prospectus should be considered speculative.



Corporate Advisor
to the Offer:



Otsana Capital
AFSL 435872

Lead Broker
to the Offer:



D2MX Pty Ltd
AFSL 297950



IMPORTANT NOTICE

This replacement Prospectus is issued by LionHub Group Limited ("**LionHub**" or the "**Company**"). This replacement Prospectus is dated 1 May 2014 and was lodged with the ASIC on that date. This Prospectus replaces the original Prospectus that was lodged by the Company with the ASIC on 17 April 2014.

The ASIC and the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

The expiry date of this Prospectus is 5.00pm AEST on that date which is 13 months after the date this Prospectus was lodged with the ASIC. No New Shares may be issued on the basis of this Prospectus after the Expiry Date.

An application will be made to the ASX for Official Quotation of the New Shares, the subject of this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws in such jurisdictions. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Please refer to section 3.13 of this Prospectus for further information regarding this matter.

Defined terms in the Prospectus are contained in Section 15 of this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The New Shares the subject of this Prospectus should be considered speculative.

Changes in nature and scale of activities and re-compliance with Chapters 1 and 2 of the Listing Rules

The Company has called a General Meeting of Shareholders for 15 May 2014 where the Company will be seeking, amongst other things, Shareholder approval for a change in the nature and scale of its activities. ASX has advised that it will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules in order to be readmitted to the Official List. This Prospectus is being issued to assist the Company as part of these requirements.

The Shares are currently suspended from Official Quotation and will not be reinstated until ASX so approves.

There is a risk that the Company may not be able to meet the ASX requirements for re-quotation. In the event the Company does not receive conditional approval for re-quotation on the ASX, then the Company will not proceed with the Offer and will repay all Application Monies to investors any application monies received from them will be repaid in full without interest.

EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances any Application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications for New Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge Applications prior to the expiry of the Exposure Period.



Contacts

Directors

Jamie Gee Choo Khoo
Chairman and Non-Executive Director

Kum Leong Chan
Non-Executive Director

Kwee Jee Lee
Non-Executive Director

Eryn Kestel
Company Secretary

Corporate Advisor to the Offer

Otsana Capital
108 Outram Street,
West Perth WA 6005 Australia
Telephone: 08 9486 7244
Facsimile 08 9463 6373
Website www.otsana.com

Lead Broker to the Offer

D2MX Pty Ltd
Level 37, Rialto South Tower
525 Collins Street
Melbourne VIC 3000 Australia
Telephone: 03 9617 0688
Facsimile 03 9617 0699
Website www.d2mx.com.au

Investigating Accountant

RSM Bird Cameron Corporate Pty Ltd
Level 12, 60 Castlereagh Street
Sydney NSW 2000 Australia
Telephone 02 8226 4500
Facsimile 02 8226 4501
Website www.rsmi.com.au

Auditor

HLB Mann Judd
Level 19, 207 Kent Street
Sydney, NSW, 2000 Australia
Telephone 02 9020 4000
Facsimile 02 9020 4190
Website www.hlb.com.au

Taxation Advisor

RSM Bird Cameron
Level 12, 60 Castlereagh Street
Sydney NSW 2000 Australia
Telephone 02 8226 4500
Facsimile 02 8226 4501
Website www.rsmi.com.au

Registered Office

LionHub Group Limited
Level 3A, 148 Elizabeth Street
Sydney NSW 2000 Australia
Telephone 02 8281 3000
Facsimile 02 8281 3030
Website www.lionhub.com.au

Solicitors to the Offer - Australia

Eakin McCaffery Cox
Level 28 BT Tower
1 Market Street
Sydney NSW 2000 Australia
Telephone 02 9265 3000
Facsimile 02 9261 5918
Website www.eakin.com.au

Solicitors to the Offer - China

CapitalLaw & Partners
26F Xintian International Building
No. 450, Fushan Road,
Shanghai 20012, PRC
Telephone +86 21 6876 9686
Facsimile +86 21 5830 4009
Website www.capitallaw.cn

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, WA, 6153 Australia
Telephone 08 93152333
Facsimile 08 9315 2233
Website www.securitytransfer.com.au



Table of Contents

| | |
|--|-----------------------------------|
| Section 1 | Investment Overview |
| Section 2 | Chairman's Letter |
| Section 3 | Details of the Offer |
| Section 4 | Board of Directors and Management |
| Section 5 | Corporate Governance |
| Section 6 | Investment Summary |
| Section 7 | Industry Analysis |
| Section 8 | Pro Forma Financial Information |
| Section 9 | Investigating Accountant's Report |
| Section 10 | Taxation Report |
| Section 11 | Risk Factors |
| Section 12 | Material Contracts |
| Section 13 | Additional Information |
| Section 14 | Directors' Statement and Consent |
| Section 15 | Glossary of Defined Terms |
| Replacement Prospectus Application Form | |



Section 1

Investment Overview

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in Shares.

| Question | Response | Where to find more information |
|---------------------------------------|--|--------------------------------|
| Who is issuing this Prospectus? | LionHub Group Limited (ACN: 119 999 441) (the Company) | Section 3 |
| What is the Company's business? | <p>The Company currently has no material assets or liabilities.</p> <p>The Company has agreed to acquire Lian Huat, an entity incorporated in Singapore. Lian Huat's sole asset is its contractual rights, through its wholly owned subsidiary, Lian Huat (XC), as set out an Investment Agreement. The Investment Agreement provides for the construction and development of a proposed technology park in the Anhui Province of the People's Republic of China ("Singapore Xuancheng Technology Park") by Lian Huat (XC). This Acquisition is subject to Shareholder approval.</p> <p>Lian Huat (XC) has completed a Master Development Plan for the Singapore Xuancheng Technology Park in accordance with the Investment Agreement.</p> | Sections 3.4, 6 |
| What is the Company's business model? | <p>The Company has adopted the following strategies for its business model:</p> <ul style="list-style-type: none">• To market and/or develop the campus style office, incubators, residential and commercial facilities in phases and according to market demand;• The Company intends to commence firstly with campus style office development and marketing of its industrial and logistic sites to enterprises from overseas and other Provinces of China, especially the Shanghai, Zhejiang and Jiangsu growth belt;• The next phase will be the development and marketing of residential sites where there is a firm demand for housing in Xuancheng (although prices remain competitive at the moment);• With sufficient take up rates for the Park, the Company will embark on the marketing and development of its Commercial facilities; this include retail, hotel and offices to complement living in the proposed Technology Park. The intention is to make the Park a self-contained and self-sufficient township in terms of amenities, infrastructure and ground space for living, working and play;• The Company also intends to sub-divide retail space into strata-titled lots for sale to individuals to improve returns;• The Company will consistently assess its cashflow and the | Section 6.6 |

| Question | Response | Where to find more information |
|--|--|--------------------------------|
| | <p>market demand to adjust its development pace, seek joint venture parties or to sell sites outright to third parties to develop, in accordance with its business objectives and risk management policies; and</p> <ul style="list-style-type: none"> The Company will, upon attracting a sufficient number of foreign and Chinese enterprises to the proposed Technology Park, capitalize on this platform to expand its development model to other provinces of China. | |
| What are the benefits of investing in the Company? | <p>The benefits of investing in the Company include the following:</p> <ul style="list-style-type: none"> Lian Huat's senior management team, who are remaining with Lian Huat as part of the Acquisition, has extensive experience in the development of real estate projects in Australia, China and Singapore; The fiscal incentives associated with the Singapore Xuancheng Technology Park; and | Section 6 |
| What are the key risks of investing in the Company? | <p>The Company, and an investment in it, is subject to several risks as detailed in this Prospectus. These include the following key risks:</p> <ul style="list-style-type: none"> The Company not being awarded properties within the Singapore Xuancheng Technology Park, which are to be sold via a bidding process in accordance with the Investment Agreement; The successful development of a real estate project is dependent on achieving sales prices and rental yields that deliver a commercial return. There is a risk that the Chinese property market may decline, resulting in lower returns; The development of a real estate project requires access to capital, people and equipment. If any of the above are delayed or not available, it may impact on the timely development of the Project; and The international operating risks associated with operating in foreign jurisdictions. Following the Acquisition, key aspects of the business will operate out of Singapore and China, countries that have different risks than those operating in Australia. <p>The risk factors set out in Section 11, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Shares. Accordingly, an investment in the Company should be considered speculative. Potential Investors are urged to carefully read the risks section of this Prospectus and seek independent professional advice if they have any queries.</p> | Section 11 |

| Question | Response | Where to find more information | | | | | | |
|---|--|--------------------------------|-------------|-------------------|-------------|-----------------|-----------|-------------|
| What is the financial position of the Company? | <p>The Company currently has no material assets or liabilities.</p> <p>This Prospectus contains financial information about the Company and Lian Huat, including a pro forma balance sheet.</p> | Sections 8, 9 | | | | | | |
| Who are the Directors of the Company? | <p>The current Directors of the Company are:</p> <ul style="list-style-type: none">Ms Jamie Gee Choo Khoo (Non-Executive Chairman)Ms Kwee Jee Lee (Non-Executive Director)Mr Kum Leong Chan (Non-Executive Director) <p>At a General Meeting of Shareholders to be held on 15 May 2014 the following people will be put forward to join the Board :</p> <ul style="list-style-type: none">Mr Geoffrey Ellison McIntyre (Non-Exec Deputy Chairman)Mr Kim Huat Koh (Non-Executive Director) | Section 4 | | | | | | |
| What benefits are being paid to Directors? | <p>The Directors will be paid directors’ fees for holding office as directors of the Company.</p> | Sections 5.8, 13 | | | | | | |
| What important contracts has the Company entered into? | <p>The Company is a party to the following contracts:</p> <ul style="list-style-type: none">The Share Sale Agreement, under which the Company has agreed to acquire from Lian Keng its sole share in Lian Huat for a consideration of 42,500,000 ordinary fully paid Shares. <p>A summary of the key terms of this contract is set out in Section 12 of this Prospectus.</p> | Section 12 | | | | | | |
| How will the proceeds of the Public Offer be used? | <p>The Company intends to use its current funds and the funds raised from the Offer broadly as follows:</p> <table><tr><td>• Development Expenditure</td><td>\$4,219,500</td></tr><tr><td>• Working Capital</td><td>\$1,960,000</td></tr><tr><td>• Cost of Offer</td><td>\$820,500</td></tr></table> <p>This is a statement of the Company’s intentions as at the date of this Prospectus.</p> | • Development Expenditure | \$4,219,500 | • Working Capital | \$1,960,000 | • Cost of Offer | \$820,500 | Section 3.6 |
| • Development Expenditure | \$4,219,500 | | | | | | | |
| • Working Capital | \$1,960,000 | | | | | | | |
| • Cost of Offer | \$820,500 | | | | | | | |
| What are the conditions of the Acquisition? | <p>The Acquisition is conditional upon, amongst other things, the following occurring by no later than 1 June 2014 (or such other date as the Company and Lian Keng agree):</p> <ul style="list-style-type: none">Shareholders passing the Resolutions; andRe-quotation. <p>In the event any of the above conditions precedent are not met, the Company will return all Application monies received without interest and the Offer will not proceed.</p> | Section 3 | | | | | | |
| Will the Company pay dividends? | <p>The Company's focus will be on generating capital growth. The Company has no immediate plans to declare or distribute dividends. Payment of future dividends will depend on matters such as the</p> | Section 14.3 | | | | | | |



| Question | Response | Where to find more information |
|---|--|--------------------------------|
| | future profitability and financial position of the Company. | |
| Where will the Shares be quoted? | Subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules the Shares will be traded on the ASX under the ticker code 'LHB'. | Section 3.9 |
| How can I obtain further advice? | By speaking to your accountant, stockbroker or other professional advisor. | |



Section 2

Chairman's Letter

Dear Shareholders and Investors,

On behalf of the Directors of LionHub, I am pleased to present this Prospectus to you and to invite you to subscribe for New Shares in the Company.

As many would know, the Company's Shares were suspended from trading on the ASX as from 26 February 2009 due to restructuring of its US operations and a delay in the preparation of the financial accounts. At that time, the Company was involved in the development of integrated optoelectronic and wireless solutions. Regrettably, the Company incurred significant operating losses and on 17 May 2011 the Company was placed into Administration. The Company entered into a Deed of Company Arrangement with the Administrators on 17 August 2011 ("**DOCA**").

A general meeting of the Company was held on 26 November 2013, where the Shareholders approved the Recapitalisation. As a consequence of this:

- (i) the DOCA was terminated in accordance with its terms and creditors agreed to accept their entitlements pursuant to a creditors trust established in accordance with the DOCA;
- (ii) Shares, on issue immediately prior to that date, in the Company were consolidated on a 1 for 10 basis with fractions of Shares being rounded up;
- (iii) the Company issued Shares thereby effecting a change in control of the Voting Power in the Company and also issued performance options;
- (iv) new Directors were appointed, being those persons as described in Section 4.1;
- (v) the Company changed its name to "LionHub Group Ltd"; and
- (vi) the Company adopted a new Constitution

The Company believes there are excellent prospects for business park and property development in Anhui Province in China. To seek to effect to this, the Company signed a Share Sale Agreement ("**Share Sale Agreement**") with Lian Keng Enterprises Pte Ltd ("**Lian Keng**") on 24 January 2014 to acquire its sole share in Lian Huat (Xuancheng) Pte Ltd ("**Lian Huat**") a Singapore registered company ("**Acquisition**"). Lian Huat (XC) Pte Ltd ("**Lian Huat (XC)**"), which is wholly owned by Lian Huat, is a party to an Investment Agreement with the China Anhui Xuancheng Economic and Technological Development Board. Lian Keng is a substantial Shareholder of the Company.

The Acquisition will result in the Company having the opportunity to acquire and develop a technology park, subject to certain conditions, in Xuancheng City, Anhui Province, People's Republic of China, on 2.2 square kilometres of land to be built in phases in accordance with the Investment Agreement ("**Project**"). A summary of the Investment Agreement, including the conditions, appears in section 12 of this Prospectus. The Project is intended to incorporate commercial, manufacturing, warehousing/logistics and residential developments.

The Acquisition represents a significant change in the present scale and activities of the Company and requires Shareholder approval in accordance with the ASX Listing Rules. This approval, together with other approvals related to the Acquisition, is being sought at a General Meeting of Shareholders on 15 May 2014.

The Company has been in dialogue with the ASX about the Company's readmission to the Official List of the ASX ("**Readmission**"). The ASX has advised the Company that it would be prepared to readmit the Company to the Official List if:

- (a) the Acquisition is approved by Shareholders;



- (b) the Shareholders approve the proposed change in scale and activities of the Company; and
- (b) the Company meets and complies with Chapters 1 and 2 of the Listing Rules.

The Board believes the Company's proposed new direction provides investors with:

- A ground-floor opportunity to invest in an ASX-listed business park developer in China;
- Exposure to the opportunity to the success of China's latest strategic direction on urbanisation of cities and expanding domestic demand; and
- A liquid investment for Shareholders by relisting on the ASX.

This Prospectus contains information about the Company and the investment opportunity. Prospective investors should read this Prospectus carefully and seek professional advice before deciding to invest in the Company, in particular, to consider the risks set out in Section 11 of this Prospectus.

The Board looks forward to the Company being re-admitted to the Official List, to welcoming new Shareholders to the Company and to the ongoing support of existing Shareholders.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'JGC'.

Jamie Gee Choo Khoo
Non-Executive Chairman



Section 3

Details of the Offer

This section is intended as an introduction and not as a summary of this Prospectus. It should be read in conjunction with the remainder of this Prospectus.

3.1. Electronic Prospectus

A copy of this Prospectus will be made available on the Company's website www.lionhub.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person from passing onto another person the Application Form unless it is attached to or is accompanied by the complete and unaltered version of this Prospectus. During the Offer Period, any person may obtain a hard copy of this Prospectus by contacting the Company on (08) 9367 8133 or by email at info@lionhub.com.au. Copies of the Prospectus shall be provided free of charge.

The Company or any other person in connection with the preparation of this Prospectus, including its directors or professional advisors, guarantees the performance of the New Shares, or the performance of the Company or the return of any capital investment.

3.2. Risk Factors

Prospective investors should read this Prospectus in its entirety, and before deciding on whether to apply for Shares under this Prospectus, should consider the risk factors in Section 11, which include:

- (a) the Conditions not being met;
- (b) no guarantee of development success;
- (c) access to funds and capital for development projects;
- (d) international operating risk associated with operating in Singapore and China; and
- (e) demand for real property in China.

The risk factors set out in Section 11 and other general risks applicable to all investments in listed securities, not specifically referred to, may in the future affect the values of the Shares. Accordingly, an investment in the Company should be considered speculative.

3.3. Indicative Dates

| Activity | Indicative Date |
|--|-----------------|
| Lodgement of Prospectus with ASIC | 17 April 2014 |
| Lodgement of this Replacement Prospectus with ASIC | 1 May 2014 |
| Opening Date | 1 May 2014 |
| General Meeting | 15 May 2014 |
| Closing Date (5pm AEST) | 22 May 2014 |
| Issue of Shares | 26 May 2014 |
| Dispatch of Shareholders' Holding Statements | 27 May 2014 |
| Expected date for readmission to the ASX | 30 May 2014 |

The above dates are indicative only and may vary without notice. The Company reserves the right to vary the Closing Date without prior notice, which may have a consequential effect on other dates.



3.4. The Acquisition

On 24 January 2014, the Company and Lian Keng signed the Share Sale Agreement where the Company has conditionally agreed to acquire from Lian Keng its sole share in Lian Huat. A summary of the key terms of the Share Sale Agreement are set out in section 12 of this Prospectus. As stated in the Chairman's letter, the Acquisition will result in the Company having the opportunity to acquire and develop a proposed technology park in Xuancheng City on 2.2 square kilometres of land, to be built in phases in accordance with the Investment Agreement ("**Project**"). The Project is intended to incorporate commercial, manufacturing, warehousing/logistics and residential developments.

3.5. Offer

This Prospectus constitutes an Offer by the Company of a minimum of 35,000,000 New Shares at an issue price of 20 cents per New Share to raise \$7,000,000 ("**Minimum Subscription**"), with provision to accept oversubscriptions of a further \$5,000,000 at an issue price for 20 cents per New Share totalling an additional 25,000,000 New Shares ("**Oversubscription**").

All New Shares issued will be fully paid Shares and will rank equally in all respects with the Shares already on issue.

Applications must be for a minimum of 10,000 Shares, representing a minimum investment of \$2,000 and thereafter in multiple of 1,000 Shares, and can only be made by completing the Application Form located at the back of this Prospectus.

The Company reserves the right to reject any Application or to allocate any investor fewer New Shares than the number applied for by that investor.

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus, the Directors will not allot any New Shares and the Company will repay all Application monies received, without interest, as soon as practicable.

3.6. Purpose, and Use of Proceeds, of the Offer

The primary purpose of this Offer is to raise funds to meet the costs of the Project.

It is intended to apply the funds raised from the Offer as follows:

- To meet the ongoing administration costs of the Company, including the costs of the Acquisition;
- To pay the expenses of the Offer as detailed in Section 13 of the Prospectus; and
- To meet the initial costs of construction of infrastructure of the Project.

These costs are detailed in the tables below.

It is intended to apply funds raised from the Offer as follows (assuming the Minimum Subscription is fully subscribed to raise \$7,000,000 and no Oversubscriptions are accepted).

| Activity | Year 1 | Year 2 | Total |
|---------------------------------------|-------------|-------------|-------------|
| Development expenditure | \$1,309,500 | \$2,910,000 | \$4,219,500 |
| Working capital and company overheads | \$747,000 | \$1,213,000 | \$1,960,000 |
| Estimated cost of Offer | \$820,500 | \$0 | \$820,500 |
| Total Funds Applied | \$2,877,000 | \$4,123,000 | \$7,000,000 |

In the event Oversubscriptions of \$5,000,000 are accepted, a total of \$12,000,000 will be raised. It is intended to apply these funds as follows:

| Activity | Year 1 | Year 2 | Total |
|---------------------------------------|--------------------|--------------------|---------------------|
| Development expenditure | \$2,529,500 | \$4,990,000 | \$7,519,500 |
| Working capital and company overheads | \$1,280,000 | \$2,080,000 | \$3,360,000 |
| Estimated cost of Offer | \$1,120,500 | \$0 | \$1,120,500 |
| Total Funds Applied | \$4,930,000 | \$7,070,000 | \$12,000,000 |

In the event less than \$12,000,000 but more than the Minimum Subscription of \$7,000,000 is raised, the application of the proceeds will be reduced by a scaling of development expenditure and a reduction in working capital.

It should be noted that the budgets will be subject to modification on an ongoing basis depending upon the progress of the Project.

The Directors consider that following completion of the Offer, the Company will have sufficient funding to achieve the objectives set out in this Prospectus for a period of at least two (2) years.

3.7. Capital Structure

The capital structure of the Company following the completion of the Offer and the Acquisition is summarised below.

Share Capital

| Ordinary Shares | Minimum Subscription | | Maximum Subscription | |
|--|---------------------------|----------------|---------------------------|----------------|
| | Number of Ordinary Shares | % | Number of Ordinary Shares | % |
| Shares on issue at the date of this Prospectus | 678,941,973 | 89.8% | 678,941,973 | 86.9% |
| New Shares issued pursuant to the Prospectus (assuming the Minimum Subscription and the Oversubscription are fully subscribed) | 35,000,000 | 4.6% | 60,000,000 | 7.7% |
| Shares to be issued to Lian Keng in accordance with the Share Sale Agreement | 42,500,000 | 5.6% | 42,500,000 | 5.4% |
| Total Shares on issue following completion of the Offer and the Acquisition | 756,441,973 | 100.00% | 781,441,973 | 100.00% |

Options

There are no Options on issue at the date of this offer and no Options are being issued pursuant to the Prospectus.

3.8. Directors and Officers in the Company

The interest, direct or indirect of the current Directors in the Shares are as follows:

| Director/Officer | Number of Shares |
|--|------------------|
| Jamie Gee Choo Khoo (Non-Executive Chairman) | - |
| Kum Leong Chan (Non-Executive Director) | - |
| Kwee Jee Lee (Non-Executive Director) | - |

The interest, direct or indirect of the proposed Directors in the Shares are as follows:

| Director/Officer | Number of Shares |
|---|------------------|
| Geoffrey Ellison McIntyre (Non-Executive Deputy Chairman ¹) | - |
| Kim Huat Koh (Non-Executive Director ¹) | - |

1. Subject to approval by Shareholders at a General Meeting to be held on 15 May 2014.



3.9. Readmission

The Company's Shares were suspended from trading on the ASX as at 26 February 2009 due to restructuring of its US operations and a delay in the preparation of the financial accounts. On 17 May 2011, the Company was placed into Administration. The Company entered into a DOCA with the Administrators on 17 August 2011.

A general meeting of the Company was held on 26 November 2013, where the Shareholders approved the Recapitalisation. As a consequence of this approval:

- (a) the DOCA was terminated in accordance with its terms and creditors agreed to accept their entitlements pursuant to a creditors trust established in accordance with the DOCA;
- (b) Shares, on issue immediately prior to that date, in the Company were consolidated on a 1 for 10 basis with fractions of Shares being rounded up;
- (c) the Company issued Shares thereby effecting a change in control of the Voting Power in the Company and also issued performance options;
- (d) new Directors were appointed, being those persons as described in Section 4.1;
- (e) the Company changed its name to "LionHub Group Ltd"; and
- (f) the Company adopted a new Constitution.

As a result of the DOCA being terminated, the then creditors of the Company were issued, through the Creditors Trust, 7,706,055 Shares and all outstanding liabilities of the Company as at 18 December 2013 were extinguished upon the execution of the of the Creditors Trust Deed on that date.

The Company has been in dialogue with the ASX about the Readmission. ASX has advised the Company that it will readmit the Company to the Official List if the following conditions are met:

- The Acquisition is approved by Shareholders;
- The Shareholders approve the proposed change in scale and activities of the Company; and
- The Company meets and complies with Chapters 1 and 2 of the Listing Rules ("**Conditions**").

ASX has advised that, when looking to meet the requirements of Chapters 1 and 2 of the Listing Rules, the Company should consider:

- If the Company intends to comply with the net assets test (which it intends to do), it must have sufficient net assets (\$3million)(or market capitalisation, \$10 million), and working capital (\$1.5 million), to meet the minimum thresholds on a post-acquisition basis including the effects of fundraising;
- If the Acquisition involves the Company acquiring Classified Assets, or a business which relies principally upon the exploitation of Classified Assets, the Shares issued to Lian Keng will be classified as Restricted Securities, and subject to restrictions under Appendix 9B of the Listing Rules on the same basis as if the Company were applying for admission to the official list for the first time. The Acquisition does constitute the acquisition of a Classified Asset;
- Any Shares or other securities issued by the Company after the time of the announcement of the Acquisition to the market (which was made on 24 January 2014) for cash are liable to be treated as 'seed capital' for the purposes of the escrow regime, and made subject in part to restrictions under Appendix 9B, paragraphs 1 or 2 (as applicable) of the Listing Rules, upon the reinstatement of the Shares to the Official List. This means that any Shares issued from 24 January 2014 to the date of the Prospectus during that period for less than the Offer Price, may be subject, in part, to escrow;

- If there are Restricted Securities on issue, as a condition of final reinstatement to Re-quotation, the Company will be required to give ASX copies of correctly executed Restriction Agreements, and provide confirmation that either the certificates for the Restricted Securities have been deposited with a bank or recognised trustee or that a holding lock has been placed on the Restricted Securities by the Company's Share Registry – details of these Restriction Agreements are set out in section 3.12;
- The Company must, as a disclosing entity, continue to comply with its periodic reporting requirements under chapter 4, and (if applicable) chapter 5, of the Listing Rules. The Company remains liable to suspension from quotation under Listing Rule 17.5 if a periodic report is missed prior to the Suspension. If a periodic report which has fallen due has not been lodged before the time that the Company wishes to be reinstated to the Official List, lodgement of that report will be a condition of the Company's reinstatement to the Official List;
- The Company must satisfy the ASX the Directors and proposed Directors are of good fame and character, save for those Directors who have been elected by the Shareholders in the past 12 months which includes those directors described in Section 4.1;
- the Company must re-apply for CHES approval of its securities, which has been done; and
- The Company will be required to pay an initial listing fee calculated in accordance with section 2.1 of Guidance Note 15, pursuant to Listing Rule 16.3.

3.10. General Meeting

As mentioned in the Chairman's letter, the Company was involved in the development of integrated optoelectronic and wireless solutions since its admission to the Official List on 25 October 2006. Following significant operating losses and failure to restructure its operations, the Company was suspended from the Official List on 26 June 2009. On 17 May 2011, the Company was placed into Administration. Following the effectuation of the DOCA in November 2013 and the execution of the Creditors Trust Deed on 18 December 2013, the Deed of Company Administration of the Company was effectuated.

The Company now believes there are exciting prospects for property development in Anhui Province, China, which represents a significant departure from the Company's former business. As stated in Section 3.4, the Company has signed the Share Sale Agreement in respect of the Acquisition, which is subject to a number of conditions precedent. These conditions precedent involve seeking the Approvals and Re-quotation.

On 16 April 2014, the Company issued a Notice of General Meeting to consider the following resolutions in respect of the Approvals ("**Notice**") including seeking approval:

- to change the nature and scale of the Company's activities under Listing Rule 11.1.2;
- of the Acquisition pursuant to ASX Listing Rule 10.1;
- for the issue of the New Shares so as to enable the Company to maintain its capacity to issue Shares under Listing Rule 7.1; and
- for the election of Kim Huat Koh and Geoffrey Ellison McIntyre as directors of the Company.

Each of the resolutions (a) to (c) above ("**Core Resolutions**") is conditional upon all of Core Resolutions being passed at the General Meeting. So if one of those Core Resolutions is not approved then all of Core Resolutions plus those resolutions dealing with the appointment of the proposed Directors in (d) above are deemed not to be approved.

The General Meeting is to be held on **15 May 2014**. A copy of the Notice including a copy of the Independent Expert's Report accompanying it can be downloaded from the ASX website (www.asx.com.au) by accessing the announcement section of the Company (Ticker Code "LHB"). Results of the General Meeting will be conveyed to the market.



The Notice sets out the background and basis for each proposed resolution.

Below is a summary of the Core Resolutions:

Core Resolution 1 - Approval for change in nature and scale of activities

General

As previously stated in the Prospectus, the Acquisition will result in a change in the nature and scale of the Company's activities from a company specialising in the development of integrated optoelectronic and wireless solutions to a real estate development company with the right to develop a proposed technology park in Anhui Province, China.

This proposed change constitutes a significant change in the nature and scale of the Company's activities, and consequently requires approval pursuant to ASX Listing Rule 11.1. For this reason, the Company is seeking Shareholder approval for the Acquisition under ASX Listing Rule 11.1.2.

Legal Requirements

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

1. provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
2. if ASX requires, obtain the approval of holders of its Shares and any requirements of ASX in relation to the notice of meeting; and
3. if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the Company were applying for admission to the official list of ASX.

ASX has indicated to the Company that given the change in the nature and scale of the Company's activities that it will require the Company to:

- (a) obtain Shareholder approval; and
- (b) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules

Core Resolution 2 - Acquisition of Lian Huat

General

Under the Share Sale Agreement the Company has agreed to acquire the sole share in Lian Huat from Lian Keng for the Consideration, which is payable by the issue of the Consideration Shares. The Consideration is supported by the Valuation Report. The Valuation Report states that the market values of the Investment Agreement ranges between \$AUD7.3 and \$AUD8.6M.

Approval sought

Shareholder approval for the Share Sale Agreement including the issue of the Consideration Shares, the subject of Resolution 2 is sought for the purposes of:

- (a) ASX Listing Rule 10.1 – which generally provides that a company listed on ASX, cannot acquire a substantial asset from a substantial holder, , without prior shareholder approval; and
- (b) ASX Listing Rule 7.1 – which generally provides that a company listed on ASX, is not able to issue securities if the number of these securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period, without obtaining shareholder approval.



Listing Rules Requirements

Listing Rule 10.1 provides in part that an entity (or any of its subsidiaries) must not acquire a substantial asset from a substantial holder (10.1.3).

Listing Rule 10.1.3 requires an entity to obtain the prior approval of shareholders if it acquires a substantial asset from, or disposes of a substantial asset to, a substantial shareholder of the entity, which is defined to mean a person who holds a relevant interest of 10% or more in the entity.

Lian Keng currently holds 421,379,679 Shares representing a 62.06% equity holding in the Company - Lian Keng is considered to be a substantial shareholder of the Company because it holds more than a 10% Shareholding in the Company and therefore ASX Listing Rule 10.1.3 applies.

For the purposes of ASX Listing Rule 10.1, an asset is deemed substantial if its value, or the value of the consideration paid, is 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

In accordance with the 2013 Annual Report released to the market on 17 February 2014, the Company had equity interests (as defined in the ASX Listing Rules) totalling nil. The value of the Consideration is \$8,500,000. The Consideration is thus greater than 5% of the equity interests of the Company and therefore the Acquisition is deemed to be substantial in accordance with ASX Listing Rule 10.1.3.

Listing Rule 10.10 requires that a notice of meeting convened to consider shareholder approval under Listing Rule 10.1 must include:

- (a) a voting exclusion statement; and
- (b) a report on the transaction from an independent expert which states whether the transaction is fair and reasonable to holders of the entity's ordinary securities whose votes are not to be disregarded.

A voting exclusion statement in relation to Core Resolution 2 has been included at the conclusion of this Resolution in the agenda contained in the Notice.

The Company engaged the Independent Expert to prepare a report on the Acquisition and whether the terms of the Share Sale Agreement are fair and/or reasonable.

Investors are encouraged to read the Independent Expert's Report in its entirety as the Independent Expert's Report concludes that the Acquisition, on balance, **is fair and reasonable** to the non-associated Shareholders of the Company.

Under the Share Sale Agreement, the Consideration Shares must be issued at the same time as the New Shares. As at the date of this Notice the Voting Power of Lian Keng is 62.06%.

If the Core Resolutions are approved and the New Shares, the subject of the Minimum Subscription, are issued, the Voting Power of Lian Keng will be 61.32% and if New Shares, the subject of the Maximum Subscription are issued the Voting Power of Lian Keng will be 59.36%.

Core Resolution 2 is also necessary in order to comply with the specific requirements of Listing Rule 7.1 which provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of these securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period, without obtaining shareholder approval.

Core Resolution 2 seeks approval for the Share Sale Agreement, which includes the issue of the Consideration Shares, in order to retain the flexibility to issue further Shares representing up to 15% of the Company's share capital during the next 12 months.



The following information was provided to the Shareholders in the Notice in order for them to assess the merits of Core Resolution 2:

- (a) The number of Consideration Shares to be issued is 42,500,000 Shares;
- (b) The deemed issue price of each Consideration Share is 20 cents;
- (c) The Consideration Shares will rank equally with the other Shares currently on issue, the terms of which are already in the public domain;
- (d) No funds will be raised by the issue of the Consideration Shares as their issue is an obligation under the terms of the Share Sale Agreement;
- (e) The Consideration Shares will be issued to Lian Keng who is not a related party of the Company; and
- (f) The Consideration Shares will be issued on one date and no later than three months following the date of the General Meeting but in any case, shall be at the same time as the New Shares.

Independent Experts Report

ASIC Regulatory Guide 74 requires that shareholders be provided with an Independent Experts Report which is designed to assist all shareholders in reaching their voting decision by offering more information as to whether the issue of the fully paid ordinary shares is fair and reasonable to the shareholders who are not associated with Lian Keng.

The Independent Expert concludes that the issue of the Consideration Shares to Lian Keng is on **balance fair and reasonable** to the non-associated Shareholders. As stated above, a copy of the Independent Expert's Report can be downloaded from the ASX website (www.asx.com.au) by accessing the announcement section of the Company (Ticker Code "LHB")

Lian Keng's intentions regarding the future of the Company

The Company has been advised by Lian Keng, that it;

- (a) has no intention to change the financial policies of the Company;
- (b) may participate in capital raisings in the future on a case by case basis subject to appropriate approval by the Company's shareholders if necessary but has advised the Company that it will not be subscribing for New Shares;
- (c) intends to retain the employ of the present employees of the Company;
- (d) has no intention to transfer any Company property between the Company and Lian Keng or any person associated with Lian Keng; and
- (e) has no intention to redeploy the fixed assets of the Company.

Core Resolution 3 - Issue of a Prospectus for capital raising

General

Core Resolution 3 seeks Shareholder approval for the issue of the New Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.



The effect of Core Resolution 3 will be to allow the Directors to issue the New Shares during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's annual 15% placement capacity.

Technical Information Required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the New Shares:

1. the minimum number of New Shares to be issued is 35,000,000, with the provision to receive oversubscriptions of up to a further 25,000,000 New Shares;
2. the New Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue will occur on the same date;
3. the issue price of the New Shares will be 20 cents each;
4. the New Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
5. the Directors will determine to whom the Shares will be issued, who are unknown as at the date of this Notice; and
6. assuming the Company raises the minimum funds from the Prospectus of \$7 million and together with the current cash on hand, the total available funds of \$7,100,180 will be allocated as follows:
 - (a) Provide working capital for the Company to meet the costs of the Project;
 - (b) Pay the expenses of the Offer as detailed in Section 9 of the Prospectus; and
 - (c) Meet the ongoing administration costs of the Company including those associated with the Readmission.

It is anticipated that the \$747,000 working capital will cover such expenditure as Administration costs including accounting and audit fees, Directors' fees, travel and accommodation and legal fees and will be spent over the next twelve (12) months period.

It is anticipated that revenue from the sale of land in the proposed Singapore Xuancheng Technology Park will be generated within the next twelve (12) to eighteen (18) months, however, as no sales contracts have been entered into, the Directors have not included revenue forecasts.

3.11. Issue of New Shares

New Shares will be issued only after all Application Monies have been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued as soon as practicable after the Closing Date, assuming the Approvals have been provided.

All Application Monies received before New Shares are issued will be held in a special purpose account in accordance with section 722 of the Corporations Act. Once the New Shares are issued to Applicants, the funds in the account plus any accrued interest will be received by the Company.

Application will be made for the New Shares to be granted Official Quotation by ASX. If such an application is not so made or Official Quotation of the New Shares is not granted by ASX within three months of the date of this Prospectus, then the Company will not issue any New Shares and all Application Monies received pursuant to this Prospectus will be refunded in full as soon as practicable, without interest.



Where the number of New Shares issued is less than the number applied for, the surplus monies will be returned by cheque within three (3) Business Days of the issue of the New Shares. Where no issue is made in these circumstances, the amount tendered on Application will be returned in full within three (3) Business Days of the issue of the New Shares. Interest will not be paid on monies refunded.

The fact that ASX may agree to grant Official Quotation of the New Shares or Readmission is not to be taken in any way as an indication of the merits of the Company or the New Shares.

The ASX takes no responsibility for the contents of this Prospectus. The fact that the ASX may re-admit or reinstate the Company to its Official List is not to be taken in any way as an indication of the merits of the Company and the New Shares. Official Quotation, if granted, of the New Shares will commence as soon as practicable after the issue of Holding Statements to those persons receiving New Shares.

Subject to the Company meeting the Conditions to be re-admitted to the Official List and ASX approval to the re-quotation of the Shares and quotation of the New Shares, the issue of New Shares to Applicants will occur as soon as possible after the Closing Date, following which Holding Statements will be dispatched. Trading of the New Shares on the ASX is expected to commence shortly after that date. It is the responsibility of Applicants to determine their allocation prior to any trading of the New Shares.

Applicants who sell New Shares before they receive their Holding Statements will do so at their own risk. Pending the issue of the New Shares, or return of the Application Monies, the Application Monies will be held in trust for the Applicants.

3.12. Restricted Securities

Subject to the ASX Listing Rules, a certain number of the Shares, may be classified by the ASX as being Restricted Securities and such may be required to be held in escrow for up to twenty four (24) months and may not be transferred, assigned or otherwise disposed of during that period. If the ASX classifies certain Shares as being Restricted Securities, prior to Official Quotation of the New Shares, the holders of those securities that are to be classified as Restricted Securities will be required to enter into appropriate restriction agreements with the Company, if so required.

Lian Keng has entered into Restriction Agreements for Shares that it acquired in the Company prior to the lodgement of this Prospectus. These Restriction Agreements cover 421,379,679 Shares and are for a period of 24 months from the date of issue. Furthermore, if the Acquisition is approved, the 42,500,000 Shares to be issued to Lian Keng will be subject to a Restriction Agreement for 24 months from the date of Readmission.

On 26 November 2013, Shareholders approved the issue of 237,000,000 Shares to new Exempt Investors. The holders of these Shares have entered into 12 month Restriction Agreements for all of these Shares from the date of issue.

3.13. Applicants Outside of Australia

The distribution of this Prospectus outside Australia may be restricted by law.

The Prospectus does not constitute an Offer of Shares in any jurisdiction where, or to any person whom, it would not be lawful to issue the Prospectus or make the Offer. It is the responsibility of the Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to the Application, and any such Applicant should consult their professional advisers as to whether any government or other consent is required, or whether any formalities need to be observed to enable them to apply for and be issued Shares. The failure to comply with any applicable restrictions may constitute violation of securities law in those jurisdictions.

No action has been taken to register or qualify the New Shares of the Offer to permit a public offering of the Shares in any jurisdiction outside Australia.

However subject to restrictions outlined below, the Company and the Broker reserve the right to offer New Shares to wholesale investors within the meaning defined in the Corporations Act Section 761G in the following jurisdictions, where to do so would not be in breach of the securities law requirements of the relevant jurisdiction.



Singapore

This Prospectus has not been and will not be lodged with and registered by the Monetary Authority of Singapore as a Prospectus under the Securities and Futures Act, Section 289 of Singapore ("SFA") and the New Shares will be offered in Singapore pursuant to exemptions invoked under Subdivision 4, Division 1 of Part XIII of the SFA, in particular section 274 and section 275, of the SFA. Accordingly, this Prospectus and any other offering document or material in connection with the offer of the New Shares may not be issued, circulated or distributed in Singapore, nor may any of the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) an institutional investor under section 274 of the SFA, (ii) a relevant person pursuant to section 275(1) of the SEA, (iii) any person pursuant to an offer referred to in section 275(1A) of the SFA, or (iv) pursuant to and in accordance with the conditions of any other applicable provision of the SFA.

Where the New Shares are subscribed or purchased by (i) an institutional investor pursuant to section 274 of the SFA, (ii) a relevant person pursuant to section 275(1) of the SFA, or (iii) any person pursuant to an offer referred to in section 275(1 A) of the SFA, such New Shares shall not be sold within a period of six months from the date of the initial acquisition to any person other than an institutional investor under section 274 of the SFA, to a relevant person as defined in section 275(2) of the SEA, or to any person pursuant to an offer referred to in section 275(1 A) of the SFA and in accordance with the conditions of the SFA.

Where the New Shares are subscribed or purchased under section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, securities of that corporation or the beneficiaries' rights and interest in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Shares under section 275 of the SFA unless (i) that transfer: (a) is made only to an institutional investor under section 274 of the SEA or to a relevant person as defined in section 275(2) of the SFA; or (b) arises from an offer referred to in section 275(1 A) of the SFA; (ii) no consideration is or will be given for the transfer; or (iii) the transfer is by operation of law, and in accordance with the conditions of the SFA.

New Zealand

The Offer is being made in New Zealand pursuant to the Securities Act (Australian Issuers) Exemption Notice 2002. Although the Registrar of Companies in New Zealand has received a copy of the Prospectus, the Prospectus has not been registered in New Zealand under New Zealand law and it may not contain all the information that a New Zealand registered Prospectus is required to contain. The shares are not intended to be listed in the New Zealand Stock Exchange and New Zealand resident investors may not have access to the information concerning the Company in the same way as investors have in relation to an issuer listed on the New Zealand Stock Exchange. New Zealand investors should satisfy themselves as to the tax implications if investing in equity securities and should be aware that investing in the Shares may carry with it a currency exchange risk.

The Company will, within 5 working days of receiving a request of an offeree for a copy of the Prospectus, without fee, send, or cause to be sent, to that person a copy of the Prospectus, copies of any documents that, under the laws of Australia, must accompany any copy of the Prospectus sent to any person to whom the offer is made in Australia and a copy of any document lodged with ASIC that is referred to in the Prospectus which is taken to be included in the Prospectus under section 712 of the Corporations Act. In respect of any dispute concerning the contract for the issue of the New Shares, the Company agrees to submit to the non-exclusive jurisdiction of the New Zealand courts. New Zealand investors should be aware that notwithstanding the foregoing, the contract in respect of the New Shares may not always be enforceable in New Zealand Courts and the Company may not be subject in all respects to New Zealand law.

People's Republic of China

The information in this Prospectus does not constitute a public offer of the New Shares, whether by way of sale or subscription in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The New Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors".



Hong Kong

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in doubt about any of the contents of this document, you should obtain independent professional advice.

This Prospectus has not, and will not be registered as a Prospectus under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the "**Companies Ordinance**") and it has not been authorised for registration by the Securities and Futures Commission in Hong Kong and, accordingly, this Prospectus must not be issued to the public (i) offering shares of the Company to the public for subscription or purchase for cash or (ii) inviting offers by the public to subscribe for or purchase for cash or other consideration any shares in or debentures of the Company.

The Company has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any of the Shares other than:

- (i) to "professional investors" as defined in the Securities and Futures Ordinance (the "**SFO**") (Chapter 571 of the Laws of Hong Kong) and any rules under the SFO or as otherwise permitted under the Seventeenth Schedule of the Companies Ordinance; or
- (ii) in other circumstances which do not result in the document being a "Prospectus" as defined under the Companies Ordinance or which do not constitute an offer to the public within the meaning of the Companies Ordinance.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any other invitation, advertisement or document relating to shares in the Company, which is directed at, or the contents of which are likely to be accessed or read by the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares in the Company which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO or as otherwise permitted under the Seventeenth Schedule of the Companies Ordinance and any other applicable sections under the SFO.

United States

The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or any state securities laws. Accordingly the Shares may not be offered or sold in the United States except transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable state securities laws. Any offer, sale or resale of New Shares in the United States by a dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act if made prior to 40 days after the date on which the New Shares are issued. This Prospectus does not constitute an offer to sell or solicitation of an offer to buy any of the New Shares within the United States.

3.14. Tax File Number

An Applicant is not obliged to quote his or her Tax File Number ("**TFN**"). However, in the case where no TFN is quoted, the Company must deduct tax from any dividends payable (to the extent that they are unfranked) at the top personal marginal tax rate plus Medicare levy.

There are special rules relating to the quotation or non-quotation of TFNs applying to different categories of Applicants such as non-residents of Australia, tax exempt bodies, joint holders and other special categories. Applications by individuals, companies and trustees, amongst others are largely unaffected by the special rules and therefore may quote a TFN by simply completing the TFN details on the Application Forms. The above does not purport to be an exhaustive statement of the law relating to TFN's and is provided as a guide only. If you are in any doubt you should consult your professional adviser.



3.15. CHESS

The Company operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders in respect of Shares. Instead, the Company will provide Shareholders with a Holding Statement that sets out the number of Shares issued to that Shareholder under this Prospectus and their total holding of Shares in the Company.

This statement will also advise investors of either their Holder Identification Number ("**HIN**") in the case of a holding on the CHESS sub-register or Security Holder Reference Number ("**SRN**") in the case of a holding on the issuer-sponsored sub-register.

3.16. Enquires in Relation to the Offer

The Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial or property adviser.

If you have any enquiries about the Application Form, please contact the Company's Share Registry.

3.17. Underwriting

The Offer is not underwritten.

3.18. Forward Looking Statements

The forward looking statements in this Prospectus are based on the Company's current expectations about future events. They are however subject to known and unknown risks, uncertainties and assumptions many of which are outside the control of the Company and which could cause actual results, performance or achievements to differ materially from future results performance or achievements expressed or implied by the forward looking statements. No person named in this Prospectus, nor any other person, guarantees the performance of the Company or the return of capital or the payment of a return on the New Shares.

3.19. Photographs and Figures

Photographs and figures used in this Prospectus which are not described are for illustration only and should not be interpreted to mean that any person endorses this Prospectus or that the assets shown in them are owned by the Company.

3.20. Commissions on Application Forms

The Company reserves the right to pay a commission of up to 5% (exclusive of goods and services tax) of amounts subscribed to any licensed securities dealer or Australian Financial Services Licensee in respect of valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian Financial Services Licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services Licensee.



3.21. How to Apply

An Application constitutes subscribing for Shares on the terms and conditions as contained in the Offer. An Application to subscribe for Shares can only be made on the Application Form contained in this Prospectus.

Applications must be for a minimum of 10,000 Shares representing a minimum investment of \$2,000 and thereafter in multiples of 1,000 Shares.

If you decide to apply for Shares, you must:

- a) complete the enclosed Application Form; and
- b) pay the Application Monies by direct debit or cheque drawn on and payable at any Australian bank in Australian dollars.

An Application for Shares can be made by:

- (i) completing and lodging the Application Form for Shares contained at the end of this Prospectus; or
- (ii) completing a paper copy of the relevant Application Form which accompanies the electronic version of this Prospectus, both of which can be downloaded from www.lionhub.com.au.

The Application Form must be completed in accordance with the instructions set out on the back of the Application Form. An Application Form must be accompanied by a bank remittance advice or cheque in Australian dollars. Cheques must be made payable to "LionHub Group Limited" and crossed "Not Negotiable". Payment for the Shares must be made in full at the issue price of 20 cents for each Share subscribed for.

Applications received by the Company that do not meet the above requirements may be refused at the discretion of the Directors.

An Application for Shares may be accepted in full, or any lesser number or rejected by the Company. If any Application is rejected, in whole or in part, the relevant Application Monies will be repaid without interest.

Completed Application Forms with any accompanying cheques or bank remittance advices should be, at any time after the Opening Date (1 May 2014), delivered to the Share Register, at either of the following address:

Post to :
Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953
Australia

Hand delivery:
Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Australia

Completed Application Forms and cheque(s)/bank remittance advice(s) must be received at the above address before 5.00pm (AEST) on the Closing Date (22 May 2014), though investors should be aware that the Directors may close the Offer before then.

No stamp duty is payable by the Applicants in respect of the Applications.

Section 4 Board of Directors and Management

4.1. Existing Directors

Jamie Gee Choo Khoo

Non-Executive Chairman

Jamie Khoo has over 20 years of experience in accounting and corporate finance. She also has extensive corporate experience on project financing, company funding, initial public offering, investment evaluations, due diligence and structuring.

Formerly an executive director of Singapore-listed Adventus Holdings Ltd (5EF.SGX), Jamie held key positions in STT Communications Ltd and its various subsidiaries, mainly in the areas of finance and investments, with ABB Holdings Ltd in Hong Kong and Beijing and with both Ernst and Young Singapore and Baker Hughes Group Singapore.

Jamie holds a Bachelor of Accountancy from the National University of Singapore and a MBA from the University of Hull in the United Kingdom. She is a Fellow Member of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.

Jamie serves as an independent non-executive director with listed Refresh Group Ltd (RGP.ASX), Australia's largest producer of distilled drinking water and an independent non-executive director/Chairman of the Audit Committee of MDS Financial Group Limited (MWS.AX), a boutique house offering investment, corporate advisory and dealing services.

Kum Leong Chan

Non-Executive Director

Kum Leong Chan has been the Group Financial Controller of Lian Huat Group. He manages the financial affairs of the Group, operating out of the Group's headquarters in Singapore.

Kum Leong is a Chartered Accountant from the Institute of Chartered Accountants of England and Wales. He has more than 20 years of experience in the Finance sector. Prior to joining Lian Huat Group, he has served as the Financial Controller of various American and Japanese MNCs as well as local companies. He is also a Non-Executive Director of Nobel Design Holdings Limited, a Singapore Listed Company and is a member of the Remuneration Committee as well as the Risk Management Sub-committee.

As part of his community service work, Kum Leong has been actively involved with the Apex Harmony Lodge, a home in Singapore for people with dementia and is currently the Chairman of the Management Committee of the home. He is also a member of the Evaluation Panel of the Community Silver Trust Fund, Singapore,

Kwee Jee Lee

Non-Executive Director

Kwee Jee Lee had very extensive experience in both the public and private sector. She spent about 20 years in the public sector formulating and overseeing policies in the Ministries of Finance, Defence and the Environment of the Government of Singapore. Her scope of work included finance and budgetary control, personnel and human resource allocation, public relations and international relations.

Kwee Jee also spent another 20 plus years in the private sector, working in manufacturing, electronic and technology companies, including Electronic Component of General Electric (USA), TDB Holdings Pte Ltd, ST Aerospace Pte Ltd, and Singapore Technologies Pte Ltd. She held key positions in these companies, mostly specialised in human resources and building up of strategic relationships for these companies, both locally and internationally, to expand and promote their operations and businesses.

Prior to her retirement, Kwee Jee was the SVP (Strategic Relations and Corporate Communications) of Singapore Technology Telemedia Pte Ltd where she spent a little over 9 years building and strengthening external relationship with the media, the public and international partners.

Kwee Jee obtained her B Sc (Hons) and MSc from the University of Singapore and attended an Executive Development Programme in INSEAD, Fontainebleau.



4.2. Proposed Directors

As noted in Section 3.10, it is proposed that the following persons be appointed as Directors at the General Meeting:

Geoffrey Ellison McIntyre AM, PSM (Singapore) Proposed Non-Executive Deputy Chairman

Geoffrey McIntyre's business career has been in banking having joined the Commercial Banking Company of Sydney in 1954. He held a number of senior management positions through to the merger with the NAB when he was Chief Manager International.

After a period of 30 years in Australian banking, he accepted an offer to establish Overseas Union Bank ("OUB"), Singapore in Australia in March 1983 and proceeded to develop the Bank's presence from a representative office to a merchant bank and finally to that of a foreign bank branch.

On his retirement as General Manager for Australia and New Zealand in 1995, Geoffrey was requested to accept the appointment of Honorary Trade Representative Australia by the then Singapore High Commissioner, General Winston Choo. This honorary position involved expanding trade and economic linkages between the two countries. At the same time, OUB retained his services as Adviser.

Geoffrey continues his contact with Singapore in a number of ways being an honorary life member of the Australian Singapore Chamber of Commerce and was formerly a Director of the Australian subsidiary of a listed Singapore company until his retirement last year. He was appointed a director of the Bank of China Aust. Ltd. in 2005, Chairman in 2006 and retired in 2010.

Geoffrey is a Fellow of the Aust. Institute of Company Directors, a Life Member of the former Australian Institute of Bankers, a Fellow of FINSIA, and a graduate of the Australian Administrative Staff College.

In the 2002 Singapore National Day Honours, he was awarded the Public Service Medal (PSM) by the President of Singapore for his services in promoting Australian/Singapore relations. In the 2005 Australian National Day Honours, he was made a Member (AM) in the General Division of the Order of Australia for service to business and finance through the banking sector, to the promotion of international relations and to the community. In October 2008, he was made the Inaugural Life Member of the Overseas Bankers Association of Australia.

Kim Huat Koh Proposed Non-Executive Director

Kim Huat Koh has extensive experience as members on the boards of many private and publicly listed companies, including Singapore and/or Hong Kong-listed Rowsley Ltd, UPP Holdings Ltd, Eagle Brand Holdings Ltd and Hong Kong Fortune Ltd. He was Executive Director of Hong Kong Fortune Ltd in 1994 and retired in May 2013 as Executive Chairman of UPP Ltd.

Kim Huat also has intimate knowledge of China and of property development. He was Head of Singapore's diplomatic missions in Shanghai from 1991 till 1994. He then went on to head up the property businesses for Chia Tai group in China. Chia Tai was then one of the largest foreign investors in China. Its property investments include the commercial downtown of Pudong, Shanghai and other cities. Prior to his retirement last year, he was also a director of Vantage Bay, a company involved in property development in Iskandar Johor.

Kim Huat was a Singapore Government scholar. He graduated from National University of Singapore in Bachelor of Engineering (civil), 2nd Upper Honors. He spent many years serving Singapore government in different departments. They included administrative service of Singapore Government, its diplomatic mission in Shanghai and Government of Singapore Investment Corporation (GIC).



4.3. Management

Siew Goh

Head – Operations

Siew Goh has extensive experience working in regional corporate environment. She has a diverse range of industry skills and experience in the areas of international corporate events management, marketing communications and strategic relations.

Prior to Siew's return to Australia, she was an Associate Director in a Singapore based investment company, Temasek Holdings Limited (one of the biggest sovereign fund managers in the world) and has also spent several years working in Temasek's subsidiaries – Temasek Management Services Pty Ltd and Singapore Technologies Pte Ltd. Siew led a team to plan, organise and manage high profile events in Singapore, Asia and Europe for diplomats and senior regional corporate leaders.

Eryn Kestel (BBus, CPA)

Company Secretary

Eryn Kestel has been Company Secretary at LionHub Group Limited since 10 May 2013.

Eryn serves as a Company Secretary for a number of publically listed junior mining companies. Her core areas of competencies are company secretary matters and company administration. She has extensive knowledge of listed and non-listed companies' secretarial requirements, document drafting experience and corporate governance issues.

She also serves as a Corporate Compliance Adviser to NKH Knight Holdings Pty Ltd; a financial planning services business that was recently granted an Australian Financial Services License (AFSL 438631).

Her previous experience is in management accounting for a financial institution and property development. Eryn holds a Bachelor of Business Degree majoring in Accounting.

4.4. Lian Huat Personnel

As part of the Acquisition of Lian Huat, Mr CK Kho and Mr Patrick Chuan Thye Kho, will remain on the Board of Lian Huat for a period of at least one year from completion of the Acquisition to assist in transitional matters including providing operational and management support in respect of the Project.

Choon Keng Kho

Choon Keng Kho ("CK") is the Executive Chairman of the Singapore-based Lian Huat Group. CK graduated with First Class Honours in BSc (Engineering) from King's College University of London. He was also awarded the prestigious Singapore's President Scholarship and had served in the Singapore Civil Service until joining Lian Huat Group in 1985.

After joining Lian Huat Group in 1985, CK was responsible in upgrading and modernizing the Group's management system and expansion plan while preserving the qualities of the traditional Chinese ethics and culture to lead the group to be one with international perspectives and practices and yet nimble with long-term vision.

CK also holds strong belief on corporate social responsibility and commits the Lian Huat Group and himself to various honourable charity and community work in Singapore and Australia:

- Council Member, Singapore-Tianjin Economic & Trade Council
- Council Member, National Crime Prevention Council(Singapore)
- Director, Business China (Singapore)
- Council Member , Singapore Chinese Chamber of Commerce & Industry (Singapore)



- Vice Chairman, Singa China Association (Singapore)
- Vice Chairman, Singapore Koh Clan Association (Singapore)
- Patron, Hwa Chong Junior College Alumni (Singapore)
- School Management Committee Member, Nanyang Junior College (Singapore)
- School Management Committee Member, Chung Cheng High School (Singapore)
- School Management Committee Member, Chung Cheng High School Yishun (Singapore)
- Director, Australia China Trade and Commerce Council (Australia)
- Honorary Chairman, The Australia Hokkien Huay Kuan Association Inc. (Australia)

Patrick Chuan Thye Kho

Patrick Chuan Thye Kho (“**Patrick**”) is the Managing Director of Lian Huat Group. Patrick read Electrical and Electronic Engineering in St John’s College in the University of Cambridge and graduated in 1988 with a Second Class Upper BA degree. He subsequently obtained a MA from the University of Cambridge in 1991. Patrick is also a Chartered Financial Analyst.

A Singapore Armed Forces scholar, Patrick served his scholarship bond with the Singapore Armed Forces until 1996 when he left to join Lian Huat Group. During his 12 years military career, Patrick served in various command and staff leadership positions in the Republic of Singapore Air Force. In the field, he commanded Air Defence Artillery units while in the HQ he headed the air force manpower planning and policy as well as the development of air force training policy.

As the Managing Director of Lian Huat Group, Patrick manages the Lian Huat Group’s Singapore property development and investment businesses as well as the Lian Huat Group’s property investments and hotel businesses in Australia and China. In recent years, he spearheaded property development projects in Singapore with a Gross Development Value (GDV) of close to S\$700m.

Patrick and his family actively engage in social responsibility and philanthropic causes. In addition to the numerous ad hoc projects that he supports, he is a strong supporter of Vision Fund International, a Non-Government Organisation that improves the lives of children in the developing world such as Cambodia, Myanmar, Sri Lanka and the Philippines by offering small loans and other financial services to families living in poverty. Patrick is a council member of the Singapore Road Safety Council under the auspices of the Ministry of Home Affairs Singapore and a member of the Church Building Committee of the Church of St Peter and Paul in Singapore.

Zhaoping Wang

Head – Business Development

Zhaoping Wang has more than 20 years of experience in the property development sector. She has extensive knowledge and experience in all related stages in relation to the management of property development and is familiar with all development processes.

Zhaoping has a good working relationship with all parties in the development industries which include officials from the government departments. She has good communication skills and capable in good governance practices.



Allan Pek
Head – Marketing

Allan Pek has extensive working experience in the Food and Beverage industry. He worked as the General Manager Hard Rock Café and was responsible for initial set-up of restaurants in Shanghai, Guangzhou and Shenzhen. He was responsible for the training and induction of the local staff, in addition to taking charge of the operations and management of the restaurant. Allan also worked in the Hilton Hotel Shanghai as the Restaurant Manager where he was responsible for staff training and management of restaurant operations.

Allan has excellent management and communications skills. He has a good understanding of market trends and business in China. Allan also possesses strong business acumen.

Currently the Vice President of Tianjin APH Development Co Ltd, Allan is in charge of the operations of the organisation, which includes implementing business strategy, property sales, marketing and administrative strategies. He is also responsible for the setting up the hotel operations for Tianjin Southern Cross Hotel.

Jingna Sun
Head - China Operations

Jingna Sun graduated from University of Tianjin Nan Da Academy of Law, specialising in Law of Economy. Prior to joining the Group as Assistant Vice President, Jingna was working in Dalian Wan Da Group Corporation Limited and has led the team in achieving ISO 9000 certification for the company. She has extensive experience in property management.

Section 5

Corporate Governance

5.1. Corporate Governance Material

The Directors are responsible for protecting the rights and interests of the Shareholders through the implementation of sound strategies and action plans and the development of an integrated framework of controls over the Company's resources, functions and assets.

To assist in its corporate governance responsibilities, the Board has adopted a Corporate Governance Charter. An extract of this Charter is available on the Company's website www.lionhub.com.au

5.2. General

The Company has not formally constituted committees of the Board of Directors.

The Directors consider that the Company is not of a size and that its affairs are not of such complexity as to justify the formation of special or separate committees. The Board as a whole is able to address the governance aspects of the Company's activities and ensure that it adheres to appropriate ethical standards.

This information below outlines the main corporate governance policies which the Directors have adopted.

5.3. Composition of the Board

The Board currently comprises three (3) Directors but at the conclusion of the General Meeting to be held on 15 May 2014 there will be a Board of five (5) Directors. The names qualifications and relevant experience of each Director is set out in Section 4 of this Prospectus. There is no requirement for any Director's Shareholding qualification.

Board policy is that the Board will constantly review and monitor its performance. As the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the Board may seek to appoint persons who, in the opinion of the Board, will provide specialist expertise required for the Board to adequately perform its role.

5.4. Board Membership

Members of the Board have been brought together to provide a blend of qualifications, skills and national and international experience required for managing a

company operating within the property development industry.

5.5. Appointment and Retirement of Directors

The Constitution provides that Directors are subject to retirement by rotation, by order of length of appointment. Retiring Directors are eligible for re-election by Shareholders at the Annual General Meeting of the Company.

5.6. Duties of Directors

Directors are expected to accept all duties and responsibilities associated with the running of a public company, to act in the best interests of the Company and to carry out their duties and responsibilities with due care and diligence.

Directors are required to take into consideration conflicts when accepting appointments to other Boards. Accordingly, Directors wishing to accept appointment to other Boards must first seek approval from the Board, approval of which will not be unreasonably withheld.

5.7. Independent Professional Advice

The Board has determined that individual Directors may, in appropriate circumstances, engage outside advisers at the Company's expense. The engagement of an outside adviser is subject to the prior approval of the Board, which will not be unreasonably withheld.

5.8. Remuneration, Nomination and Diversity Policy

The maximum aggregate amount payable to Non-Executive Directors as Directors' fees has been set at \$500,000 per annum. The Constitution provides that Director's fees can only be increased by resolution at a general meeting of its Shareholders.

Due to the size of the current Board, the Company has decided that the entire Board will be responsible for maintaining and reviewing the Company's remuneration, nomination and diversity policies and practices.



The Board is responsible for reviewing and negotiating the compensation arrangements of senior executives and consultants.

5.9. Audit and Risk Policy

Due to the size of the current Board, the Company has decided that the entire Board will be responsible for maintaining and reviewing the Company's audit and risk practices.

5.10. Internal Management Controls

The Company's main assets will be located in China, subject to completion of the Acquisition. Control over the operations will be exercised by Ms Jingna Sun, Head - China Operations and Ms Siew Goh, Head - Operations, who are employees of the Company or its proposed subsidiaries.

The Board also monitors the performance of outside consultants engaged from time to time to complete specific projects and tasks in the manner described in their respective engagements.

5.11. Identifying Significant Business Risks

The Board regularly monitors operational and financial performance of the Company's activities. It monitors and receives advice on areas of operation and financial risk and considers strategies for appropriate risk management. All operational and financial strategies adopted are aimed at improving the value of the Company's Shares, however, the Directors recognize that there are inherent risks in property development.

5.12. ASX Corporate Governance

To further enhance listed entities' disclosure of corporate governance issues, the ASX Corporate Governance Council ("CGC") was established for the purpose of setting an agreed set of corporate governance standards of best practice of Australian listed entities. The CGC has released its Principles of Good Corporate Governance and Best Practice Recommendations 2nd Edition (**ASX Guidelines**) in August 2007 which will apply to the Company's financial statements upon listing on the ASX. The ASX Guidelines articulate eight (8) core principles that CGC believes underlie good corporate governance.

The information below outlines the main corporate governance policies of the Company which the Board has adopted as well as addressing in some detail the ASX Guidelines.

Before referring to the specific principles set out in the ASX Guidelines and the steps being taken by the Company to comply with those, the following factors should be noted:

- Each of the Directors dedicates considerable time and effort to the affairs of the Company. The Directors manage to do so within busy schedules for other work and business commitments and as a consequence, the principal focus of their endeavours (while operating within a sound base for corporate governance) must necessarily be promotion of the Company's activities and improving Shareholder value; and
- The Company is committed to adopting corporate governance policies commensurate with its business activities and as mentioned earlier has adopted a formal Corporate Governance Charter, setting out the roles and responsibilities of the independent committees described above.

It is within the above context that the Directors are establishing the appropriate processes to ensure that they are compliant with the ASX Guidelines on being re-admitted to the Official List, should that occur. In the context those Guidelines, the Directors make the following observations in relation to the Company's corporate governance status.



| ASX Guidelines | Summary of LionHub's position |
|---|--|
| Principle One <i>Lay solid foundations for management and oversight</i> | The Company's Directors are subject to contracts regulating their roles with the Company and management. |
| Principle Two <i>Structure Board to Add Value</i> | The Company's Directors have extensive public company experience and the Company is looking to complement the existing Directors with the proposed appointment of new Directors at the General Meeting with different skills and experience to enhance to Board. |
| Principle Three <i>Promote Ethical and Responsible Decision Making</i> | The Company has adopted: <ul style="list-style-type: none"> • Directors and Executive Officers Code of Conduct; • Share Trading Policy; and • Disclosure Policy. |
| Principle Four <i>Safeguard Integrity in Financial Reporting</i> | The Company's Directors will be responsible for management of the audit and financial reporting processes of the Company. |
| Principle Five <i>Make Timely and Balanced Disclosure</i> | The Company has defined, under its Share Trading Policy and Disclosure Policy, an internal protocol for the reporting of material information to Shareholders and the ASX. |
| Principle Six <i>Respect the Right of Shareholders</i> | The Company is committed to all Shareholders and stakeholders having equal and timely access to material information regarding the operations and results of the Company. The Company makes, and will continue to make, regular ASX announcements and make these available on its website. |
| Principle Seven <i>Recognise and Manage Risk</i> | The Board of Directors has under its role reviewing and ratifying systems of risk management and internal compliance and control. |
| Principle Eight <i>Remunerate Fairly and Responsibly</i> | The Board of Directors has under its role reviewing and ratifying remuneration agreements and conditions for employees. |

Section 6 Investment Summary

6.1. Singapore Xuancheng Technology Park

The Acquisition will give the Company the opportunity to develop the proposed Singapore Xuancheng Technology Park within Xuancheng Economic and Technological Development Zone in Xuancheng, Anhui Province, China.

The China Anhui Xuancheng Economic and Technology Development Board, which administers the Xuancheng Economic and Technology Development Zone (“**Development Zone**”), provided a number of fiscal incentives to Lian Huat to attract it to the Development Zone. With these fiscal incentives and the vibrant nature of the Development Zone, the Company believes that this makes this an excellent choice of location for the proposed Singapore Xuancheng Technology Park.

The proposed Singapore Xuancheng Technology Park is intended to comprise commercial, industrial, incubator and warehousing/logistics facilities and residential developments, with an ecological friendly focus. It will be themed to reflect the evolution of the world’s economic development from the ancient Chinese and European era to modern days, through technology and architecture to showcase Xuancheng’s vision to become a world class business and technology centre.

The proposed Singapore Xuancheng Technology Park is expected to provide an avenue for international and local companies to showcase and develop their operations in China as well as to nurture local enterprises and start-ups. The proposed Singapore Xuancheng Technology Park is located 260km west of Shanghai.

It is anticipated that development will commence in 2015 with the commencement of the construction of infrastructure within the first 0.15 square kilometres.



Figure 1: Anhui Province, China (marked in red)

(Source: Deutsche Bank)

6.2. Xuancheng Economic and Technological Development Zone

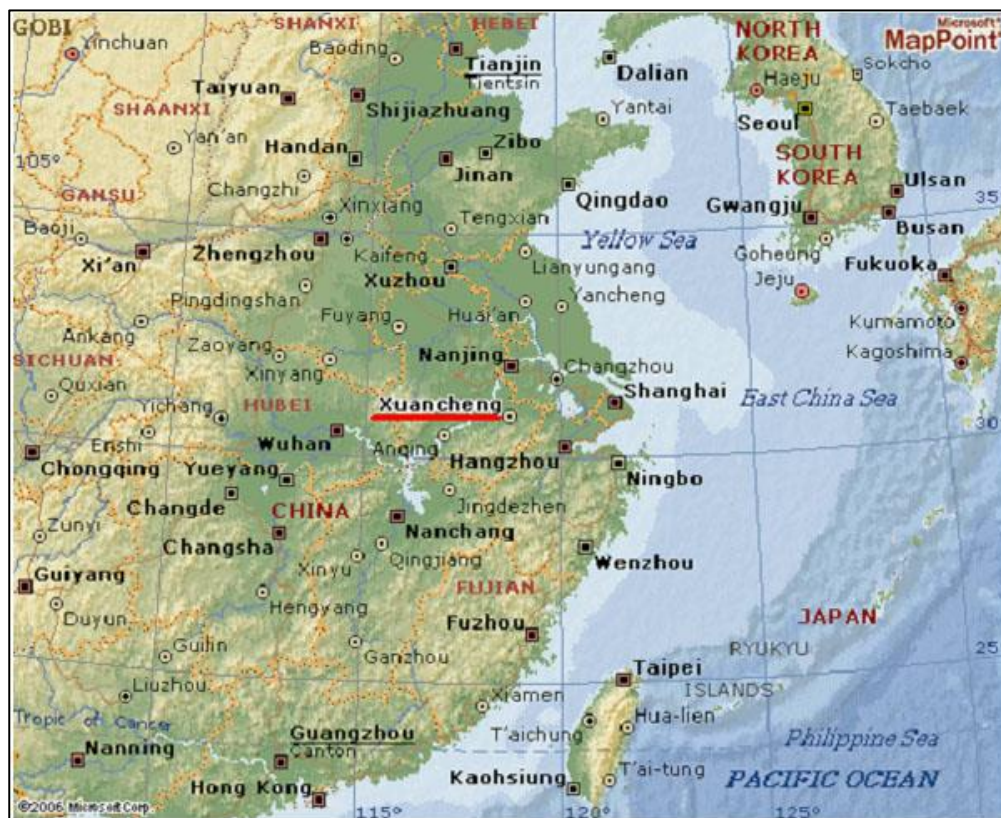


Figure 2: Xuancheng Location

(source: MapPoint)

The Development Zone was approved to be established in 1996 by the provincial government as an economic and technological development zone of provincial significance, covering a total area of 80 square kilometres. The construction of the planned 17-square-kilometre core area has been basically completed.

To strengthen the guiding and controlling role of planning, according to the requirement of “intensive layout, intensive use of land, industrial clustering and full facilities,” the Development Zone has prepared a “Master Plan of Development Zone” and a “Blueprint of Demonstration Area for Industrial Relocation”.

The development plan for the Development Zone is wisely combined with the overall urban planning. In addition, it has also been combined with the plan of the infrastructure including energy, transportation, water supply, electricity communications and other facilities that support the economic and social development.

The layout of the leading industries, infrastructure and productive and daily living services promotes the development of serviced land in a sustainable and timely manner for the guidance of public utilities, local authorities and the private sector. The program tracks land demand and supply as well as proposed development and infrastructure to promote a more effective use of land, better staging of development and prioritization of infrastructure investment to support urban growth. The development plan also relates to strategic planning for future land supply. At present, the construction of West District, which is an expanded part of the Development Zone, is in full swing. The construction of the 13 square kilometre start-up area has been accelerated.

In June 2013, the World Bank provided a US\$150 million loan to the Development Zone board to promote relocation of businesses and workers to the Development Zone.



6.3. Project Vision and Concept

As Master Developer, under the Investment Agreement, Lian Huat (XC) is responsible for the master plan, design, infrastructure construction, development, marketing and management of all properties within the proposed Singapore Xuancheng Technological Park.

The development of the proposed Singapore Xuancheng Technology Park has, as its core, the combination of commercial, residential, industrial and logistics properties in a specifically designed and planned architectural style, divided into districts.

The proposed Singapore Xuancheng Technology Park is expected to mark the introduction and utilisation of Singaporean and Australian management, technology and learning. The Company intends to apply the advanced international level of Singapore's operation and management concepts, skills and experience to the portrayal of the history of world civilization and evolution. This will be featured in the design and architectural styles from around the world, including French, Italian, English and Chinese designs.

The proposed Singapore Xuancheng Technology Park will be designed in line with China's "Big Eighteen" making great efforts to preserve the ecological system and establishing systems to drive environmental sustainability, resource efficiency and pollution mitigation.

Learning from Singapore's experiences will be paramount in the construction of the Park. Features such as strengthened landscaping, acceleration of urban ecological construction and the utilisation and promotion of superior natural resources is seen by the Company as a model for a good ecological environment with economic and social development.

The proposed Singapore Xuancheng Technology Park will not only represent the developmental process of human civilization, but also combines over 40 years of successful management experience by the Lian Huat Group in Singapore, putting resource conservation and environment protection in an important position, developing a circular and low-carbon economy, adopting a 'green spirit', high efficiency ecological planning, high productivity and sustainability of a green ecological technology park.

The following section describes in more detail the overall design plans for the proposed Singapore Xuancheng Technology Park. It is noted that the images and figures in this section are diagrammatic only and are presented to give an indication of the potential style and layout of the proposed Singapore Xuancheng Technology Park. This may vary from the final design for the proposed Singapore Xuancheng Technology Park.

6.4. Master Plan

This section outlines the draft Master Plan (submitted and subject to approval by the Development Board).

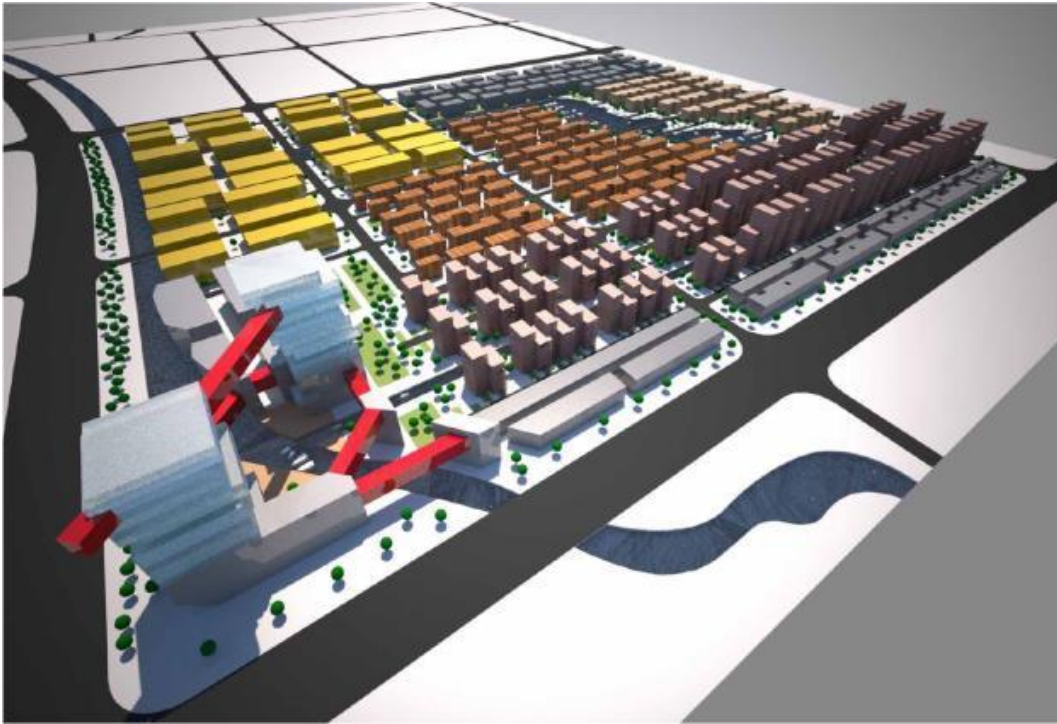


Fig 3 Master Plan illustration – schematic view looking south-west

(Source: RAD)

The Master Plan embraces (i) classical Chinese, French and Italian architectural themes for campus style office headquarters or representation offices, (ii) “Cambridge” or English-style architecture for residential dwellings and (iii) modern contemporary architecture for incubators, industrial/logistics facilities and commercial premises. This is planned to illustrate the world evolution and civilisation concept as detailed above.

The objective of the Master Plan is to combine the richness and strong local cultural climate in Xuancheng (Xuancheng produces Xuan paper which is traditionally considered the best type of paper in Chinese calligraphy) and ancient economic powers to showcase the technological and economical evolution of mankind in order to fully demonstrate the city’s history, culture and vision.

Thus, Lian Huat has summarised the planning concept by the sixteen Chinese words as follows:

文房四宝
智慧行舟
创新交流
宜君展翅

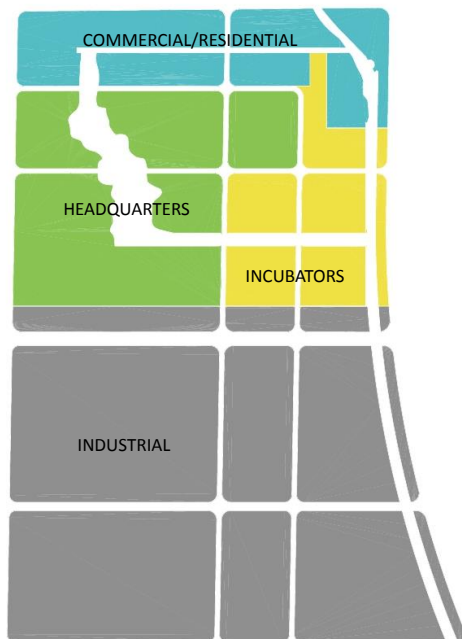
The first phrase (4 words) refers to the Chinese calligraphy as a unique treasure of the City.

The second phrase symbolizes wisdom of ancient Cambridge, when a well-known Chinese scholar was rowing in River Cam and wrote a poem, which he left behind as a legacy in Chinese literature. It also symbolizes the “East meets West” vision and wisdom in the old days and current era.

Next, the third phrase means the exchange between Eastern and Western wisdom, intellect and technology in order to foster more innovation and creativity.

The final phase concludes that with this development and its sustainability, the people and community in Xuancheng will benefit and progress.

CONCEPT (PROGRAM)



CONCEPT (STYLE)

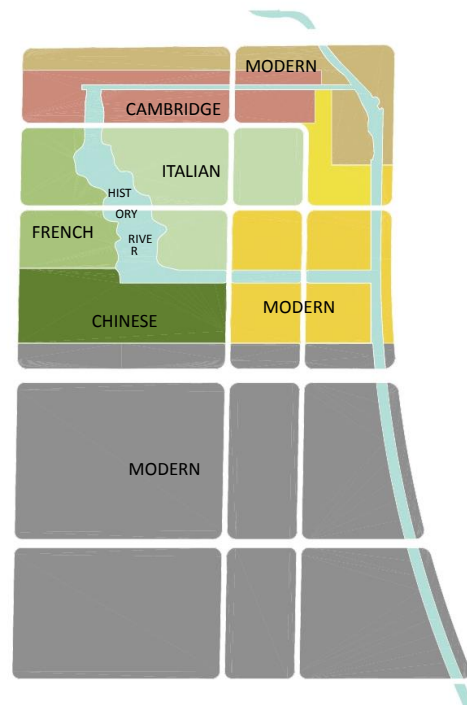


Figure 4: Broad layout of the proposed Park, showing intended uses and architectural styles (Source: RAD)

Within this planning backdrop, the Master Plan is illustrated in Figure 4 where about 12% of the Development Land in the proposed Technology Park will be commercial and residential, 21 % for campus style offices, 11 % for incubators and 56 % for industrial and logistics facilities.

In terms of architectural style, it is proposed that the design of campus style office will be based on classical themes, namely Italian, French and Chinese. The residential apartments will be developed in an English 'Cambridge' style theme with a man-made stream planned with its landscaped area to symbolize the River Cam in Cambridge, England. The remaining facilities (ie. commercial, incubators, industrial and logistics) will adopt a contemporary and modern theme to complement the overall vision.

The Project will be developed and marketed in phases. It is envisaged that the Company, through its wholly owned Subsidiary post Acquisition (if it is the successful bidder under the Investment Agreement), will commence the development of campus style offices in Phase 1 and concurrent marketing of industrial and logistics land. Finally, the incubators and industrial/logistics enterprises will be developed as later phases.

6.5. Project Layout



Fig 5 Master Plan schematic plan of Commercial, Residential, Campus style Offices & Incubators (View looking east-south-east) (source: RAD)

Using references from Cambridge and other parts of England, the design team will be tasked to create suitable spaces to suit both commercial and residential needs.

Cambridge and Oxford are both thought of when one mentions the United Kingdom. Its core buildings represent the architectural style of the United Kingdom.

It is proposed that the commercial and residential sectors of the Park will be developed in the north and north-eastern part of the development. The retail and commercial buildings will be developed with



modern architecture whilst the residential apartments will be English styles similar to those seen in and around Cambridge.

A major feature of the development will be a man-made canal and river feature as tributaries of the History River. The river will wind its way through the commercial, retail and residential aspects of the Project and will provide a recreation facility for residents and workers. The landscaping of this river feature will be undertaken in a style that is representative of the River Cam in Cambridge.

Commercial

The development of the business district has been formed based on the combined effect of urban, social and economic fields incorporating science and technology.

The modern commercial space encompasses architecture that depicts varying time periods and geographical features, with the emergence of different genres conforming to contemporary psychological and aesthetic requirements.

| GFA / Plot Ratio: | |
|-------------------|---------------------|
| Usable land area | 84,679 sqm (127 Mu) |
| Commercial GFA | 231,762 sqm |
| PR | 2.7 |
| Footprint | 38,111 sqm |
| Density | 45% |
| Green | 12,905(15%) |

Residential

The combination of an English architectural style, based on that seen in Cambridge, with an outstanding international design team, together are planned to create liveable spaces to meet the needs of a commercial and residential park.

Cambridge and Oxford both bring to mind ideas of knowledge, wisdom and 800 years of rich British history, representative of British architectural style.

| GFA / Plot Ratio: | |
|-------------------|---------------------|
| Usable land area | 115,472sqm (173 Mu) |
| Commercial GFA | 278,528 sqm |
| PR | 2.4 |
| Footprint | 34,960 sqm |
| Density | 30% |
| Green | 24,991 (22%) |

Campus Style Offices

This component of the proposed Technology Park comprises ancient and classical Chinese, Italian and French architecture spread over about 360,000m² of land and separated by an artificial lake linking the canal in the commercial and residential sector.

The offices will primarily cater as regional headquarters for marketing, logistics and services companies who have operations in either Xuancheng, other cities in Anhui Province or other Provinces as well as

representation offices of foreign enterprises. There are fiscal tax and other incentives for the enterprises to enjoy and benefit from their operations and business in China.

Modern architectural interpretation of the classical styles of these countries gives a creative outlook consistent with international trends with plans to enhance the project's market competitiveness.

| GFA / Plot Ratio: | |
|-------------------|---------------------|
| Usable land area | 361,466sqm (542 Mu) |
| TOTAL GFA | 236,346sqm |
| PR | 0.65 |
| Footprint | 105,270 sqm |
| Density | 25% |
| Green | 104,595sqm (28%) |

Business Incubators

Research centres and incubators, in a modern style and with a simple and practical design, are intended to reflect the trend of new urbanism development and also represent the development trend of world civilisation since ancient times.

Based on National, Municipal and District-level “十二五” (“Twelve Five”) Planning and Development plans, the incubators are designed to offer an increase in support for small technology companies, in order to implement science and technology development concepts.

The proposed Technology Park incubator for SMEs (Small & Medium Enterprises) seeks to establish a science and technology R&D (Research & Development) base, allowing small technology companies to grow, develop and expand.

| GFA / Plot Ratio: | |
|-------------------|---------------------|
| Usable land area | 181,699sqm (272 Mu) |
| TOTAL GFA | 308,880sqm |
| PR | 1.7 |
| Footprint | 67,920sqm |
| Density | 37% |
| Green | 34,467sqm (19%) |

Industrial and Logistics Sector

The remaining 960,000 m² of land (or approximately 56%) will be allocated to industrial and logistics use.

It is planned that these facilities will adopt a contemporary, modern and refreshing design and architecture to be in line with international and modern technology styles as well as to cater for the transfer of manufacturing and logistics activities from the Shanghai, Zhejiang and Jiangsu growth belt.



In view of the Chinese Government Policy to support logistic facilities and activities, as well as the huge potential for e-Commerce growth in China, it is envisaged that the majority of land in this sector will be sold for development of logistics and warehousing facilities, whereby it will not only provide a steady demand, but also higher yielding revenue compared to industrial countries.

When need arise, the Company may consider developing logistic facilities for leasing to substantial eCommerce players for recurrent income yield.

6.6. Business Model

The Company has adopted the following strategies for its business model:

1. To market and/or develop the campus style office, incubators, residential and commercial facilities in phases and according to market demand;
2. The Company intends to commence firstly with campus style office development and marketing of its industrial and logistic sites to enterprises from overseas and other Provinces of China, especially the Shanghai, Zhejiang and Jiangsu growth belt;
3. The next phase will be the development and marketing of residential sites where there is a firm demand for housing in Xuancheng (although prices remain competitive at the moment);
4. With sufficient take up rates for the Park, the Company will embark on the marketing and development of its Commercial facilities; this include retail, hotel and offices to complement living in the proposed Technology Park. The intention is to make the Park a self-contained and self-sufficient township in terms of amenities, infrastructure and ground space for living, working and play;
5. The Company also intends to sub-divide retail space into strata-titled lots for sale to individuals to improve returns;
6. The Company will consistently assess its cashflow and the market demand to adjust its development pace, seek joint venture parties or to sell sites outright to third parties to develop, in accordance with its business objectives and risk management policies; and
7. The Company will, upon attracting a sufficient number of foreign and Chinese enterprises to the proposed Technology Park, capitalize on this platform to expand its development model to other provinces of China.

6.7. Investment & Growth Strategy

The investment strategy of the proposed Technology Park circles around the policies and strategic direction set out by the 18th National Congress of the Communist Party of China (18th Party Congress in short) at China's 3rd Plenary Session which, amongst others, sets out the new blueprint of China's economic guideline for the next decade. These guidelines include State-owned Enterprises (SOEs) reform, integrated rural-urban development (land reform being the key) and environmental protection (*extracted from Forbes 24 Nov 13 "Highs and Lows from China's Third Plenum" by Junheng Li*). In general, the interpretation will be to open-up China more progressively, urbanisation and development of less developed cities and lifting domestic development in the country.



Anhui has a relatively large population of 60 million in an area of 139,600 km² according to Deutsche Bank Research (Jan 2014). LionHub's plans are to capitalise on the steady and further opening up and urbanisation of rural areas, with current GDP per capita below National level, its proximity to Shanghai, Zhejiang and Jiangsu growth belt as well as its vast tourism and other resources.

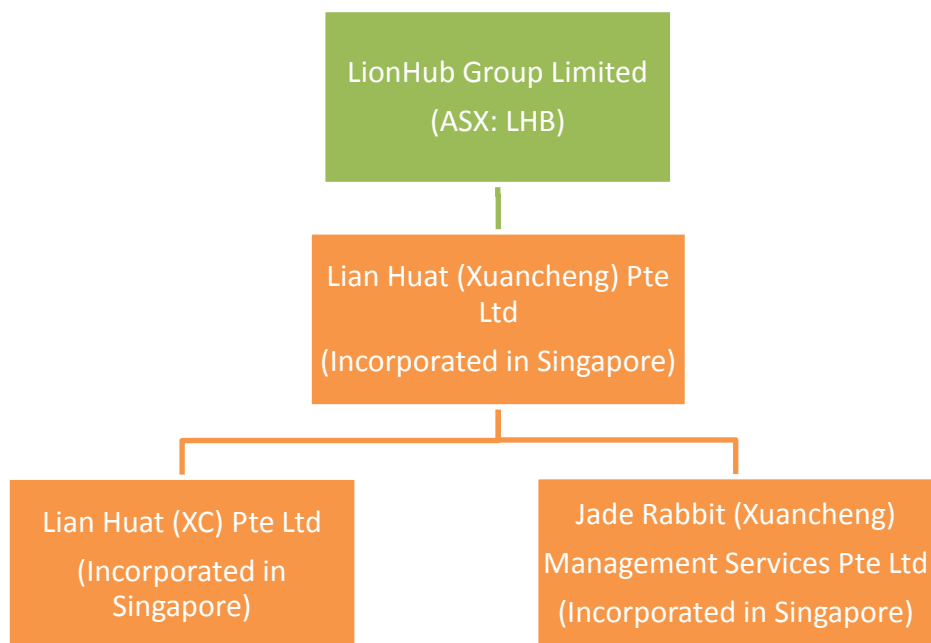
For growth, the Company intends to utilise the funds raised to develop the Project as per the vision outlined above by adopting the following strategies:

- Adopting appropriate portfolio and risk management policies to achieve operating efficiencies and maximise returns for investors;
- Applying and adhering to a consistent investment discipline in assessing land acquisition (either solely, Joint Venture (JV) or sale to third parties);
- Only developing land that is expected to add value to the Company's long term earnings and net asset base;
- Ensuring the application of appropriate debt levels with a view to providing acceptable risk-adjusted returns;
- Ongoing objective assessment on Government policies and economic development and progress of the city and Province;
- Utilising Singapore and Australia as a marketing platform for investment into the proposed Singapore Xuancheng Technology Park.



6.8. Group Structure post Acquisition

Following the Acquisition, Lian Huat will become a wholly owned subsidiary of the Company. Lian Huat has two wholly owned Subsidiaries, Lian Huat (XC), which is a party to the Investment Agreement, and Jade Rabbit (Xuancheng) Management Services Pte Ltd (**Jade Rabbit**), a management services company. Jade Rabbit does not presently trade nor has any assets or liabilities.



Section 7

Industry Analysis

(extracted from the Censere Valuation Report commissioned by the Company)

7.1. Anhui Property Market Overview

According to the National Bureau of Statistics of China, there were 3,209 property developers in Anhui Province in 2011, up 34.2% from 2007. Of these 3,209 companies, around 96.4% were local private developers. The numbers of state-owned companies and non-local companies were 119 and 115 respectively.

Number of Property Developer by Type, Anhui

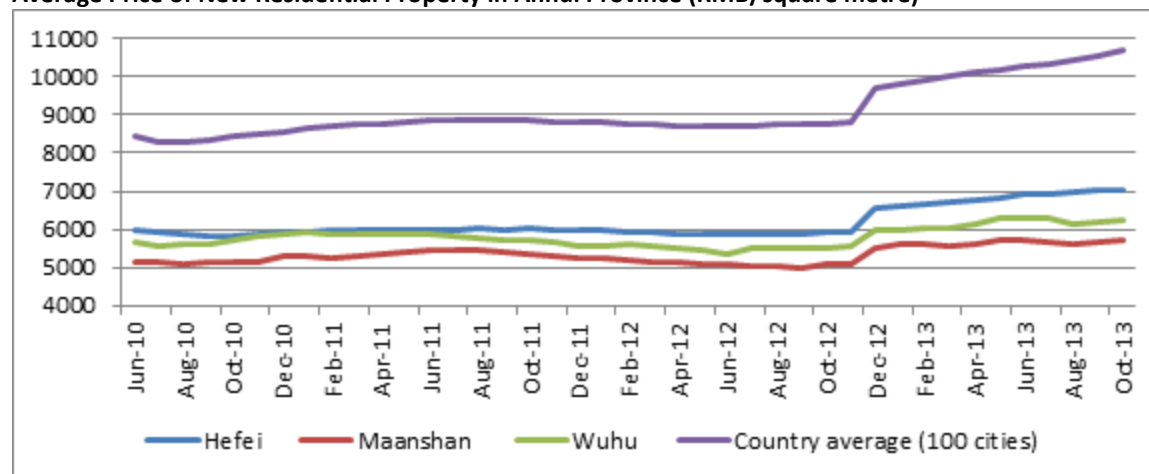
| | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|-------|-------|-------|-------|-------|
| Local Developer | 3,094 | 3,149 | 2,966 | 3,139 | 2,263 |
| State-owned Developer | 119 | 130 | 125 | 140 | 146 |
| Collective Ownership | 20 | 23 | 28 | 32 | 32 |
| Hong Kong, Macau or Taiwan Invested Developer | 68 | 78 | 74 | 79 | 67 |
| Foreign Invested Developer | 47 | 54 | 57 | 59 | 61 |
| Total | 3,209 | 3,281 | 3,097 | 3,277 | 2,391 |

Source: National Bureau of Statistics of China

7.2. Residential sector

The CREIS China Residential HPI-100 is an index developed by China Index Academy since 2010. The index releases the latest new home prices of 100 major cities and resale home prices of 10 key cities (main area) in China. Three cities of Anhui province, including Hefei, Wuhu and Maanshan are involved in the composition of the index. In general, the price (per square metre) of new residential property was quite static until November 2012. In December 2012, there was a significant increase in prices which kept increasing although at a slightly lower pace from January 2013 onwards. The average prices of new residential properties in Hefei are higher than Wuhu and Maanshan. The average prices in these three cities in October 2013 were RMB7,040, RMB6,256 and RMB5,710 per square metre respectively. Although Hefei is the capital city of Anhui Province, it is only recognized as a second tier city nationwide. This could be a reflection of the residential property prices too. In the past three years, the prices of new residential properties in Hefei were less than the average prices by at least RMB2,000 per square metre.

Average Price of New Residential Property in Anhui Province (RMB/square metre)

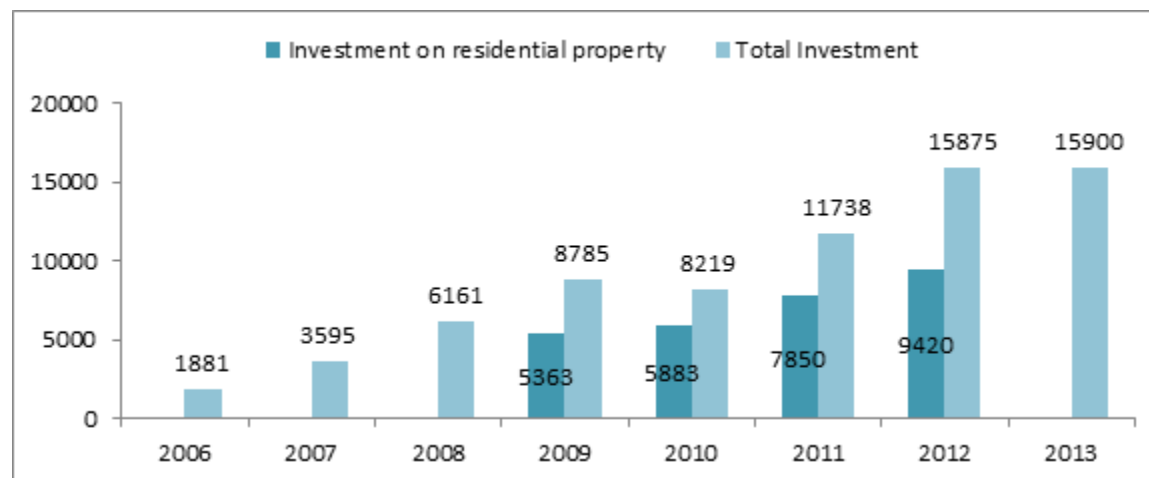


Source: China Index Academy

7.3. Xuancheng Property Market

In the past 8 years, investment made into property development in Xuancheng has been increasing rapidly. The total investment increased from RMB3,595 million in 2007 to RMB8,785 in 2009 before reaching RMB15,875 million in 2012. In 2013, the accumulated investment from January 2013 to October 2013 has already surpassed the total investment of the previous year. Residential property was the major type of property investment in Xuancheng, in the years 2009, 2010, 2011 and 2012, residential property investment constituted more than half of the yearly investment.

Total Investment in Xuancheng Property Market, 2006 - 2013*

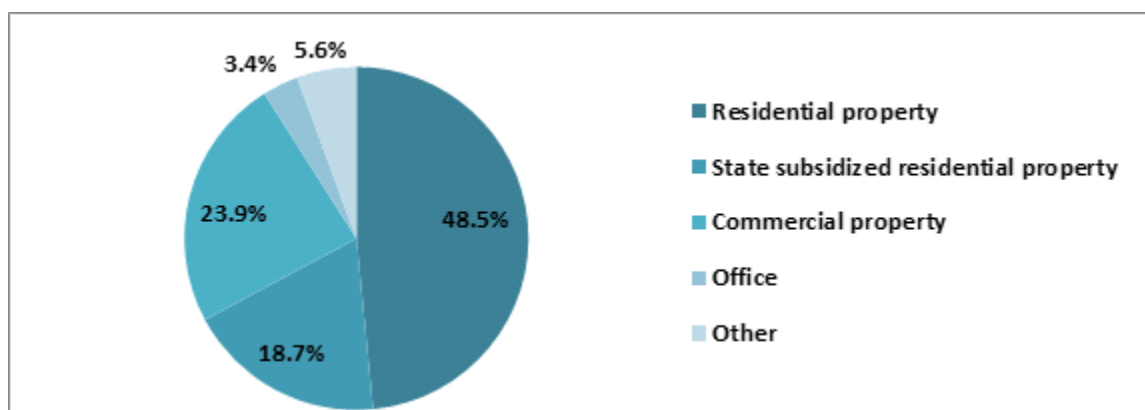


Source: Bureau of Statistics of Xuancheng; Xuancheng Real Estate Bureau

*(2013 data includes Jan-Oct total investment)

Sales of real estate is largely made up of residential properties. In 2011, the total area of approved presale real estate was 1,650,000 square metres. More than half of the total area was set aside for residential usage including 48.5% for private residential property and 18.7% for state subsidized residential property. Slightly less than a quarter (23.9%) of the area was for commercial purposes and only 3.4% was for office use.

Sale of New Real Estate Property by Usage in 2011

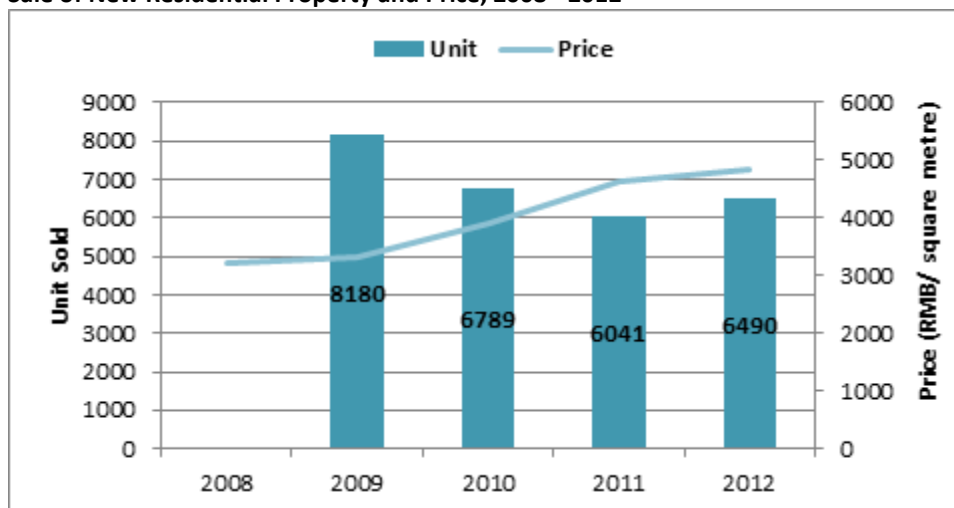


Source: Xuancheng Real Estate Bureau

7.4. Residential sector

The prices of new residential properties in Xuancheng are slightly lower than Hefei, Maanshan and Wuhu. However, the average price of new residential properties have been increasing in the past five years. The average price of new residential properties increased from RMB3,209 per square metre to RMB4,845 per square metre in 2012, at a compound annual growth rate of 10.85%. For the number of transactions, there were 8,180 units sold in 2009 and then the number decreased to 6,789 units in 2010. The number of transactions ranged between 6,000 and 7,000 in 2011 and 2012.

Sale of New Residential Property and Price, 2008 - 2012



Source: Xuancheng Real Estate Bureau

(*2009 unit no. was estimated by 2010 data divided by y-o-y change, 2011 average price was estimated by 2012 data divided by y-o-y change)

7.5. Commercial sector

At provincial level, the average prices of commercial properties are generally higher than office properties. The provincial average prices recorded an increase for four consecutive years from 2007 to 2011 and slightly dropped to the price of RMB7,848 per square metre in 2012. The commercial property prices of Hefei and Wuhu were much higher than the provincial average from 2010 onwards.

In Xuancheng, the price of commercial property was lower than the provincial average and the price in 2012 was RMB5,971 per square metre.

Commercial Property Transaction Price (RMB per square metre)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------|-------|-------|-------|--------|--------|--------|
| Xuancheng | 3,021 | 4,141 | 5,112 | 4,662 | 6,711 | 5,971 |
| Hefei | 6,149 | 6,715 | 7,176 | 10,963 | 12,581 | 12,288 |
| Maanshan | 5,759 | 2,963 | 5,294 | 7,044 | 6,154 | 5,193 |
| Wuhu | 4,516 | 5,351 | 5,929 | 9,536 | 9,266 | 12,724 |
| Anhui | 4,331 | 4,627 | 5,609 | 6,684 | 7,913 | 7,848 |

7.6. Office sector

According to the Bureau of Statistics of Anhui, the average transaction price for properties with office use have been increasing in the past 6 years. The provincial average price increased from RMB3,998 per square metre in 2007 to RMB7,420 per square metre in 2012. At the city level, prices in Hefei and Wuhu were both higher than the provincial average in general. Although office prices in Xuancheng were lower than the provincial average, the price has increased rapidly in the rent past. The average price in Xuancheng increased from RMB3,789 per square metre in 2007 to RMB6,500 per square metre in 2012, i.e., a CAGR of 11.4%.

Office Transaction Price (RMB per square metre)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------|-------|-------|-------|-------|-------|-------|
| Xuancheng | 3,789 | NA | 4,002 | 4,670 | 6,968 | 6,500 |
| Hefei | 4,267 | 5,140 | 4,655 | 6,829 | 7,915 | 8,527 |
| Maanshan | 3,170 | 6,833 | NA | NA | 3,315 | 4,986 |
| Wuhu | NA | 5,014 | 5,385 | 6,401 | 6,644 | 8,531 |
| Anhui | 3,998 | 4,596 | 4,327 | 6,208 | 6,780 | 7,420 |

Source: Bureau of Statistics of Anhui

NA: Not Available

Section 8

Pro Forma Financial Information

8.1. Introduction

The financial information provided in this section consists of the audited consolidated statement of financial position of LionHub as at 31 December 2013, together with pro forma statements of financial position of LionHub as at 31 December 2013 reflecting the certain subsequent events (including the acquisition of Lian Huat) and the Directors' pro forma adjustments as set out in section 8.3 of this Prospectus (the pro forma financial information).

As noted in the Chairman's letter, the Company was placed into Administration on 17 May 2011 and entered into a Deed of Creditors Arrangement with the Administrator on 17 August 2011. The Company had not operated and had remained dormant since that date. The Company had therefore no profit and loss account for the past three years. There were no movements in its balance sheet in the period since that date, which had reflected a zero net equity position.

Lian Huat (Xuancheng) Pte Ltd was incorporated in late 2013 for the sole purpose of owing and executing the Investment Agreement.

8.2. Pro forma statement of financial position

Summary historical and pro forma financial position as at 31 December 2013

| | Notes | LionHub 31 Dec 2013 Audited \$ | Acquisition of Lian Huat 31 Dec 2013 Unaudited \$ | Pro forma adjustments (minimum) \$ | LionHub pro forma 31 Dec 2013 (minimum) \$ | Pro forma adjustments (maximum) \$ | LionHub pro forma 31 Dec 2013 (maximum) \$ |
|----------------------------------|-------|---|---|---|--|---|--|
| Current assets | | | | | | | |
| Cash and cash equivalents | 2 | 940 | 1 | 6,330,743 | 6,331,684 | 11,030,743 | 11,031,684 |
| Trade and other receivables | | 28,156 | - | - | 28,156 | - | 28,156 |
| Other current assets | 3 | 15,375 | - | (15,375) | - | (15,375) | - |
| Total current assets | | 44,471 | 1 | 6,315,368 | 6,359,840 | 11,015,368 | 11,059,840 |
| Non-current assets | | | | | | | |
| Development agreement | 4 | - | 8,500,000 | - | 8,500,000 | - | 8,500,000 |
| Total non-current assets | | - | 8,500,000 | - | 8,500,000 | - | - |
| Total assets | | 44,471 | 8,500,001 | 6,315,368 | 14,859,840 | 11,015,368 | 19,559,840 |
| Current liabilities | | | | | | | |
| Trade & other payables | 5 | 116,487 | 1,000 | (31,120) | 86,367 | (31,120) | 86,367 |
| Borrowings | 6 | 195,923 | - | (195,923) | - | (195,923) | - |
| Total current liabilities | | 312,410 | 1,000 | (227,043) | 86,367 | (227,043) | 86,367 |
| Total liabilities | | 312,410 | 1,000 | (227,043) | 86,367 | (227,043) | 86,367 |
| Net assets | | (267,939) | 8,499,001 | 6,542,411 | 14,773,473 | 11,242,411 | 19,473,473 |
| Equity | | | | | | | |
| Issued capital | 7 | 157,447,389 | 1 | 15,212,067 | 172,659,457 | 19,912,067 | 177,359,457 |
| Retained earnings | 8 | (157,715,328) | (1,000) | (169,656) | (157,885,984) | (169,656) | (157,885,984) |
| Revaluation reserve | 9 | - | 8,500,000 | (8,500,000) | - | (8,500,000) | - |
| Total equity | | (267,939) | 8,499,001 | 6,542,411 | 14,773,473 | 11,242,411 | 19,473,473 |



The pro forma financial information position should be read in conjunction with the notes at section 9.4 of this Prospectus and has been presented in abbreviated form. It does not contain all the disclosures usually provided in an Annual Report prepared in accordance with the *Corporations Act 2001*.

The pro forma financial information is intended to be illustrative only and may not reflect the actual position or balances as at the date of this Prospectus or at the conclusion of the offer.

8.3. Subsequent events and pro forma transactions

The pro forma consolidated financial information has been prepared by adjusting the consolidated statement of financial position of the Company as at 31 December 2013 for the impact of the following subsequent events and pro forma transactions as if they had occurred as at 31 December 2013.

Subsequent Events

8.3.1. Issue of convertible note

On 21 January 2014, a convertible note with face value of \$500,000 was issued by the Company to Lian Keng (the Lian Keng CN). The terms of the Lian Keng CN include maturity 12 months from the date of issue and interest payable at the rate of 8.0% per annum. The Lian Keng CN may be converted upon request of the holder or the Company at any time and, should it be converted in full, will convert into 267,379,679 fully paid ordinary shares in LionHub (“**Note Shares**”).

As mentioned earlier in this Prospectus, Shareholder approval for the issue of the Lian Keng CN was sought and received at an extraordinary general meeting of LionHub on 27 March 2014, and the Lian Keng CN was converted on 27 March 2014 into 267,379,679 Note Shares.

8.3.2. Issue of performance options to Mr Choon Keng Kho and Mr Patrick Chuan Thye Kho

On 24 January 2014, the Company issued 154,000,000 performance based options to Mr Choon Keng Kho and Mr Patrick Chuan Thye Kho or their nominee, each of whom paid an option premium of \$770 to acquire the performance options. The performance options had a strike price of \$0.00002 per option.

On 4 February 2014, following satisfaction of the conditions precedent attaching to the exercise of the performance options, being the introduction of the Acquisition to the Company, the Company issued 154,000,000 fully paid ordinary shares to Lian Keng as nominee of both Mr Choon Keng Kho and Mr Patrick Chuan Thye Kho.

8.3.3. Payments made since 31 December 2013

Since the audited accounts were prepared as at 31 December 2013, LionHub has continued to pay certain expenses relating to the Offer (\$73,028 - advisory and legal fees) and for general administration (\$136,428 - rent, staff costs, business development costs, website development and sundry expenses). Trade payables recognised at 31 December 2013 of \$31,120 have been settled.

In addition, a loan has been repaid (\$195,923).

Further, certain services to be provided by LionHub’s Corporate Adviser, Ostana Capital, were recorded as a prepayment as at 31 December 2013, and have since been supplied. Accordingly, the prepayment has been reversed.

8.3.4. Acquisition of Lian Huat

On 24 January 2014, the Company (as purchaser) signed a Share Sale Agreement with Lian Keng to purchase Lian Huat for consideration of \$AUD8.5 million payable through the issue of 42.5 million Shares at an issue price of \$0.20 per Consideration Share (“**Acquisition**”).



Conditions precedent to the proposed Acquisition include, but are not limited to, approval of the proposed transaction by the non-associated Shareholders of LionHub, together with Shareholder approval of the change in nature and scale of activities of the Company. Further, the proposed transaction is conditional upon Re-quotation.

The Notice at which the relevant Approvals will be sought was sent to Shareholders on 16 April 2014. The Approvals being so sought are described in Section 3.10.

We have been provided with an unaudited balance sheet of Lian Huat as at 31 December 2013 which has been incorporated in the pro-forma financial information. The primary asset of Lian Huat is the Investment Agreement which is carried at the director's valuation of \$8.5 million. An independent valuation of the Investment Agreement supports the carrying value as at 31 December 2013.

The value of the Investment Agreement as at 31 December was ascertained using a form of the income approach known as the multi period excess earnings method (MEEM). This method measures the present value of the future earnings to be generated during the remaining life of the asset. The MEEM is based on the after tax operating cash flows of an intangible asset such as the Investment Agreement, after subtracting contributory asset charges to arrive at the specific cash flows for the subject intangible asset.

In applying the MEEM method, the key assumptions used in deriving the future cash flows of the Investment Agreement include:

- Revenue is expected to increase at a rate of 40.2% per annum in line with estimated Xuancheng GDP growth in the property segment from FY2016 to FY2017. Thereafter, the revenue growth decreases on a straight line basis to a growth rate of 23.9% in FY2019 in line with the growth rate historically achieved by comparable companies identified by the valuer;
- EBIT margin is expected to be 15.4%, which is in line with the comparable companies;
- Environmental cost and land use fee (where applicable); and
- Tax holiday for the first 2 years and 50% tax concession for the remaining financial projections at a China PRC corporate tax rate.

Further information in relation to Lian Huat and the Investment Agreement can be found elsewhere in this report and in the Notice of Meeting delivered to LionHub shareholders on 16 April 2014.

A copy of the Notice can also be found on the LionHub website at www.lionhub.com.au.

The investment in Lian Huat will be eliminated against the equity balances as at the date of acquisition and the consolidated statement of financial position will include the assets and liabilities of Lian Huat at their fair values.

8.4. Costs of the acquisition of Lian Huat

The cost of the Acquisition is estimated to be approximately \$82,500 and to include expenses in relation to advisory services, legal services, an independent expert's report and preparation of meeting notices.

Pro forma transactions – minimum subscription

8.4.1. Capital raising – minimum subscription

The issue of 35,000,000 New Shares at \$0.20 per share to raise \$7,000,000 under the offer.

8.4.2. Costs of the Offer - minimum subscription

The cost of the Offer (minimum subscription) are estimated to be approximately \$820,500 (excluding GST) and include expenses relating to advisory, legal, accounting, brokerage and administrative fees as well as printing, advertising and other expenses.

As at 31 December 2013, approximately \$61,474 of the costs of the offer had been paid and set off against issued



capital as at that date. Since 31 December 2013, a further \$73,028 has been paid to advisers and the balance of expected costs of the offer of \$685,998 is included as a pro forma adjustment. All costs of the offer are set off against issued capital.

In addition, an amount of \$33,527 paid to Chinese Lawyers in the relation to the offer was expensed as at 31 December 2013. We have been advised this amount should properly be classified as a cost of the offer and accordingly has been reclassified from retained earnings to be set off against the issued capital raised.

Pro forma transactions – maximum subscription

8.4.3. Capital raising – maximum subscription

The issue of 60,000,000 New Shares at \$0.20 per share to raise \$12,000,000 under the offer.

8.4.4. Costs of the Offer – maximum subscription

The cost of the Offer (maximum subscription) are estimated to be approximately \$1,120,500 and include expenses relating to advisory, legal, accounting, brokerage and administrative fees as well as printing, advertising and other expenses.

As at 31 December 2013, approximately \$61,474 of the costs of the offer had been paid and set off against issued capital as at that date. Since 31 December 2013, a further \$73,028 has been paid to advisers and the balance of expected costs of the offer of \$985,998 is included in the pro forma adjustments. All costs of the offer are set off against issued capital.

In addition, an amount of \$33,527 paid to Chinese Lawyers in the relation to the offer was expensed as at 31 December 2013. We have been advised this amount should properly be classified as a cost of the offer and accordingly has been reclassified from retained earnings to be set off against the issued capital raised.

Further information on how the pro forma adjustments have been reflected in the pro forma financial information is set out in Notes 2 to 5 in Section 8.4 below.

8.5. Statement of significant accounting policies

Note 1 – Statement of significant accounting policies

The historical financial information of the Company has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Act and the accounting policies set out in the company's financial report for the year ended 31 December 2013. It has also been prepared on the basis of historical cost and does not take into account changing monetary values.

The significant accounting policies that have been adopted in the preparation and presentation of the pro forma consolidated financial information are:

i. Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and equity of entities controlled by LionHub at the date of the financial information (the Group). A controlled entity is any entity over which the company has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the



consolidated group have been eliminated in full on consolidation.

ii. Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

In measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is included. Subsequent to initial recognition, contingent consideration classed as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, with any change to fair value recognised in profit or loss, unless the change in value is existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

iii. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial performance.

iv. Trade payables

These amounts represent liabilities for goods and services provided to the company prior to balance date that are unpaid at that date. The amounts are unsecured and are usually paid within 30 days of recognition.

v. Convertible notes

When convertible notes are issued, an evaluation of the terms is made to determine whether the instrument contains both a financial liability and equity component. A convertible note will be classified as an equity instrument where it contains no contractual obligation to deliver cash or another asset to another entity, in the form of principal or interest. If the note may be settled by issuing equity instruments, it is an equity instrument where it is non-derivative and includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments.

Where the notes are classified as equity, the amount of proceeds received on issue is credited to an equity reserve and not subsequently measured. On conversion the amount in the reserve is transferred to contributed equity.

vi. Share issue costs

The costs related to the raising of equity are accounted for as a deduction from equity to the extent there are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

vii. Share based payments

The Company measures the cost of equity settled transactions with consultants and employees by reference to the fair value of the equity instruments at the date at which they are granted.

viii. Significant estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial information based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.



ix. Other matters

The Directors of LHB at the date of this IAR are, Mr Kum Leong Chan, Ms Jamie Gee Choo Khoo and Ms Kwee Jee Lee. The interests of the Directors in the transactions are set out in the Prospectus.

Note 2 – Cash & cash equivalents

| | Pro forma reference | Acquisition and pro forma (minimum) \$ | Acquisition and pro forma (maximum) \$ |
|--|---------------------|---|---|
| LionHub cash and cash equivalents at 31 December 2013 | | 940 | 940 |
| <i>Subsequent events</i> | | | |
| Proceeds from issue of the convertible note | 8.3.1 | 500,000 | 500,000 |
| Proceeds from exercise of the performance options | 8.3.2 | 4,620 | 4,620 |
| Cash payments since 31 December 2013 – cost of the offer | 8.3.3 | (73,028) | (73,028) |
| Cash payments since 31 December 2013 – general administration | 8.3.3 | (136,428) | (136,428) |
| Repayment of debt | 8.3.3 | (195,923) | (195,923) |
| Acquisition of Lian Huat | 8.3.4 | 1 | 1 |
| Estimated costs of the acquisition | 8.3.5 | (82,500) | (82,500) |
| <i>Pro forma transactions</i> | | | |
| Proceeds from the issue of shares under the offer | 8.3.6 & 8.3.8 | 7,000,000 | 12,000,000 |
| Estimated costs of the offer to be paid | 8.3.7 & 8.3.9 | (685,998) | (985,998) |
| Pro forma cash and cash equivalents at 31 December 2013 | | 6,331,684 | 11,031,684 |

Note 3 – Other current assets

| | Pro forma reference | Acquisition and pro forma (minimum) \$ | Acquisition and pro forma (maximum) \$ |
|--|---------------------|---|---|
| LionHub other current assets as at 31 December 2013 | | 15,375 | 15,375 |
| <i>Subsequent events</i> | | | |
| Elimination of prepayment | 8.3.3 | (15,375) | (15,375) |
| Pro forma other current assets as at 31 December 2013 | | - | - |

Note 4 – Development agreement / investment in subsidiaries

| | Pro forma reference | Acquisition and pro forma (minimum) \$ | Acquisition and pro forma (maximum) \$ |
|---|---------------------|---|---|
| LionHub development agreement as at 31 December 2013 | | - | - |
| <i>Subsequent events</i> | | | |
| Acquisition of Lian Huat | 8.3.4 | 8,500,000 | 8,500,000 |
| Pro forma development agreement as at 31 December 2013 | | 8,500,000 | 8,500,000 |

Note 5 – Trade and other payables

| | Pro forma reference | Acquisition and pro forma (minimum) \$ | Acquisition and pro forma (maximum) \$ |
|--|---------------------|---|---|
| LionHub trade and other payables as at 31 December 2013 | | 116,487 | 116,487 |
| <i>Subsequent events</i> | | | |
| Settlement of trade payables since 31 December 2013 | 8.3.3 | (31,120) | (31,120) |
| Acquisition of Lian Huat | 8.3.4 | 1,000 | 1,000 |
| Pro forma trade and other payables as at 31 December 2013 | | 86,367 | 86,367 |



Note 6 – Borrowings

| | Pro forma reference | Acquisition and pro forma (minimum) \$ | Acquisition and pro forma (maximum) \$ |
|--|---------------------|---|---|
| LionHub borrowings as at 31 December 2013 | | 195,923 | 195,923 |
| <i>Subsequent events</i> | | | |
| Repayment of loan | 8.3.3 | (195,953) | (195,953) |
| Pro forma borrowings as at 31 December 2013 | | - | - |

Note 7 - Issued capital

| | Pro forma reference | Acquisition and pro forma (minimum) \$ | Acquisition and pro forma (maximum) \$ |
|---|---------------------|---|---|
| LionHub issued capital as at 31 December 2013 | | 157,447,389 | 157,447,389 |
| <i>Subsequent events</i> | | | |
| Conversion of convertible note | 8.3.1 | 500,000 | 500,000 |
| Issue of shares pursuant to exercise of performance options | 8.3.2 | 4,620 | 4,620 |
| Payments made since 31 December 2014 – cost of the offer | 8.3.3 | (73,028) | (73,028) |
| Acquisition of Lian Huat | 8.3.4 | 1 | 1 |
| Shares issued to Lian Huat | 8.3.4 | 8,500,000 | 8,500,000 |
| <i>Pro forma transactions</i> | | | |
| Issue of shares under the offer | 8.3.6 & 8.3.8 | 7,000,000 | 12,000,000 |
| Estimated costs of the offer to be paid | 8.3.7 & 8.3.9 | (685,998) | (985,998) |
| Reclassified costs of the offer | 8.3.7 & 8.3.9 | (33,527) | (33,527) |
| Pro forma issued capital as at 31 December 2013 | | 172,659,457 | 177,359,457 |

Note 8 - Retained earnings

| | Pro forma reference | Acquisition and pro forma (minimum) \$ | Acquisition and pro forma (maximum) \$ |
|---|---------------------|---|---|
| LionHub retained earnings as at 31 December 2013 | | (157,715,328) | (157,715,328) |
| <i>Subsequent events</i> | | | |
| Acquisition of Lian Huat | 8.3.4 | (1,000) | (1,000) |
| Estimated costs of the acquisition | 8.3.5 | (82,500) | (82,500) |
| Other items expensed since 31 December 2013 | | (120,683) | (120,683) |
| <i>Pro forma transactions</i> | | | |
| Reclassified costs of the offer | 8.3.7 & 8.3.9 | 33,527 | 33,527 |
| Pro forma retained earnings as at 31 December 2013 | | (157,885,984) | (157,885,984) |

Note 9 – Revaluation reserve

| | Pro forma reference | Acquisition and pro forma (minimum) \$ | Acquisition and pro forma (maximum) \$ |
|---|---------------------|---|---|
| LionHub revaluation reserve as at 31 December 2013 | | - | - |
| <i>Subsequent events</i> | | | |
| Acquisition of Lian Huat | 8.3.4 | 8,500,000 | 8,500,000 |
| Shares issued upon acquisition on Lian Huat | 8.3.4 | (8,500,000) | (8,500,000) |
| Pro forma revaluation reserve as at 31 December 2013 | | - | - |

Section 9 Investigating Accountants Report



RSM Bird Cameron Corporate Pty Ltd
Level 12, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 2 8226 4500
www.rsmi.com.au

29 April 2014

The Directors
LionHub Group Limited
Level 3A
148 Elizabeth Street
SYDNEY NSW 2000

Dear Directors

Independent limited assurance report on LionHub Group Limited (LionHub or the company) pro forma historical financial information

We have been engaged by LionHub to report on the pro forma financial information of LionHub as at 31 December 2013 for inclusion in the public document dated on or about 15 April 2014 and relating to the issue of shares in LionHub (the prospectus).

The prospectus relates to the proposed offer of a minimum of 35,000,000 and a maximum of 60,000,000 fully paid ordinary shares in LionHub at an issue price of \$0.20 per share (the offer), to raise between \$7.0 million and \$12.0 million, prior to the costs of the offer.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence (AFSL) under the *Corporations Act 2001*. We confirm RSM Bird Cameron Corporate Pty Ltd (RSMBCC) holds the appropriate AFSL under the *Corporations Act 2001*.

Background

In January 2014, the directors of LionHub announced they had entered into an agreement (subject to shareholder approval) to acquire 100% of the shares in Lian Huat (Xuancheng) Pte Ltd (Lian Huat) from Lian Keng Enterprises Ptd Ltd (Lian Keng) (the acquisition).

Lian Huat is a Singapore registered company which has been formed to pursue property development opportunities in Xuancheng City, in the Anhui Province of East China. Should the acquisition be approved, LionHub will acquire (through Lian Huat) contractual rights to 2.2 square kilometres of land in Anhui Province for development as a technology park (the project). We are advised the project is intended to include office, retail, industrial, incubator and logistics facilities, and residential developments.

The proceeds of the offer are to be used in to assist in the meeting certain costs of the project and to provide working capital to LionHub. Upon completion of the offer LionHub will seek to have the shares of LionHub relisted on the Australian Securities Exchange Limited (ASX).

Further information in relation to LionHub, Lian Huat, Lian Keng, the offer and the intended uses of funds raised is contained in the prospectus. Expressions and terms defined in the prospectus have the same meaning in this report.

RSM Bird Cameron
Corporate Pty Ltd
ABN 82 050 508 024
AFS Licence No 255847

Major Offices in:
Perth, Sydney,
Melbourne, Adelaide
and Canberra

RSM Bird Cameron Corporate Pty Ltd is beneficially owned by the Directors of RSM Bird Cameron. RSM Bird Cameron is a member of the RSM network. Each member of the RSM network is an independent accounting and advisory firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Bird Cameron Corporate Pty Ltd

AFS Licence No 255847

Scope

You have requested RSMBC to review the pro forma statement of financial position as at 31 December 2013 referred to hereafter as 'the pro forma historical financial information' as set out in Section 8 of the prospectus.

The pro forma historical financial information has been derived from the historical financial information of LionHub, after adjusting for the effects of pro forma adjustments described in Section 8 of the prospectus.

Certain historical financial information has been extracted from the financial report of LionHub for the year ended 31 December 2013, which was audited by HLB Mann Judd Assurance in accordance with the Australian Auditing Standards. HLB Mann Judd Assurance issued a qualified audit opinion on the financial report. The basis for the qualified opinion was stated as:

"Because of incomplete Accounting and Statutory Records of the Company during the year ended 31 December 2012, we were unable to obtain all the information and explanations we require in order [to form] an opinion on the year ended 31 December 2012. Since the information was not available, we were unable to determine whether adjustments to the results of operations and opening retained earnings might be necessary for the year ended 31 December 2013. Our opinion was modified as a result of the above. Our opinion on the current year's financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures."

Further, the audit opinion in relation to the 31 December 2013 financial report as at also included the following emphasis of matter:

"Without modifying our opinion, we draw attention to Note 24 to the financial statements which describes the material uncertainty related to going concern as a result of the \$649,300 loss and \$267,939 deficiency in net assets. Should the company not be able to continue as a going concern it may be unable to realise its assets and discharge its liabilities in the normal course of business."

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 8 of the prospectus, as if those events or transactions had occurred as at the date of the historical financial information.

Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position.

Directors' responsibility

The directors of LionHub are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.



RSM Bird Cameron Corporate Pty Ltd

AFS Licence No 255847

We made such enquiries, primarily of persons responsible for financial and accounting matters, and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a consistency check of the application of the stated basis of preparation, to the pro forma historical financial information;
- enquiry of directors, management personnel and advisors; and
- consideration of the pro forma adjustments described in Section 8 of the proposed prospectus.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information being the statement of financial position as at 31 December 2013 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 8 of the prospectus.

Restriction on use

Without modifying our conclusions, we draw attention to Section 8 of the prospectus, which describes the purpose of the financial information, being for inclusion in the prospectus. As a result, the financial information may not be suitable for use for another purpose.

Responsibility

RSMBCC has not authorised the issue of the prospectus. Accordingly, RSMBCC makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the prospectus.

RSMBCC has consented to the inclusion of this assurance report in the prospectus in the form and context in which it is included.

Declaration of interest

RSMBCC has prepared in independent experts report in relation to the proposed acquisition of Lian Huat by LionHub for which an agreed fee will be received. The fee is not contingent upon the outcome of the proposed transaction.

RSMBCC does not have any interest in the outcome of this capital raising other than the preparation of this assurance report for which normal professional fees will be received.

Yours faithfully

RSM Bird Cameron Corporate Pty Limited



Ian Douglas
Director

Section 10

Taxation Report



RSM Bird Cameron
Level 12, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001
T +61 2 8226 4500 F +61 2 8226 4501
www.rsmi.com.au

8 April 2014

The Directors
LionHub Group Limited
Level 3A
148 Elizabeth Street
SYDNEY NSW 2000

Dear Directors

Taxation Report LionHub Group Limited (LionHub or the company)

1. Introduction

At the request of the Directors of LionHub, this Taxation Report has been prepared for inclusion in a Prospectus to be dated on or about 15 April 2014 relating to the offer for subscription of up to 60,000,000 ordinary shares at an offer price of \$0.20 each, to raise a total of \$12,000,000.

2. Tax Implications

This Report considers the Australian taxation implications for Australian resident investors of an investment in ordinary shares issued at \$0.20 each in LionHub.

The tax implications for shareholders in LionHub relate to the receipt of dividends and potential gains on disposal of the shares.

3. General

We are advised that LionHub is incorporated in Australia and owns directly and indirectly a number of subsidiaries located in jurisdictions outside Australia.

4. Scope

The intention of this opinion is to provide a general understanding of the Australian taxation implications for shareholders in LionHub. This report only covers the taxation implications for residents of Australia and their Australian taxation obligations.

This report provides a general outline for shareholders who hold their shares as an investor, rather than as a trader, and are therefore subject to the Capital Gains Tax (CGT) provisions under the Income Tax Assessment Act 1997 (ITAA 1997).

L:\shared data\TAX\CLIENT\SL\Hunt Group\Taxation Report - Final V1.docx

Liability limited by
a scheme approved
under Professional
Standards Legislation

Birdanco Nominees Pty Ltd
ABN 33 009 321 377
Practising as
RSM Bird Cameron
ABN 65 319 382 479

Major Offices in:
Perth, Sydney,
Melbourne, Adelaide
and Canberra

RSM Bird Cameron is a member of the RSM network. Each member of the RSM network is an independent accounting and advisory firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.



This report is based on Australian income tax legislation and established interpretations of that legislation at the date of this report – however, it is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of every investor.

This report does not purport to provide advice to any particular investor, as the taxation position of each investor may vary depending on the specific circumstances of the investor. Investors should obtain professional advice relevant to their specific circumstances.

Disclaimer

To persons receiving this document in Australia:

The information contained in this document does not constitute 'financial product advice' within the meaning of the Corporations Act 2001 (Cth) (Corporations Act). RSM Bird Cameron is not licensed to provide financial product advice under the Corporations Act.

To the extent that this document contains any information about a 'financial product' within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product.

This material has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any recipient. Accordingly, any recipient should, before acting on this material, consider taking advice from a person who is licensed to provide financial product advice under the Corporations Act.

Any recipient should, before acting on this material, also consider the appropriateness of this material having regard to their objectives, financial situation and needs and consider obtaining independent financial advice.

5. Taxation Treatment of Dividends

The proposed offer by LionHub involves the issue of shares which will be an equity interest for Australian tax purposes. To the extent dividends are paid by LionHub, the level of franking of such dividends will depend on the level of franking credits generated and available to LionHub.

Generally, dividends received by an Australian resident company from shareholdings of at least 10% in a foreign resident company will be not assessable in Australia and, accordingly will not generate franking credits.

Accordingly, LionHub is not likely to be subject to any Australian tax that will allow it to generate franking credits. Therefore, it is not envisaged that dividends will be franked.

The following comments are applicable to dividends from ordinary shares. The tax treatment will vary depending on the nature of the entity owning the ordinary shares.

5.1 Individual Investors

The calculation of an individual's assessable income will depend on whether the dividend from LionHub is franked.

An individual receiving a dividend that is unfranked will include the amount of the dividend in the individual's assessable income, with tax being applied at the individual's marginal rate of tax.



In the event that the dividend is fully or partly franked, the individual's assessable income is grossed up to include the franking credit attaching to the dividend. The individual should be entitled to a tax offset equal to the amount of the franking credit included in the individual's assessable income.

Where an individual's marginal rate of tax is greater than 30%, further tax will be payable on the grossed up dividend.

Where the individual's rate of tax is less than 30%, a tax offset is available to reduce tax payable on other income or alternatively results in a refund of the excess franking credits.

Depending on the personal circumstances of the individual, additional Medicare levy might be payable as result of receiving the dividends.

5.2 Company Investors

The taxation treatment of a company investor is similar to the taxation treatment of individuals.

A company investor receiving an unfranked dividend will pay tax at the corporate tax rate, currently 30%.

Where dividends are franked, the company investor will include in the assessable income the amount of dividend received and the amount of any franking credits attached to that dividend. The company tax rate of 30% is then applied to the grossed up dividend.

A tax offset will arise equivalent to the franking credit. In the event the dividend is fully franked, a company investor will pay no further tax on the dividend.

Company investors will include in their franking account the franking credit attached to the dividend received.

Company investors that have tax losses and receive franked dividends may be able to convert excess franking offsets to current year losses.

In limited circumstances, certain corporate entities (for example, exempt institutions and life insurance companies), may be entitled to receive a refund of the franking credit where they satisfy Division 67 of the ITAA 1997. These entities should seek professional advice in respect of their particular circumstances.

In all other cases, a company investor cannot receive a refund of franking credits.

5.3 Complying Superannuation Funds

Complying Superannuation Funds are assessable on the dividend and gross up the franked dividend in the same way as individuals and companies.

The rate of tax payable by complying superannuation entities is 15% on the grossed up amount. The franking credit is available to offset tax payable on other income of the complying superannuation entity or alternatively results in a refund of the excess franking credits.

5.4 Exempting Entity

For completeness, in the event that 95% or more of the shareholdings in LionHub are effectively owned by foreign residents, LionHub may be classified as an 'exempting entity'. In the event that LionHub is considered to be an 'exempting entity', the Australian resident shareholders will not be entitled to a tax offset or franking credit from dividends (regardless of the level of franking).



5.5 Anti Avoidance Measures

Numerous anti-avoidance measures are contained in taxation legislation to target dividend streaming and franking credit trading.

Depending on the availability of franking credits generated by LionHub, dividends paid on the new shares will be franked equally across all ordinary shares.

Providing the securities are held 'at risk' for a period of 45 days, it is not considered that any of the anti-avoidance measures have application to the dividends paid on the ordinary shares.

6. Taxation Treatment of Disposal of Equity Interests

The ordinary shares will be listed on the Australian Stock Exchange and can be sold separately.

6.1 Sale of Ordinary Shares

Disposal of ordinary shares will constitute a Capital Gains Tax (CGT) event.

A capital gain will arise where the disposal proceeds are greater than the cost of acquisition of the shares.

Where the new shares acquired in the initial capital raising are retained for more than twelve months, individuals and complying superannuation funds might be entitled to a discount of the capital gain of 50% for individuals and 33 1/3% for complying superannuation funds when the shares are disposed.

Company taxpayers will receive no discount and will pay tax at 30% on any net capital gain.

7. Quotation of Tax File Number

LionHub cannot require that investors in LionHub ordinary shares provide their Tax File Number (TFN) or Australian Business Number (ABN). However, if investors choose not to provide their TFN or ABN, LionHub is required by tax legislation to withhold 46.5% of the unfranked part of any dividend.

8. Goods & Services Act (GST)

The GST implications for investors are dependent on the specific GST position of the investor. However, the acquisition, holding and disposal of shares in Australia are input taxed supplies for GST purposes.

There should therefore be no GST impacts for an investor not registered or required to be registered for GST as there is no GST on the acquisition or disposal of shares.

Yours faithfully



Rob Mander
Director

Section 11

Risk Factors

11.1. Introduction

An investment in the New Shares being offered under this Prospectus is not risk free. Property development conducted in China, like other parts of the world, contains both general and specific risks. The development of property for the proposed Technology Park is highly dependent on companies wishing to relocate and expand their businesses in China. It is also subject to normal property development risks in access to reasonably priced consumables and labour to develop the project.

The future performance of the Company and the future investment performance of the Shares may be influenced by a range of factors. Many are outside the control of the Board. Prior to making any decision to accept the Offer, investors should carefully consider the following risk factors applicable to the Company.

Careful consideration should be given to the following risk factors, as well as the other information contained in this Prospectus and the Applicant's own knowledge and enquiries, before an investment decision is made. Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. Some of the risk may be outside the control of the Company and not capable of mitigation. There are also general risks associated with any investment in Shares.

The risks described in this Section 11 are not to be taken as exhaustive. The specific risks considered and others not specifically referred to, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus.

11.2. Risks Specific to investing in the Company

Investors should be aware of the risks specific to an investment in the Company. The major risks are described below.

(i) Operational Risk

The current and future operations of the Company, including developing construction and sales activities may be affected by a range of factors, including:

- (a) adverse geological conditions;
- (b) limitations on activities due to seasonal weather patterns and cyclone activity;
- (c) unanticipated operational and technical difficulties encountered in construction;
- (d) mechanical failure of operating plant and equipment;
- (e) industrial and environmental accidents, industrial disputes and other force majeure events;
- (f) unavailability of equipment to undertake construction and development;
- (g) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (h) inability to obtain necessary consents or approvals.

(ii) Funding Risk

The development of the proposed Technology Park requires significant capital investment by the Company and parties that wish to set up an enterprise in the Park.

If the Company does not raise sufficient funds or cannot secure or sell land at a profit, it will impact upon the Company's ability to fully develop the Park in a timely manner.

(iii) International Operations

The Company's prime business will now operate in China and the proposed Subsidiaries of the Company at completion of the Share Sale Agreement, including Lian Huat (Xuancheng) Pte Ltd and Lian Huat (XC) Pte, are registered in Singapore.



International sales and operations are subject to a number of risks, including:

- (a) potential difficulties in enforcing agreements;
- (b) potential difficulties in protecting intellectual property; and
- (c) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

China, from time to time, experiences economic, social and political volatility. As a result, the Company's operations may be impacted by currency fluctuations, political reforms, changes in Chinese government policies and procedures, civil unrest, social and religious conflict and deteriorating economic conditions. The likelihood of any of these changes, and their possible effects, if any, cannot be determined by the Company with any clarity at the present time, but they may include disruption, increased costs and, in some cases, total inability to establish or to continue to operate construction or development activities.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

(iv) Sustainability of Growth and Margins

The sustainability of growth and the level of profit margins from operations are dependent on a number of factors outside the Company's control including global interest rates, global economic development growth rates and competition from other jurisdictions attracting new business.

Industry margins in all sectors of the Company's activities are likely to be subject to continuing but varying pressures, including vacancy rates, interest rates, construction times and leasing rates.

(v) Shareholder approval

In order for the Company to pursue its property development activities in China including the Project, it will require approval of its Shareholders at the General Meeting as set out in Section 3.10. If such approval is not provided then this may prevent or delay the Company's current business objectives.

As the Company has been suspended from the ASX since 2009, there is a requirement for the Company to comply with Chapters 1 and 2 of the ASX Listing

Rules before it can be re-admitted to the Official List. A condition of readmission to the Official List of the ASX is that the Company will need to acquire or develop a business that is suitable for the purposes of re-listing.

If Shareholder approval is not given, there is no guarantee that the Company will be able to continue assessing various opportunities with its current finances.

(vi) Financing

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

(vii) Reliance on Key Personnel

The Company's progress in pursuing its property development programmes within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of existing key personnel and a failure to secure and retain additional key personnel as the Company's property development programme develops. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement.

Although the key personnel of the Company have a considerable amount of experience in property development, there is no guarantee or assurance that they will be successful in delivering or meeting the objectives of the Company as set out in this Prospectus.

(viii) Exchange Rate Risk

The Company intends to possess property in China and has contracts in currencies other than Australian Dollars, which are primarily in Chinese Renminbi and therefore revenues, earnings, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuation.

(ix) Industrial Risk

Industrial disruptions, work stoppages and accidents in the course of the Company's operations could



result in losses and delays, which may adversely affect profitability.

(x) Environmental Risk

The Company's operations and projects are subject to National and International laws and regulation regarding environmental hazards wherever it or its Subsidiaries conduct their operations. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by the Company or its Subsidiaries, or non-compliance with environmental laws or regulations. The Company proposes to minimize these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.

(xi) Cyclical Industry Risk

Upon completion of the Acquisition, the Company's revenues and earnings will be sensitive to the level of activity in a number of industries, but principally the property industry. These industries are sensitive to a number of factors outside of the Company's control, including general economic conditions. The Company is not able to predict the timing, extent and duration of the economic cycles in the global markets in which it operates. Because many of the Company's costs will be fixed, it may not readily be able to reduce its costs in proportion to the extent of an economic downturn. Any significant or extended downturn in the construction or manufacturing industries will negatively affect the Company's revenues, profits and financial position, as would the permanent closure of significant manufacturing operations.

(xii) Insurance Arrangements

The Company intends to ensure that insurance is maintained within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities conducted. No assurance however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

(xiii) Management Actions

Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company.

(xiv) Government Policy and Sovereign Risk

The availability and rights to develop property in China, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of the Company.

The Investment Agreement is with a provincial Government agency, which should result in a lower risk profile for the Project.

(xv) Investment in a Single Property

On Re-quotation, the Company's single asset will comprise of contractual rights to develop a technology park covering 2.2 square kilometres) in Xuancheng in accordance with the Investment Agreement. As the Company is invested in a single asset and geography, an event that impacts the Chinese commercial property market or the Xuancheng Technology and Development Zone itself could materially impact one or both of the rental income or the value of the Company and consequently have an adverse impact on share price. No assurance can be given that the Company will acquire additional properties over time to diversify its portfolio and thereby mitigate its exposure to a single site.

(xvi) Tenant risk

The Company's business plan relies on tenants to generate a portion of its revenues. If a tenant is affected by financial difficulties, the tenant may default on its rental or other contractual obligations which may result in loss of rental income or losses to the value of the Company's properties or both.

(xvii) Re-leasing and vacancy

There is a risk that the Company may not be able to negotiate suitable lease or lease extensions with tenants or replace outgoing tenants with new tenants on substantially the same terms, if at all. The Company could also incur additional costs, including lease incentives, associated with re-leasing parts of



the Technology Park or other properties acquired by the Company over time. Tenants may not renew their leases, leading to increased vacancies and reduced rental income for the Company. The Company's ability to re-lease vacant areas across the Portfolio depends on market conditions and financial considerations prevalent at the time new tenants are being sought. New tenants and existing tenants renewing lease agreements may choose to take up more incentives in the form of abatements or rent free periods and less as fit-out contributions, leading to lower rental income for the Company.

(xviii) Competition Risk

The Company is competing in a very tight market which property, development, technology, labour market; rental and housing markets and there is the risk that the Company will not be able to continue to compete profitably in the competitive industry in which it is about to operate. The potential exists for the nature and extent of the competition to change rapidly, which may cause loss to the Company.

(xix) Property valuations

The value of the proposed Technology Park and the value of property assets which the Company may hold in the future are subject to a number of risks which include:

- changes in market rental rates;
- fluctuating tenancy levels;
- a downturn in the property market in general;
- pricing of any competing properties;
- tenants defaulting;
- increased competition from new or existing properties;
- increases in supply or falls in demand for property in the relevant sectors; and
- general economic conditions, such as interest rates and rental capitalisation rates.

Changes in the property market, especially changes in the valuation of properties and in market rents, may adversely affect the Company's income.

In addition, independent valuations represent a best estimate of the independent valuer at the time of undertaking the valuation and may not reflect the actual price a property would realise if sold.

Independent valuations are subject to a number of assumptions which may prove to be inaccurate.

(xx) Development risk

In certain circumstances, the Company may be exposed to development risk, resulting from the development of new properties.

Property development carries a number of risks, including:

- issues surrounding planning and authority approvals, which can result in delays or require amendments both of which may result in increased costs, time delays and impact the commercial viability of the development;
- delivery and contractual issues with building contractors; and
- unforeseen circumstances which cause project delays or increases to project costs.

A number of factors affect the earnings, cash flows and valuations of commercial property developments, including project costs, scheduled completion dates and securing tenants at estimated rental income.

(xxi) Investment Agreement Risks

Under the Investment Agreement parcels of land are released by the Development Board in stages via a bidding process. While the Company's Chinese lawyers have advised that it would be unusual for Lian Huat (XC), as master developer, not to be the successful bidder, if Lian Huat (XC) is not the successful bidder in any bid, such may have a severe impact of the Company financial position.

The Investment Agreement, detailed in Section 12, includes clauses that provide for rebates on taxes collected by the Development Board. The Agreement includes provisions for benefits and penalties that may apply if the taxes are higher or lower than planned.

(xxii) Contract risk

The Company intends through a series of contractual relationships with developers. The Company's existing business model is reliant upon revenue being generated from individual project contracts. All contracts, including those entered into by the Company, carry a risk that the respective parties will not adequately or fully comply with their respective



contractual rights and obligations, or that these contractual relationships may be terminated. In certain instances, it may be costly for the Company to enforce its contractual rights.

(xxiii) Weather and Climate Changes

The Company performs its business services outside and not typically under any cover, the conditions of winter in China can be harsh and can affect access to well sites and the movement of equipment, and may risk the workflow plans of the Company adversely affecting revenue.

(xxiv) Ability to Affect the Company's Direction

Due to the number of Shares (including the proposed issue of the Consideration Shares) on issue in the Company, new investors who subscribe under the Prospectus will hold a relatively small portion of ownership of the Company. New investors should be aware that they are unlikely to be able to significantly affect the Company's direction by exercising their voting rights in the usual manner.

(xxv) Litigation Risk

The Company is not the subject to any, or threatened, legal action. However, the Company has received enquiries from two former directors of the Company as to whether the Company will indemnify them in relation to proceedings commenced in the Federal Court of Australia (NSD1558 of 2102). These proceedings relate to a Prospectus by the Company dated 14 September 2006. The Company has received legal advice that any claim by these directors would be precluded by virtue of the Corporations Act. The Company has replied to each of the directors concerned informing them of the Company's position in this matter.

(xxvi) A New Start up Risk

This investment may tend to be more speculative than investments in a company with an established business.

(xxvii) Performance Risk

The Project is still conceptual and whilst similar projects have shown strong delivery capability, operating potential and capacity is still unknown and un-proven.

(xxviii) Liquidity risk

There is no guarantee that there will be an ongoing liquid market for the Company's Shares. Accordingly,

there is a risk that, should the market for Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

11.3. General Risks

A summary of the major general risks are described below.

(i) Share Market Risk

The market price of shares can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the property market including occupancy rates, lease rates and interest rates.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of those factors.

(ii) General Economic Conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, inflation and other economic factors. The level of activity within the property development industry in China, more particularly in Anhui Province and associated developments targeted by the Company with focus on industrial and residential developments will also be of particular relevance to the Company.

(iii) Legislative Change

Changes in Australian and foreign government regulation and policies may adversely affect the financial performance or the current and proposed operations generally of the Company. The Company is not aware of any current or proposed material changes in relevant regulations or policy.

(iv) Unforeseen Expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses are subsequently incurred, the expenditure proposal of the Company may be adversely affected.



(v) Taxation

The Company is subject to the tax regimes of China and Australia. Generally, changes in tax laws and regulations or their interpretation and application could adversely affect the tax liabilities of the Company.

11.4. General

Any combination of the above factors may materially affect the operations or financial performance of the Company and value of its securities. To that extent the New Shares offered in this Prospectus are subject to significant risk and uncertainty with respect to return or preservation of capital, the price (if any) at which the Shares may trade and the payment of dividends at any future time.

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.



Section 12

Material Contracts

12.1. Introduction

The Directors consider that certain agreements are significant or material to the Company or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for New Shares (**Material Contracts**).

The main provisions of the Material Contracts are summarised below.

12.2. Share Sale Agreement

On 24 January 2014, LionHub entered into a conditional Share Sale Agreement with Lian Keng, a Singapore registered company, for the purchase of Lian Keng's sole share in Lian Huat. Lian Huat is the sole shareholder in another Singapore registered entity, Lian Huat (XC).

Lian Huat (XC) and the China Anhui Xuan Cheng Economic and Technology Development Board are parties to an Investment Agreement dated 6 August 2013. Details of the Investment Agreement can be found in Section 12.3 of this Prospectus.

In consideration for the Acquisition, LionHub will issue 42,500,000 fully paid ordinary shares to Lian Keng at an issue price of \$0.20 per share. The Acquisition is subject to a number of conditions precedent, the details of which are set out below.

The Acquisition is conditional on, among other things, the following:

- (1) **(Shareholder Approval)** Shareholders passing the following resolutions:
 - (a) approval of LionHub's change in scale and nature of activities for the purposes of ASX Listing Rule 11.1.2; and
 - (b) approval of the Share Sale Agreement and the issue of Consideration Shares to Lian Keng ("**Approvals**") ; and
- (2) **(Re-quotation)** LionHub receiving a letter from ASX that ASX will lift the suspension from trading of the Shares.

Completion of the Share Sale is conditional upon the Approvals and Re-quotation occurring prior to 1 June 2014, otherwise the Share Sale Agreement may be terminated unless such date is extended by the parties.

Also, if Lian Huat is not a successful bidder under the Investment Agreement, LionHub has the right to cancel or not issue the Consideration Shares. The right to cancel or not issue the Consideration Shares will lapse if the Company is a successful bidder at least once or an unsuccessful bid is directly caused by the Company;

It is contemplated by the Share Sale Agreement that Lian Keng, or its nominee, may need to provide working capital assistance to Lian Huat or Lian Huat (XC) prior to completion of the Share Sale Agreement of up to \$AUD2 million. The working capital is to be provided as an unsecured, interest free loan facility (**Facility**). The Company agrees to repay the drawn down component of the Facility in full upon Readmission or such other date as agreed by those parties. This does not represent an additional cost to the Company.



12.3. Investment Agreement

On 6 August 2013, Lian Huat and China Anhui Xuancheng Economic and Technological Development Board (“**Development Board**”) signed the Investment Agreement. On 17 December, 2013 Lian Huat’s rights and obligations under the Investment Agreement were assigned to Lian Huat (XC) under a Deed of Assignment. As Lian Huat (XC) is a wholly owned subsidiary of Lian Huat, the consent of the Development Board was not required for the assignment

Under the Investment Agreement, Lian Huat (XC) agrees to invest to construct the proposed “Xuancheng Singapore Technology Park” (“**the Technology Park**”). The land area of the Technology Park is around 2.2 square kilometres, and will be constructed by stages (“**Project**”). The total amount of this investment of the proposed Technology Park is around 5 billion RMB (approximately AUD\$850 million).

Lian Huat (XC) will, or will establish a wholly owned subsidiary to, conduct the Project in Xuancheng Economic and Technological Development Zone. The Technology Park is intended to include industrial development as well as buildings for financial services, campus-style headquarters and incubator companies.

The conditions for the design are:

- Floor area ratio: greater than or equal to 1.0;
- Building density: greater than or equal to 30 percent, less than or equal to 50 percent; and
- Greening rate: 20 percent.

Both parties confirm that the conditions of the Agreement are not in conflict with local Chinese law (including the law and the special approval document of the state), Development Board agrees that Lian Huat (XC) may develop the campus-style headquarters and its ancillary facilities on up to 30 percent of the total land area, with the administrative office and leisure facilities being less than 7 percent of this area.

The Development Board has agreed that the overall design of land use in the Investment Agreement shall be planned by Lian Huat (XC).

The Development Board shall co-ordinate with the schedule of construction of the Project which has been planned by Lian Huat (XC), to transfer the land by stages and in batches. The land area that will be auctioned or listed would be no less than 0.2 square kilometres each time. The Company’s Chinese lawyers have advised that it would be unusual for Lian Huat (XC), as master developer under the investment Agreement, not to be the successful bidder in respect of each bid. Lian Huat (XC) also has the right to appoint the transferee party. This will occur where Lian Huat (XC) might choose a third party to develop the subject parcel of land rather than it. After Lian Huat (XC) or the party appointed by it sign the Contract for Assignment of the Right to the Use of State-owned Land, and pay land grant fees, the Development Board shall make the relevant departments issue the state-owned land use certificate of the PRC immediately.

The Development Board will clear the land in order to deliver the land parcels on time. Before delivering the land, the Development Board shall complete the infrastructure construction of the road, water supply, drainage, gas, electricity, communication, network, cable television, and the levelling of the land around the land parcels.

Lian Huat (XC) shall plan the overall design of land use, and be responsible for the infrastructure construction of the road, water supply, drainage, gas, electricity, communication, network, cable television, and the levelling of the land within the proposed Technology Park. Lian Huat (XC) authorizes the Development Board to purchase the needed earthwork at an agreed price, and deliver the earthwork to the appointed place in the proposed Technology Park.



Lian Huat (XC) guarantees that the investment amount for the construction of industrial plants, logistics and other factories by the investors, shall be no less than 2 million RMB per Mu (Mu means the Chinese acre, or 666m²) (or AUD\$513/m²).

The amount of all taxes paid by Lian Huat (XC) in the first year of the Investment Agreement commencing on a date before the end of 2016, the second, and the third year will not be less than 600,000 RMB per Mu, 1.2 million RMB per Mu and 2 million RMB per Mu respectively (AUD\$154/m², AUD\$308/m² and AUD\$513/m² respectively)

Lian Huat (XC) guarantees that the construction and manufacture of the technology of the Project will be in accordance with local standards with respect to the environment impact assessment. The emission from production and operations are also to be in accordance with the relevant standard.

12.3.1. Administrative service and management

The Development Board shall provide the guideline and land usage requirements of Anhui province Xuancheng Economic and Technological Development Zone to Lian Huat (XC). After Lian Huat (XC) has submitted the documents that are needed for applying for the relevant certificate and/or approval, the Development Board shall provide the one-stop service and shall deal with the whole approval process (including but not limited to the industrial and commercial registration, tax registration, land certificate, firefighting, environmental protection, planning permission, sales permission, engineering project construction, acceptance certificate on engineering completion and so on).

The Development Board guarantees the water and electricity supply for the temporary construction, in order to ensure that the Project of Lian Huat (XC) and the enterprises introduced by Lian Huat (XC) are progressing smoothly.

12.3.2. Supporting Policy

The Development Board guarantees to give rebates or subsidies to Lian Huat (XC) as follows:

- a) The land reserved for the Project shall be listed for granting in batches, within 5 working days after the land granting price for every batch is paid by Lian Huat (XC) (or its designated party). The Development Board shall grant an additional rebate for fixed assets investment to Lian Huat (XC), the amount of such rebate shall equal the total amount of the land granting price and the deed tax that Lian Huat (XC) (or its designated party) has paid for the parcel of land. Such rebates shall be paid to Lian Huat (XC) along with the ordinary rebate for fixed assets investment at the time;
- b) Within the Technology Park, the VAT and the enterprise income taxes paid for any project invested or introduced by Lian Huat (XC) (or its designated party) and retained by the provincial government from the proposed Technology Park shall be returned in the following proportion: 100 percent of taxes shall be returned for the first 2 years and 50 percent shall be returned for the following 5 years from the next year in which the Project is put into operation. The Development Board shall refund the taxes by the first quarter of the following financial year;
- c) Within the Technology Park, the land use tax paid for the Project, by Lian Huat (XC) or a party introduced by it shall be fully returned as a rebate if such tax is paid during the construction period. The rebate shall be returned in accordance with the preferential policy as then offered by Xuancheng city (e.g. in the event that the tax targets under the agreement are met, the portion of the land use tax above 2 RMB/sqm (AUD\$513/sqm) shall be fully refunded to Lian Huat (XC). The Development Board shall give this rebate to Lian Huat (XC) within the next quarter after such taxes has been paid for the Project);
- d) The Development Board must pay the rebates to Lian Huat (XC) and not to the enterprises introduced by Lian Huat (XC) unless expressly agreed by Lian Huat (XC);

- e) The Development Board shall waive or refund the administrative fee to Lian Huat (XC) within the construction period;
- f) All senior managers employed by the enterprises within the Park shall be registered with the Development Board. 50 percent of the individual income tax paid by or for such registered managers over 5 years shall be refunded as a rebate;
- g) If there is any policy more preferential than the above, such policy shall automatically apply to Lian Huat (XC) and the Development Board's agreement is not required; and
- h) During the Cooperation Period, Lian Huat (XC) is the only legitimate user of the land and the Development Board cannot sign any new agreement or agreement of intent with other enterprises or individuals on this land.

All the enterprises in the Park shall be deemed as introduced by Lian Huat (XC), unless there are written confirmation otherwise by the Parties.

The Development Board agrees that Lian Huat (XC) may sell or rent part of the industrial, logistical or other factories and facilities, the area of which that can be sold shall not be more than 70 percent of the total developed area. Any deed tax paid for the aforesaid factory sale shall be fully returned to Lian Huat (XC).

The Parties will support each other to attract enterprises, both foreign and domestic to invest in the Technology Park, and to provide a one-stop service for the enterprises for approval of establishment of foreign invested companies, company registration, tax administration, security administration and so on.

12.3.3. Project Schedule

The Development Board has provided the outline and conditions for the use of the land to Lian Huat (XC) after the execution the Investment Agreement. Lian Huat (XC) have submitted the overall planning design for the Project based on the scale of the Land Furthermore, Lian Huat (XC) shall complete the planning design for each proposed development within 2 months after the proposed development has been approved.

The Parties guarantee to promote the Project actively and will make an overall plan at one time and operate it by stages and in batches. Lian Huat (XC) shall start the construction within 6 months after Lian Huat (XC) receives the state-owned land use certificate of the People's Republic of China (PRC), and finish the construction within 18 months. The Parties shall try their best to ensure that the Project commence development before the end of the year 2016.

12.3.4. Performance guarantee and responsibility of breaching the Investment Agreement

The Development Board shall take the 5 financial years from the time when the enterprises introduced by Lian Huat (XC) commenced operations in the Park as the basis of computing the following. If the tax from these enterprises is lower than the agreed amount under the Investment Agreement the Development Board will not give the incentives to Lian Huat (XC). Further, if the total taxes from all the enterprises introduced by Lian Huat (XC) do not meet the tax requirement for 3 years, Lian Huat (XC) shall return the fixed assets rebate to the Development Board, the amount of which shall be in accordance with the list price of the land.

If Lian Huat (XC) does not commence construction within 6 months after Lian Huat (XC) obtain the state-owned land use certificate of the PRC, the Development Board can take the land back without compensation, and Lian Huat (XC) shall bear all its own losses. If Lian Huat (XC) cannot commence the construction because of local



government policy change, the Development Board shall postpone the Project. If the postponement is due to the action of the Development Board, the Development Board shall bear the loss of Lian Huat (XC).

Before or during the period of construction, if the Development Board need to change the use of the land within the Park, the Development Board guarantees that Lian Huat (XC) shall still be the only party in the Investment Agreement. Any added value from this change shall be divided 3:7 to the Development Board and Lian Huat (XC) respectively.

If the land is expropriated by the PRC, the compensation for the land and the added value of the land shall be divided 3:7 to the Development Board and Lian Huat (XC) respectively.

12.4. Corporate Advisor Mandate

The Company has entered into a mandate agreement whereby Otsana Capital would act as Corporate Advisor to the Offer and to assist in the raising of capital for the Company ("**Otsana Mandate**").

Under the Otsana Mandate, Otsana Capital is entitled to be paid a monthly retainer, capped at a total of \$75,000 (plus GST). In addition, Otsana will be paid a Management Fee of \$30,000 (plus GST) plus a Placement Commission of 5% (plus GST) on any funds introduced through Otsana.

Apart from those fees described above, Otsana Capital has not received any other fees from the Company in the 12 months prior to the lodgement of this Prospectus.

12.5. Lead Broker Mandate

The Company has entered into a mandate agreement whereby D2MX Pty Ltd would act as Lead Broker to the Offer and to assist in the raising of capital for the Company ("**D2MX Mandate**").

Under the D2MX Mandate, MDS Financial Group Limited (**MDS**) is entitled to be paid a Sponsoring Broker Fee of 1% (plus GST) of all funds raised, plus a Selling Fee of 5% (plus GST) on any funds introduced through D2MX. D2MX will also be paid a Success Fee of \$50,000 worth of LionHub Shares, based upon a successful listing of LionHub on the ASX

Apart from those fees described above, D2MX has not received any other fees from the Company in the 12 months prior to the lodgement of this Prospectus.

Jamie Gee Choo Khoo is a non-executive director of MDS, the parent company of D2MX Pty Ltd. Ms Khoo declared her interest as a director of MDS to the Board and did not participate in voting on the D2MX Mandate.

Ms Khoo will not directly receive any benefits accruing from the role of D2MX as Sponsoring Broker to the Offer.

12.6. Service Agreements with Directors and Proposed Directors

Each of the current Directors described in section 4.1, including the proposed Directors described in section 4.2 ("**proposed Non-Executive Director**"), has signed Service Agreements with the Company though the appointment of each of the proposed Non-Executive Directors is subject to Shareholder approval at the General Meeting ("**Service Agreement**").

Each Service Agreement contains the following key terms:

- Each Non-Executive Director is appointed subject to the Company's Corporate Governance Principles, Corporations Act and ASX Listing Rules;



- Without limiting the statements contained in section 13.11, each Non-Executive Director receives an annual fee of \$30,000 plus expenses in accordance with the Constitution;
- Each Non-Executive Director can be removed as a Director under clauses 12.5 and 12.6 of the Constitution;
- A Service agreement immediately terminates upon the applicable Director ceasing to be a Director of the Company;
- Each Non-Executive Director is subject to a 12 month non-competition covenant from the date of the termination of their Service Agreement; and
- Each Service Agreements is subject to the laws of New South Wales.

As each Director and proposed Director is considered to be a Related Party of the Company, the following statements are made for the purposes of ASIC Regulatory Guides 76.148 and 228.134:

(a) *the value of the financial benefit;*

\$30,000 per annum plus expenses as so approved.

(b) *the nature of the relationship;*

Section 228(2)(a) of the Corporations Act states that a director of a public company is a Related Party of that company which applies to the current Directors while section 228(6)

(c) *whether the arrangement is on arm's length terms, is reasonable remuneration, some other Ch 2E exception applies or we have granted relief;*

The Board considers that each Service Agreement is on arm's length and constitutes reasonable remuneration. The Board is sufficiently knowledgeable and experienced to have formed a sound judgement in respect of the terms of each Service Agreement, which was prepared by the Company's lawyers who have experience in such matters.

(d) *whether member approval for the transaction has been sought and, if so, when;*

Shareholder approval is not required for the Service Agreements given that they are, in the view of the Board, on arm's length and constitute reasonable remuneration and as such constitute exemption for such approval under sections 210 and 211 of the Corporations Act, respectively.

(e) *the risks associated with the Related Party arrangement;*

Risks in such arrangements include the power or opportunity of a Related Party to influence the decision making of non- interested directors to the detriment of the interests of members of the entity as a whole.

(f) *the existence of any policies and procedures in place for entering into Related Party transactions.*

The Board has adopted a Related Party Policy which in part includes a prohibition of an interested Director who has a material personal interest to participate in voting whether at meeting or circular resolution where such interest is involved. Such policy extends to Board committee meetings (if applicable). The Company has also adopted a Corporate Governance Charter which includes a duty to avoid conflicts. Non interested directors are required to exercise special vigilance and to make an independent assessment and seek advice from management, if and where applicable, in respect of the subject proposal. The Board maintains it has complied with such policy when executing the Service Agreements as such applies to the current Directors.

Section 13

Additional Information

13.1. Rights Attaching to Shares

A summary of the rights which relate to all New Shares which may be issued pursuant to this Prospectus are set out below. This summary does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities of the Shareholders. Additional information on the rights attaching to Shares may be found in the Constitution.

(i) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution

(ii) Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

(iii) Dividends

The New Shares will rank equally with all other issued Shares in the capital of the Company and will participate in dividends. Under section 254T of the Corporations Act dividends can only be paid if the company's assets exceed its liabilities and such excess is sufficient to make payment of a dividend, the payment of the dividend is fair and reasonable to the Shareholders as a whole and such payment not materially prejudice the Company's ability to pay its creditors.

Subject to the rights of holders of Shares of any special preferential or qualified rights attaching thereto, the profits of the Company are divisible

amongst the holders of Shares in proportion to the amounts paid up on such Shares at the dates of declaration of a dividend. The Directors may from time to time pay to Shareholders such interim dividends as in their judgment the position of the Company justifies.

(iv) Winding Up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, distribute among the Shareholders the whole or any part of the property of the Company and decide how to distribute property as between the Shareholders or different classes of shareholders.

(v) Transfer of Shares

Subject to the Constitution, a Shareholder may transfer one or more Shares held by:

- (a) ASTC transfer;
- (b) an instrument of transfer in compliance with the Constitution; or
- (c) any other method permitted by the applicable law.

(vi) Variation of Rights

The Company may vary or cancel rights attached to Shares or convert Shares to another class by a special resolution of the Company and:

- (a) a special resolution passed at a meeting of Shareholders of the affected class; or
- (b) the written consent of Shareholders who are entitled to at least 75% of votes that may be cast in respect of the Shares on issue of the affected class.



13.2. Limitation on Foreign Ownership

The Foreign Acquisitions and Takeovers Act, 1975 (FATA) regulates acquisitions giving rise to ownership of substantial holdings of an Australian company's shares.

FATA prohibits:

- any natural person not ordinarily resident in Australia; or
- any corporation in which either a natural person not ordinarily resident in Australia or a foreign corporation (as defined in the FATA); or
- two (2) or more such persons or corporations,

from entering into an agreement to acquire shares if after the acquisition such person or corporation would hold a substantial interest in a corporation, or where two (2) or more persons or corporations would hold an aggregate substantial interest (defined below), without first applying in the prescribed form for approval or receiving no response in the forty (40) days after such application was made.

A holder of shares will be deemed to hold a substantial interest in a corporation if the holder alone or together with any associates (as defined in the FATA) is in a position to control not less than fifteen percent (15%) of the Voting Power in the corporation or holds interests in not less than fifteen (15%) of the issued shares in the corporation. Two (2) or more holders hold an aggregate substantial interest in a corporation if they, together with any associates (as so defined), are in a position to control not less than forty percent (40%) of the voting power in that corporation or hold not less than forty percent (40%) of the issued shares in that corporation. These restrictions apply to share acquisitions in Australian businesses or corporation exceeds a monetary threshold of \$248M.

However, given the current value of the Company is less than the monetary threshold, approval by FIRB to investment in the Company is not required. Also, the Constitution contains no limitation on a non-resident's right to hold or vote the Shares.

13.3. Dividend Policy

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

13.4. Financial Year

The financial year of the Company will end on 31 December annually.

13.5. Litigation

The Company is not the subject to any, or threatened, legal action. However, the Company has received enquiries from two former directors of the Company as to whether the Company will indemnify them in relation to proceedings commenced in the Federal Court of Australia (NSD1558 of 2102). These proceedings relate to a prospectus by the Company dated 14 September 2006. The Company has received legal advice that any claim by these directors would be precluded by virtue of the Corporations Act. The Company has replied to each of the directors concerned informing them of the Company's position in this matter.

13.6. Subsequent Events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (i) the operations of the Company;
- (ii) the results of those operations; or
- (iii) the state of affairs of the Company.



13.7. Liability of other persons named in this Prospectus

Notwithstanding that they may have been referred to elsewhere in this Prospectus:

Eakin McCaffery Cox Lawyers are named in the Corporate Directory as the Australian Solicitors to the Company. They have been involved in the process of reviewing this Prospectus for consistency with the material contracts and advising the Company on those material contracts formed in Australia. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. They do not make any other statement in this Prospectus. Eakin McCaffery Cox Lawyers will be paid for work performed in accordance with usual time based in charge out rates and estimate their professional costs at \$50,000 plus GST at the date of this Prospectus.

Capital Law & Partners are named in the Corporate Directory as Chinese Solicitors to the Company. They have been involved in the process of reviewing this Prospectus for consistency with the material contracts, advising the Company on Chinese law and preparing a report on those material contracts created in China. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. They do not make any other statement in this Prospectus. Capital Law & Partners will be paid for work performed in accordance with usual time based in charge out rates and estimate their professional costs at \$33,000 plus VAT or goods and service tax at the date of this Prospectus.

RSM Bird Cameron partners are named in the Corporate Directory as Taxation Advisor to the Company. They have been involved in advising the Company on taxation issues for shareholders and potential shareholders as noted in Section 10 of this Prospectus. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. They do not make any other statement in this Prospectus. RSM Bird Cameron will be paid for work performed in accordance with usual time based charge out rates and estimated their professional costs at between \$1,500 plus GST at the date of this Prospectus.

RSM Bird Cameron Corporate Pty Ltd is named in the Corporate Directory as Investigating Accountant's to the Company. They are involved in the preparation of the Investigation Accounts Report and review of the Financial Information Section of this Prospectus. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. They do not make any other statement in this Prospectus. RSM Bird Cameron Corporate Pty Ltd will be paid for work performed in accordance with usual time based charge out rates and estimated their professional costs at between \$22,000 plus GST at the date of this Prospectus. RSM Bird Cameron Corporate Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

13.8. Consent of Experts

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that the Boards specified in this section.

RSM Bird Cameron Corporate Pty Ltd has given their written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 9 in the form and context in which the report is included. RSM Bird Cameron Corporate Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

RSM Bird Cameron has given their written consent to being named as Taxation Advisor in this Prospectus and to the inclusion of the Taxation Report in Section 10 in the form and context in which the report is included. RSM Bird Cameron has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Eakin McCaffery Cox Lawyers have given its written consent to being named as the Australian solicitors to the Company in this Prospectus. Eakin McCaffery



Cox has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Capital Law & Partners have given its written consent to being named as the Chinese solicitors to the Company in this Prospectus. Capital Law & Partners has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Security Transfer Registrars Pty Ltd has given its written consent to being named as the Share registry for the Company in this Prospectus. Security Transfer Registrars Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Otsana Capital has given its written consent to being named as the Corporate Advisor to the Company in this Prospectus. Otsana Capital has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

D2MX Pty Ltd has given its written consent to being named as the Sponsoring Broker and Lead Manager to the Company in this Prospectus. D2MX Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

13.9. Inspection of Documents

Copies of following documents may be inspected free of charge at the registered office of the Company or at the offices of Eakin McCaffery Cox Level 28, BT Tower, 1 Market Street, Sydney NSW 2000 during normal business hours:

- (a) Material Contracts in the Material Contracts section 11 of this Prospectus;
- (b) The Constitution; and
- (c) The consents referred to in this Section 13.

13.10. Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$820,500 (excluding GST) and are expected to be applied towards the items set out in the table below:

| <i>Item of Expenditure</i> | <i>Amount (\$)</i> |
|----------------------------|--------------------|
| Legal | \$50,000 |

| | |
|-----------------------------|------------------|
| Investigating Accountant | \$22,000 |
| Brokers Fees | \$50,000 |
| Capital Raising Commissions | \$420,000 |
| Taxation Advisory Fee | \$1,500 |
| ASIC Fees | \$2,000 |
| ASX Fees | \$140,000 |
| Corporate Advisory Fees | \$105,000 |
| Printing & Publication | \$30,000 |
| TOTAL | \$820,500 |

13.11. Directors' Fees

The Board has determined that any Executive Directors shall be entitled Director's fees at the same rate as Non-Executive Directors.

The Constitution provides that the Non-Executive Directors are entitled to remuneration as determined by the Company in a general meeting of Shareholders to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The aggregate maximum remuneration currently determined by the Company is \$500,000 per annum. The Non-Executive Directors are each paid \$30,000 per annum. Additionally, Non-Executive Directors are entitled to be reimbursed for properly incurred expenses.

At present the Board is constituted by three (3) Non-Executive Directors. If a Non-Executive Director performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above. However, no payment can be made if the effect would be to exceed the maximum aggregate amount payable to Non-Executive Directors.

A Non-Executive Director is entitled to be paid travelling and other expenses properly incurred by them in attending Director's or general meetings of the Company or otherwise in connection with the business of the Company.

The remuneration of any Executive Director may from time to time be fixed by the Directors. The remuneration may be by way of salary or commission or participation in profits but may not be by commission on, or a percentage of operating revenue.

13.12. Interest of Experts and Advisers

The nature and extent of the interest (if any) that:

- a person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- a promoter of the Company; or
- a stockbroker or underwriter (but not as a sub-underwriter) to the Issue;

hold, or held at any time during the last two (2) years in:

- the formation or promotion of the Company;
- property acquired or to be acquired by the Company in connection with:
 - its formation or promotion; or
 - the Offer,

is set out in this Section.

The amount that anyone has paid or agreed to pay, or the nature and value of any benefit anyone has given or agreed to give for services provided by:

- a person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- a promote of the Company; or
- a stockbroker or underwrite (but not a sub-underwriter) to the Issue,

in connection with;

- the formation or promotion of the Company;
- property acquired or to be acquired by the Company in connection with:

- its formation or promotion; or
- the Offer,

is set out in this Section 13.

13.13. Directors' Interests

The nature and extent of the interest (if any) that the Directors of the Company hold, or held at any time during the last two (2) years in;

- the formation or promotion of the Company;
- property acquired or to be acquired by the Company in connection with:
 - its formation or promotion; or
 - the Offer,

is set out in this Section 13.

The amount (if any) that anyone has paid or agreed to pay or the nature and the value of any benefit anyone has given or agreed to give to a Director of the Company, or proposed Director of the Company:

- to induce them to become, or to qualify as, a Director of the Company; or
- for services provided by a Director in connection with:
 - the formation of the Company; or
 - the Offer,

is set out in the table found in this section and in the Section 2 of this Prospectus and repeated in the table below.

The table below details the interest of the Directors in the securities of the Company immediately prior to lodgement of the Prospectus with ASIC, including those securities held directly and indirectly.



| Director/Officer | Number of Shares |
|--|------------------|
| Ms Jamie Gee Choo Khoo (Non-Executive Chairman) | - |
| Mr Kum Leong Chan (Non-Executive Director) | - |
| Ms Kwee Jee Lee (Non-Executive Director) | - |

13.14. Taxation

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for New Shares under this Prospectus.

13.15. Forecasts

The Company intends to be a property developer in China. Given inherent risks of running such overseas operations, there are significant uncertainties associated with forecasting future revenue. On this basis, the Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that reliable forecasts cannot be prepared and

accordingly have not included forecasts in this Prospectus.

13.16. Privacy

By submitting an Application Form you are providing to the Company personal information about you. If you do not provide complete and accurate personal information, your Application may not be able to be processed.

The Company maintains the register of members of the Company through the Share Registry to comply with the National Privacy Principles while performing these services. The Company's register is required by law to contain certain personal information about you such as your name and address and number of Shares held. In addition, the Company collects personal information from members including contact details, bank accounts, membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, send announcements and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.



The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- when you agree to the disclosure;
- when used for the purpose for which it is collected;
- when disclosure is required or authorized by law;
- to your broker;
- to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and the Share Registry except in limited circumstances. If you wish to access, update or correct your personal information held by the Company or the Share Registry, please contact those respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

13.17. Electronic Prospectus

An electronic version of this Prospectus is available from the Company at World Wide Web URL address www.lionhub.com.au.

The Application Form may only be distributed attached to a complete and unaltered copy of this Prospectus. The Application Form included with this Prospectus contains a declaration that the investor has personally received the complete and unaltered Prospectus prior to completing the Application Form.

The Company will not accept a completed Application Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Application Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Issue period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company or a financial adviser.

13.18. Supplementary Information

The Company will issue a supplementary Prospectus if the Company becomes aware of any of the following between the issue of the Prospectus and the date the Company's Shares are quoted:

- A material statement in the Prospectus is misleading or deceptive.
- There is a material omission from the Prospectus
- There has been a significant change affecting a matter included in the Prospectus.
- A significant new circumstance has arisen and it would have been required to be included in the Prospectus. This will include any update relating to the General Meeting

The Company has not raised any capital for the 3 months before the date of issue of this Prospectus and will not need to raise any capital for 3 months after the date of issue of this Prospectus.

13.19. Continuous Disclosure

Even though the Shares are suspended from trading on the ASX, the Company, as a listed entity on the ASX, is still obliged to comply with its continuous disclosure obligations under the Corporations Act and Listing Rules. The Company maintains it is full compliance with these disclosure requirements. Investors wishing to view announcements by the Company are encouraged to visit the ASX website (www.asx.com.au) and accessing the announcement section of the Company (Ticker Code "LHB").



Section 14 Director's Statement and Consent

Directors Consent to Lodgement

This Prospectus is issued by the Company and its issue has been fully authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the Lodgement of this Prospectus with the ASIC.

Signed on behalf of the Company by

Jamie Gee Choo Khoo
Non-Executive Chairman
For and on behalf of
LionHub Group Limited

Section 15 Glossary of Defined Terms

| | |
|---|--|
| Acquisition | means the acquisition by the Company of Lian Keng Enterprises Pte Ltd's sole share in Lian Huat (Xuancheng) Pte Ltd on the terms of the Share Sale Agreement |
| Administration | has the meaning given to this term as in section 435C of the Corporations Act |
| Administrators | means Messrs Robert Dixon and Laurence Andrew Fitzgerald of Grant Thornton |
| AEST | means Australian Eastern Standard Time. |
| Applicant | means a person who submits an Application. |
| Application | means a valid Application to subscribe for Shares pursuant to this Prospectus. |
| Application Form | means the Application Form attached to and forming part of this Prospectus. |
| Application Monies | means monies received by the Company from Applicants |
| Appointment Date | means 17 May 2011 being the date the Administrators were appointed to the Company |
| Approvals | means the approvals being sought at the General Meeting which are described in section 3.10 |
| ASIC | means the Australian Securities and Investment Commission |
| ASX Settlement and Transfer Corporation Pty Limited or ASTC | means ASX Settlement and Transfer Corporation Pty Limited (ACN 008 504 532) |
| AUD or \$ | means the lawful currency of the Commonwealth of Australia |
| Australian Financial Services Licensee | means the holder of an Australian Financial Services Licence. |
| Australian Securities Exchange or ASX | means ASX Limited (ABN 98 008 624 691) or Australian Securities Exchange, as the context requires |
| Board | means the Company's board of Directors unless the context indicates otherwise. |
| Business Day | means a day other than a Saturday or Sunday on which banks are open for business in Sydney, New South Wales. |
| Capital Raising | means an Offer to raise a minimum of \$7,000,000 and a maximum amount of \$12,000,000 under the Prospectus |
| Chapters 1 and 2 | means Chapters 1 and 2 of the ASX Listing Rules |
| CHESS | means the ASX Clearing House Electronic Sub-registry System. |
| Chinese Acre | An area of land in China, also known as a Mu. Each Chinese acre is 666m ² in size. |
| Chinese Lawyers | means Capital Law and Partners |
| Classified Asset | has the meaning given to this term as in Chapter 19 of the Listing Rules |

| | |
|------------------------------|--|
| Closing Date | means the date on which the Offer closes as noted in Section 3.3 of this Prospectus, subject to any variation by the Company in accordance with the terms of this Prospectus. |
| Company, LionHub or LHB | means LionHub Group Limited (ACN 119 999 441) |
| Conditions | means ASX's conditions for the Readmission described in Section 3.9 |
| Consideration | means the sum of \$AUD8,500,000.00 |
| Consideration Shares | means 42,500,000 Shares in the Company |
| Constitution | means the Constitution of the Company. |
| Co-operation Period | means a period of no less than five years from the execution of the Investment Agreement |
| Core Resolutions | mean Resolutions 1, 2 and 3 in the Notice of Meeting |
| Corporate Adviser | means Otsana Capital (AFSL 435872) |
| Corporate Governance Charter | means the governance structure established by the Company |
| Corporations Act | means the <i>Corporations Act 2001</i> (Cth). |
| Creditors Trust Deed | means the deed executed on 18 December 2013, whereby 7,706,055 Shares were issued to the creditors trust and all outstanding liabilities of the Company as at the Appointment Date were extinguished pursuant to the terms of the DOCA |
| Deed Administrators | has the meaning given to this term under the DOCA |
| Density | means the ratio of land that is built up versus the total usable land. It is determined by dividing the footprint by the total usable land. |
| Development Board | means the China Anhui Xuancheng Economic and Technology Development Board |
| Development Land | means the net area of land that can be developed (excluding infrastructure, parks and waterways) |
| Development Zone | means the Xuancheng Economic and Technology Development Zone |
| Directors | means the directors of the Company from time to time and include any alternate directors. |
| DOCA | means the Deed of Company Arrangement in respect of the Company between the Company and the Deed Administrators dated 17 August 2011 |
| Dollars or \$ | means Australian dollars unless otherwise stated. |
| End Date | means 1 June 2014, unless varied by mutual agreement by the Company and Lian Keng |
| Exempt Investors | means an investor who does not require a disclosure document as it falls within one or more categories described in section 708 of the Corporations Act |
| Expiry Date | means the date 13 months after the date of this Prospectus is lodged with ASIC. |
| Exposure Period | Means the period of seven (7) days after the date of lodgement of this Prospectus, with ASIC which period may be extended by ASIC by not more than seven (7) days pursuant to Section 727 (3) of the |

| | |
|------------------------------------|--|
| | <i>Corporations Act 2001.</i> |
| Footprint | means the actual area of land that the building will sit on |
| General Meeting | means the extraordinary general meeting of Shareholders to be held on 15 May 2014 to consider the Resolutions |
| Glossary | means this glossary. |
| Green | means the area of land that needs to be set aside for landscaping, plants, vegetation and trees |
| GST | has the meaning given to it in the A New Tax System (Goods and Services Tax) Act 1999 and any regulations thereto or such other act or regulations of equivalent effect. |
| Guidance Note | means a guidance note issued by the ASX |
| Holder Identification Number (HIN) | means Investor's Holder Identification Number in the case of a holding on the CHESS sub-register. |
| Holding Statements | means statement of holdings as distributed by the Share Registry. |
| Independent Expert | means RSM Bird Cameron Corporate Pty Ltd |
| Independent Expert's Report | means the report prepared by the Independent Expert |
| Independent Valuer | means Censere Singapore Pte Ltd |
| Independent Valuer's Report | means the report prepared by the Independent Valuer |
| Investment Agreement | means the Investment Agreement between Lian Huat (XC) Pte Ltd and the China Anhui Xuancheng Economic and Technology Development Board |
| <i>ITAA97</i> | means <i>Income Tax Assessment Act 1997</i> . |
| Issuer Sponsored | means the Company will sponsor registration of the Shareholding through the Share Register. |
| Land | means land within the boundaries of the Technology Park |
| Lead Broker | means D2MX Pty Ltd (AFSL 97950) |
| Listing Rules | means the official Listing Rules of the ASX |
| Master Developer | has the meaning given to this term as in the Investment Agreement |
| Master Plan | has the meaning given to this term as in the Investment Agreement |
| Maximum Subscription | means the issue of 60,000,000 Shares at an issue price of \$0.20 per Share, thereby increasing the issued capital and cash of the Company by \$12,000,000.00 |
| MEEM | means "Multi-period Excess Earnings Method", a valuation method used by the Independent Valuer in the Independent Valuer's Report |
| Minimum Subscription | means the issue of 35,000,000 Shares at an issue price of \$0.20 per Share, thereby increasing the issued capital and cash of the Company by \$7,000,000.00 |
| Medicare | means the health care service administered by the Australian |

| | |
|----------------------------------|---|
| | Government by the Department of Human Services |
| New Shares | means Shares issued under this Prospectus |
| Note (or Lian Keng CN) | means the Convertible Note entered into by the Company and Lian Keng (and subsequently closed following conversion to ordinary shares) |
| Notice | means the notice of meeting in respect of the General Meeting dated 16 April 2014 |
| Offer | means the offer to subscribe for Shares as set out in Section 3 of this Prospectus. |
| Offer Period | means the period commencing on the Opening Date and ending on the Closing Date. |
| Offer Price | means \$0.20 per New Share |
| Official List | means the Official List of the ASX |
| Official Quotation | means the official quotation by the ASX in accordance with the Listing Rules. |
| Opening Date | means the date on which the Offer opens as noted in Section 3.3 of this Prospectus, subject to any variation by the Company in accordance with the terms of this Prospectus. |
| Oversubscription | means a further 25,000,000 New Shares at an issue price of \$0.20 per New Share |
| PR | means the plot ratio |
| Project | means the proposed development of the Singapore Xuancheng Technology Park |
| Prospectus | means this Replacement Prospectus issued by the Company and dated 1 May 2014 |
| RAD | means Research Architecture Design Ltd |
| Readmission | means the readmission of the Company to the Official List |
| Recapitalisation | means the recapitalisation of the Company in accordance with the Recapitalisation Proposal |
| Recapitalisation Proposal | means the recapitalization proposal by Bennelong Capital Partners Pty Ltd (ACN 145 496 233) for the restructure and recapitalisation of the Company dated or not about 30 April 2013 |
| Re-quotation | has the meaning given to this term as in the Share Sale Agreement namely, where the Company has received conditional approval from the ASX to be re-admitted to the Official List and the New Shares are issued |
| Resolutions | means the resolutions to be tabled at the General Meeting being those set out in Section 3.10 |
| Restricted Securities | has the meaning given to this term as in Chapter 19 of the Listing Rules |
| Restriction Agreements | means agreements entered into with certain shareholders that restrict the ability to trade in those equities for a defined period of time |
| Section | means a section of this Prospectus. |
| Security Holder Reference Number | means in the case of a holding on the issuer/sponsor sub-register. |

| | |
|-------------------------|---|
| Lian Keng | means Lian Keng Enterprises Pte Ltd , a company registered in Singapore |
| Share Registry | means Security Transfer Registrars Pty Ltd (ABN 95 008 894 488) |
| Share Sale Agreement | means the share sale agreement between the Company (as purchaser) and Lian Keng (as vendor) for the sale of the sole share in Lian Huat (Xuancheng) Pte Ltd |
| Share or Shares | means a fully paid ordinary share in the capital of the Company |
| Shareholder | means a holder of Shares |
| Subsidiary | has the meaning given to this term as in sections 9 and 46 of the Corporations Act |
| Suspension | means suspension from the Official List of the ASX |
| Tax File Number of TFN | means the number assigned to individuals, companies and trusts by the Australian Taxation Office |
| Technology Park or Park | means the proposed Singapore Xuancheng Technology Park |
| Total GFA | means the total gross floor area. It is calculated by multiplying the usable land area with the plot ratio |
| Usable Land Area | means the area of land that is set aside for development (as opposed to land set aside for infrastructure, water features etc) |
| Valuation Report | means the report prepared by Censere Singapore Pte Ltd |
| VAT | means value added tax |
| Voting Power | has the meaning given to this term as in section 610 of the Corporations Act |

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

W: www.securitytransfer.com.au

ACN: 119 999 441

Advisor Code

Before completing this Application Form you should read the accompanying Prospectus and the instructions overleaf. Please print using BLOCK LETTERS.

87

This Application Form relates to the Offer of Fully Paid Shares in LIONHUB GROUP LIMITED pursuant to the Replacement Prospectus dated 1 May 2014.

APPLICATION FORMS

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHESS participants should complete their name and address in the same format as they are presently registered in the CHESS system.

Insert the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares representing a minimum investment of \$2,000 and thereafter in multiples of 1,000 Shares. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

PAYMENT

Monies should be deposited to the following bank account using the **applicants name as reference**. Payment by electronic transfer to: **NAME:** LionHub Group Limited
BANK: CBA BSB: 062-181 **ACCOUNT:** 1074 2170. Please post, fax or scan and email a copy of your bank receipt together with this application form to Security Transfer Registrars. If payment can not be made electronically then a cheque(s) or bank draft(s) payable to LIONHUB GROUP LIMITED must be forwarded together with your completed Application form. Your cheque(s) or bank draft(s) must be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cash should not be forwarded. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

LODGING OF APPLICATIONS

Completed Application Forms and cheques must be:

Posted to:
LIONHUB GROUP LIMITED
C/- Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

OR

Delivered to:
LIONHUB GROUP LIMITED
C/- Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Applications must be received by no later than 5.00pm AWST on the Closing Date 22 May 2014 which may be changed immediately after the Opening Date at any time and at the discretion of the Company.

CHESS HIN/BROKER SPONSORED APPLICANTS

The Company intends to become an Issuer Sponsored participant in the ASX CHESS System. This enables a holder to receive a statement of holding rather than a certificate. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

TAX FILE NUMBERS

The collection of tax file number ("TFN") information is authorised and the tax laws and the Privacy Act strictly regulate its use and disclosure. Please note that it is not against the law not to provide your TFN or claim an exemption, however, if you do not provide your TFN or claim an exemption, you should be aware that tax will be taken out of any unfranked dividend distribution at the maximum tax rate.

If you are completing the application with one or more joint applicants, and you do not wish to disclose your TFN or claim an exemption, a separate form may be obtained from the Australian Taxation Office to be used by you to provide this information to the Company. Certain persons are exempt from providing a TFN. For further information, please contact your taxation adviser or any Taxation Office.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to LIONHUB GROUP LIMITED. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR

Individual

Use given names in full, not initials.

Company

Use the company's full title, not abbreviations.

CORRECT

Mr John Alfred Smith

ABC Pty Ltd

INCORRECT

J A Smith

ABC P/L or ABC Co

Joint Holdings

Use full and complete names.

Mr Peter Robert Williams &
Ms Louise Susan Williams

Peter Robert &
Louise S Williams

Trusts

Use trustee(s) personal name(s). Do not use the name of the trust.

Mrs Susan Jane Smith
<Sue Smith Family A/C>

Sue Smith Family Trust

Deceased Estates

Use the executor(s) personal name(s).

Ms Jane Mary Smith &
Mr Frank William Smith
<Estate John Smith A/C>

Estate of Late John Smith
or
John Smith Deceased

Minor (a person under the age of 18)

Use the name of a responsible adult with an appropriate designation.

Mr John Alfred Smith
<Peter Smith A/C>

Master Peter Smith

Partnerships

Use the partners' personal names. Do not use the name of the partnership.

Mr John Robert Smith &
Mr Michael John Smith
<John Smith and Son A/C>

John Smith and Son

Superannuation Funds

Use the name of the trustee(s) of the super fund.

Jane Smith Pty Ltd
<JSuper Fund A/C>

Jane Smith Pty Ltd Superannuation Fund

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

W: www.securitytransfer.com.au

ACN: 119 999 441

Advisor Code

Before completing this Application Form you should read the accompanying Prospectus and the instructions overleaf. Please print using BLOCK LETTERS.

89

This Application Form relates to the Offer of Fully Paid Shares in LIONHUB GROUP LIMITED pursuant to the Replacement Prospectus dated 1 May 2014.

APPLICATION FORMS

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHESS participants should complete their name and address in the same format as they are presently registered in the CHESS system.

Insert the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares representing a minimum investment of \$2,000 and thereafter in multiples of 1,000 Shares. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

PAYMENT

Monies should be deposited to the following bank account using the **applicants name as reference**. Payment by electronic transfer to: **NAME:** LionHub Group Limited
BANK: CBA BSB: 062-181 **ACCOUNT:** 1074 2170. Please post, fax or scan and email a copy of your bank receipt together with this application form to Security Transfer Registrars. If payment can not be made electronically then a cheque(s) or bank draft(s) payable to LIONHUB GROUP LIMITED must be forwarded together with your completed Application form. Your cheque(s) or bank draft(s) must be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cash should not be forwarded. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

LODGING OF APPLICATIONS

Completed Application Forms and cheques must be:

Posted to:
LIONHUB GROUP LIMITED
C/- Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

OR

Delivered to:
LIONHUB GROUP LIMITED
C/- Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Applications must be received by no later than 5.00pm AWST on the Closing Date 22 May 2014 which may be changed immediately after the Opening Date at any time and at the discretion of the Company.

CHESS HIN/BROKER SPONSORED APPLICANTS

The Company intends to become an Issuer Sponsored participant in the ASX CHESS System. This enables a holder to receive a statement of holding rather than a certificate. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

TAX FILE NUMBERS

The collection of tax file number ("TFN") information is authorised and the tax laws and the Privacy Act strictly regulate its use and disclosure. Please note that it is not against the law not to provide your TFN or claim an exemption, however, if you do not provide your TFN or claim an exemption, you should be aware that tax will be taken out of any unfranked dividend distribution at the maximum tax rate.

If you are completing the application with one or more joint applicants, and you do not wish to disclose your TFN or claim an exemption, a separate form may be obtained from the Australian Taxation Office to be used by you to provide this information to the Company. Certain persons are exempt from providing a TFN. For further information, please contact your taxation adviser or any Taxation Office.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to LIONHUB GROUP LIMITED. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR

Individual

Use given names in full, not initials.

Company

Use the company's full title, not abbreviations.

CORRECT

Mr John Alfred Smith

ABC Pty Ltd

INCORRECT

J A Smith

ABC P/L or ABC Co

Joint Holdings

Use full and complete names.

Mr Peter Robert Williams &
Ms Louise Susan Williams

Peter Robert &
Louise S Williams

Trusts

Use trustee(s) personal name(s). Do not use the name of the trust.

Mrs Susan Jane Smith
<Sue Smith Family A/C>

Sue Smith Family Trust

Deceased Estates

Use the executor(s) personal name(s).

Ms Jane Mary Smith &
Mr Frank William Smith
<Estate John Smith A/C>

Estate of Late John Smith
or
John Smith Deceased

Minor (a person under the age of 18)

Use the name of a responsible adult with an appropriate designation.

Mr John Alfred Smith
<Peter Smith A/C>

Master Peter Smith

Partnerships

Use the partners' personal names. Do not use the name of the partnership.

Mr John Robert Smith &
Mr Michael John Smith
<John Smith and Son A/C>

John Smith and Son

Superannuation Funds

Use the name of the trustee(s) of the super fund.

Jane Smith Pty Ltd
<JSuper Fund A/C>

Jane Smith Pty Ltd Superannuation Fund

This page has been left intentionally blank

