

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Lee Hing Development Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, Hong Kong Securities Clearing Company Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer.

LEE HING (2021) LIMITED
(formerly known as Classic Prestige Limited)
(Incorporated in the British Virgin Islands
with limited liability)

LEE HING DEVELOPMENT LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 68)

**COMPOSITE OFFER AND RESPONSE DOCUMENT
RELATING TO
(I) THE VOLUNTARY CONDITIONAL CASH OFFER, WITH AN
ALTERNATIVE TO RECEIVE SHARES IN LEE HING (2021) LIMITED
(FORMERLY KNOWN AS CLASSIC PRESTIGE LIMITED),
BY KINGKEY SECURITIES GROUP LIMITED
ON BEHALF OF
LEE HING (2021) LIMITED
(FORMERLY KNOWN AS CLASSIC PRESTIGE LIMITED)
TO ACQUIRE ALL THE ISSUED SHARES OF
LEE HING DEVELOPMENT LIMITED
AND
(II) POSSIBLE PRIVATISATION
Agent making the Offer on behalf of the Offeror**



Financial adviser to the Offeror



INCUC Corporate Finance Limited

Independent financial adviser to the Independent Board Committee



Octal Capital Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from Kingkey Securities containing, among other things, principal terms of the Offer is set out on pages 8 to 31 of this Composite Document. A letter from the Board is set out on pages 32 to 38 of this Composite Document. A letter from the Independent Board Committee containing its recommendation in respect of the Offer is set out on pages 39 to 40 of this Composite Document. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee in respect of the Offer and the principal factors considered by it in arriving at its recommendation is set out on pages 41 to 89 of this Composite Document.

The procedures for acceptance and other related information in respect of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. Form of Acceptance should be received by the Registrar as soon as possible and in any event not later than 4:00 p.m. on Wednesday, 1 December 2021 (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce, with the consent of the Executive, in accordance with the Takeovers Code).

CONTENT

	<i>Page</i>
EXPECTED TIMETABLE	ii
DEFINITIONS	1
LETTER FROM KINGKEY SECURITIES	8
LETTER FROM THE BOARD	32
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	39
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	41
APPENDIX I — FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFER	I-1
APPENDIX II — FINANCIAL INFORMATION	II-1
APPENDIX III — PROPERTY VALUATION	III-1
APPENDIX IV — ESTIMATE OF VALUE OF OFFEROR SHARES	IV-1
APPENDIX V — GENERAL INFORMATION OF THE GROUP	V-1
APPENDIX VI — GENERAL INFORMATION OF THE OFFEROR	VI-1
ANNEXURE 1 — FORM OF SHAREHOLDERS' AGREEMENT	ANN1-1
ANNEXURE 2 — AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR	ANN2-1
ACCOMPANYING DOCUMENT — FORM OF ACCEPTANCE	

EXPECTED TIMETABLE

Below is an indicative timetable showing the key dates of the relevant events:

Event	Expected date (Note 1)
	2021
Offer opens for acceptance	Wednesday, 10 November
Latest time and date for acceptance of the Offer on the First Closing Date (Note 2)	By 4:00 p.m. on Wednesday, 1 December
First Closing Date (Note 2)	Wednesday, 1 December
Announcement of the results of the Offer or as to the Offer has been revised, extended, has expired or becomes unconditional to be posted on the Stock Exchange's website (under the Company's list of announcements) and the SFC's website (Note 3)	By 7:00 p.m. on Wednesday, 1 December
Latest date for posting of remittances for the amounts and/or despatching of the certificates for the Offeror Shares due in respect of valid acceptances received under the Offer on or before the First Closing Date assuming the Offer becomes or is declared unconditional on the First Closing Date (Note 4)	Friday, 10 December
	2022
Latest time and date by which the Offer can become or be declared unconditional as to acceptances (Note 5)	By 7:00 p.m. on Monday, 10 January
Latest time and date for acceptance of the Offer assuming the Offer is declared unconditional on the First Closing Date (Note 2)	By 4:00 p.m. on Thursday, 10 March
Announcement of results of the Offer as at the final Closing Date (assuming the Offer becomes or is declared unconditional on the First Closing Date)	By 7:00 p.m. on Thursday, 10 March

EXPECTED TIMETABLE

Latest date for posting of remittances for the amounts and/or despatching of the certificates for the Offeror Shares due in respect of valid acceptances received under the Offer at or before 4:00 p.m. on 10 March 2022, being the latest time and date which the Offer remains open for acceptance assuming the Offer becomes or is declared unconditional on the First Closing Date Monday, 21 March

Date of withdrawal of listing of the Lee Hing Shares (assuming the Offeror is entitled to exercise its right of compulsory acquisition rights as particularised in the paragraph headed “Letter from Kingkey Securities — Compulsory acquisition rights and withdrawal from listing” in this Composite Document at the close of the Offer) Beginning of April 2022 (tentative)

Notes:

1. Dates and deadlines stated in this Composite Document and the Form of Acceptance for events in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable will be announced as appropriate. All times and dates refer to Hong Kong local time.
2. Pursuant to the Takeovers Code, the Offer must initially open for at least 21 days following the date on which this Composite Document is posted. The Offer is conditional only upon valid acceptances of the Offer having been received at or before 4:00 p.m. on the First Closing Date in respect of Lee Hing Shares which, together with the Lee Hing Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding not less than 70% of all the Lee Hing Shares then in issue. Unless the Offer has previously become or been declared unconditional or extended, the latest time for acceptance of the Offer is 7:00 p.m. on Wednesday, 1 December 2021. Upon the Offer becoming unconditional following the fulfilment of the above acceptance condition, the Offer will remain open for acceptance until the expiry of a period of four months after the posting of this Composite Document for the purpose of allowing the Offeror to acquire further Lee Hing Shares to entitle it to exercise its compulsory acquisition rights as particularised in the paragraph headed “Letter from Kingkey Securities — Compulsory acquisition rights and withdrawal from listing” in this Composite Document. The Offeror will make an announcement as and when the Offer becomes unconditional.
3. In accordance with Rule 15.3 of the Takeovers Code, if the acceptance condition of the Offer is fulfilled, the Offeror may also declare and announce the Offer becomes unconditional as to acceptances, provided that the Offeror fully complies with Rule 15.1 and 15.3 of the Takeovers Code for the Offer to remain open for acceptance for not less than 14 days thereafter, and in no event the period open for acceptance is less than 21 days following the date on which the Composite Document is posted.

An announcement will be issued through the Stock Exchange’s website (under the Company’s list of announcements) by 7:00 p.m. on Wednesday, 1 December 2021, being the First Closing Date, stating whether or not the Offer has been revised or extended, has expired or has become or been declared unconditional and (if and to the extent revised or extended) the next closing date or that the Offer will remain open until further notice. If the Offer is revised or extended, the Offeror will comply with the relevant requirements under the Takeovers Code.

EXPECTED TIMETABLE

4. Acceptance of the Offer shall be irrevocable and shall not be withdrawn, except in the circumstances set out in Rule 19.2 of the Takeovers Code or/and in the paragraph headed “4. Right of Withdrawal” in Appendix I to this Composite Document. Provided that the Offer has become unconditional and that the Form of Acceptance for the Lee Hing Shares, together with the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the accepting Shareholders in respect of the Lee Hing Shares tendered under the Offer or (where the Share Alternative is opted for) a share certificate for the Offeror Share(s) in respect of the Lee Hing Shares tendered under the Offer by each of the accepting Shareholders, will be despatched to the accepting Offer Shareholders by ordinary post at his/her/its own risk as soon as possible but in any event within seven Business Days following the later of the date on which the Offer becomes, or is declared, unconditional and the date on which the Form of Acceptance is received by the Registrar.
5. In accordance with the Takeovers Code, in the event that the Offer (whether extended or not) does not become or is not declared unconditional as to acceptances by 7:00 p.m. on Monday, 10 January 2022, being the first Business Day after Sunday, 9 January 2022 which is the 60th day after posting of this Composite Document as such 60th day does not fall on a Business Day, the Offer will lapse except with the Executive’s consents.
6. If there is a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning or “extreme conditions” caused by super typhoons in force in Hong Kong:
 - (a) at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due or despatch date of the certificates for the Offeror Shares due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer and the posting of remittances or despatch date of the certificates for the Offeror Shares due will remain at 4:00 p.m. on the same Business Day.
 - (b) at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due or despatch date of the certificates for the Offeror Shares due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer and the posting of remittances or despatch date of the certificates for the Offeror Shares due will be rescheduled to 4:00 p.m. on the following Business Day which does not have any of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

All time and date references contained in this Composite Document and the Form of Acceptance refer to Hong Kong time and dates, unless otherwise specified.

DEFINITIONS

In this Composite Document, unless the context otherwise requires, the following expressions shall have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Annual Purchase Offer”	has the meaning as defined in the paragraph headed “Letter from Kingkey Securities — The Offer — Offeror Exit Arrangements” in this Composite Document
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Audited Balance Sheet”	has the meaning as defined in the paragraph headed “Letter from Kingkey Securities — The Offer — Offeror Exit Arrangements” in this Composite Document
“Board”	board of Directors
“Business Day”	has the meaning ascribed to it under the Takeovers Code
“Call Option”	has the meaning as defined in the paragraph headed “Letter from Kingkey Securities — The Offer — Offeror Exit Arrangements” in this Composite Document
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	the later of the First Closing Date or, if the Offer becomes or is declared unconditional, the day on which a period of 4 months after the posting of this Composite Document expires or, if the Offer is otherwise extended or revised, any subsequent closing date of the Offer as extended or revised and announced by the Offeror in accordance with the Takeovers Code
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

DEFINITIONS

“Company”	Lee Hing Development Limited, a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 68)
“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the Form of Acceptance) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser
“Director(s)”	director(s) of the Company
“Disinterested Shareholder(s)”	Shareholder(s), other than the Offeror and parties acting in concert with it
“Encumbrance(s)”	any claim, option, charge (fixed or floating), mortgage, lien, pledge, equity, adverse interest, encumbrance, right to acquire, right of pre-emption, right of first refusal, title retention or any other third party right, or other security interest or any agreement or arrangement having a similar effect or any agreement to create any of the foregoing
“Entitled Shareholder(s)”	has the meaning as defined in the paragraph headed “Letter from Kingkey Securities — The Offer — Offeror Exit Arrangements” in this Composite Document
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“First Closing Date”	1 December 2021, the first closing date of the Offer which is 21 days after the date on which this Composite Document is posted
“Form of Acceptance”	the form of acceptance, election and transfer of the Lee Hing Shares in respect of the Offer accompanying this Composite Document
“Group”	the Company and its subsidiaries from time to time

DEFINITIONS

“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“INCU”	INCU Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in relation to the Offer
“Independent Board Committee”	the independent committee of the Board comprising all non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Ho Hau Chong, Norman, Mr. Fung Ka Pun and Mr. Lim Lay Leng, formed for the purpose of advising the Shareholders in respect of the Offer
“Independent Financial Adviser” or “Octal Capital”	Octal Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee in respect of the Offer
“Ingredion”	has the meaning as defined in the paragraph headed “Letter from Kingkey Securities — The Offer — Offeror Exit Arrangements” in this Composite Document
“Irrevocable Undertaking(s)”	the irrevocable undertaking in writing given by each of the members of the Offeror Concert Group (excluding the Offeror, Mr. Tan, Zali International Limited and Zali Capital Limited) in favour of the Offeror that, among others, it will accept the Offer in respect of all the Lee Hing Shares owned by it and opt for the Share Alternative
“Joint Announcement”	the announcement jointly published by the Offeror and the Company dated 27 August 2021 in relation to, among others, the Offer

DEFINITIONS

“Kingkey Securities”	Kingkey Securities Group Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, being the agent making the Offer on behalf of the Offeror
“KYC Documents”	has the meaning as defined in the paragraph headed “Letter from Kingkey Securities — The Offer — The Offer Price and the Share Alternative” in this Composite Document
“Last Trading Day”	16 March 2021, being the last trading day of the Lee Hing Shares before the issue of this Composite Document
“Latest Practicable Date”	5 November 2021, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Lee Hing Share(s)”	issued share(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“London Listco”	has the meaning as defined in the paragraph headed “Letter from Kingkey Securities — The Offer — Offeror Exit Arrangements” in this Composite Document
“London Listco Privatisation”	has the meaning as defined in the paragraph headed “Letter from Kingkey Securities — The Offer — Offeror Exit Arrangements” in this Composite Document
“Minority Investor(s)”	has the meaning as defined in the paragraph headed “Letter from Kingkey Securities — The Offer — Offeror Exit Arrangements” in this Composite Document
“Mr. Tan”	Mr. Tan Boon Seng, the Chairman of the Company, an executive Director and the sole shareholder of the Offeror as at the Latest Practicable Date

DEFINITIONS

“Offer”	the voluntary conditional cash offer, with an alternative to receive shares in the Offeror, made by Kingkey Securities, on behalf of the Offeror, to acquire all the issued Lee Hing Shares in accordance with the Takeovers Code
“Offer Period”	the period from 27 August 2021, being the date of the Joint Announcement to 4:00 p.m. on the Closing Date
“Offer Price”	the price at which the Offer is made, being HK\$0.80 per Lee Hing Share
“Offeror”	Lee Hing (2021) Limited (formerly known as Classic Prestige Limited), a company incorporated in the British Virgin Islands with limited liability on 18 May 2021, the entire issued share capital of which was held by Mr. Tan as at the Latest Practicable Date, and the offeror under the Offer
“Offeror Concert Group”	the Offeror, Mr. Tan, Wah Seong Enterprises Sdn. Bhd., Zali International Limited, Zali Capital Limited, Ms. Connie Cheng Wai Ka, Ms. Tan Mei Sian, Mr. Tan Yee Seng, Petaling Garden and TKY Sdn. Bhd.
“Offeror Exit Arrangements”	has the meaning as defined in the paragraph headed “Letter from Kingkey Securities — The Offer — Offeror Exit Arrangements” in this Composite Document
“Offeror Share(s)”	ordinary share(s) with a par value of US\$0.01 each in the Offeror
“Overseas Disinterested Shareholder(s)”	Disinterested Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“Petaling Garden”	Petaling Garden (S) Pte. Ltd., a company incorporated in the Republic of Singapore and, to the best knowledge, belief and information of the Company having made all reasonable enquiries, ultimately controlled by the late Mr. Ang Guan Seng’s immediate family members and their respective associates (as defined in the Listing Rules) and parties acting in concert with any of them

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this Composite Document, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proceeds”	has the meaning as defined in the paragraph headed “Letter from Kingkey Securities — The Offer — Offeror Exit Arrangements” in this Composite Document
“PureCircle”	has the meaning as defined in the paragraph headed “Letter from Kingkey Securities — The Offer — Offeror Exit Arrangements” in this Composite Document
“PureCircle Exit Arrangements”	has the meaning as defined in the paragraph headed “Letter from Kingkey Securities — The Offer — Offeror Exit Arrangements” in this Composite Document
“PureCircle Share(s)”	has the meaning as defined in the paragraph headed “Letter from Kingkey Securities — The Offer — Offeror Exit Arrangements” in this Composite Document
“PureCircle Shareholders’ Agreement”	has the meaning as defined in the paragraph headed “Letter from Kingkey Securities — The Offer — Offeror Exit Arrangements” in this Composite Document
“Put Option”	has the meaning as defined in the paragraph headed “Letter from Kingkey Securities — The Offer — Offeror Exit Arrangements” in this Composite Document
“Registrar”	Tricor Standard Limited, the share registrar and transfer office of the Company, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Relevant Period”	the period commencing on 27 February 2021, being the date falling six months immediately preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Alternative”	the alternative under the Offer whereby Shareholders who validly tender acceptances to the Offer may opt to receive Offeror Share on an exchange ratio of one Lee Hing Share tendered to one Offeror Share in lieu of cash consideration
“Shareholder(s)”	holder(s) of Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement relating to the Offeror to be entered into between all the members of the Offeror Concert Group, the Disinterested Shareholders who validly accept the Offer and opt for the Share Alternative, and the Offeror upon completion of the Offer
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“TKY Sdn. Bhd.”	Tan Kim Yeow Sdn. Bhd., a company incorporated in Malaysia with limited liability and held by the family members of the late Mr. Tan Kim Yeow, who was an uncle of Mr. Tan
“HK\$” and “HK cent(s)”	Hong Kong dollar(s) and Hong Kong cent(s), the lawful currency of Hong Kong
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.



10 November 2021

To the Shareholders

Dear Sir/Madam,

**(I) THE VOLUNTARY CONDITIONAL CASH OFFER, WITH AN
ALTERNATIVE TO RECEIVE SHARES IN LEE HING (2021) LIMITED
(FORMERLY KNOWN AS CLASSIC PRESTIGE LIMITED),
BY KINGKEY SECURITIES GROUP LIMITED
ON BEHALF OF
LEE HING (2021) LIMITED
(FORMERLY KNOWN AS CLASSIC PRESTIGE LIMITED)
TO ACQUIRE ALL THE ISSUED SHARES OF
LEE HING DEVELOPMENT LIMITED
AND
(II) POSSIBLE PRIVATISATION**

INTRODUCTION

On 27 August 2021, the Offeror and the Company jointly announced that the Board was informed by the Offeror on 5 July 2021 that we, on behalf of the Offeror, will make a voluntary conditional cash offer, with an alternative to receive shares in the Offeror, to acquire all the Lee Hing Shares.

This letter sets out, among other things, the principal terms of the Offer (including the Share Alternative), together with the information on the Offeror and the Offeror's intentions regarding the Group. Further details of the Offer are also set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. Your attention is also drawn to the "Letter from the Board", the "Letter from the Independent Board Committee" to the Disinterested Shareholders and the "Letter from the Independent Financial Adviser" to the Independent Board Committee as contained in this Composite Document.

THE OFFER

We, on behalf of the Offeror, are making a voluntary conditional cash offer, with an alternative to receive shares in the Offeror, to acquire all the Lee Hing Shares.

Irrevocable Undertakings

As at the Latest Practicable Date, the Offeror Concert Group (excluding the Offeror, which did not hold any Lee Hing Shares as at the Latest Practicable Date, Mr. Tan, Zali International Limited and Zali Capital Limited) in aggregate held 36,597,000 Lee Hing

LETTER FROM KINGKEY SECURITIES

Shares, representing approximately 24.93% of all the Lee Hing Shares then in issue. Each of the members of the Offeror Concert Group (excluding the Offeror, Mr. Tan, Zali International Limited and Zali Capital Limited) has given an Irrevocable Undertaking in favour of the Offeror, pursuant to which each of them has undertaken that: (i) it will not sell, transfer, charge, encumber, grant any option or other right over or otherwise dispose of, or permit the sale, transfer, charging, encumbering, granting of any option or other right over or other disposal of any of the Lee Hing Shares held by it or interest in such Lee Hing Shares except under the Offer, or accept any other offer in respect of all or any of the Lee Hing Shares held by it or any other interest in any of such Lee Hing Shares; and (ii) it will duly accept (or procure the acceptance of) the Offer in respect of the Lee Hing Shares held by it in accordance with the terms of the Offer (including to make, or procure the making of, an election for the Share Alternative in respect of such Lee Hing Shares).

According to the terms of each Irrevocable Undertaking, the obligations thereunder of the person giving it shall, without prejudice to any prior breaches, lapse if: (a) the Joint Announcement is not released by such time and/or date as the Company and the Offeror may agree; (b) the Offeror publicly announces, before this Composite Document is published, that it does not intend to proceed with the Offer; or (c) the Offer has lapsed or been withdrawn and no new, revised or replacement Offer has been announced by the Offeror or its affiliates at the same time. However, pursuant to Rule 5 of the Takeovers Code, except with the consent of the Executive, the Offeror must proceed with the Offer once the Joint Announcement is published unless the acceptance condition of the Offer is not met, and pursuant to Rule 31.1 of the Takeovers Code, except with the consent of the Executive, no new, revised or replacement Offer may be announced by the Offeror or its affiliates at the same time when the Offer is withdrawn or lapses.

Additionally, the Offeror has confirmed in writing to the Board that Mr. Tan, Zali International Limited and Zali Capital Limited (being the members of the Offeror Concert Group who have not given the Irrevocable Undertakings and who as at the Latest Practicable Date held in aggregate 51,719,000 Lee Hing Shares, representing approximately 35.24% of all the Lee Hing Shares then in issue) will accept the Offer in respect of all the Lee Hing Shares held by each of them and opt for the Share Alternative.

The Offer Price and the Share Alternative

We are making the Offer, on behalf of the Offeror, in compliance with the Takeovers Code and on the terms set out in this Composite Document and the accompanying Form of Acceptance.

Under the terms of the Offer, a Shareholder may, in respect of its Lee Hing Shares validly tendered for acceptance, elect:

- (a) wholly to receive cash payment; or
- (b) wholly to receive Offeror Shares under the Share Alternative; or
- (c) partly to receive cash payment and partly to receive Offeror Shares under the Share Alternative,

LETTER FROM KINGKEY SECURITIES

on the following basis:

- (a) For every Lee Hing Share for which cash payment is elected HK\$0.80; or
- (b) For every Lee Hing Share for which the Share Alternative is opted one Offeror Share

If a Shareholder opts for the Share Alternative (whether wholly or partly in respect of its Lee Hing Shares validly tendered for acceptance), one Offeror Share will be allotted and issued, credited as fully paid, by the Offeror to such Shareholder in respect of its each of Lee Hing Share validly tendered for acceptance under the Offer and for which the Share Alternative is opted, except that Mr. Tan, who has confirmed to accept the Offer and opt for the Share Alternative, will receive 1,478,900 Offeror Shares in respect of 1,479,000 Lee Hing Shares to be tendered by Mr. Tan for acceptance under the Offer such that when taking into account the 100 Offeror Shares currently held by him, Mr. Tan will upon completion of the Offer hold a total of 1,479,000 Offeror Shares which is equal in number to the Lee Hing Shares to be tendered by him for acceptance under the Offer. The Offeror Shares to be issued under the Share Alternative will rank pari passu among themselves and with all Offeror Shares already in issue.

For the purpose of ensuring accuracy of the registered ownership of the Offeror Shares and satisfying compliance requirements applicable to shareholders of a company incorporated in the British Virgin Islands, a Shareholder may opt for the Share Alternative only in respect of such of its Lee Hing Shares as are registered in its own name on the register of members of the Company maintained by the Company's share registrar. Accordingly, where a Shareholder is holding all or part of its Lee Hing Shares via CCASS and wishes to accept the Offer and opt for the Share Alternative in respect of any of such Lee Hing Shares, such Shareholder must instruct its securities dealer/custodian banks to withdraw the relevant Lee Hing Shares from CCASS and arrange for the transfer of the relevant Lee Hing Shares into its own name as soon as possible before the relevant deadline for election, i.e. the Closing Date. In order to meet the relevant deadline, such Shareholder should check with its securities dealer/custodian bank for the timing on the processing of its instruction, and submit its instruction to its securities dealer/custodian bank as required by its securities dealer/custodian bank. If such Shareholder does not arrange to have the relevant Lee Hing Shares withdrawn from CCASS and transferred in its name as mentioned above, such Shareholder will only receive cash payment in respect of the relevant Lee Hing Shares tendered by it for acceptance.

Again, for the purpose of ensuring accuracy of the registered ownership of the Offeror Shares and satisfying compliance requirements applicable to shareholders of a company incorporated in the British Virgin Islands, a Shareholder opting for the Share Alternative in respect of any of its Lee Hing Shares registered in its name on the register of members of the Company must, in addition to a duly completed and executed Form of Acceptance and the certificate(s) for the Lee Hing Shares being tendered, also lodge the following documents (the "KYC Documents") to comply with the relevant anti-money laundering requirements of the British Virgin Islands (which shall be in English or

LETTER FROM KINGKEY SECURITIES

accompanied by an English translation which is certified as a true translation): (a) if the registered Shareholder is an individual, he/she must provide a certified true copy (certified as a true copy by a solicitor, a certified public accountant or a chartered secretary) of each of (i) his/her valid Hong Kong Identity Card or passport; and (ii) proof of his/her residential address (which shall be issued within the last three months of the date of the acceptance); or (b) if the registered Shareholder is a corporation, it must provide a certified true copy (certified as a true copy by a solicitor, a certified public accountant or a chartered secretary) of each of (i) its certificate of incorporation, (ii) its registration certificate (where applicable); (iii) its constitutional document, (iv) its register of members (or equivalent); (v) its register of directors (or equivalent); (vi) its address proof; (vii) its organization chart (showing up to its ultimate beneficial owners holding 10% shareholding or more and any intermediate holding companies); (viii) for any of the intermediate holding companies as mentioned in item (b)(vii) above, items (b)(i) to (b)(vi) above of such intermediate holding company; and (ix) items (a)(i) to (a)(ii) above of each of its ultimate beneficial owners. The Offeror and the Company reserve the discretion to request additional evidence or documents as may be required for the purpose of complying with the relevant anti-money laundering requirements of the British Virgin Islands.

Any Shareholder who accepts the Offer by returning the Form of Acceptance (a) opting both to receive cash payment and for the Share Alternative but has failed to indicate an allocation of its Lee Hing Shares between cash payment and the Share Alternative which corresponds to the total number of its Lee Hing Shares tendered for acceptance as indicated in the Form of Acceptance; or (b) but does not make an election as to cash payment and/or for the Share Alternative in respect of all of its Lee Hing Shares tendered for acceptance; or (c) opting for the Share Alternative but has failed to submit all applicable KYC Documents or such additional evidence or documents as may be required by the Offeror, will be treated for the purposes of the election as opting to receive cash payment in respect of all the Lee Hing Shares registered in its name and tendered by it for acceptance.

The total actual number of Offeror Shares to be issued under the Share Alternative will be determined after the latest time for election of cash payment or the Share Alternative under the Offer, i.e. the Closing Date.

According to Rule 18.3 of the Takeovers Code, where a firm statement regarding the Offer Price is made, the Offeror will only be allowed to subsequently amend the terms of the Offer in wholly exceptional circumstance. **The Offeror will not increase the Offer Price as set out above. Shareholders and potential investors of the Company should be aware that, following the making of the above statement, the Offeror does not reserve the right to increase the Offer Price.**

The Offer is extended to all Shareholders in accordance with the Takeovers Code. The Lee Hing Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights and benefits attaching thereto, including all rights to any dividend or other distribution, the record date of which falls on or after the date on which the Offer is made, being the date of this Composite Document.

LETTER FROM KINGKEY SECURITIES

To the best knowledge of the Offeror, as at the Latest Practicable Date, there was no dividend or other distribution that had been declared by the Company but not yet paid or made, and the Company had no intention to declare any dividend or other distribution during the Offer period.

The Offeror Shares are shares of an unlisted company incorporated in British Virgin Islands. The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 18 May 2021 and set up solely for the purposes of implementation of the Offer and the intended privatisation. Its issued share capital comprises 100 Offeror Shares which are owned by Mr. Tan. As at the Latest Practicable Date, the assets of the Offeror mainly comprised cash in the sum of approximately HK\$52 million representing the balance of the cash advanced by Mr. Tan in the sum of approximately HK\$54 million to finance the Offer, after deducting the fees and expenses incurred in connection with the Offer of approximately HK\$2 million while the major liabilities of the Offeror comprised the shareholder's loan from Mr. Tan for the Offer in the sum of approximately HK\$54 million. Further information of the Offeror are set out in the paragraph headed "Information on the Offeror" below.

Assuming all the Shareholders accept the Offer, the Company will be a wholly-owned subsidiary and the sole operating subsidiary of the Offeror and the value of each Offeror Share will primarily be determined by the value of the Offeror and the Company. As set out in Appendix IV to this Composite Document, after taking into account certain major assumptions, each of the Offeror Share has an estimated value of HK\$0.78 at the top end of the range and an estimated value of HK\$0.55 at the bottom end of the range. However, such estimated value does not take into account, among other things, any financial projections of the Company for the year ended 31 December 2020 and beyond, and any value derived from the Offeror Exit Arrangements as pursuant to the PureCircle Shareholders' Agreement, the fair value of the PureCircle Shares will be assessed by Ingredion unless a Minority Investor refers determination of the fair price to an independent valuer and **the Proceeds under the Offeror Exit Arrangements are highly uncertain and cannot be determined as at the Latest Practicable Date**. Details of the estimate of value of each Offeror Share are set out in Appendix IV to this Composite Document.

The Shareholders should note that **the Offeror is a company incorporated in the British Virgin Islands and the holders of Offeror Shares (including those Shareholders who will be allotted and issued Offeror Shares under the Share Alternative) will enjoy the rights and benefits attaching to the Offeror Shares as afforded under the relevant laws of the British Virgin Islands and the memorandum and articles of association of the Offeror**. Given that there is no intention to seek a listing of the Offeror Shares on any stock exchange, the Offeror Shares will be relatively illiquid and the holders of Offeror Shares will not be protected by any rules and regulations of any stock exchange or securities regulatory authorities. Moreover, section 4.1 of the Introduction to The Codes on Takeovers and Mergers and Share Buy-backs provides that The Codes on Takeovers and Mergers and Share Buy-backs apply to takeovers, mergers and share buy-backs affecting, among others, public companies in Hong Kong and section 4.2 of the Introduction to The Codes on Takeovers and Mergers and Share Buy-backs provides that in order to determine whether a company is a public company in Hong Kong, the Executive will take into account the number of Hong Kong shareholders and the extent of share trading in Hong Kong and other factors. If, upon the close of the Offer, the Offeror is determined by the Executive to be a "public company in Hong Kong", the Offeror will be subject to The Codes on Takeovers and Mergers and Share Buy-backs.

LETTER FROM KINGKEY SECURITIES

Comparison of value

The Offer Price of HK\$0.80 represents:

- (a) a premium of approximately 53.9% over the closing price of HK\$0.52 per Lee Hing Share quoted on the Stock Exchange on 16 March 2021, being the Last Trading Day;
- (b) a premium of approximately 28.6% over the average closing price of approximately HK\$0.622 per Lee Hing Share quoted on the Stock Exchange for the 5 consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a discount of approximately 3.7% to the average closing price of approximately HK\$0.831 per Lee Hing Share quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 28.7% to the average closing price of approximately HK\$1.122 per Lee Hing Share quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a discount of approximately 28.4% to the average closing price of approximately HK\$1.118 per Lee Hing Share quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a discount of approximately 63.7% to the audited consolidated net assets attributable to owners of the Company per Lee Hing Share of approximately HK\$2.2019 as at 31 December 2020, calculated based on the Group's audited consolidated net assets attributable to owners of the Company of approximately HK\$323,203,000 as at 31 December 2020 and 146,781,285 Lee Hing Shares in issue as at the Latest Practicable Date;
- (g) a discount of approximately 57.2% to the unaudited consolidated net assets attributable to owners of the Company per Lee Hing Share of approximately HK\$1.8692 as at 30 June 2021, calculated based on the Group's unaudited consolidated net assets attributable to owners of the Company of approximately HK\$274,370,000 as at 30 June 2021 and 146,781,285 Lee Hing Shares in issue as at the Latest Practicable Date;
- (h) a discount of approximately 69.0% to the adjusted unaudited consolidated net assets attributable to owners of the Company per Lee Hing Share of approximately HK\$2.58 as at 30 June 2021, calculated based on the Group's adjusted unaudited consolidated net assets attributable to owners of the Company of approximately HK\$378,616,000 as at 30 June 2021 after taking into account the valuation of the Group's property interests in aggregate of approximately HK\$189,870,000 with a valuation date of 30 September 2021 and 146,781,285 Lee Hing Shares in issue as at the Latest Practicable Date; and

LETTER FROM KINGKEY SECURITIES

- (i) a discount of approximately 68.2% to the Adjusted NAV (as defined in the section headed “Letter from the Independent Financial Adviser” in this Composite Document) per Lee Hing Share of approximately HK\$2.52 as at 30 June 2021, calculated based on the Group’s adjusted unaudited consolidated net assets attributable to owners of the Company of approximately HK\$369,162,000 as at 30 June 2021 after taking into account the adjustments thereon in aggregate of approximately HK\$94,792,000, as calculated in the sub-section headed “Letter from the Independent Financial Adviser — 6. The Cash Offer — (c) Historical Discount of Lee Hing Shares to NAV per Lee Hing Share” in this Composite Document, and 146,781,285 Lee Hing Shares in issue as at 30 June 2021.

As the trading of the Lee Hing Shares on the Stock Exchange has been suspended since 17 March 2021, no comparison of value can be made with the closing price per Lee Hing Share on 26 August 2021, being the last Business Day prior to the commencement of the Offer Period.

The Offer Price has been determined on a commercial basis after taking into account (i) the historical trading prices of the Lee Hing Shares as quoted on the Stock Exchange, in particular, the period after publication of the announcement of the Company dated 5 March 2021 regarding re-compliance with Rule 13.24 of the Listing Rules; and (ii) the fact that the Lee Hing Shares are currently suspended from trading.

Highest and lowest Lee Hing Share prices

During the six-month period from 17 September 2020 up to and including the Last Trading Day:

- (a) the highest closing price of the Lee Hing Shares quoted on the Stock Exchange was HK\$1.36 per Lee Hing Share on 17 September 2020; and
- (b) the lowest closing price of the Lee Hing Shares quoted on the Stock Exchange was HK\$0.52 per Lee Hing Share on 16 March 2021.

Value of the Offer

Assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to (and including) the close of the Offer and based on the Offer Price of HK\$0.80 per Lee Hing Share and 146,781,285 Lee Hing Shares in issue as at the Latest Practicable Date, the value of the Lee Hing Shares is HK\$117,425,028.

Assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to (and including) the close of the Offer and that (a) the members of the Offeror Concert Group elect the Share Alternative and (b) all the Disinterested Shareholders elect to receive cash payment under the Offer, and based on 146,781,285 Lee Hing Shares in issue as at the Latest Practicable Date, 58,465,285 Lee Hing Shares are subject to the cash payment under the Offer. As such, based on the Offer Price of HK\$0.80 per Lee Hing Share, the amount of cash consideration payable under the Offer is HK\$46,772,228.

LETTER FROM KINGKEY SECURITIES

Financial resources available to the Offeror

The Offeror intends to finance and satisfy the cash consideration payable under the Offer by a shareholder's loan advanced to it by Mr. Tan. The Offeror does not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) in relation to the shareholder's loan from Mr. Tan will depend to any significant extent on the business of the Group.

INCUB, being the financial adviser to the Offeror in relation to the Offer, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the cash consideration payable upon full acceptance of the Offer, assuming that none of the Disinterested Shareholders will opt for the Share Alternative and after taking into account the Irrevocable Undertakings and the Offeror's confirmation in writing to the Board that Mr. Tan, Zali International Limited and Zali Capital Limited (being members of the Offeror Concert Group) will accept the Offer in respect of all the Lee Hing Shares held by each of them and opt for the Share Alternative.

Condition of the Offer

The Offer is conditional only upon valid acceptances of the Offer having been received at or before 4:00 p.m. on the First Closing Date in respect of Lee Hing Shares which, together with the Lee Hing Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding not less than 70% of all the Lee Hing Shares then in issue. Such condition is not waivable by the Offeror. Upon the Offer becoming unconditional following the fulfilment of such condition, the Offer will remain open for acceptance until the expiry of a period of four months after the posting of this Composite Document for the purpose of allowing the Offeror to acquire further Lee Hing Shares to entitle it to exercise its compulsory acquisition rights as further particularised in the paragraph headed "Compulsory acquisition rights and withdrawal from listing" below. If such condition is not fulfilled, the Offer will lapse in accordance with the Takeovers Code.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes or is declared unconditional as to acceptances and when the Offer becomes or is declared unconditional in all respects.

Effect of accepting the Offer

Acceptance of the Offer by any Shareholder will be deemed to constitute a warranty by such person that all Lee Hing Shares sold by such person under the Offer are free from all Encumbrances and are sold together with all rights attaching to them, including all rights to any dividend or other distribution, the record date of which falls on or after the date on which the Offer is made, being the date of this Composite Document.

Acceptance of the Offer will be irrevocable and will not be capable of being withdrawn, except as permitted under the Takeovers Code.

Stamp Duty

Sellers' and buyers' Hong Kong ad valorem stamp duty for the Lee Hing Shares arising in connection with the acceptances of the Offer will be borne solely by the Offeror.

LETTER FROM KINGKEY SECURITIES

Taxation Advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with it, the Company, Kingkey Securities, INCU, the Independent Financial Adviser and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Disinterested Shareholders

Based on the register of members of the Company as at the Latest Practicable Date, there are 39 Overseas Disinterested Shareholders holding a total of 43,490,580 Lee Hing Shares (representing approximately 29.63% of the Lee Hing Shares in issue as at the Latest Practicable Date) with registered addresses in the Republic of Panama, Macau, Canada, the United Kingdom, the United States of America, Malaysia, the Philippines, France, Singapore and Australia.

The Offeror intends to make the Offer available to all Disinterested Shareholders, including those who are resident outside Hong Kong.

However, the Offer is in respect of securities of a company incorporated in Hong Kong and is subject to the procedural and disclosure requirements of Hong Kong which may be different from other jurisdictions. Overseas Disinterested Shareholders who wish to participate in the Offer but with a registered address outside Hong Kong may be subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offer. After considering the legal advice obtained on behalf of the Offeror and the Company on the regulatory and documentation requirements of sending the Composite Document to each such overseas addresses, the Offeror and the Company may have to comply with unduly onerous or burdensome regulatory and documentary requirements in order to send the Composite Document to the overseas addresses of the Overseas Disinterested Shareholders in the United Kingdom and the United States of America, due to the legal requirements of those jurisdictions.

The Offeror has applied to the Executive for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code, and the consent has been granted by the Executive that the Composite Document will not be sent to the overseas addresses of the Overseas Disinterested Shareholders in the United Kingdom and the United States of America. For the avoidance of doubt, no Shareholder is excluded from the Offer. In case any of these Overseas Disinterested Shareholders in the United Kingdom and the United States of America validly accepts the Offer, it will receive the consideration wholly in cash only.

LETTER FROM KINGKEY SECURITIES

Overseas Disinterested Shareholders and beneficial owners of Lee Hing Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer. It is the responsibility of Overseas Disinterested Shareholders and overseas beneficial owners of Lee Hing Shares who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Any acceptance by any Overseas Disinterested Shareholders and overseas beneficial owners of Lee Hing Shares will be deemed to constitute a representation and warranty from such Overseas Disinterested Shareholders or overseas beneficial owners of Lee Hing Shares, as applicable, to the Offeror that the local laws and requirements have been complied with. Overseas Disinterested Shareholders and overseas beneficial owners of Lee Hing Shares should consult their own professional advisers if in doubt.

Offeror Exit Arrangements

Upon the close of the Offer, all the members of the Offeror Concert Group, the other Disinterested Shareholders who validly accept the Offer and opt for the Share Alternative, and the Offeror will enter into the Shareholders' Agreement relating to the Offeror whose main purpose is to provide exit arrangements for each of the Entitled Shareholders (the "**Offeror Exit Arrangements**"). The entering into of the Shareholders' Agreement is a condition of opting for the Share Alternative by the Shareholders. By signing the Form of Acceptance and validly electing the Share Alternative, a Shareholder will be deemed to have agreed to enter into the Shareholders' Agreement and authorised any director of the Offeror as its agent to sign the Shareholders' Agreement on its behalf. Under the Offeror Exit Arrangements, the Offeror will be obliged to offer to repurchase in cash, in respect of each shareholder of the Offeror (excluding Mr. Tan, Zali International Limited and Zali Capital Limited, the entire issued share capital of both of which is ultimately beneficially owned by Mr. Tan) (the "**Entitled Shareholders**"), all (but not part) of the Offeror Shares held by the Entitled Shareholders in the manner described below.

(a) Underlying assets of the Offeror Exit Arrangements — PureCircle Shares

As at the Latest Practicable Date, the major assets of the Group comprised, among others, 36,746,277 ordinary B shares (the "**PureCircle Shares**") in PureCircle Limited (formerly known as Ingedion SRSS Holdings Limited) ("**PureCircle**"), an investment holding company of Ingedion Incorporated ("**Ingedion**") incorporated in England and Wales specifically for the purposes of the London Listco Privatisation, representing approximately 8.21% of the ordinary shares of PureCircle in issue. Based on the consolidated management accounts of the Company for the six months ended 30 June 2021, the PureCircle Shares held by the Group had a carrying value of approximately HK\$178,600,000 (which was calculated by reference to the unaudited net asset value of PureCircle as shown in its unaudited management accounts for the six months ended 30 June 2021 provided to the Group pursuant to the PureCircle Shareholders' Agreement) and represented approximately 40.6% respectively of the total assets of the Group as at 30 June 2021.

LETTER FROM KINGKEY SECURITIES

The PureCircle Shares were acquired by the Group pursuant to a scheme of arrangement effected in 2020 for the privatisation (the “**London Listco Privatisation**”) by Ingredion of PureCircle Limited (“**London Listco**”), a company incorporated in Bermuda having the same name as PureCircle and whose issued shares were listed on the Main Market of the London Stock Exchange plc before the London Listco Privatisation. London Listco is a producer and innovator of stevia sweeteners for the global food and beverage industry. Ingredion is headquartered in the Chicago, Illinois metropolitan area and is a leading global ingredient solutions provider serving customers in more than 120 countries. Upon the conclusion of the London Listco Privatisation, London Listco became wholly owned by PureCircle. At the same time, Ingredion’s shareholding in PureCircle decreased from 100% to 75% upon the allotment and issue of new shares in PureCircle to the shareholders of the London Listco who elected to receive such new shares in exchange for their shares in the London Listco under the London Listco Privatisation. Further particulars of the London Listco Privatisation are set out in the section headed “Letter from the Board — The Scheme and the Acquisition” on pages 11 to 31 of the circular of the Company dated 23 July 2020.

(b) PureCircle Exit Arrangements

A shareholders’ agreement dated 9 April 2020 (the “**PureCircle Shareholders’ Agreement**”) between Ingredion, the minority investors of PureCircle (which includes the wholly owned subsidiary of the Company holding the PureCircle Shares) (the “**Minority Investors**”) and PureCircle were entered into to provide for certain arrangements applicable after the London Listco Privatisation was successfully implemented. Among those arrangements are the following exit arrangements (the “**PureCircle Exit Arrangements**”) which allow or (as the case may be) require the Minority Investors to sell their shares of PureCircle to Ingredion:

	Nature	Relevant period/Exercise period
“Annual Purchase Offer”	an annual offer during each year in the relevant period to be made by Ingredion to the Minority Investors to purchase their shares of PureCircle	four years starting from 1 January 2022 and expiring on 31 December 2025
“Put Option”	an option granted to the Minority Investors to require Ingredion to purchase their shares of PureCircle	four years starting from 1 January 2022 and expiring on 31 December 2025
“Call Option”	an option granted to Ingredion to require the Minority Investors to sell their shares of PureCircle to Ingredion	after 1 July 2025

LETTER FROM KINGKEY SECURITIES

(i) *Annual Purchase Offer*

- annually with effect from 1 January 2022 and for three consecutive years thereafter (namely in total for a period of four years starting from 1 January 2022 and expiring on 31 December 2025), Ingredion shall notify the Minority Investors of the number of the shares of PureCircle it is willing to purchase that year, which will be equal to at least 6.25% of the total issued shares of PureCircle;
- Ingredion will be obliged to offer to buy such shares of PureCircle in accordance with the fair price mechanism set out in the PureCircle Shareholders' Agreement (namely, the fair value of the PureCircle Shares as assessed by Ingredion unless a Minority Investor refers determination of the fair price to an independent valuer who will be required to apply the valuation methodology as mentioned in sub-paragraph (ii) (*Valuation Methodology*) below). The PureCircle Shareholders' Agreement does not specify any basis on which Ingredion shall determine the fair value of the PureCircle Shares;
- the number of PureCircle shares to be offered by Ingredion to purchase in each of those years under the Annual Purchase Offer shall be reduced by such number of PureCircle shares which has in that year (other than the year expiring on 31 December 2025 (Note)) been put to Ingredion in accordance with the Put Option; and

Note: The Directors believe that PureCircle Shares put to Ingredion upon exercise of the Put Option by the Minority Investors in the year expiring on 31 December 2025 is deliberately excluded from calculating the 6.25% minimum of PureCircle Shares which Ingredion is obliged to purchase from the Minority Investors for that year under the Annual Purchase Offer. In the year expiring on 31 December 2025, the Minority Investors may exercise the Put Option to require Ingredion to purchase any remaining PureCircle Shares held by the Minority Investors. In view of this mechanism which allows the Minority Investors (by exercising the Put Option) to put to Ingredion all the remaining PureCircle Shares held by them, it is not necessary to deduct the number of PureCircle Shares which may be put to Ingredion by the Minority Investors under the Put Option in that year from the 6.25% minimum of PureCircle Shares to be offered to buy by Ingredion from the Minority Investors for that year under the Annual Purchase Offer.

- each Minority Investor will have the right (but not the obligation) to sell to Ingredion its pro-rata percentage of the number of shares of PureCircle which Ingredion offers to purchase in the relevant year at the fair price determined by the fair price mechanism described above.

LETTER FROM KINGKEY SECURITIES

(ii) Valuation Methodology

The valuation methodology specified in the PureCircle Shareholders' Agreement to be applied by the independent valuer as mentioned above is that the "fair price" following referral to the independent valuer shall be the price in US\$ determined on discounted cash flows based on recent past performance of PureCircle and projected five year cash flows of PureCircle which the independent valuer determines to be the fair value of the shares of PureCircle (on a per share of PureCircle basis) as at the date of the relevant notice on a sale as between a willing seller and a willing purchaser (taking no account of whether the shares do or do not carry control of PureCircle or result in Ingredion having a greater level of control as a result of the acquisition of the shares) and, if PureCircle is then carrying on business as a going concern, on the assumption that it will continue to do so. The "relevant notice" referred to above means the relevant notice that may be served (as the case may be): (a) by Ingredion on the Minority Investors under the Annual Purchase Offer in the relevant year; (b) by Ingredion on the Minority Investors when and if Ingredion exercises the Call Option; or (c) by a Minority Investor on Ingredion when and if the Minority Investor exercises the Put Option.

(iii) Put Option and Call Option

The Put Option is exercisable during a period of four years starting from 1 January 2022 and expiring on 31 December 2025. During such period: (a) in each of the three consecutive years commencing on 1 January 2022 and expiring on 31 December 2024, the Minority Investors may exercise the Put Option to require Ingredion to purchase, in aggregate, 6.25% of the issued shares of PureCircle; and (b) in the year commencing on 1 January 2025 and expiring on 31 December 2025, the Minority Investors may exercise the Put Option to require Ingredion to purchase any remaining shares of PureCircle. The Company will take into account numerous factors (including mainly, but not limited to, the financial performance of PureCircle and the book value of PureCircle Shares held by the Group) to decide whether to exercise the Put Option, which is exercisable once annually during the period from 1 January 2022 and expiring on 31 December 2025, and how many PureCircle Shares to be put to Ingredion upon each exercise.

After 1 July 2025, Ingredion will be able to exercise the Call Option to require each Minority Investor to sell to Ingredion any shares of PureCircle that the Minority Investor still owns.

The shares of PureCircle held by the Minority Investors shall be acquired under the Put Option and/or the Call Option in accordance with the fair price mechanism set out in the PureCircle Shareholders' Agreement (which shall be the fair value of the PureCircle Shares as assessed by Ingredion unless a Minority Investor refers determination of the fair price to an independent valuer who will be required to apply the same valuation methodology as mentioned in sub-paragraph

LETTER FROM KINGKEY SECURITIES

(ii) (*Valuation methodology*) above). The PureCircle Shareholders' Agreement does not specify any basis on which Ingredion shall determine the fair value of the PureCircle Shares.

Further particulars of the PureCircle Shareholders' Agreement and the PureCircle Exit Arrangements are set out in the paragraph headed "Letter from the Board — The Scheme and the Acquisition — The Bidco Shareholders' Agreement" on pages 24 to 29 of the circular of the Company dated 23 July 2020.

(c) *How the Offeror Exit Arrangements work*

The particulars of the Offeror Exit Arrangements are as follows:

- assuming the Offer becomes unconditional, the Offeror will become a shareholder of the Company with such percentage shareholding as will depend on the level of acceptance of the Offer. In any event (including where the proposed privatisation of the Company succeeds or not), the proceeds (the "**Proceeds**") that may be received by the Group from Ingredion arising from the disposal of PureCircle Shares by the Group to Ingredion pursuant to the PureCircle Exit Arrangements will be distributed by way of cash dividend to the then shareholders of the Company in proportion to their respective shareholding in the Company at that time. The Offeror will be entitled to such part of the Proceeds based on its then shareholding in the Company. Those Shareholders who do not accept the Offer will, unless already disposed of all the Lee Hing Shares after the Offer period, remain as shareholders of the Company and will also be entitled to participate in the distribution of the Proceeds by the Company in the above manner;
- within three months after receipt of all Proceeds by the Group, the Offeror shall procure the Company to produce its audited consolidated balance sheet as at the last day of the month in which all of the Proceeds are received by the Group (the "**Audited Balance Sheet**");
- the Offeror shall serve on each of the Entitled Shareholders within 30 days after the Audited Balance Sheet is available a written offer to repurchase the Offeror Shares setting out, among others, the number of Offeror Shares subject to the repurchase offer (i.e. the number of Offeror Shares held by the relevant Entitled Shareholder at that time as recorded in the Offeror's register of members) and the total consideration payable therefor, together with a copy of the Audited Balance Sheet;

LETTER FROM KINGKEY SECURITIES

- the consideration for each Offeror Share to be repurchased will be equal to 70% of the proportional share of an Offeror Share of the consolidated net asset value of the Company as shown in the Audited Balance Sheet, as calculated by the following formula:

$$C = \frac{\text{NAV} \times \text{SH} \times 70\%}{\text{TN}}$$

whereas:

- “C” means the consideration payable by the Offeror for each Offeror Share
- “NAV” means the consolidated net asset value of the Company as shown in the Audited Balance Sheet
- “SH” means the then percentage shareholding of the Offeror in the Company
- “TN” means the total number of Offeror Shares then in issue
- “70%” represents 70% of the consideration to the NAV set by the Offeror ^(Note)

Note: The consolidated net asset value of the Company as shown in the Audited Balance Sheet will take into account not only the value of the PureCircle Shares held by the Group but also the value of all other assets of the Group (including shares in IGB Berhad). In addition, the Offeror intends to retain a portion of the Proceeds that will be distributed to it by the Company as general working capital for the Group’s continued operation. Therefore, the Offeror considers that setting the consideration at 70% of the consolidated net asset value of the Company as shown in the Audited Balance Sheet is reasonable.

- the consideration will be paid to the accepting Entitled Shareholders within 30 days from the receipt by the Offeror of the written acceptance together with the certificate for the relevant Offeror Shares and the duly completed and signed transfer document from the accepting Entitled Shareholder;
- the consideration will be funded by the Proceeds;
- based on the timeline of the PureCircle Exit Arrangements, it is expected that the repurchase offer under the Offeror Exit Arrangements will be made in the first half of 2026;
- for the avoidance of doubt, only one repurchase offer will be made by the Offeror to the Entitled Shareholders under the Offeror Exit Arrangements; and

LETTER FROM KINGKEY SECURITIES

- pursuant to the Shareholders' Agreement, the Offeror is obliged to supply each Offeror Shareholder with a copy of its audited accounts within three weeks (or such longer period as the board of directors of the Offeror may decide) of their being approved by the board of directors of the Offeror.

All material terms of the Shareholders' Agreement have been disclosed above. The Shareholders' Agreement does not contain any special rights that may be enjoyed by Mr. Tan and parties acting in concert with him. The form of the Shareholders' Agreement is set out in Annexure 1 to this Composite Document.

The parties to the Shareholders' Agreement (including all the shareholders of the Offeror) will, by signing the Shareholders' Agreement (by themselves or through their respective agents), confirm or (as applicable) be deemed to have confirmed that they have given their written consent to the Offeror Exit Arrangements to be effected by way of repurchase of the Offeror Shares by the Offeror.

The Offeror has also amended its articles of association to incorporate the terms of the Offeror Exit Arrangements as set out in the Shareholders' Agreement. The amendments made to the articles of association of the Offeror provide further protections to the shareholders of the Offeror as afforded by the amended articles of association of the Offeror and the relevant laws of the British Virgin Islands on top of the Shareholders' Agreement with regard to the terms of the Offeror Exit Arrangements. Moreover, since any repurchase of the Offeror Shares that may be made by the Offeror in accordance with its amended articles of association will be a repurchase made as required by, and in accordance with, the terms and conditions attached to the Offeror Shares without any further prior agreement of the shareholders of the Offeror Shares, it will qualify as an Exempt Share Buy-back as defined in the Codes on Takeovers and Mergers and Share Buy-backs. A summary of the major provisions of the amended memorandum and articles of association of the Offeror and the full text thereof are set out in Annexure 2 to this Composite Document.

Mr. Tan, Zali International Limited and Zali Capital Limited will undertake in favour of the Offeror not to accept any offer made by the Offeror in accordance with the amended articles of association of the Offeror to repurchase their Offeror Shares as they intend to continue to hold their Offeror Shares.

None of the shareholders of the Offeror will be obliged to accept the repurchase offer under the Offeror Exit Arrangements. Any shareholder of the Offeror who does not accept the repurchase offer under the Offeror Exit Arrangements will remain as a shareholder of the Offeror and a party to the Shareholders' Agreement and continue to enjoy the rights and benefits attaching to the Offeror Shares it holds and to be subject to its rights and obligations under the Shareholders' Agreement. The Offeror does not have any obligation to make another repurchase offer for the Offeror Shares, whether under the Shareholders' Agreement, its amended articles of association or otherwise.

LETTER FROM KINGKEY SECURITIES

Shareholders who opt for the Share Alternative will be able to enjoy the benefits of the Offeror Exit Arrangements under the Shareholders' Agreement. However, the consideration payable under the Offeror Exit Arrangements, and that under the PureCircle Exit Arrangements (including the Put Option and the Call Option) are yet to be determined. Hence, the consideration payable under the Offeror Exit Arrangements may be higher or lower than the Offer Price under the Offer. Further, in the event that (i) the Group decides not to sell any PureCircle Shares to Ingredion under the Annual Purchase Offers and not to exercise the Put Option and (ii) Ingredion decides not to exercise the Call Option, no Proceeds will be received by the Group as a result of which no repurchase offer under the Offeror Exit Arrangements will be made by the Offeror. The Group will therefore remain as a shareholder of PureCircle.

COMPULSORY ACQUISITION RIGHTS AND WITHDRAWAL FROM LISTING

If the Offeror acquires such number of Lee Hing Shares under the Offer as represents not less than 90% of all the Lee Hing Shares (by virtue of the acceptances of the Offer or otherwise) and not less than 90% of all the Lee Hing Shares held by the Disinterested Shareholders within, but not exceeding, the period of 4 months after the posting of this Composite Document, the Offeror intends to privatise the Company by exercising the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance to acquire the remaining Lee Hing Shares held by the Disinterested Shareholders, following which the listing of the Company on the Main Board of the Stock Exchange will be withdrawn pursuant to Rule 6.15(1) of the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules in this regard.

The compulsory acquisition will be made on the terms of the Offer, including the consideration payable by the Offeror, the right of the relevant Disinterested Shareholders to elect either cash payment or the Share Alternative or both, and the requirement to provide the KYC Documents by the relevant Disinterested Shareholders who elect the Share Alternative. When and if the Offeror becomes entitled to compulsorily acquire the remaining Lee Hing Shares held by Disinterested Shareholders who have not accepted the Offer, the Offeror will give a written notice to the relevant Disinterested Shareholders that the Offeror desires to acquire the remaining Lee Hing Shares pursuant to section 693 of the Companies Ordinance. Pursuant to section 694(1) of the Companies Ordinance, the written notice must be in the specified form and given to the relevant Disinterested Shareholders before whichever is the earlier of (i) the end of 3 months beginning on the day after the close of the Offer or (ii) the end of 6 months beginning on the date of the Offer. Since a Shareholder may elect cash payment or the Share Alternative under the Offer, any of the relevant Disinterested Shareholders may within 2 months after the date of the written notice indicate his/her/its election by a letter to the Offeror at its address specified in the written notice. Where a relevant Disinterested Shareholder does not indicate his/her/its election within the prescribed 2-month period or at all, he/she/it will be deemed to have elected cash payment in respect of all of his/her/its Lee Hing Shares which are subject to the compulsory acquisition. Unless an order is made as referred to below, the Offeror is entitled and bound to acquire the relevant Lee Hing Shares on the terms of the Offer. The Offeror will then send to the Company a copy of the written notice given to the relevant Disinterested Shareholders and instruments of transfer of the

LETTER FROM KINGKEY SECURITIES

relevant Lee Hing Shares executed on behalf of the relevant Disinterested Shareholders by a person appointed by the Offeror for the Company to effect the transfer of the relevant Lee Hing Shares to the Offeror. Under section 695(3) of the Companies Ordinance, any of the relevant Disinterested Shareholders may, within 2 months after the date on which the written notice was given by the Offeror as mentioned above, apply to the Court of First Instance of the High Court of Hong Kong for an order that the Offeror is not entitled and bound to acquire the relevant Lee Hing Shares or the Offeror is entitled and bound to acquire the relevant Lee Hing Shares on the terms specified in the order. If a Disinterested Shareholder applies to the court pursuant to section 695(3) of the Companies Ordinance but the court eventually dismisses the application or otherwise does not rule in its favour, the Offeror shall pay the consideration for the Lee Hing Shares held by such Disinterested Shareholder as soon as practicable after the application for the court order has been disposed of. In the event that the court orders a higher consideration than the Offer Price be paid for each Lee Hing Share held by the Disinterested Shareholder upon its application made under section 695(3) of the Companies Ordinance, the Offeror will at the direction of the court: (i) pay all Shareholders from whom the Offeror will compulsorily acquire Lee Hing Shares such higher consideration for each Lee Hing Share acquired from such other Shareholders; and (ii) pay to all other Shareholders who have validly accepted the Offer the difference between such higher consideration and the Offer Price for each Lee Hing Share acquired from such other Shareholders.

For the Lee Hing Shares that may be acquired by the Offeror exercising its compulsory acquisition rights as mentioned above, the Offeror will settle the consideration at the Offer Price wholly in cash (unless, in respect of each Disinterested Shareholder (excluding the Overseas Disinterested Shareholders in the United Kingdom and the United States of America who will receive the consideration wholly in cash), he/she/it validly elects the Share Alternative). To each Disinterested Shareholder holding any Lee Hing Share(s) to which the compulsory acquisition applies (other than any such Disinterested Shareholder who cannot be found), subject to the production of the relevant documents of title or indemnity to the Company's satisfaction and (where applicable) the KYC Documents, consideration for such Lee Hing Shares will be settled by cheque to be posted (or, where applicable, share certificate(s) for Offeror Share(s)) by ordinary post as soon as possible but in any event within seven Business Days following the expiry of the two month period specified in section 696 of the Companies Ordinance which will commence from the date of giving of the written notice by the Offeror to such Disinterested Shareholder for acquiring its Lee Hing Shares served pursuant to section 693 of the Companies Ordinance. For any Disinterested Shareholder who cannot be found, the Offeror will pay the consideration it is entitled to receive to the Company who will hold it on trust for such Disinterested Shareholder in accordance with section 698 of the Companies Ordinance. Sellers' and buyers' Hong Kong ad valorem stamp duty for the Lee Hing Shares arising in connection with the compulsory acquisition of Lee Hing Shares by the Offeror as mentioned above will be borne solely by the Offeror.

Whilst it is the intention of the Offeror to privatise the Company, the Offeror's ability to exercise rights of compulsory acquisition in respect of the Lee Hing Shares is dependent on the level of acceptance of the Offer reaching the prescribed level under Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance and on the requirements of Rule 2.11 of the Takeovers Code being satisfied. If the Lee Hing Shares

LETTER FROM KINGKEY SECURITIES

validly tendered for acceptance under the Offer are less than 90% of all the Lee Hing Shares or less than 90% of all the Lee Hing Shares held by the Disinterested Shareholders, the Lee Hing Shares will remain listed on the Main Board of the Stock Exchange. In any event, the trading in the Lee Hing Shares will remain suspended and the listing of the Lee Hing Shares will eventually be cancelled by the Stock Exchange if the Company cannot re-comply with Rule 13.24 of the Listing Rules on or before the expiration of the 18-month period, i.e. by 16 September 2022.

INFORMATION ON THE GROUP

The Company was incorporated in Hong Kong with limited liability and its issued shares are listed on the Main Board of the Stock Exchange. The principal activities of the Group are property investment, property development, investment holding and sale and purchase of securities.

Your attention is also drawn to the information on the Group set out in the paragraph headed “Letter from the Board — Information on the Group” and Appendix V to this Composite Document.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 18 May 2021 and its issued share capital as at the Latest Practicable Date comprised 100 Offeror Shares which were owned by Mr. Tan. On 25 June 2021, a shareholder’s resolution of the Offeror was passed whereby each one ordinary share of US\$1.00 (whether issued or unissued) was sub-divided into 100 ordinary shares of US\$0.01 each. As a result of the aforesaid share sub-division, the only ordinary share of US\$1.00 then in issue of the Offeror and held by Mr. Tan was sub-divided into 100 ordinary shares of US\$0.01 each of the Offeror (i.e. 100 Offeror Shares). Save for the purposes of the implementation of the Offer and the intended privatisation of the Company, the Offeror is not intended to engage in any business activities. The sole director of the Offeror is Mr. Tan. As at the Latest Practicable Date, the assets of the Offeror mainly comprised cash in the sum of approximately HK\$52 million representing the balance of the cash advanced by Mr. Tan in the sum of approximately HK\$54 million to finance the Offer, after deducting the fees and expenses incurred in connection with the Offer of approximately HK\$2 million while the major liabilities of the Offeror comprised the shareholder’s loan from Mr. Tan for the Offer in the sum of approximately HK\$54 million.

As at the Latest Practicable Date:

- (a) Mr. Tan was the chairman of the Company, an executive Director and a Shareholder holding directly and indirectly an aggregate of 51,719,000 Lee Hing Shares, representing approximately 35.23% of all Lee Hing Shares then in issue; and
- (b) Mr. Tan and parties acting in concert with him (other than any member of the Group) held an aggregate of 7,045,616 shares in PureCircle, representing approximately 1.57% of all shares of PureCircle in issue as at the Latest Practicable Date.

LETTER FROM KINGKEY SECURITIES

SHAREHOLDING STRUCTURE OF THE OFFEROR

The following table sets out the shareholding structure of the Offeror (i) as at the Latest Practicable Date; (ii) immediately after completion of the Offer (assuming that all Shareholders opt for the Share Alternative under the Offer); and (iii) immediately after completion of the Offer (assuming that only the members of the Offeror Concert Group (excluding the Offeror) opt for the Share Alternative under the Offer):

	As at the Latest Practicable Date		Immediately after completion of the Offer (assuming that all Shareholders opt for the Share Alternative under the Offer)		Immediately after completion of the Offer (assuming that only the members of the Offeror Concert Group (excluding the Offeror) opt for the Share Alternative under the Offer)	
	Number of Offeror Shares	Approximate %	Number of Offeror Shares	Approximate %	Number of Offeror Shares	Approximate %
<i>Offeror Concert Group (excluding the Offeror):</i>						
Mr. Tan	100	100.00	1,479,000	1.00	1,479,000	1.67
Wah Seong Enterprises Sdn. Bhd. (Note 1)	-	-	2,100,000	1.43	2,100,000	2.38
Zali International Limited (Note 2)	-	-	14,386,000	9.80	14,386,000	16.29
Zali Capital Limited (Note 2)	-	-	35,854,000	24.43	35,854,000	40.60
Ms. Connie Cheng Wai Ka (Note 3)	-	-	10,000	0.01	10,000	0.01
Ms. Tan Mei Sian (Note 4)	-	-	1,490,500	1.02	1,490,500	1.69
Mr. Tan Yee Seng (Note 4)	-	-	1,490,500	1.02	1,490,500	1.69
Petaling Garden (Note 5)	-	-	29,006,000	19.76	29,006,000	32.84
TKY Sdn. Bhd. (Note 6)	-	-	2,500,000	1.70	2,500,000	2.83
sub-total:	100	100.00	88,316,000	60.17	88,316,000	100.00
Public Shareholders	-	-	58,465,285	39.83	-	-
	100	100.00	146,781,285	100.00	88,316,000	100.00

Notes:

- Each of Tan Chin Nam Sdn. Bhd. and TKY Sdn. Bhd. is an ultimate controlling shareholder of Wah Seong Enterprises Sdn. Bhd., ultimately holding approximately 34.56% and 42.51% of all the shares of Wah Seong Enterprises Sdn. Bhd. in issue respectively. Tan Chin Nam Sdn. Bhd. is controlled by the children of the late Mr. Tan Chin Nam, who was the father of Mr. Tan, whereas TKY Sdn. Bhd. is held by the family members of the late Mr. Tan Kim Yeow, who was an uncle of Mr. Tan. The remaining approximately 22.93% of all the shares of Wah Seong Enterprises Sdn. Bhd. in issue are ultimately held as to approximately 0.20% by Mr. Tan, as to approximately 1.20% by the wife of the late Mr. Tan Kim Yeow and as to approximately 21.53% by a number of independent investors, none of whom ultimately holds more than approximately 2%.

LETTER FROM KINGKEY SECURITIES

2. Each of Zali International Limited and Zali Capital Limited is ultimately beneficially 100% owned by Mr. Tan.
3. Ms. Connie Cheng Wai Ka is the wife of Mr. Tan.
4. Ms. Tan Mei Sian and Mr. Tan Yee Seng are children of Mr. Tan.
5. To the best knowledge, belief and information of the Company having made all reasonable enquiries, Petaling Garden is ultimately controlled by the late Mr. Ang Guan Seng's immediate family members and their respective associates (as defined in the Listing Rules) and parties acting in concert with any of them. Save and except that (a) the late Mr. Ang Guan Seng and the late Mr. Tan Chin Nam, who was the father of Mr. Tan, were business partners and (b) Petaling Garden was holding Lee Hing Shares as at the Latest Practicable Date, the late Mr. Ang Guan Seng's immediate family members have no relationship with the Offeror.
6. TKY Sdn. Bhd. is held by the family members of the late Mr. Tan Kim Yeow, who was an uncle of Mr. Tan.

INTENTION OF THE OFFEROR REGARDING THE GROUP

If the Offeror acquires such number of Lee Hing Shares under the Offer as represents not less than 90% of all the Lee Hing Shares (by virtue of the acceptances of the Offer or otherwise) and not less than 90% of all the Lee Hing Shares held by the Disinterested Shareholders within, but not exceeding, the period of 4 months after the posting of this Composite Document, the Offeror intends to privatise the Company by exercising the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance to acquire the remaining Lee Hing Shares held by the Disinterested Shareholders, following which the listing of the Company on the Main Board of the Stock Exchange shall be withdrawn pursuant to the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules in this regard. In the event that the Offeror and parties acting in concert with it come to hold 70% or more, but less than 90%, of all the Lee Hing Shares in issue at the close of the Offer, the Lee Hing Shares will remain listed on the Main Board of the Stock Exchange.

The Board currently has five Directors, comprising two executive Directors and three independent non-executive Directors. It is the Offeror's intention that all the independent non-executive Directors shall cease to be Directors with effect from the date on which the withdrawal of the listing of the Company on the Main Board of the Stock Exchange becomes effective following the compulsory acquisition by the Offeror to acquire the remaining Lee Hing Shares held as mentioned in the preceding paragraph (if such withdrawal materialises).

Save as aforesaid, the Offeror does not have any intention to introduce any significant changes to the existing operations and management of the Group, including any redeployment of the fixed assets of the Group (save for the disposal of PureCircle Shares contemplated under the PureCircle Exit Arrangements), nor does it have any intention to make any significant changes to the continued employment of the Group's employees. Furthermore, Mr. Tan and the Offeror do not currently have any intention to seek a listing of the Offeror Shares or the business of the Group on a stock exchange, whether in Hong Kong or in another jurisdiction.

LETTER FROM KINGKEY SECURITIES

REASONS FOR, AND THE BENEFITS OF, THE OFFER MADE BY THE OFFEROR

As disclosed in the announcement of the Company dated 5 March 2021, the Company received on that day a letter from the Stock Exchange notifying the Company of its decision that the Company has failed to maintain a sufficient level of operations and assets of sufficient value to support its operations under Rule 13.24 of the Listing Rules to warrant the continued listing of the Lee Hing Shares and that, subject to the right of review, trading of the Lee Hing Shares be suspended under Rule 6.01(3) of the Listing Rules. Accordingly, trading in the Lee Hing Shares has been suspended since 9:00 a.m. on 17 March 2021 pending re-compliance with Rule 13.24 of the Listing Rules by the Company and fulfilment of any resumption guidance that may be set by the Stock Exchange.

Since the suspension of trading, the Company has been trying to identify feasible solutions to re-comply with Rule 13.24 of the Listing Rules, namely, assessing and identifying suitable business to be acquired by the Group which having regard to the existing business of the Group would constitute a reverse takeover of the Company as defined under the Listing Rules. As a result of the COVID-19 pandemic, a lot of businesses have been materially adversely affected in terms of turnover and prospects. Therefore, based on an assessment by the Board having regard to, among others, the prevailing global economic environment, the uncertainties in the operation of businesses posed by the pandemic, the financial position of the Group and the funding need for the acquisition, the Group is facing tremendous challenges in identifying and acquiring a suitable business which is able to meet the relevant requirements of the Listing Rules and completing the acquisition of such business for the purpose of re-complying with Rule 13.24 of the Listing Rules within the 18-month period starting from the date on which the suspension of trading in the Lee Hing Shares commenced. On the other hand, the Stock Exchange is of the view that the securities trading business of the Company, which contributed to approximately 93.80% of the revenue and income of the Group for the year ended 31 December 2020, shall be excluded for the purpose of assessing compliance with Rule 13.24(1) of the Listing Rules. As such, the only alternative for the Company to re-comply with Rule 13.24 of the Listing Rules is to acquire a business which can meet the new listing requirements set out in Chapter 8 of the Listing Rules. As at the Latest Practicable Date, no progress had been made in identifying a suitable solution to re-comply with Rule 13.24 of the Listing Rules.

In light of the uncertainty of re-complying with Rule 13.24 of the Listing Rules on or before the expiration of the 18-month period, i.e. by 16 September 2022, it is the belief of the Offeror and Mr. Tan that the Offer is an exit arrangement to the Disinterested Shareholders prior to the expiration of the 18-month period which provides such Shareholders an opportunity either (a) to realise their investment in the Company before the delisting of the Company or (b) to continue as shareholders of the Offeror through opting for the Share Alternative to enjoy any future increase in value of the Offeror Shares. **For the avoidance of doubt, if the Offer becomes unconditional but the thresholds for the exercise of the compulsory acquisition rights to which the Offeror may be entitled under Rule 2.11 of the Takeovers Code and Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance are not reached, those Disinterested Shareholders who do not accept the Offer will remain as shareholders of the Company which will become a**

LETTER FROM KINGKEY SECURITIES

non-wholly owned subsidiary of the Offeror (with the Offeror holding not less than 70% of its shareholding) upon completion of the Offer (on the basis that the members of the Offeror Concert Group (excluding the Offeror) accept the Offer) and will not be able to enjoy the benefits of the Offeror Exit Arrangements but will remain entitled to any Proceeds which the Company may distribute by way of dividend according to their then shareholding percentage in the Company. Furthermore, there is currently no plan for the Company to seek a new listing on any stock exchange in the foreseeable future if the Company has been privatised or delisted on or before the expiration of the 18-month period, i.e. 16 September 2022.

ACCEPTANCE AND SETTLEMENT OF THE OFFER

Your attention is drawn to the details regarding the procedures for acceptance and settlement of the Offer as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

GENERAL

To ensure equality of treatment of all Shareholders, those Shareholders who hold the Lee Hing Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Lee Hing Shares, whose investments are registered in nominee names, to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

All documents and remittances will be sent to the Shareholders by ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members, or, in case of joint holders to the Shareholder whose name appears first in the said register of members. None of the Offeror, parties acting in concert with it, the Company, Kingkey Securities, INCU, the Independent Financial Adviser, the Registrar, their respective ultimate beneficial owners, directors, officers, advisers, associates, agents or any persons involved in the Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

LETTER FROM KINGKEY SECURITIES

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. In addition, your attention is also drawn to the “Letter from the Board”, the “Letter from the Independent Board Committee” and the letter of advice by the Independent Financial Adviser to the Independent Board Committee in respect of the Offer as set out in the “Letter from the Independent Financial Adviser” contained in this Composite Document.

Yours faithfully,
For and on behalf of
Kingkey Securities Group Limited
Anthony Au
Executive Director

LETTER FROM THE BOARD

LEE HING DEVELOPMENT LIMITED

利興發展有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 68)

Executive Directors:

Mr. Tan Boon Seng (*Chairman and Managing Director*)

Mr. Chan Kai Kwok

Registered and principal office:

Suite 1506-07, 15th Floor

Nine Queen's Road Central

Hong Kong

Independent non-executive Directors:

Mr. Ho Hau Chong, Norman

Mr. Fung Ka Pun

Mr. Lim Lay Leng

10 November 2021

To the Disinterested Shareholders

Dear Sir/Madam,

**(I) THE VOLUNTARY CONDITIONAL CASH OFFER, WITH AN
ALTERNATIVE TO RECEIVE SHARES IN LEE HING (2021) LIMITED
(FORMERLY KNOWN AS CLASSIC PRESTIGE LIMITED),
BY KINGKEY SECURITIES GROUP LIMITED
ON BEHALF OF
LEE HING (2021) LIMITED
(FORMERLY KNOWN AS CLASSIC PRESTIGE LIMITED)
TO ACQUIRE ALL THE ISSUED SHARES OF
LEE HING DEVELOPMENT LIMITED
AND
(II) POSSIBLE PRIVATISATION**

INTRODUCTION

Reference is made to the Joint Announcement.

The Board was informed by the Offeror on 5 July 2021 that Kingkey Securities, on behalf of the Offeror, will make a voluntary conditional cash offer, with an alternative to receive shares in the Offeror, to acquire all the Lee Hing Shares.

The purpose of this Composite Document is to provide you with, among other things, (i) information on the Group, the Offeror and the Offer; (ii) the recommendation of the Independent Board Committee to the Disinterested Shareholders in respect of the terms of the Offer and as to acceptance of the Offer; and (iii) the letter from the Independent Financial Adviser, containing its advice and recommendation to the Independent Board Committee in relation to the Offer.

LETTER FROM THE BOARD

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Ho Hau Chong, Norman, Mr. Fung Ka Pun and Mr. Lim Lay Leng, has been established in accordance with Rules 2.1 and 2.8 of the Takeovers Code to advise and give a recommendation to the Disinterested Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

Octal Capital has been appointed as the independent financial adviser by the Company with approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer and as to its acceptance.

THE OFFER

Principal terms of the Offer

Under the terms of the Offer, a Shareholder may, in respect of its Lee Hing Shares validly tendered for acceptance, elect:

- (a) wholly to receive cash payment; or
- (b) wholly to receive Offeror Shares under the Share Alternative; or
- (c) partly to receive cash payment and partly to receive Offeror Shares under the Share Alternative.

The terms of the Offer as set out in the section headed "Letter from Kingkey Securities" in this Composite Document are extracted below. You are recommended to refer to the section headed "Letter from Kingkey Securities" in this Composite Document and the accompanying Form of Acceptance for further details.

Kingkey Securities is making the Offer, on behalf of the Offeror, in compliance with the Takeovers Code and on the terms set out in this Composite Document and the accompanying Form of Acceptance on the following basis:

- (a) For cash payment HK\$0.80 for every Lee Hing Share; or
- (b) For the Share Alternative one Offeror Share for every Lee Hing Share

As at the Latest Practicable Date, there was no dividend or other distribution that had been declared by the Company but not yet paid or made, and the Company had no intention to declare any dividend or other distribution during the Offer period.

Further details regarding the Offer, including the terms and procedures for acceptance of the Offer are set out in the sections headed "Letter of Kingkey Securities" and Appendix I to this Composite Document and the accompanying Form of Acceptance.

LETTER FROM THE BOARD

Irrevocable Undertakings

As at the Latest Practicable Date, the Offeror Concert Group (excluding the Offeror, which did not hold any Lee Hing Shares as at the Latest Practicable Date, Mr. Tan, Zali International Limited and Zali Capital Limited) in aggregate held 36,597,000 Lee Hing Shares, representing approximately 24.93% of all the Lee Hing Shares then in issue. Each of the members of the Offeror Concert Group (excluding the Offeror, Mr. Tan, Zali International Limited and Zali Capital Limited) has given an Irrevocable Undertaking in favour of the Offeror, pursuant to which each of them has undertaken that: (i) it will not sell, transfer, charge, encumber, grant any option or other right over or otherwise dispose of, or permit the sale, transfer, charging, encumbering, granting of any option or other right over or other disposal of any of the Lee Hing Shares held by it or interest in such Lee Hing Shares except under the Offer, or accept any other offer in respect of all or any of the Lee Hing Shares held by it or any other interest in any of such Lee Hing Shares; and (ii) it will duly accept (or procure the acceptance of) the Offer in respect of the Lee Hing Shares held by it in accordance with the terms of the Offer (including to make, or procure the making of, an election for the Share Alternative in respect of such Lee Hing Shares).

Additionally, the Offeror has confirmed in writing to the Board that Mr. Tan, Zali International Limited and Zali Capital Limited (being the members of the Offeror Concert Group who have not given the Irrevocable Undertakings and who as at the Latest Practicable Date held in aggregate 51,719,000 Lee Hing Shares, representing approximately 35.24% of all the Lee Hing Shares then in issue) will accept the Offer in respect of all the Lee Hing Shares held by each of them and opt for the Share Alternative.

Condition of the Offer

The Offer is conditional only upon valid acceptances of the Offer having been received at or before 4:00 p.m. on the First Closing Date in respect of Lee Hing Shares which, together with the Lee Hing Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding not less than 70% of all the Lee Hing Shares then in issue. Such condition is not waivable by the Offeror. Upon the Offer becoming unconditional following the fulfilment of such condition, the Offer will remain open for acceptance until the expiry of a period of four months after the posting of this Composite Document for the purpose of allowing the Offeror to acquire further Lee Hing Shares to entitle it to exercise its compulsory acquisition rights as further particularised in the paragraph headed "Letter from Kingkey Securities — Compulsory acquisition rights and withdrawal from listing" in this Composite Document. If such condition is not fulfilled, the Offer will lapse in accordance with the Takeovers Code.

INFORMATION ON THE GROUP

The Company was incorporated in Hong Kong with limited liability and its issued shares are listed on the Main Board of the Stock Exchange. The principal activities of the Group are property investment, property development, investment holding and sale and purchase of securities.

As at the Latest Practicable Date, the major assets of the Group comprised 35,829,816 ordinary shares in IGB Berhad, representing approximately 3.99% of all ordinary shares in

LETTER FROM THE BOARD

IGB Berhad then in issue, and 36,746,277 PureCircle Shares, representing approximately 8.21% of all shares in PureCircle then in issue. Based on the consolidated management accounts of the Company for the six months ended 30 June 2021, the shares in IGB Berhad and the PureCircle Shares held by the Group had a carrying value of approximately HK\$137,354,000 and HK\$178,600,000 respectively and represented approximately 31.2% and 40.6% respectively of the total assets of the Group as at 30 June 2021. Depending on the market conditions and the availability of funding to the Group, the Group may from time to time in its ordinary and usual course of business dispose of shares in IGB Berhad held by it through on market transactions on Bursa Malaysia Securities Berhad or through private placements by way of block trade(s) conducted through reputable financial institutions in Malaysia as placing agents. Further details of the possible disposal of shares in IGB Berhad by the Group are set out in the Company's announcement dated 16 February 2021.

IGB Berhad is a company incorporated in Malaysia, whose principal activities mainly consist of property investment and management, owner and operator of malls, hotel operations, property development, construction, information and communication technology services, the provision of engineering services for water treatment plants and related services, education, investment holdings and management of a real estate investment trust, and whose issued shares are listed on the Main Market of Bursa Malaysia Securities Berhad. Information on PureCircle is set out in the paragraph headed "Letter from Kingkey Securities — The Offer — Offeror Exit Arrangements — Underlying assets of the Offeror Exit Arrangements — PureCircle Shares" in this Composite Document.

The following table is a summary of certain audited consolidated financial information of the Group for the three financial years ended 31 December 2020 as extracted from the annual reports of the Company for the years ended 31 December 2019 and 31 December 2020 and certain unaudited consolidated financial information of the Group for the six months ended 30 June 2021 as extracted from the interim report of the Company for the six months ended 30 June 2021:

	For the six months ended/As at 30 June 2021 HK\$'000 (unaudited)	For the six months ended/As at 30 June 2020 HK\$'000 (unaudited)	For the year ended/ As at 31 December		
			2020 HK\$'000 (audited)	2019 HK\$'000 (audited)	2018 HK\$'000 (audited)
Revenue and income	940	3,362	17,024	20,160	13,361
(Loss) before tax	(46,273)	(260,352)	(446,492)	(481,609)	(1,193,951)
(Loss) attributable to owners of the Company	(46,280)	(260,365)	(446,497)	(481,656)	(1,193,974)
(Loss) per Lee Hing Share (HK cents) Basic and diluted	(31.53)	(177.38)	(304.19)	(328.15)	(813.42)
Net assets	274,370	506,702	323,203	771,280	1,239,526

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Offer (assuming that the Offer is fully accepted by the Shareholders):

	As at the Latest Practicable Date		Immediately after completion of the Offer (assuming that the Offer is fully accepted by the Shareholders)	
	<i>Number of Lee Hing Shares</i>	<i>Approximate %</i>	<i>Number of Lee Hing Shares</i>	<i>Approximate %</i>
<i>Offeror Concert Group:</i>				
Offeror	–	–	146,781,285	100.00
Mr. Tan	1,479,000	1.00	–	–
Wah Seong Enterprises Sdn. Bhd. (Note 1)	2,100,000	1.43	–	–
Zali International Limited (Note 2)	14,386,000	9.80	–	–
Zali Capital Limited (Note 2)	35,854,000	24.43	–	–
Ms. Connie Cheng Wai Ka (Note 3)	10,000	0.01	–	–
Ms. Tan Mei Sian (Note 4)	1,490,500	1.02	–	–
Mr. Tan Yee Seng (Note 4)	1,490,500	1.02	–	–
Petaling Garden (Note 5)	29,006,000	19.76	–	–
TKY Sdn. Bhd. (Note 6)	2,500,000	1.70	–	–
sub-total:	88,316,000	60.17	146,781,285	100.00
Public Shareholders	58,465,285	39.83	–	–
	<u>146,781,285</u>	<u>100.00</u>	<u>146,781,285</u>	<u>100.00</u>

Notes:

- Each of Tan Chin Nam Sdn. Bhd. and TKY Sdn. Bhd. is an ultimate controlling shareholder of Wah Seong Enterprises Sdn. Bhd., ultimately holding approximately 34.56% and 42.51% of all the shares of Wah Seong Enterprises Sdn. Bhd. in issue respectively. Tan Chin Nam Sdn. Bhd. is controlled by the children of the late Mr. Tan Chin Nam, who was the father of Mr. Tan, whereas TKY Sdn. Bhd. is held by the family members of the late Mr. Tan Kim Yeow, who was an uncle of Mr. Tan. The remaining approximately 22.93% of all the shares of Wah Seong Enterprises Sdn. Bhd. in issue are ultimately held as to approximately 0.20% by Mr. Tan, as to approximately 1.20% by the wife of the late Mr. Tan Kim Yeow and as to approximately 21.53% by a number of independent investors, none of whom ultimately holds more than approximately 2%.
- Each of Zali International Limited and Zali Capital Limited is ultimately beneficially 100% owned by Mr. Tan.
- Ms. Connie Cheng Wai Ka is the wife of Mr. Tan.
- Ms. Tan Mei Sian and Mr. Tan Yee Seng are children of Mr. Tan.

LETTER FROM THE BOARD

5. To the best knowledge, belief and information of the Company having made all reasonable enquiries, Petaling Garden is ultimately controlled by the late Mr. Ang Guan Seng's immediate family members and their respective associates (as defined in the Listing Rules) and parties acting in concert with any of them. Save and except that (a) the late Mr. Ang Guan Seng and the late Mr. Tan Chin Nam, who was the father of Mr. Tan, were business partners and (b) Petaling Garden was holding Lee Hing Shares as at the Latest Practicable Date, the late Mr. Ang Guan Seng's immediate family members have no relationship with the Offeror.
6. TKY Sdn. Bhd. is held by the family members of the late Mr. Tan Kim Yeow, who was an uncle of Mr. Tan.
7. Save for Mr. Tan, none of the Directors held any Lee Hing Shares as at the Latest Practicable Date.

INFORMATION ON THE OFFEROR

Your attention is drawn to the information on the Offeror set out in the paragraph headed "Letter from Kingkey Securities — Information on the Offeror" and Appendix VI to this Composite Document.

INTENTION OF THE OFFEROR AND THE BOARD REGARDING THE GROUP

Your attention is drawn to the paragraph headed "Letter from Kingkey Securities — Intention of the Offeror regarding the Group" in this Composite Document.

If the Offeror acquires such number of Lee Hing Shares under the Offer as represents not less than 90% of all the Lee Hing Shares (by virtue of the acceptances of the Offer or otherwise) and not less than 90% of all the Lee Hing Shares held by the Disinterested Shareholders within, but not exceeding, the period of 4 months after the posting of this Composite Document, the Offeror intends to privatise the Company by exercising the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance to acquire the remaining Lee Hing Shares held by the Disinterested Shareholders, following which the listing of the Company on the Main Board of the Stock Exchange shall be withdrawn pursuant to Rule 6.15(1) of the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules in this regard. In the event that the Offeror and parties acting in concert with it come to hold 70% or more, but less than 90%, of all the Lee Hing Shares in issue at the close of the Offer, the Lee Hing Shares will remain listed on the Main Board of the Stock Exchange.

The Board currently has five Directors, comprising two executive Directors and three independent non-executive Directors. The Board is aware of the Offeror's intention that all the independent non-executive Directors shall cease to be Directors with effect from the date on which the withdrawal of the listing of the Company on the Main Board of the Stock Exchange becomes effective following the compulsory acquisition by the Offeror to acquire the remaining Lee Hing Shares held as mentioned in the preceding paragraph (if such withdrawal materialises). The Board is further aware that save as aforesaid, the Offeror does not have any intention to introduce any significant changes to the existing operations and management of the Group, nor does it have any intention to make any significant changes to the continued employment of the Group's employees and that Mr.

LETTER FROM THE BOARD

Tan and the Offeror do not currently have any intention to seek a listing of the Offeror Shares or the business of the Group on a stock exchange, whether in Hong Kong or in another jurisdiction.

RECOMMENDATION

Your attention is drawn to the “Letter from the Independent Board Committee” set out on pages 39 to 40 of this Composite Document and the “Letter from the Independent Financial Adviser” set out on pages 41 to 89 of this Composite Document, which contain, among other things, their advice in relation to the Offer and the principal factors considered by them in arriving at their recommendation.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the Appendices to this Composite Document. You are also recommended to read carefully Appendix I to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.

Yours faithfully,
On behalf of the Board
Lee Hing Development Limited
Tan Boon Seng
Chairman and Managing Director

LEE HING DEVELOPMENT LIMITED

利興發展有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 68)

10 November 2021

To the Disinterested Shareholders

Dear Sir/Madam,

**(I) THE VOLUNTARY CONDITIONAL CASH OFFER, WITH AN
ALTERNATIVE TO RECEIVE SHARES IN LEE HING (2021) LIMITED
(FORMERLY KNOWN AS CLASSIC PRESTIGE LIMITED),
BY KINGKEY SECURITIES GROUP LIMITED
ON BEHALF OF
LEE HING (2021) LIMITED
(FORMERLY KNOWN AS CLASSIC PRESTIGE LIMITED)
TO ACQUIRE ALL THE ISSUED SHARES OF
LEE HING DEVELOPMENT LIMITED
AND
(II) POSSIBLE PRIVATISATION**

INTRODUCTION

We refer to the composite offer and response document (the “**Composite Document**”) dated 10 November 2021 and issued jointly by the Offeror and the Company, of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider and to advise the Disinterested Shareholders as to whether or not the terms of the Offer (including the Share Alternative) are fair and reasonable and to make a recommendation as to the acceptance of the Offer and as to whether to opt for the Share Alternative.

Octal Capital has been appointed as the Independent Financial Adviser to advise us in respect of the above. Details of its advice and the principal factors taken into consideration in arriving at its recommendation are set out in the section headed “Letter from the Independent Financial Adviser” on pages 41 to 89 of the Composite Document.

We also wish to draw your attention to the sections headed “Letter from the Board” and “Letter from Kingkey Securities” and the additional information set out in the Appendices to the Composite Document.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATIONS

Taking into account the terms of the Offer and the advice from the Independent Financial Adviser, we consider that the terms of the Offer (including the Offer Price) are fair and reasonable so far as the Disinterested Shareholders are concerned. Accordingly, we recommend the Disinterested Shareholders to accept the Offer.

In electing between cash payment and the Share Alternative, the Disinterested Shareholders should note that the estimate of value of each Offeror Share of HK\$0.78 as demonstrated in the letter from INCU contained in Appendix IV to the Composite Document (without taking into account the discount rate for lack of marketability of 30%) is slightly less than the Offer Price. The election of cash payment allows the Disinterested Shareholders to realise their investment in the Company and obtain cash outright, while the Share Alternative will enable the Disinterested Shareholders to remain as indirect shareholders in the Company and enjoy the potential upside of the Offeror Shares in the future but with uncertainty. Therefore, we recommend the Disinterested Shareholders to accept cash payment.

However, the Disinterested Shareholders who have knowledge and experience in investing as minority shareholders of privately held companies and consider opting for the Share Alternative should take note of the inherent risks associated with the Share Alternative, mainly including (i) the future prospect of IGB Berhad and PureCircle; (ii) lack of protection offered by the Listing Rules; (iii) no guarantee of whether dividend policy of the Offeror will be implemented in the future; and (iv) the five-year timespan for realisation of investment return on the Offeror Shares. If the Disinterested Shareholders who are optimistic about the future prospects and operating performance of the Group and have a relatively long term investment horizon may opt for the Share Alternative, subject to their investment objective, risk tolerance level as well as financial circumstances.

Notwithstanding our recommendation, the Disinterested Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. If in doubt, the Disinterested Shareholders should consult their own professional advisers for advice. Furthermore, the Disinterested Shareholders who wish to accept the Offer and (where applicable) opt for the Share Alternative are recommended to read carefully the procedures for accepting the Offer and electing the Share Alternative as detailed in the Composite Document and the accompanying Form of Acceptance.

Yours faithfully,
For and on behalf of
the Independent Board Committee

Mr. Ho Hau Chong, Norman
Independent
Non-executive Director

Mr. Fung Ka Pun
Independent
Non-executive Director

Mr. Lim Lay Leng
Independent
Non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Octal Capital Limited to the Independent Board Committee in respect of the terms of the Offer which has been prepared for the purpose of incorporation in the Composite Document.



Octal Capital Limited
801-805, 8/F, Nan Fung Tower
88 Connaught Road Central
Hong Kong

10 November 2021

To the Independent Board Committee

Dear Sirs,

**(I) THE VOLUNTARY CONDITIONAL CASH OFFER, WITH AN
ALTERNATIVE TO RECEIVE SHARES IN LEE HING (2021) LIMITED
(FORMERLY KNOWN AS CLASSIC PRESTIGE LIMITED),
BY KINGKEY SECURITIES GROUP LIMITED
ON BEHALF OF
LEE HING (2021) LIMITED
(FORMERLY KNOWN AS CLASSIC PRESTIGE LIMITED)
TO ACQUIRE ALL THE ISSUED SHARES OF
LEE HING DEVELOPMENT LIMITED
AND
(II) POSSIBLE PRIVATISATION**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee in respect of the Offer. Details of the Offer are set out in the composite document (the “**Composite Document**”), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

Reference is made to the Joint Announcement in relation to, among other things, the Offer. Pursuant to the Joint Announcement, the Board was informed by the Offeror on 5 July 2021 that Kingkey Securities, on behalf of the Offeror, will make a voluntary conditional cash offer (the “**Cash Offer**”), with an alternative to receive shares in the Offeror, to acquire all the Lee Hing Shares.

As at the Latest Practicable Date, the Offeror Concert Group (excluding the Offeror, which does not hold any Lee Hing Shares as at the Latest Practicable Date, Mr. Tan, Zali International Limited and Zali Capital Limited) in aggregate holds 36,597,000 Lee Hing Shares, representing approximately 24.93% of all Lee Hing Shares currently in issue. Each of the members of the Offeror Concert Group (excluding the Offeror, Mr. Tan, Zali International Limited and Zali Capital Limited) has given an Irrevocable Undertaking in favour of the Offeror, pursuant to which each of them has undertaken that: (i) it will not

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

sell, transfer, charge, encumber, grant any option or other right over or otherwise dispose of, or permit the sale, transfer, charging, encumbering, granting of any option or other right over or other disposal of any of the Lee Hing Shares held by it or interest in such Lee Hing Shares except under the Offer, or accept any other offer in respect of all or any of the Lee Hing Shares held by it or any other interest in any of such Lee Hing Shares; and (ii) it will duly accept (or procure the acceptance of) the Offer in respect of the Lee Hing Shares held by it in accordance with the terms of the Offer (including to make, or procure the making of, an election for the Share Alternative in respect of such Lee Hing Shares).

Additionally, the Offeror has confirmed in writing to the Board that Mr. Tan, Zali International Limited and Zali Capital Limited (being the members of the Offeror Concert Group who have not given the Irrevocable Undertakings and who, as at the at the Latest Practicable Date, hold in aggregate 51,719,000 Lee Hing Shares, representing approximately 35.24% of all Lee Hing Shares currently in issue) will accept the Offer in respect of all Lee Hing Shares held by each of them and opt for the Share Alternative.

As disclosed in the announcement of the Company dated 5 March 2021, the Company received on that day a letter from the Stock Exchange notifying the Company of its decision that the Company has failed to maintain a sufficient level of operations and assets of sufficient value to support its operations under Rule 13.24 of the Listing Rules to warrant the continued listing of the Lee Hing Shares and that, subject to the right of review, trading of the Lee Hing Shares be suspended under Rule 6.01(3) of the Listing Rules. Accordingly, trading in the Lee Hing Shares has been suspended since 9:00 a.m. on 17 March 2021 pending re-compliance with Rule 13.24 of the Listing Rules by the Company and fulfilment of any resumption guidance that may be set by the Stock Exchange. In any event, the trading in the Lee Hing Shares will remain suspended and the listing of the Lee Hing Shares will eventually be cancelled by the Stock Exchange if the Company cannot re-comply with Rule 13.24 of the Listing Rules on or before the expiration of the 18-month period, i.e. by 16 September 2022.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Ho Hau Chong, Norman, Mr. Fung Ka Pun and Mr. Lim Lay Leng, has been established in accordance with Rules 2.1 and 2.8 of the Takeovers Code to advise and give a recommendation to the Disinterested Shareholders as to whether the terms of the Offer are fair and reasonable, as to the acceptance of the Offer and as to whether to opt for the Share Alternative.

We, Octal Capital Limited, have been appointed, with approval of the Independent Board Committee, as the independent financial adviser to the Independent Board Committee and the Disinterested Shareholders in relation to the Offer and in particular as to whether the terms of the Offer are fair and reasonable, as to the acceptance of the Offer and as to whether to opt for the Share Alternative. Our appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

During the last two years, there was no engagement between the Company or the Offeror and us. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Offeror or the Company or any party acting, or presumed to be acting, in concert with any of them. Therefore, we are considered eligible to give independent advice on the Offer under the requirement of the Listing Rules. As at the Latest Practicable Date, we are not in the same group as the financial or other professional advisers (including a stockbroker) to the Company, and we are not associated with the Offeror or the Company or any party acting, or presumed to be acting in concert with any of them and we had not had any connection, financial assistance or otherwise, with either the Offeror or the Company or the controlling shareholder(s) of either of them, and we are therefore considered independent and suitable to give independent advice to the Independent Board Committee and the Disinterested Shareholders pursuant to Rule 2.6 of the Takeovers Code.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the information and facts supplied by the Company, and the opinions expressed by the Directors, and have assumed that the information and facts provided and opinions expressed by the Directors to us are true, accurate and complete in all material aspects. We have also relied on our discussion with the Board and/or the management of the Company, given in writing or orally, regarding the Company and the Offer, including the information and representations contained in the Composite Document. We have also assumed that all statements of belief, opinion and intention made by the Board and the management of the Company in the Composite Document were reasonably made after due enquiry. We consider that the information we have received is sufficient for us to reach our opinion and give the advice and recommendation set out in this letter. We have no reason to believe that any material information has been omitted or withheld, or doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied. We have also assumed that all representations contained or referred to in the Composite Document were true, accurate and complete in all material respects and not misleading or deceptive up to the time of the Latest Practicable Date, and there are no other matters the omission of which would make any statement herein or the Composite Document misleading.

As set out in the responsibility statement in Appendix V of the Composite Document, the Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than any information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by the Directors in the Composite Document (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document misleading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in the responsibility statement in Appendix VI of the Composite Document, the sole director of the Offeror accepts full responsibility for the accuracy of the information contained in the Composite Document (other than the information relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in the Composite Document (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statements in the Composite Document misleading.

Should there be any subsequent material changes which occur during the period from the date of the Composite Document up to the close of the Offer, we will notify the Independent Board Committee and the Disinterested Shareholders as soon as possible.

We have not considered the tax implications on the Disinterested Shareholders of their acceptances or non-acceptances of the Offer (as the case may be) since these are particular to their own individual circumstances. In particular, the Disinterested Shareholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position with regard to the Offer and, if in any doubt, should consult their own professional advisers.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION ON THE OFFER

In assessing the Offer and in giving our recommendations to the Independent Board Committee, we have taken into account the following principal factors and reasons:

1. Background of the Offer

As at the Latest Practicable Date, the Company has 146,781,295 Lee Hing Shares in issue. The Company (i) does not have any options, derivatives, warrants or securities which are convertible or exchangeable into Lee Hing Shares or which confer rights to require the issue of Lee Hing Shares; (ii) has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Lee Hing Shares or which confer rights to require the issue of Lee Hing Shares; and (iii) has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than the Lee Hing Shares.

As at the Latest Practicable Date, the Offeror and parties acting in concert with it own, control or have direction over a total of 88,316,000 Lee Hing Shares, representing approximately 60.17% of all the Lee Hing Shares currently in issue.

The Offer

Kingkey Securities is making the Offer, on behalf of the Offeror, in compliance with the Takeovers Code and on the terms set out in the Composite Document.

Under the terms of the Offer, a Shareholder may, in respect of its Lee Hing Shares validly tendered for acceptance, elect:

- (a) wholly to receive cash payment; or

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (b) wholly to receive Offeror Shares under the Share Alternative; or
- (c) partly to receive cash payment and partly to receive Offeror Shares under the Share Alternative,

on the following basis:

- (a) For every Lee Hing Share for which the Cash Offer is elected . . . HK\$0.80;
or
- (b) For every Lee Hing Share for which the Share Alternative is opted one Offeror Share

If a Shareholder opts for the Share Alternative (whether wholly or partly in respect of its Lee Hing Shares validly tendered for acceptance), one Offeror Share will be allotted and issued, credited as fully paid, by the Offeror to such Shareholder in respect of each of its Lee Hing Share validly tendered for acceptance under the Offer and for which the Share Alternative is opted, except that Mr. Tan, who has confirmed to accept the Offer and opt for the Share Alternative, will receive 1,478,900 Offeror Shares in respect of 1,479,000 Lee Hing Shares to be tendered by Mr. Tan for acceptance under the Offer such that when taking into account the 100 Offeror Shares currently held by him, Mr. Tan will upon completion of the Offer hold a total of 1,479,000 Offeror Shares which is equal in number to the Lee Hing Shares to be tendered by him for acceptance under the Offer. The Offeror Shares to be issued under the Share Alternative will rank pari passu among themselves and with all Offeror Shares already in issue.

According to Rule 18.3 of the Takeovers Code, where a firm statement regarding the Offer Price is made, the Offeror will only be allowed to subsequently amend the terms of the Offer in wholly exceptional circumstance. **The Offeror will not increase the Offer Price as set out above. Shareholders and potential investors of the Company should be aware that, following the making of the above statement, the Offeror does not reserve the right to increase the Offer Price.**

The Offer is extended to all Shareholders in accordance with the Takeovers Code. The Lee Hing Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights and benefits attaching thereto, including all rights to any dividend or other distribution, the record date of which falls on or after the date on which the Offer is made, being the date of the Composite Document.

To the best knowledge of the Offeror, as at the Latest Practicable Date, there was no dividend or other distribution that has been declared by the Company but not yet paid or made, and the Company has no intention to declare any dividend or other distribution during the Offer period.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Condition of the Offer

The Offer is conditional only upon valid acceptances of the Offer having been received at or before 4:00 p.m. on the First Closing Date in respect of Lee Hing Shares which, together with the Lee Hing Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding not less than 70% of all Lee Hing Shares then in issue. Such condition is not waivable by the Offeror. Upon the Offer becoming unconditional following the fulfilment of such condition, the Offer will remain open for acceptance until the expiry of a period of four months after the posting of the Composite Document for the purpose of allowing the Offeror to acquire further Lee Hing Shares to entitle it to exercise its compulsory acquisition rights. If such condition is not fulfilled, the Offer will lapse in accordance with the Takeovers Code.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes or is declared unconditional as to acceptances and when the Offer becomes or is declared unconditional in all respects.

Other terms of the Offer and the Shareholders' Agreement

As disclosed in the letter from Kingkey Securities (the "**Letter from Kingkey Securities**") to the Composite Document, upon the close of the Offer, all the members of the Offeror Concert Group, the other Disinterested Shareholders who validly accept the Offer and opt for the Share Alternative, and the Offeror will enter into the Shareholders' Agreement relating to the Offeror whose main purpose is to provide exit arrangements for each of the Entitled Shareholders (as defined below) (the "**Offeror Exit Arrangements**"). The entering into of the Shareholders' Agreement will be a condition of opting for the Share Alternative by the Shareholders. By signing the form of acceptance, election and transfer and validly electing the Share Alternative, a Shareholder will be deemed to have agreed to enter into the Shareholders' Agreement and authorised any director of the Offeror as its agent to sign the Shareholders' Agreement on its behalf. Under the Offeror Exit Arrangements, the Offeror will be obliged to offer to repurchase in cash, in respect of each shareholder of the Offeror (excluding Mr. Tan, Zali International Limited and Zali Capital Limited, the entire issued share capital of both of which is ultimately beneficially owned by Mr. Tan) (the "**Entitled Shareholders**"), all (but not part) of the Offeror Shares held by the Entitled Shareholders in the manner described below.

(a) Underlying assets of the Offeror Exit Arrangements – PureCircle Shares

As at the Latest Practicable Date, equity investment in PureCircle Limited (formerly known as Ingredion SRSS Holdings Limited) ("**PureCircle**"), being one of the major investments of the Group, represents 36,746,277 ordinary B shares (the "**PureCircle Shares**") in PureCircle, an investment holding company of Ingredion Incorporated ("**Ingredion**") incorporated in England and Wales specifically for the purposes of a scheme of arrangement effected in 2020 for the privatisation (the "**London Listco Privatisation**") by Ingredion of PureCircle Limited ("**London Listco**"), representing approximately 8.21% of the ordinary shares of PureCircle in issue.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(b) *PureCircle Exit Arrangements*

A shareholders' agreement dated 9 April 2020 (the "**PureCircle Shareholders' Agreement**") between Ingredion, the minority investors of PureCircle (which includes the wholly owned subsidiary of the Company holding the PureCircle Shares) (the "**Minority Investors**") and PureCircle were entered into to provide for certain arrangements applicable after the London Listco Privatisation was successfully implemented. Among those arrangements are the following exit arrangements (the "**PureCircle Exit Arrangements**") which allow or (as the case may be) require the Minority Investors to sell their shares of PureCircle to Ingredion:

	Nature	Relevant period/Exercise period
"Annual Purchase Offer"	an annual offer during each year in the relevant period to be made by Ingredion to the Minority Investors to purchase their shares of PureCircle	four years starting from 1 January 2022 and expiring on 31 December 2025
"Put Option"	an option granted to the Minority Investors to require Ingredion to purchase their shares of PureCircle	four years starting from 1 January 2022 and expiring on 31 December 2025
"Call Option"	an option granted to Ingredion to require the Minority Investors to sell their shares of PureCircle to Ingredion	after 1 July 2025

For further information about (a) Underlying assets of the Offeror Exit Arrangements — PureCircle Shares; and (b) PureCircle Exit Arrangements, please refer to the sub-section headed "Offeror Exit Arrangements" in the Letter from Kingkey Securities to the Composite Document.

(c) *How the Offeror Exit Arrangements work*

As disclosed in the sub-section headed "Offeror Exit Arrangements" in the Letter from Kingkey Securities to the Composite Document, the particulars of the Offeror Exit Arrangements are as follows:

- assuming the Offer becomes unconditional, the Offeror will become a shareholder of the Company with such percentage shareholding as will depend on the level of acceptance of the Offer. In any event (including where the proposed privatisation of the Company succeeds or not), the proceeds (the "**Proceeds**") that may be received by the Group from

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Ingredion arising from the disposal of PureCircle Shares by the Group to Ingredion pursuant to the PureCircle Exit Arrangements will be distributed by way of cash dividend to the then shareholders of the Company in proportion to their respective shareholding in the Company at that time. The Offeror will be entitled to such part of the Proceeds based on its then shareholding in the Company. Those Shareholders who do not accept the Offer will, unless already disposed of all the Lee Hing Shares after the Offer period, remain as shareholders of the Company and will also be entitled to participate in the distribution of the Proceeds by the Company in the above manner;

- within three months after receipt of all Proceeds by the Group, the Offeror shall procure the Company to produce its audited consolidated balance sheet as at the last day of the month in which all of the Proceeds are received by the Group (the "**Audited Balance Sheet**");
- the Offeror shall serve on each of the Entitled Shareholders within 30 days after the Audited Balance Sheet is available a written offer to repurchase the Offeror Shares setting out, among others, the number of Offeror Shares subject to the repurchase offer (i.e. the number of Offeror Shares held by the relevant Entitled Shareholder at that time as recorded in the Offeror's register of members) and the total consideration payable therefor, together with a copy of the Audited Balance Sheet;
- the consideration for each Offeror Share to be repurchased will be equal to 70% of the proportional share of an Offeror Share of the consolidated net asset value of the Company as shown in the Audited Balance Sheet, as calculated by the following formula:

$$C = \frac{NAV \times SH \times 70\%}{TN}$$

whereas:

"C" means the consideration payable by the Offeror for each Offeror Share

"NAV" means the consolidated net asset value of the Company as shown in the Audited Balance Sheet

"SH" means the then percentage shareholding of the Offeror in the Company

"TN" means the total number of Offeror Shares then in issue

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

“70%” represents 70% of the consideration to the NAV set by the Offeror^(Note)

Note: The consolidated net asset value of the Company as shown in the Audited Balance Sheet will take into account not only the value of the PureCircle Shares held by the Group but also the value of all other assets of the Group (including shares in IGB Berhad). In addition, the Offeror intends to retain a portion of the Proceeds that will be distributed to it by the Company as general working capital for the Group’s continued operation. Therefore, the Offeror considers that setting the consideration at 70% of the consolidated net asset value of the Company as shown in the Audited Balance Sheet is reasonable.

- the consideration will be paid to the accepting Entitled Shareholders within 30 days from the receipt by the Offeror of the written acceptance together with the certificate for the relevant Offeror Shares and the duly completed and signed transfer document from the accepting Entitled Shareholder;
- the consideration will be funded by the Proceeds;
- based on the timeline of the PureCircle Exit Arrangements, it is expected that the repurchase offer under the Offeror Exit Arrangements will be made in the first half of 2026;
- for the avoidance of doubt, only one repurchase offer will be made by the Offeror to the Entitled Shareholders under the Offeror Exit Arrangements; and
- pursuant to the Shareholders’ Agreement, the Offeror is obliged to supply each Offeror Shareholder with a copy of its audited accounts within three weeks (or such longer period as the board of directors of the Offeror may decide) of their being approved by the board of directors of the Offeror.

All material terms of the Shareholders’ Agreement have been disclosed above. The Shareholders’ Agreement does not contain any special rights that may be enjoyed by Mr. Tan and parties acting in concert with him. The form of the Shareholders’ Agreement is set out in Annexure 1 to the Composite Document.

The parties to the Shareholders’ Agreement (including all the shareholders of the Offeror) will, by signing the Shareholders’ Agreement (by themselves or through their respective agents), confirm or (as applicable) be deemed to have confirmed that they have given their written consent to the Offeror Exit Arrangements to be effected by way of repurchase of the Offeror Shares by the Offeror.

The Offeror has also amended its articles of association to incorporate the terms of the Offeror Exit Arrangements as set out in the Shareholders’ Agreement. The amendments to the articles of association of the Offeror will provide further protections to the shareholders of the Offeror as afforded by the amended articles of

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

association of the Offeror and the relevant laws of the British Virgin Islands on top of the Shareholders' Agreement with regard to the terms of the Offeror Exit Arrangements. Moreover, since any repurchase of the Offeror Shares that may be made by the Offeror in accordance with its amended articles of association will be a repurchase made as required by, and in accordance with, the terms and conditions attached to the Offeror Shares without any further prior agreement of the shareholders of the Offeror Shares, it will qualify as an Exempt Share Buy-back as defined in the Codes on Takeovers and Mergers and Share Buy-backs. The full text of the amended articles of association of the Offeror is set out in the Annexure 2 to the Composite Document. A summary of the major provisions of the amended memorandum and articles of association of the Offeror and the full text thereof are set out in Annexure 2 to this Composite Document.

Mr. Tan, Zali International Limited and Zali Capital Limited will undertake in favour of the Offeror not to accept any offer made by the Offeror in accordance with the amended articles of association of the Offeror to repurchase their Offeror Shares as they intend to continue to hold their Offeror Shares.

None of the shareholders of the Offeror will be obliged to accept the repurchase offer under the Offeror Exit Arrangements. Any shareholder of the Offeror who does not accept the repurchase offer under the Offeror Exit Arrangements will remain as a shareholder of the Offeror and a party to the Shareholders' Agreement and continue to enjoy the rights and benefits attaching to the Offeror Shares it holds and to be subject to its rights and obligations under the Shareholders' Agreement. The Offeror does not have any obligation to make another repurchase offer for the Offeror Shares, whether under the Shareholders' Agreement, its amended articles of association or otherwise.

Shareholders who opt for the Share Alternative will be able to enjoy the benefits of the Offeror Exit Arrangements under the Shareholders' Agreement. However, the consideration payable under the Offeror Exit Arrangements, and that under the PureCircle Exit Arrangements (including the Put Option and the Call Option) are yet to be determined. Hence, the consideration payable under the Offeror Exit Arrangements may be higher or lower than the Offer Price under the Offer. Further, in the event that (i) the Group decides not to sell any PureCircle Shares to Ingredion under the Annual Purchase Offers and not to exercise the Put Option and (ii) Ingredion decides not to exercise the Call Option, no Proceeds will be received by the Group as a result of which no repurchase offer under the Offeror Exit Arrangements will be made by the Offeror. The Group will therefore remain as a shareholder of PureCircle.

2. Background of the Group

Principal activities of the Group

The Company was incorporated in Hong Kong with limited liability and its issued shares are listed on the Main Board of the Stock Exchange. The principal activities of the Group are property investment, property development, investment holding and sale and purchase of securities.

As disclosed in the interim report of the Group for the six months ended 30 June 2021 (the “**2021 Interim Report**”), the major investments of the Group comprise 35,829,816 ordinary shares in IGB Berhad, representing approximately 3.99% of all ordinary shares in IGB Berhad currently in issue, and 36,746,277 PureCircle Shares, representing approximately 8.21% of all shares in PureCircle currently in issue. The shares of IGB Berhad (the “**IGB Berhad Shares**”) and the PureCircle Shares held by the Group had a carrying value of approximately HK\$137,354,000 (which was calculated by reference to the market capitalisation of IGB Berhad as at 30 June 2021 and the shareholding of IGB Berhad owned by the Group as at 30 June 2021) and HK\$178,600,000 (which was calculated by reference to the unaudited net asset value of PureCircle as shown in its unaudited management accounts for the six months ended 30 June 2021 provided to the Group pursuant to the PureCircle Shareholders’ Agreement) respectively and represented approximately 31.2% and 40.6% respectively of the total assets of the Group as at 30 June 2021.

Historical financial information of the Group

Financial performance of the Group

Set out below is a summary of the consolidated financial information of the Group for the years ended 31 December 2018 (“**FY2018**”), 2019 (“**FY2019**”) and 2020 (“**FY2020**”) and for six months ended 30 June 2020 (“**1H2020**”) and 2021 (“**1H2021**”) as extracted from

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the annual reports of the Group for FY2019 (the “2019 Annual Report”) and for FY2020 (the “2020 Annual Report”) and the 2021 Interim Report respectively:

	FY2018 <i>(audited)</i> HK\$'000	FY2019 <i>(audited)</i> HK\$'000	FY2020 <i>(audited)</i> HK\$'000	1H2020 <i>(unaudited)</i> HK\$'000	1H2021 <i>(unaudited)</i> HK\$'000
Revenue and income	13,361	20,160	17,024	3,362	940
– share investment and dealing business ^(Note 1)	13,361	19,389	15,968	2,834	433
Net gain on financial assets at fair value through profit or loss — listed investments	–	10,438 ^(Note 3)	–	–	–
Net gain on financial assets at fair value through profit or loss — unlisted investments	53	13	9,118 ^(Note 5)	–	–
Dividends from listed investments	8,027	7,808 ^(Note 4)	4,013 ^(Note 4)	2,668 ^(Note 4)	–
Dividends from unlisted investments	589	–	294	–	–
Interest income on financial assets not at fair value through profit or loss	206	250	69	30	24
Net exchange gain	3,876	–	1,812	117	–
Write back of impairment losses on amount due from an investee company	503	274	–	18	352
Net gain on disposal of property, plant and equipment	–	–	220	–	–
Sundry income	107	606	442	1	57
– property investment business ^(Note 2)	–	771	1,056	528	507
(Loss) for the year attributable to owners of the Company	(1,193,974)	(481,656)	(446,497)	(260,365)	(46,280)
Loss per Lee Hing Share (HK cent) (Basic and diluted)	(813.42)	(328.15)	(304.19)	(177.38)	(31.53)

Notes:

1. Revenue derived from share investment and dealing business represented investment in listed and unlisted securities, purchases and sales of listed securities.
2. Revenue derived from property investment business represented the rental income from investment properties.
3. Net gain on financial assets at fair value through profit or loss — listed investments of approximately HK\$10.4 million recorded by the Group represented net gain on disposal of IGB Berhad Shares.
4. Dividends from listed investment represented dividend received from IGB Berhad.
5. The gain on disposal of shares in London Listco as a result of its privatisation in June 2020 was recognised as net gain on financial assets at fair value through profit or loss — unlisted investments.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2019 as compared to FY2018

The Group recorded total revenue of approximately HK\$20.2 million for FY2019, representing an increase of approximately HK\$6.8 million or 50.9% as compared to that for FY2018. According to the 2019 Annual Report, such increase in revenue was primarily attributable to the net gain on financial assets at fair value through profit or loss — listed investment of approximately HK\$10.4 million, which mainly arose from the gain on disposal of the IGB Berhad Shares during FY2019. The loss for the year attributable to the owners of the Company decreased by approximately HK\$712.3 million or 59.7%, from approximately HK\$1,194.0 million for FY2018 to approximately HK\$481.7 million for FY2019 as a result of the decrease in unrealised loss on financial assets at fair value through profit or loss — listed investment of approximately HK\$701 million. The aforesaid unrealised loss on financial assets at fair value for FY2019 was mainly due to the decrease in fair value of shares in London Listco of approximately HK\$545.3 million, partially offset by increase in fair value of IGB Berhad Shares and preference shares of approximately HK\$90.2 million in aggregate.

FY2020 as compared to FY2019

The Group recorded total revenue of approximately HK\$17.0 million for FY2020, representing a decrease of approximately HK\$3.1 million or 15.6% as compared to that for FY2019. The decline in revenue was primarily attributable to (i) the net gain on financial assets at fair value through profit or loss — listed investments in 2019 turning into net loss in 2020; and (ii) decrease in dividend income. The aforesaid net loss on financial assets at fair value through profit or loss during FY2020 mainly resulted from (i) loss on disposal of shares of London Listco in the amount of approximately HK\$302.9 million; and (ii) loss on disposal of IGB Berhad Shares in amount of approximately HK\$2.4 million, which were partially offset by gain on disposal of shares of PureCircle in the amount of approximately HK\$9.1 million. Therefore, the loss for the year attributable to the owners of the Company exhibited a slight decline of approximately HK\$35.2 million from HK\$481.7 million for FY2019 to approximately HK\$446.5 million for FY2020 due to (i) decrease in unrealised loss on financial assets at fair value through profit or loss — listed investments of approximately HK\$406.1 million as a result of decrease in fair value of IGB Berhad Shares; and (ii) decrease in finance costs.

1H2021 as compared to 1H2020

The Group recorded total revenue of approximately HK\$0.9 million for 1H2021, representing a significant decline of approximately HK\$2.42 million or 72.0% as compared to that for 1H2020. According to the 2021 Interim Report, the Group's revenue and income were mainly attributable to rental income of approximately HK\$0.5 million, and write back of impairment losses on amount due from an investee company of approximately HK\$0.4 million. The decrease in revenue was primarily attributable to no sale or purchase of shares in PureCircle and IGB Berhad during 1H2021. The loss for 1H2021 attributable to the owners of the Company exhibited a dramatic decline of approximately HK\$214.1 million from HK\$260.4 million for 1H2020 to approximately HK\$46.3 million for 1H2021 as a result of the decrease in unrealised loss on financial assets at fair value through profit or loss — listed investment of approximately HK\$183.7 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Financial position of the Group

Set out below is a summary of the consolidated financial position of the Group as at 31 December 2018, 2019 and 2020 and as at 30 June 2021 as extracted from the 2019 Annual Report, the 2020 Annual Report and the 2021 Interim Report:

	As at			
	31	31	31	30
	December	December	December	June
	2018	2019	2020	2021
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets	1,647,899	927,192	296,476	296,155
Investment properties	–	55,000	60,000	60,000
Property, plant and equipment	77,752	30,268	26,327	26,212
Associates	25,454	27,387	25,457	23,748
Financial assets at fair value through profit or loss	1,534,776	806,120	177,097	178,600
Financial assets at fair value through other comprehensive income	9,917	8,417	7,595	7,595
Current assets	30,586	67,638	195,085	143,834
Financial assets at fair value through profit or loss	634	48,021	177,792	137,354
Derivative financial instruments	–	11,276	–	–
Other assets	295	295	295	295
Accounts receivable, deposits and prepayments	386	843	655	515
Current tax assets	–	–	30	36
Time deposits and bank balances	29,271	7,203	16,313	5,634
Total assets	1,678,485	994,830	491,561	439,989
Non-current liabilities	150,003	–	88,342	85,841
Bank borrowings	150,003	–	88,342	85,841
Current liabilities	288,956	223,550	80,016	79,778
Bank borrowings	284,858	220,388	77,375	76,978
Accounts payable, deposits and accruals	3,744	2,801	2,201	1,139
Derivative financial instruments	–	–	92	1,313
Current tax liabilities	6	13	–	–
Other payable	348	348	348	348
Total liabilities	438,959	223,550	168,358	165,619
Net assets	1,239,526	771,280	323,203	274,370

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 31 December 2019

As at 31 December 2019, the total assets of the Group, which mainly comprised of financial assets at fair value through profit or loss accounting for approximately 85.9% of the total assets, was approximately HK\$994.8 million, representing a decrease of approximately HK\$683.7 million or 40.7% when compared to that as at 31 December 2018. Such decrease was mainly attributable to decline in non-current portion of financial assets at fair value through profit or loss of approximately HK\$728.7 million or 47.5% from approximately HK\$1,534.8 million as at 31 December 2018 to approximately HK\$806.1 million as at 31 December 2019 (being the share investment in London Listco and IGB Berhad), partially offset by increase in the current portion of financial assets at fair value through profit or loss of approximately HK\$47.4 million or 74.7 times from approximately HK\$0.6 million as at 31 December 2018 to approximately HK\$48.0 million (being the call options related to shares of London Listco as at 31 December 2019). The said decline in non-current portion of financial assets at fair value through profit or loss was mainly due to (i) disposal of equity securities (being the ordinary and preference shares of IGB Berhad) in the amount of approximately HK\$229.5 million; and (ii) decrease in fair value recognised in profit or loss of approximately HK\$455.0 million in relation to share investment in IGB Berhad and London Listco.

As at 31 December 2019, the total liabilities of approximately HK\$223.6 million, comprising of bank borrowings of approximately HK\$220.4 million which accounted for approximately 98.6% of the total liabilities as at 31 December 2019, represented a decrease of approximately HK\$215.4 million or 49.1% as compared to the same of approximately HK\$439.0 million as at 31 December 2018. Such decrease was mainly due to repayment of bank borrowings of approximately HK\$213.4 million during FY2019. As advised by the Company, the proceeds from bank borrowings during FY2019 is used for trading of securities and working capital.

As a result, the Group recorded net assets of approximately HK\$771.3 million as at 31 December 2019, which represented a decrease of approximately HK\$468.3 million or 37.8% from net assets of approximately HK\$1,239.5 million as at 31 December 2018.

As at 31 December 2020

As at 31 December 2020, the total assets of the Group, mainly comprising of financial assets at fair value through profit or loss and investment properties, which in aggregate accounted for approximately 84.4% of the total assets, was approximately HK\$491.6 million, representing a decrease of approximately HK\$503.3 million or 50.6% as compared to the same as at 31 December 2019. Such decrease was mainly attributable to decline in the non-current portion of financial assets at fair value through profit or loss of approximately HK\$629.0 million or 78.0% from approximately HK\$806.1 million as at 31 December 2019 to approximately HK\$177.1 million (being the share investment in PureCircle) as at 31 December 2020, partially offset by an increase in the current portion of financial assets at fair value through profit or loss of approximately HK\$129.8 million or 2.7 times from approximately HK\$48.0 million as at 31 December 2019 to approximately HK\$177.8 million (being the share investment in IGB Berhad) as at 31 December 2020. The said decline in non-current portion of financial assets at fair value through profit or loss

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

was mainly due to disposal of equity securities (mainly including PureCircle Shares, IGB Berhad Shares and share of PureCircle) in the amount of approximately HK\$644.9 million in 2020.

As at 31 December 2020, the total liabilities of approximately HK\$168.4 million, mainly comprising of bank borrowings of approximately HK\$165.7 million which accounted for approximately 98.4% of the total liabilities, represented a decrease of approximately HK\$55.2 million or 24.7% as compared to the same of approximately HK\$223.6 million as at 31 December 2019. Such decrease was mainly attributable to repayment of bank borrowings of approximately HK\$54.7 million during FY2020. As advised by the Company, the proceeds from bank borrowings during FY2020 is used for trading of securities and working capital.

As a result, the Group recorded net assets of approximately HK\$323.2 million as at 31 December 2020, which represented a decrease of approximately HK\$448.1 million or 58.1% from net assets of approximately HK\$771.3 million as at 31 December 2019.

As at 30 June 2021

As at 30 June 2021, the total assets of the Group, mainly comprising of financial assets at fair value through profit or loss and investment properties, which in aggregate accounted for approximately 85.5% of the total assets, was approximately HK\$440.0 million, representing a decrease of approximately HK\$51.6 million or 10.5% as compared to the same as at 31 December 2020. Such decrease was mainly attributable to (i) decline in the current portion of financial assets at fair value through profit or loss of approximately HK\$40.4 million or 22.7% from approximately HK\$177.8 million as at 31 December 2020 to approximately HK\$137.4 million (being the share investment in IGB Berhad) as at 30 June 2021; and (ii) decrease in time deposits and bank balances of approximately HK\$10.7 million or 65.5% from approximately HK\$16.3 million as at 31 December 2020 to approximately HK\$5.6 million as at 30 June 2021.

As at 30 June 2021, the total liabilities of approximately HK\$165.6 million, mainly comprising of bank borrowings of approximately HK\$162.8 million which accounted for approximately 98.3% of the total liabilities, represented a slight decrease of approximately HK\$2.8 million or 1.6% as compared to the same of approximately HK\$168.4 million as at 31 December 2020, mainly attributable to the decrease in amount of bank borrowings. As advised by the Company, the proceeds from bank borrowings during 1H2021 is used for trading of securities and working capital.

As a result, the Group recorded net assets of approximately HK\$274.4 million as at 30 June 2021, which represented a decrease of approximately HK\$48.8 million or 15.1% from net assets of approximately HK\$323.2 million as at 31 December 2020. Besides, the cash level of the Group as at 30 June 2021 amounted to approximately HK\$5.6 million, representing a decline of approximately HK\$10.7 million or 65.5% as compared to the same as at 31 December 2020, mainly as a result of the substantial decrease in cash flow from operation for 1H2021.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Qualified opinions on the Group's financial statements for FY2019 and FY2020

According to the independent auditor's report in the 2019 Annual Report and 2020 Annual Report, the independent auditor of the Company issued qualified opinion on the Group's financial statements for each of the two years ended 31 December 2020. As disclosed in the sub-section headed "4. Auditor's qualified opinion given in respect of the consolidated financial statements of the Group for the years ended 31 December 2019 and 2020" in the Appendix II Financial information to the Composite Document, the qualified opinion relating to the Group's financial statements for FY2019 was mainly due to the absence of market value of the shares in London Listco as at 31 December 2019 because of the suspension of the trading in the shares of London Listco effective from 28 October 2019, resulting in the Company determining the carrying amounts of the equity interest in London Listco and the call option by reference to the closing quoted price of the shares of London Listco at 28 October 2019. As at the Latest Practicable Date, the suspension had been lifted and London Listco had been privatized by PureCircle and become a wholly-owned subsidiary of PureCircle. As for the qualified opinion relating to the Group's financial statements for FY2020, it arose mainly from the unavailability of the audited financial statements of PureCircle for determining the carrying value of the Group's investment in PureCircle. For this reason, the Company determined the carrying value based on PureCircle's unaudited financial statements available to the Company. Given the above, the Board does not consider that these qualifications have any significant implications on the Offer and the Company.

The Disinterested Shareholders should note that there is uncertainty on the financial position and results of the Group according to the above-mentioned qualified opinions for FY2019 and FY2020 which may affect the disposal of the Lee Hing Shares. Although the PureCircle's audited financial statements for FY2020 was unavailable during the preparation of the Company's annual financial statements for FY2020 and the carrying value of PureCircle in the Company's annual financial statements for FY2020 was based on PureCircle's unaudited financial statements for FY2020, we understand that (i) the Company has reviewed the PureCircle's unaudited financial statements; and (ii) PureCircle is currently a subsidiary of Ingredion, which is publicly listed on the New York Stock Exchange and is subject to certain reporting requirements in relation to accounting disclosure under the rules of the New York Stock Exchange, and therefore, we concur with the Directors' view that the Offer should not be affected by the said qualified opinions. For further details in relation to the independent auditor's qualified opinion, please refer to (i) the sub-section headed "4. Auditor's qualified opinion given in respect of the consolidated financial statements of the Group for the years ended 31 December 2019 and 2020" in the Appendix II Financial information to the Composite Document; and (ii) the 2019 Annual Report and the 2020 Annual Report.

Major investments held by the Group

In regard to the share investment and dealing business, the Group mainly focuses on investments in equity interest of IGB Berhad and PureCircle Limited, which, as disclosed in the 2021 Interim Report, accounted for approximately 31.2% and 40.6% of the total assets of the Company as at 30 June 2021, respectively, while the remaining of the total assets mainly included investment properties and property, plant and equipment. The

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

financial performance and position of the Group is expected to heavily rely on the performance of the major investments (i.e. investments in IGB Berhad Shares and PureCircle Shares).

Investment in IGB Berhad Shares

IGB Berhad is an investment holding company listed on Main Market of Bursa Malaysia Securities Berhad, being the stock exchange in Malaysia (Stock Code: IGBB) and principally engaged in property investment and management, retail, hotel operations and construction. It also has private equity investments in the field of information and communications technology and water/wastewater treatment. The IGB Berhad Shares (35,829,816 ordinary shares in IGB Berhad) represents approximately 3.99% of all ordinary shares in IGB Berhad currently in issue.

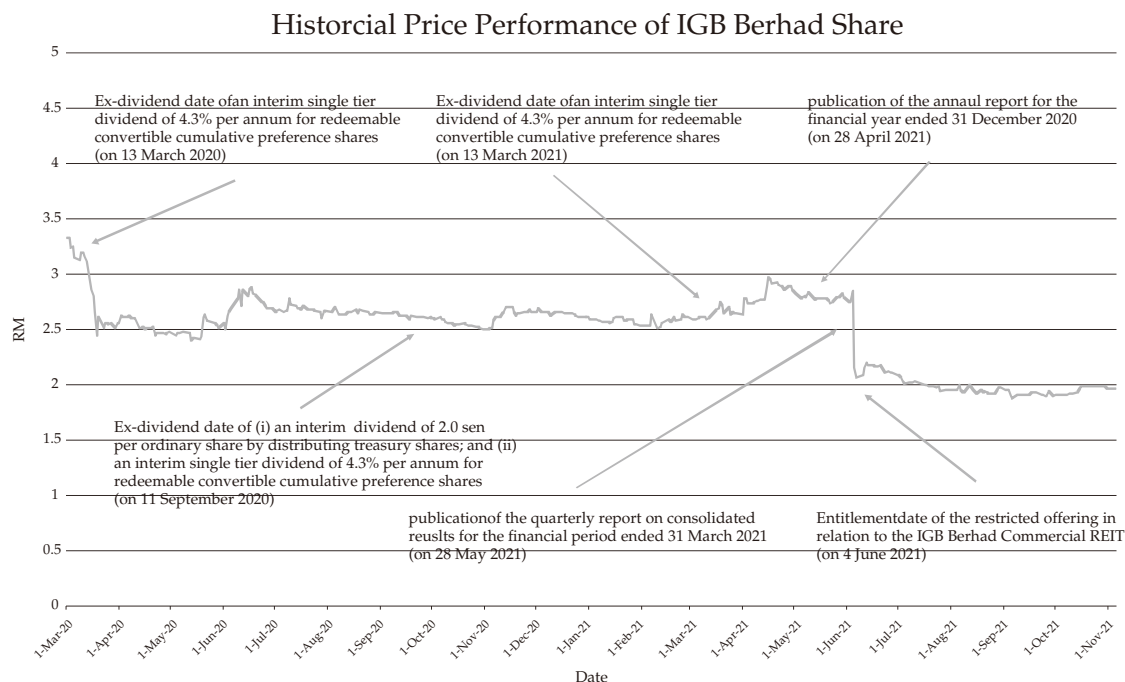
We understand from the annual report of IGB Berhad for FY2020 that the revenue of IGB Berhad for FY2020 decreased by approximately 29.2% as compared to the same for FY2019, while profit for the year attributable to owners of IGB Berhad for FY2020 significantly dropped by approximately 95.6% as compared to that for FY2019, mainly as a result of the property development and hotel operation sectors being adversely impacted by poor consumer and business sentiments as well as operational disruptions caused by the COVID-19. Looking into the financial performance of IGB Berhad for 1H2021 as disclosed in the interim report of IGB Berhad for 1H2021, IGB Berhad recorded a turnaround from net profit for 1H2020 into net loss for 1H2021 mainly due to the resurgence and high number of positive COVID-19 cases in Malaysia during 1H2021 and the continued imposition by the Government of the various forms of Movement Control Order which together have dampened hopes of an early recovery in the Malaysia's local economy and further materially affected the retail and hospitality segments.

Besides, we also observed that the market price of the IGB Berhad Shares exhibited a decline during the Review Period (as defined below in the sub-section headed "6. the Cash Offer — (b) Historical price performance of Lee Hing Shares"), from the highest level of approximately Malaysian ringgit ("RM") 3.2 in March 2020 to the lowest level of approximately RM2.0 in July 2021 which is generally in line with the financial performance of IGB Berhad, where there were two obvious slump in market price of the IGB Berhad Shares during the Review Period. The first decline happened after ex-dividend date of an interim dividend of 4.3% per annum for redeemable convertible cumulative preference shares on 13 March 2020 where the market price of IGB Berhad Shares dropped from RM3.15 on 12 March 2020 to RM2.43 on 19 March 2020. The second significant slump occurred subsequent to the publication of the quarterly report on consolidated results for the financial period ended 31 March 2021 on 28 May 2021, after which the market price of IGB Berhad Shares decreased from RM2.84 on 2 June 2021 to RM2.05 on 4 June 2021, followed by a generally decreasing trend and closing price of RM1.93 as of the Latest Practicable Date.

As at the Latest Practicable Date, the market capitalisation of the IGB Berhad Shares held by the Group is approximately HK\$127.9 million, which is calculated based on the market price of IGB Berhad Shares as at the Latest Practicable Date of RM1.93 (equivalent to approximately HK\$3.57 with an exchange rate of HK\$1.85 = RM1),

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

multiplied by the total number of IGB Berhad Shares held by the Company of 35,829,816. The daily closing prices of IGB Berhad Shares are illustrated as follows:



Source: the website of Bursa Malaysia (<https://www.bursamalaysia.com/>).

Apart from the above assessment, we are aware of the corporate activities by IGB Berhad, including (i) the spin-off of the commercial property segment of IGB Berhad (i.e. the “**IGB Berhad Commercial REIT**”), which has been established with the principal investment policy of investing, directly and indirectly, in a portfolio of income producing real estate primarily used for commercial purposes in Malaysia and overseas and was approved by shareholders of IGB Berhad on 28 April 2021; and (ii) the shares of the IGB Berhad Commercial REIT is listed since 20 September 2021. As discussed with the Company, the Group was entitled the rights to subscribe for 35,829,816 shares (the “**Entitlement Shares**”) in the IGB Berhad Commercial REIT under its spin-off proposal from IGB Berhad.

As advised by the Company, based on the Group’s current financial conditions, the Group has no intention to subscribe for the Entitlement Shares. The Entitlement Shares not subscribed by Group were made available for subscription by the places under the institutional offering under the spin-off proposal. According to the announcement published by the IGB Berhad on 3 September 2021, the indicative price of the IGB Berhad Commercial REIT Rights has been set at RM0.71 per unit. As confirmed by the Company, the subscription was completed in October 2021 and under the terms of the spin-off proposal, the Group is entitled to receive and, has as the Latest Practicable Date received, a sum from the proceeds of the subscription by the places of the Entitlement Shares (based on around RM0.3 per unit after deducting amount due to IGB Berhad of approximately RM0.41 per unit from its indicative price of RM0.71 per unit) of approximately RM10.8 million (equivalent to approximately HK\$20.2 million), where most of the sale proceeds

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

has been held by a bank in order to meet security coverage ratio requirement as required under a bank facility agreement. Therefore, we are of the view that the disposal of the IGB Berhad REIT Rights could not relieve immediate cashflow pressure faced by the Company and replenish its working capital for maintaining daily operation and therefore has no material impact on improving the financial position of the Group.

Investment in PureCircle Shares

PureCircle Limited (formerly known as Ingredion SRSS Holdings Limited or London Listco before London Listco Privatisation) is a company incorporated in England and Wales and principally engaged in production and distribution of stevia sweeteners and flavors to food and beverages industry worldwide. The PureCircle Shares (36,746,277 shares in PureCircle) represents approximately 8.21% of all ordinary shares of PureCircle currently in issue.

Since London Listco was privatised by Ingredion in mid-2020, there is no public financial information about London Listco after the last financial year prior to its delisting, being the year ended 30 June 2019. Based on the annual report of London Listco for the year ended 30 June 2019, we noted that (i) the revenue of London Listco for the year ended 30 June 2019 recorded approximately USD124.0 million, representing a slight decline of approximately USD2.6 million or 2.0% as compared to the same for the year ended 30 June 2018 due to the decline in sales volume of certain base products being replaced with new and better tasting breakthrough products in the market; (ii) the gross profit of London Listco for the year ended 30 June 2019 amounted to approximately USD1.2 million, representing a decrease of approximately USD37.0 million or 96.7% as compared to the same for the year ended 30 June 2018 which was mainly due to inventory being written down for correction to full-cost recognition; and (iii) the financial position and comprehensive income for the year ended 30 June 2018 have been restated to correct errors with respect of revenue, inventory and cost of goods sold after London Listco had performed a comprehensive review and assessment of the net realisable value and provision of slow-moving inventory procedure based on the forecasted sales and consumption plans of the London Listco's management according to the annual report of London Listco for the year ended 30 June 2019. Consequently, the loss for the year attributable to owners of London Listco was significantly intensified by approximately 47 times, from approximately USD1.7 million for the year ended 30 June 2018 to that of approximately USD79.7 million for the year ended 30 June 2019, representing loss per share of approximately 45.32 USD cents for the year ended 30 June 2019. On the other hand, the financial position of London Listco also worsened during the two years ended 30 June 2019, while the net assets dropped from approximately USD210.2 million as at 30 June 2018 to approximately USD159.5 million as at 30 June 2019, representing a decrease of approximately USD50.7 million or 24.1%.

Besides, it should be brought to the Disinterested Shareholders' attention that, in view of (i) the right of the Company to exercise the Put Option; and (ii) under the PureCircle Shareholders' Agreement, the Company is permitted to freely transfer the PureCircle shares to a member of the Group or is permitted to transfer those shares to third party provided that Ingredion and the other minority investors of PureCircle decline their rights of pre-emption and further subject to the third party buyer executing a deed of

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

adherence to the PureCircle Shareholders' Agreement, the equity interest in PureCircle held by the Group shall only be transferred within certain transfer restrictions as mentioned above but, to a certain extent, liquid to be converted into cash under the PureCircle Exit Arrangements. With further reference to the Letter from Kingkey Securities and the circular of the Company dated 23 July 2020, the PureCircle Shareholders' Agreement does not specify any basis on which Ingredion shall determine the fair value of the PureCircle Shares and the valuation methodology applied by the independent valuer for determining the fair value of the PureCircle Shares is that the fair price following referral to the independent valuer shall be the price in USD determined on discounted cash flows based on recent (by reference to the date of the relevant notice served by Ingredion or a minority investor (as the case may be)) past performance of PureCircle and projected five year cash flows of PureCircle which the independent valuer determines to be the fair value of the PureCircle Shares (on a per PureCircle Share basis) as at the date of the relevant notice on a sale. Accordingly, the consideration payable under the PureCircle Exit Arrangements and the Put Option are yet to be determined.

3. Intention of the Offeror regarding the Group

If the Offeror acquires such number of Lee Hing Shares under the Offer as represents not less than 90% of all the Lee Hing Shares (by virtue of the acceptances of the Offer or otherwise) and not less than 90% of all the Lee Hing Shares held by the Disinterested Shareholders within, but not exceeding, the period of 4 months after the posting of the Composite Document, the Offeror intends to privatise the Company by exercising the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance to acquire the remaining Lee Hing Shares held by the Disinterested Shareholders, following which the listing of the Company on the Main Board of the Stock Exchange shall be withdrawn pursuant to the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules in this regard. In the event that the Offeror and parties acting in concert with it come to hold 70% or more, but less than 90%, of all the Lee Hing Shares in issue at the close of the Offer, the Lee Hing Shares will remain listed on the Main Board of the Stock Exchange. However, trading in the Lee Hing Shares has been suspended since 9:00 a.m. on 17 March 2021 pending re-compliance with Rule 13.24 of the Listing Rules by the Company and fulfilment of any resumption guidance that may be set by the Stock Exchange.

The Board currently has five Directors, comprising two executive Directors and three independent non-executive Directors. It is the Offeror's intention that all the independent non-executive Directors shall cease to be Directors with effect from the date on which the withdrawal of the listing of the Company on the Main Board of the Stock Exchange becomes effective following the compulsory acquisition by the Offeror to acquire the remaining Lee Hing Shares held as mentioned in the preceding paragraph (if such withdrawal materialises).

Save as aforesaid, the Offeror does not have any intention to introduce any significant changes to the existing operations and management of the Group, including any redeployment of the fixed assets of the Group (save for the disposal of PureCircle Shares contemplated under the PureCircle Exit Arrangements), nor does it have any

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

intention to make any significant changes to the continued employment of the Group's employees. Furthermore, Mr. Tan and the Offeror do not currently have any intention to seek a listing of the Offeror Shares or the business of the Group on a stock exchange, whether in Hong Kong or in another jurisdiction.

4. Information of the Offeror

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 18 May 2021 and its issued share capital as at the Latest Practicable Date comprises 100 Offeror Shares which are owned by Mr. Tan. On 25 June 2021, a shareholder's resolution of the Offeror was passed whereby each one ordinary share of US\$1.00 (whether issued or unissued) was sub-divided into 100 ordinary shares of US\$0.01 each. As a result of the aforesaid share sub-division, the only ordinary share of US\$1.00 then in issue of the Offeror and held by Mr. Tan was sub-divided into 100 ordinary shares of US\$0.01 each of the Offeror (i.e. 100 Offeror Shares). As at the Latest Practicable Date, save and except for the 100 Offeror Shares held by Mr. Tan and the Offeror Shares to be issued under the Share Alternative, the Offeror: (a) does not have any options, derivatives, warrants or securities which are convertible or exchangeable into the Offeror Shares or which confer rights to require the issue of the Offeror Shares; (b) has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Offeror Shares or which confer rights to require the issue of Offeror Shares; and (c) has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). Save for the purposes of the implementation of the Offer and the intended privatisation of the Company, the Offeror is not intended to engage in any business activities. The sole director of the Offeror is Mr. Tan. As at the Latest Practicable Date, the assets of the Offeror mainly comprise cash in the sum of approximately HK\$52 million representing the cash advanced by Mr. Tan to finance the Offer, after deducting the fees and expenses incurred in connection with the Offer of approximately HK\$2 million while the major liabilities of the Offeror comprise the shareholder's loan from Mr. Tan for the Offer of HK\$54 million.

5. Reasons for and benefits of the Offer made by the Offeror

Unfavourable listing status of the Company

With reference to the announcement of the Company dated 5 March 2021 in relation to the decision of the Stock Exchange on Rule 13.24 (the "**HKSE Decision Announcement**"), the Company received a letter dated 5 March 2021 from the Stock Exchange notifying the Company of its decision that the Company has failed to maintain a sufficient level of operations and assets of sufficient value to support its operations under Rule 13.24 of the Listing Rules to warrant the continued listing of its shares (the "**Decision**"). Pursuant to Rule 2B.06(1) of the Listing Rules, the Company has the right to refer the Decision to the Listing Committee (as defined in the Listing Rules) for review and the Company has decided not to review the Decision. However, with further reference to the announcement of the Company dated 17 March 2021 in relation to suspension of trading (the "**Suspension of Trading Announcement**"), at the request of the Company, trading in Lee Hing Shares was suspended with effect from 9:00 a.m. on 17 March 2021 and will remain

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

suspended pending re-compliance with Rule 13.24 by the Company and fulfilment of any resumption guidance that may be set by the Stock Exchange. As at the Latest Practicable Date, trading in Lee Hing Shares is still suspended.

According to the HKEX Guidance Letter in respect of guidance on sufficiency of operations, Rule 13.24 of the Listing Rules was amended and became effective in October 2019 (with a transitional period of 12 months). Under the amended Rule 13.24(2) of the Listing Rules, proprietary trading and/or investment in securities by an issuer and its subsidiaries (other than an issuer which is an investment company listed under Chapter 21 of the Listing Rules) are normally excluded when considering whether the issuer can meet the requirement of sufficient level of operation and assets of sufficient value to support its operations to warrant continued listing of the Company as set out in Rule 13.24(1) of the Listing Rules. As disclosed in the Letter from Kingkey Securities, since the suspension of trading, the Company has been trying to identify feasible solutions to re-comply with Rule 13.24 of the Listing Rules, namely assessing and identifying suitable business to be acquired by the Group which having regard to the existing business of the Group would constitute a reverse takeover of the Company as defined under the Listing Rules. Based on our discussion with the Company, we understand that the Company is open to any sector or type of business to invest. As at the Latest Practicable Date, no progress had been made in identifying a suitable solution to re-comply with Rule 13.24 of the Listing Rules.

In spite of the Company's effort in formulating the expansion plan to re-comply with Rule 13.24 of the Listing Rules by identifying suitable business, the global economy was negatively impacted by the COVID-19 pandemic and therefore, not only the financial performance and position of the Group have been worsening, huge number of businesses around the globe have been affected materially and adversely. Therefore, the emerging business opportunities are less attractive and simultaneously, the Group has faced tremendous challenges in the course of identifying any suitable business, in light of the prevailing global economic environment, the uncertainties in the operation of business posed by the COVID-19 pandemic, the financial position of the Group and the funding need for acquisition. Based on our discussion with the management of the Company, we concur with the Company that, based on the current financial situation of the Company, especially the persistent loss-making track record and low level of cash position of the Group of approximately HK\$5.6 million as at 30 June 2021, there are certain obstacles for the Group to acquire a new business either by their internal financial resources or bank loans from financial institutions. On the other hand, given that trading of the Lee Hing Shares is currently suspended and its historical low liquidity of the Lee Hing Shares hinders the Company's ability to raise fund from the public equity market, which no longer serves as viable source of funding for developing the Group's business to demonstrate re-compliance with Rule 13.24 of the Listing Rules. We consider that the Company stands a large chance of being delisted from the Stock Exchange based on the fact that Company could barely acquire a business which can meet the new listing requirement, in particular that the aggregate profit requirement over the three-financial year track record period for companies listing on the Main Board will increase from HK\$50 million to HK\$80 million, set out in

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Chapter 8 of the Listing Rule where such amendments of listing requirement will become effective since 1 January 2022. Hence, the Offer represents an opportunity for the Shareholders to realise their investment in the Company before the delisting of the Company through opting for the Cash Offer or to continue acting as shareholders of the Offeror through opting for the Share Alternative to enjoy any potential increase in value of the Offeror Shares in the future.

Business prospects of the Group

Based on the Group's historical financial results, we note that the Group recorded net loss for six consecutive years since 2015, whereas the NAV of the Group declined substantially from 31 December 2015 of approximately HK\$2,265.2 million to 30 June 2021 of approximately HK\$274.4 million, representing a negative compounded annual growth rate of approximately 32.3%. The substantial decrease in the Group's NAV during these six years mainly resulted from the unrealised loss on financial assets in relation to the Group's investments in the PureCircle Shares and IGB Berhad Shares.

With reference to the 2019 Annual Report and the 2020 Annual Report, the operating expenses of the Group, mainly including Directors' fee, employee salaries and allowance, legal, professional and consultation expenses and other general operating expenditure, for FY2018, FY2019 and FY2020 amounted to approximately HK\$29.3 million, HK\$25.1 million and HK\$32.6 million respectively, indicating that the Group required stable working capital at around HK\$30 million per year for its daily operation, and it is expected that such regular expenses will be incurred for the future financial years. As disclosed in the Letter from Kingkey Securities, depending on the market conditions and the availability of funding to the Group, the Group may from time to time in its ordinary and usual course of business dispose of shares in IGB Berhad (the "**Potential Disposal of IGB Berhad Shares**") held by it through on market transactions on Bursa Malaysia Securities Berhad or through private placements by way of block trade(s) conducted through reputable financial institutions in Malaysia as placing agents. As advised by the Company, we understand from the Company that in 26 October 2021, Mr. Tan has provided HK\$4 million to the Company as an interest-free loan from director (the "**Financial Support**") for general working capital of the Group so as to relieve immediate cash flow pressure of the Group. Therefore, the Group would mainly rely on the Potential Disposal of IGB Berhad Shares and Financial Support to maintain sufficient working capital for its daily business.

On the basis that (i) the majority of the income from operations were generated from the share investment and dealing business for FY2020; and (ii) the financial assets at fair value through profit or loss accounted for the majority of total assets of the Group as at 30 June 2021, we are of the opinion that the financial performance of the Group will continue to be significantly dependent on the future prospect of PureCircle and IGB Berhad, which is subject to global financial market

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and economic condition. In this regard, we would like to highlight the following risk factors for consideration:

1. The financial assets at fair value through profit or loss, which were major investments of the Group, may fluctuate from time to time and their value may suffer from significant decline in the future, which could materially and adversely affect the financial condition of the Group

During the past three financial years, the Group generated its revenue mainly from share investment and dealing in relation to the investments in the PureCircle Shares and the IGB Berhad Shares, these traded securities are classified as financial assets at fair value through profit or loss. As at 31 December 2018, 2019 and 2020, the market capitalisation of the PureCircle Shares and the IGB Berhad Shares was approximately HK\$1,535.4 million, HK\$854.1 million and HK\$414.9 million, respectively. Such declining balance during the past three financial years mainly resulted from the change in market sentiment and investors' expectation and the historical financial performance of PureCircle and IGB Berhad. Moreover, the financial performance and business growth of IGB Berhad and PureCircle, of share investments held by the Group, may be heavily dependent on the conditions of the global market. The global economic condition could generally act as the determining factor for the market price performance of IGB Berhad and PureCircle, especially for IGB Berhad as its shares is listed on Bursa Malaysia. As a result of the existence of ready market for share trading, IGB Berhad Shares may be subject to change in market sentiments and investors' expectation on IGB Berhad. The dynamic fluctuation in the fair value of the financial assets held by the Group could materially and adversely affect the financial condition of the Group as the NAV of the Group may decrease with market valuation of IGB Berhad and PureCircle.

2. Change in legal and regulatory environment may have adverse effect on business and expansion plan of IGB Berhad and PureCircle with business coverage across the globe

The regulatory requirement in each country may differ due to their specific economic and political characteristics, as well as their political relations with other countries. International legal and regulatory environment have historically been affected by competition among countries and geopolitical frictions. Failure to comply with the laws and regulations may cause the company subject to certain penalties, including payment of fines or even legal sanctions including closure of the production facilities and business office.

We observed that PureCircle and IGB Berhad have their business coverage across the globe, where (i) PureCircle has its production plant in the PRC and Malaysia and sell its product to 63 countries as disclosed in the annual report of PureCircle for the year ended 30 June 2019; and (ii) IGB Berhad has various property development and investment, and hotel management projects across Asia, Australia, the United States and the United Kingdom. Therefore, with

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

business coverage across the globe, IGB Berhad and PureCircle may be vulnerable to legal and regulatory risks. Specifically, taking into account the continued geopolitical instability which may result in changes in trade policies, treaties and tariffs in the jurisdictions where the products of PureCircle are sold to or the raw materials are procured from or the services are delivered in, or the perception that these changes could occur, could have adverse effect on the financial performance and position of PureCircle.

3. Risks relating to the widespread impact of the COVID-19 pandemic and its prolonged effect on global economy may create severely negative impact on the business of IGB Berhad and PureCircle on a continuous basis

COVID-19 pandemic is beyond the Group's control and may materially and adversely affect the economy and livelihood of people in the areas where IGB Berhad and PureCircle have their business operations. As mentioned above, we noted that IGB Berhad and PureCircle have their business coverage over the world. IGB Berhad has property investments in Asia, Australia, the United States of America and United Kingdom, while PureCircle has production facilities in the PRC and Malaysia and exports goods to multiple countries.

According to the Malaysia Property Market Outlook 2021 (the "**Market Outlook 2021**") released in December 2020 by Property Guru Group, an Asian leading online property portal, the Malaysia property price index has been registering a drop since first half year of 2020, from 89.90 points in second quarter of 2020 to its lowest of 88.60 points in fourth quarter of 2020 with base level of 100 points, which reflected the existence of cautious consumer sentiments on the property market. As IGB Berhad based in Malaysia and focuses on property investment and management, property development and hotel operations, the decreased market sentiment on the property market and the slowdown in global economy inevitably adverse the business performance of IGB Berhad in a negative way. Even worse, in 2021, COVID-19 cases are still rapidly increasing in Malaysia, where number of COVID-19 cases as of 2 January 2021 amounted to 117,373, and further hit 2,497,265 as of the Latest Practicable Date, representing an increase of approximately 21 times in roughly ten months. Unavoidably, the job market and overall economy in Malaysia have been adversely impacted by the unexpected growth in COVID-19 cases, which have been proved by persistently high level of unemployment rate at around 4.5% to 4.8% in 2021 and constantly negative level of quarterly gross domestic product growth recorded in Malaysia since second quarter of 2020 to first quarter of 2021 with maximum of -17.2% to minimum of -0.5%, according to public statistics released by Trading Economics (<https://tradingeconomics.com/>), a leading international information service provider.

We further noted from the 2019 annual report of PureCircle released on 31 March 2020 that PureCircle's extraction plant in the PRC was suspended from 31 January 2020 to 18 February 2020 to adhere to the authority's measure to contain the COVID-19 outbreak and operations at PureCircle's refinery plant

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

in Malaysia also faced temporary suspension in March 2020 to adhere to the government's movement control order. Besides, the global supply chain has faced challenges since early 2021 as a result of cargo delay and steep shipping cost caused by the COVID-19 pandemic. According to the website of Trading Economics, the Baltic Dry Index which measures changes in the cost to transport raw materials, such as metals, grains and fossil fuels, by sea, whereas the raw material of PureCircle forms part of grains, was approximately 2,739 points as at the Latest Practicable Date, representing an increase of approximately 110% as compared with approximately 1,300 points in early January 2021 which can be mainly attributable to excess demand caused by a confluence of factors, for instance, soaring demand, a shortage of containers and congestion at ports. As such, as a company to supply its products worldwide, PureCircle's business operation and financial performance may be affected as a result of the substantial increase in shipping cost.

As suggested above, the widespread impact of the COVID-19 pandemic, including the severe movement and commercial restrictions, has created negative impact on the economic conditions in which IGB Berhad and PureCircle have their operation. Heading into 2021, there are emergences of different variants of the COVID-19, such as the Delta Variant which is far more transmissible than its predecessors and more lethal to people of all ages, and total COVID-19 cases in the world has exhibited an increasing trend, from approximately 83.9 million cases as of 31 December 2020 to 249.1 million cases as of the Latest Practicable Date. Such resurgent COVID-19 infections in the country have put the brakes on expectations of a quick recovery for global economy, and the prevailing subdued market sentiment is expected to recover at a low pace in the near future. The severity of COVID-19 outbreak may have material influence on operation and profitability of IGB Berhad and PureCircle under global market in 2020 and potentially beyond. On the production side, since labor productivity may reduce due to decreased working hours, absence of work in light of potential lockdown and quarantine. On the demand side, willingness of the public to spend may shrink as a result of being laid off or temporary labor stoppage. As the COVID-19 pandemic is still evolving, the prospect of the global economy is still unpredictable. Therefore, the financial performance and position of the Group may deteriorate in case that the COVID-19 pandemic does not show an obvious improvement in the near future.

6. The Cash Offer

(a) Comparison of the Offer Price

The Offer Price of HK\$0.80 represents:

- (i) a premium of approximately 53.9% over the closing price of HK\$0.52 per Lee Hing Share quoted on the Stock Exchange on 16 March 2021, being the Last Trading Day;
- (ii) a premium of approximately 28.6% over the average closing price of approximately HK\$0.622 per Lee Hing Share quoted on the Stock Exchange for the 5 consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 3.7% to the average closing price of approximately HK\$0.831 per Lee Hing Share quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 28.7% to the average closing price of approximately HK\$1.122 per Lee Hing Share quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 28.4% to the average closing price of approximately HK\$1.118 per Lee Hing Share quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a discount of approximately 63.7% to the audited consolidated net assets attributable to owners of the Company per Lee Hing Share of approximately HK\$2.2019 as at 31 December 2020, calculated based on the Group's audited consolidated net assets attributable to owners of the Company of approximately HK\$323,203,000 as at 31 December 2020 and 146,781,285 Lee Hing Shares in issue as at the Latest Practicable Date;
- (vii) a discount of approximately 57.2% to the unaudited consolidated net assets attributable to owners of the Company per Lee Hing Share of approximately HK\$1.8692 as at 30 June 2021, calculated based on the Group's unaudited consolidated net assets attributable to owners of the Company of approximately HK\$274,370,000 as at 30 June 2021 and 146,781,285 Lee Hing Shares in issue as at the Latest Practicable Date;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (viii) a discount of approximately 69.0% to the adjusted unaudited consolidated net assets attributable to owners of the Company per Lee Hing Share of approximately HK\$2.58 as at 30 June 2021, calculated based on the Group's adjusted unaudited consolidated net assets attributable to owners of the Company of approximately HK\$378,616,000 as at 30 June 2021 after taking into account the valuation of the Group's property interests in aggregate of approximately HK\$189,870,000 with a valuation date of 30 September 2021 and 146,781,285 Lee Hing Shares in issue as at the Latest Practicable Date; and
- (ix) a discount of approximately 68.2% to the Adjusted NAV (as defined below) per Lee Hing Share of approximately HK\$2.52 as at 30 June 2021, calculated based on the Group's adjusted unaudited consolidated net assets attributable to owners of the Company of approximately HK\$369,162,000 as at 30 June 2021 after taking into account the adjustments on the NAV in aggregate of approximately HK\$94,792,000, as calculated in the sub-section headed "6. The Cash Offer – (c) Historical Discount of Lee Hing Shares to NAV per Lee Hing Share", and 146,781,285 Lee Hing Shares in issue as at 30 June 2021.

As the trading of the Lee Hing Shares on the Stock Exchange has been suspended since 17 March 2021, no comparison of value can be made with the closing price per Lee Hing Share on 26 August 2021, being the last Business Day prior to the commencement of the Offer Period.

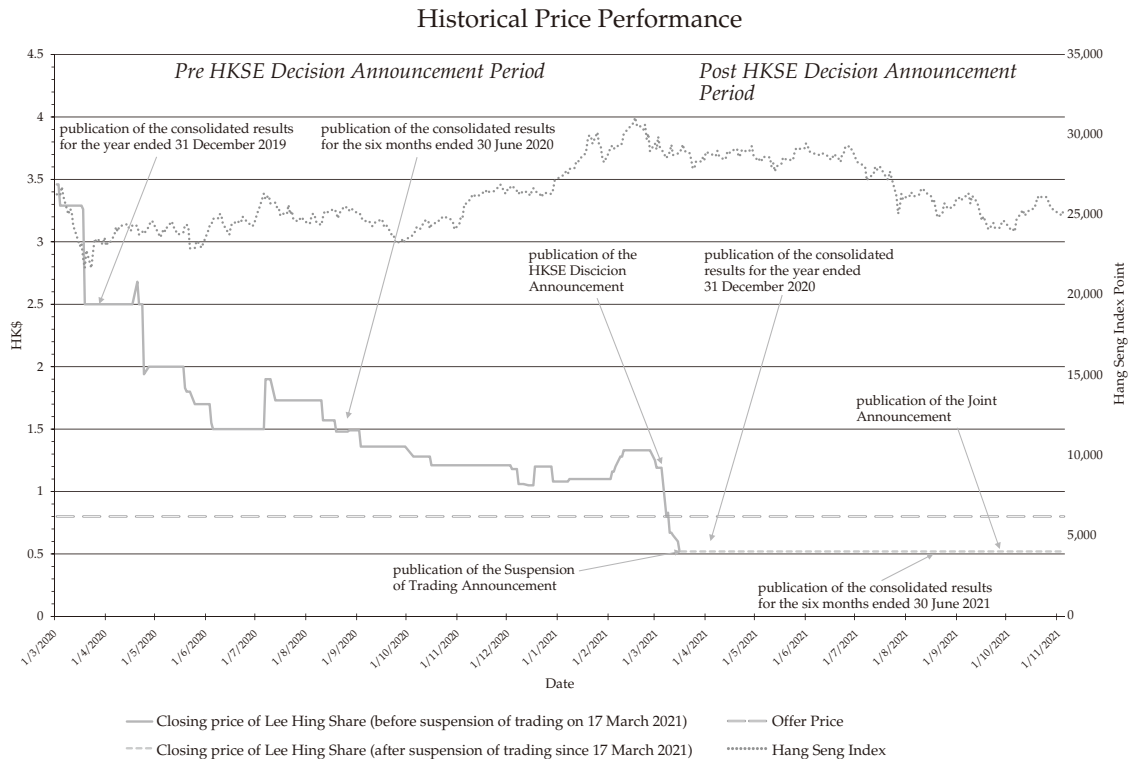
The Offer Price has been determined on a commercial basis after taking into account (i) the historical trading prices of the Lee Hing Shares as quoted on the Stock Exchange, in particular, the period after publication of the announcement of the Company dated 5 March 2021 regarding re-compliance with Rule 13.24 of the Listing Rules; and (ii) the fact that the Lee Hing Shares are currently suspended from trading.

(b) Historical price performance of Lee Hing Shares

We have analysed the movement of the daily closing prices of Lee Hing Shares quoted on the Stock Exchange, (i) during the period commencing from 1 March 2020, being approximately one year prior to the publication of the HKSE Decision Announcement (the "**Pre HKSE Decision Announcement Period**"); and (ii) from 8 March 2021 (being the first trading day after the publication of the HKSE Decision Announcement) and up to the Latest Practicable Date (the "**Post HKSE Decision Announcement Period**") (collectively, the "**Review Period**"). We consider that the duration of the Review Period would be a reasonable and sufficient period to illustrate the recent closing price movement of Lee Hing Shares as it covered reasonably sufficient amount of time prior to suspension of trading for Lee Hing

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Shares to fully reflect the market reaction on Lee Hing Shares. The daily closing prices of Lee Hing Shares are illustrated as follows:



Source: The website of the Stock Exchange (www.hkex.com.hk)

With reference to the chart above, the closing price of Lee Hing Shares ranged from HK\$3.72 to HK\$0.52 during the Review Period. The average closing price of Lee Hing Shares for the Review Period was approximately HK\$1.84. The closing price of Lee Hing Shares exhibited a generally downward trend starting from March 2020 to March 2021 (in which the Suspension of Trading Announcement was published), which indicated that, comparatively, the closing price of Lee Hing Shares underperformed the Hang Seng Index during the Review Period as illustrated in the chart above.

During the Pre HKSE Decision Announcement Period, the closing price of Lee Hing Shares showed a generally decreasing trend. At the beginning of the Pre HKSE Decision Announcement Period, the closing price of Lee Hing Shares has experienced a significant drop from HK\$3.46 on 2 March 2020 to the HK\$2.5 on 19 March 2020, which was generally in line with the slump in value of the global equity markets including the Hang Seng Index in March 2020. Subsequent to the publication of the consolidated results for FY2019 on 30 March 2020, the closing price of Lee Hing Shares continued to exhibit a decreasing trend, which tumbled from HK\$2.68 on 20 April 2020 to HK\$1.5 on 5 June 2020. The closing price of Lee Hing Shares rebounded back to HK\$1.90 on 7 July 2020 after publication of the announcement of the Company mainly in relation to very substantial disposal and very substantial acquisition on 9 June 2020. Further, the closing price of Lee Hing

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Shares dropped from HK\$1.73 on 10 August 2020 to HK\$1.05 on 14 December 2020, within which the Company's consolidated results announcement for 1H2020 was published on 8 August 2020. Subsequent to 17 December 2020, the closing price of Lee Hing Shares was fluctuating within the range between approximately HK\$1.1 and HK\$1.3 prior to the publication of the HKSE Decision Announcement.

During the Post HKSE Decision Announcement Period, the closing price of Lee Hing Shares demonstrated a significant decline. After the publication of the HKSE Decision Announcement, the closing price of Lee Hing Shares exhibited a significant drop from HK\$1.19 on 5 March 2021 to the lowest level during the Review Period of HK\$0.52 on 16 March 2021, being the last trading day prior to the publication of the Suspension of Trading Announcement on 17 March 2021, after which Lee Hing Shares have been suspended from trading on the Stock Exchange. As the Company stated in the HKSE Decision Announcement that the Company has decided not to review the Decision, such decline of closing price of Lee Hing Shares may reflect the market sentiment on the Decision, the response of the Company towards the Decision as well as the possible delisting of Lee Hing Shares.

During the Pre HKSE Decision Announcement Period, the Offer Price represents a discount of approximately 50.5% to the average closing price for the Pre HKSE Decision Announcement Period of approximately HK\$1.62. However, after the publication of the HKSE Decision Announcement, the fundamental outlook of the Lee Hing Shares has been changed as the Lee Hing Shares would potentially lose its listing status. We are of the view that (i) the market price of the Lee Hing Shares during the Pre HKSE Decision Announcement Period could not be able to reflect investors' expectation on Lee Hing Shares with respect to its potential delisting status; and (ii) the Offer Price being determined with reference to the historical price of Lee Hing Shares, in particular during the Post HKSE Decision Announcement Period, would truly reflect the above-mentioned market impact based on the change in fundamental outlook of the Lee Hing Shares. During the Post HKSE Decision Announcement Period, the Offer Price represents (i) a premium of approximately 53.9% over the closing price of HK\$0.52 as at last trading prior to the publication of the Suspension of Trading Announcement; and (ii) a premium of approximately 18.1% to the average closing price for the Post HKSE Decision Announcement Period of approximately HK\$0.68.

(c) *Historical Discount of Lee Hing Shares to NAV per Lee Hing Share*

In arriving at our opinion on the fairness and reasonableness of the Offer Price with respect to the NAV per Lee Hing Share, we have compared the historical discount of Lee Hing Shares (the "**Historical Discount(s)**") (as calculated as the difference between the NAV per Lee Hing Share based on the respective latest consolidated results announcement of the Company and the average closing price of Lee Hing Shares for the respective month/period, and then divided by the said NAV per Lee Hing Share) to the implied discount of the Offer Price (the "**Implied Discount**") (as calculated as the difference between the latest NAV per Lee Hing Share based on the latest consolidated results announcement of the Company as at the Latest Practicable Date and the Offer Price of HK\$0.8, and then divided by the said latest NAV per Lee Hing Share).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

However, in order to make a fair comparison of the Offer Price in respect of the NAV per Lee Hing Share, we consider that it is necessary to adjust the NAV as at 30 June 2021 based on the latest available financial information for revaluation adjustment on (i) the IGB Berhad Shares which are publicly traded; and (ii) other land and property investment held by the Group (i.e. a leasehold land in Hong Kong, an investment property in Hong Kong and three land parcels in Japan) subject to revaluation by independent third party valuer, to reflect the recent market sentiment and their fair value. The table below shows the calculations of the adjusted NAV (the “Adjusted NAV”) as at the Latest Practicable Date taking into account the updated fair value of those assets.

		Amount <i>(Approximately)</i>
NAV as at 30 June 2021	(A)	HK\$274,370,000
Plus: Adjustments on the NAV:	(B)	HK\$94,792,000
• Downward adjustment on the IGB Berhad Shares	–	HK\$9,454,000 ^(Note 1)
• Revaluation surplus of the property held for owner occupation in Hong Kong	+	HK\$102,665,000 ^(Note 2)
• Revaluation surplus of the property held for investment purposes in Hong Kong	+	HK\$1,900,000 ^(Note 3)
• Revaluation deficit of the properties held for disposal in Japan	–	HK\$319,000 ^(Note 4)
Adjusted NAV as at the Latest Practicable Date	(A) + (B) = (C)	HK\$369,162,000
Number of issued Lee Hing Shares as at 30 June 2021	(D)	146,781,285
NAV per Lee Hing Share as at 30 June 2021	(A) ÷ (D)	HK\$1.87
Adjusted NAV per Lee Hing Share	(C) ÷ (D)	HK\$2.52
Implied Discount ^(Note 5)		68.2%

Notes:

1. It represents the difference between the book value of IGB Berhad with reference to the 2021 Interim Report and the its fair value as at the Latest Practicable Date which is calculated by its closing price of RM1.93 (equivalent to approximately HK\$3.57 with an exchange rate of HK\$1.85 = RM1) quoted on the Kuala Lumpur Stock Exchange as at the Latest Practicable Date multiplied by the number of issued IGB Berhad Shares held by the Company.
2. It represents the revaluation surplus of the leasehold land in Hong Kong with reference to the excess of its appraisal value as at 30 September 2021 over its book value as at 30 June 2021 per the 2021 Interim Report.
3. It represents the revaluation surplus of the investment property in Hong Kong with reference to the excess of its appraisal value as at 30 September 2021 over its book value as at 30 June 2021 per the 2021 Interim Report.
4. It represents the revaluation deficit of the freehold land in Japan with reference to the shortfall of its appraisal value as at 30 September 2021 (with an exchange range of HK\$0.0709 = Japanese Yen1) over its book value as at 30 June 2021 per the 2021 Interim Report.
5. It represents the difference between the Adjusted NAV per Lee Hing Share based on the latest consolidated results announcement of the Company as at the Latest Practicable Date and the Offer Price of HK\$0.8, and then dividend by the Adjusted NAV per Lee Hing Share.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on the above-mentioned adjustments for NAV, considering the upward adjustment of approximately HK\$94.8 million, NAV per Lee Hing Share of approximately HK\$1.87 as at 30 June 2021 was adjusted to the Adjusted NAV per Lee Hing Share of approximately HK\$2.52 as at the Latest Practicable Date. Therefore, the Implied Discount of the Offer Price to the Adjusted NAV per Lee Hing Share is approximately 68.2%.

In order to determine the fairness and reasonableness of the Offer Price, we have assessed the difference between the Implied Discount and the Historical Discounts. Based on adjusted NAV per Lee Hing Share of approximately HK\$2.52 as at the Latest Practicable Date, we have compared the Implied Discount of approximately 68.2% with the Historical Discounts for the respective month/period during the Review Period. The table below sets out the comparison

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

between the Historical Discounts during the Pre HKSE Decision Announcement Period and the Post HKSE Decision Announcement Period and the Implied Discount:

Month/Period	NAV per Lee Hing Share ^(Note 1) (Approximately) (HK\$)	Average Closing Price (Approximately) (HK\$)	Discount to NAV (%)
<i>Pre HKSE Decision Announcement Period</i>			
2020			
March	8.1	2.981	63.07
April	5.3	2.401	54.31
May	5.3	1.887	64.10
June	5.3	1.531	70.86
July	5.3	1.730	67.09
August	5.3	1.579	69.96
September	3.5	1.372	60.26
October	3.5	1.241	64.05
November	3.5	1.210	64.95
December	3.5	1.130	67.25
2021			
January	3.5	1.096	68.25
February	3.5	1.273	63.13
March (up to the last trading day prior to the publication of the HKSE Decision Announcement, i.e. 5 March 2021)	3.5	1.202	65.66
Maximum discount			70.86
Minimum discount			54.31
Median discount			64.95
Average discount			64.84
<i>Post HKSE Decision Announcement Period</i>			
March (commencing from 8 March 2021 and up to 15 March 2021)	3.5	0.703	79.90
16 March 2021 (the Last Trading Day, being the last trading day prior to the publication of the Suspension of Trading Announcement)	3.5	0.520	85.14
Latest Practicable Date	2.52 ^(Note 2)	0.8 ^(Note 3)	68.2

Source: The website of Stock Exchange (www.hkex.com.hk)

Notes:

- The NAV per Lee Hing Share represents the latest published NAV of the Company divided by number of issued Lee Hing Shares prior to the respective months during the Review Period. The respective latest published NAVs of the Company were extracted from the Company's annual results announcement for FY2019 and FY2020 published on 30 March 2020 and 13 April 2021 respectively and the Company's interim results announcements for six months ended 30 June 2019 and 1H2020 published on 15 August 2019 and 14 August 2020 respectively.
- The Adjusted NAV per Lee Hing Share represents the Adjusted NAV of the Company divided by number of issued Lee Hing Shares as at the Latest Practicable Date.
- It represents the Offer Price.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As illustrated in the table above, during the Pre HKSE Decision Announcement Period, Lee Hing Shares have been traded at significant discounts to the NAV per Lee Hing Share, ranging from approximately 54.31% to 70.86%, where the median and the average discounts were approximately 64.95% and 64.84% respectively, indicating that the Lee Hing Shares have been traded substantially below its NAV per Share for the entire period. We consider that the continuous loss-making position of the Group with net asset value shrinking persistently over the past three years as illustrated in the sub-section headed “Financial position of the Group” to this letter may be valued by investors in the stock market with a considerable discount to its NAV. After the publication of the HKSE Decision Announcement, the discount of the Lee Hing Shares’ closing price to its NAV per Share further increased to approximately 79.90% during the Post HKSE Decision Announcement Period and approximately 85.14% as at 16 March 2021, being the last trading day of Lee Hing Shares before suspension of trading.

Upon comparison, the Implied Discount of the Offer Price to the Adjusted NAV is approximately 68.2%, which (i) is higher than the average and median of the discount of the Lee Hing Shares’ closing price to its NAV per Share for each month/period during the Pre HKSE Decision Announcement Period; and (ii) is lower than the discount of the Lee Hing Shares’ closing price to its NAV per Share during the Post HKSE Decision Announcement Period and as at 16 March 2021.

(d) Privatisation Precedents Analysis

We have identified and reviewed precedent privatisation proposals of companies listed on the Main Board of the Stock Exchange for approximately one year prior to the publication of the Joint Announcement, and up to and including the Latest Practicable Date (the “**Privatisation Precedent(s)**”), of which the respective announcements in relation to the privatisation proposal is released since 1 October 2020 up to the Latest Practicable Date and exclude those which were not/yet approved or lapsed (or, where applicable, required acceptance level were not achieved). We have adopted such time span beginning from 1 October 2020 in our research for the Privatisation Precedents in order to better reflect the prevailing market sentiment and recent economic condition for our analysis. We consider that the list of selected Privatisation Precedents is exhaustive and is a fair representation of precedent privatisation proposals to the Offer.

It should be noted that (i) save for the Rivera (Holdings) Limited (“**Rivera**”) (stock code: 281) which was subject to non-compliance with Rule 13.24 of the Listing Rules and, accordingly, its shares may be delisted if the privatisation proposal did not materialise, none of the Privatisation Precedents was subject to non-compliance with Rule 13.24 of the Listing Rule; and (ii) the Privatisation Precedents involve listed companies which have different principal activities, market capitalisations, profitability and financial positions. Therefore, although (i) there is only one Privatisation Precedent (i.e. Rivera) which faced a potential delisting circumstances similar to the Company; and (ii) the factors and considerations that affect the premia or discounts of respective offer prices vary on a case by case basis and may be different from those applicable to the Offer, we are of the opinion that the Privatisation Precedents shall represent sufficient samples for comparison and provide a comprehensive and general pricing trend of recent privatisation proposals in recent year.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (stock code)	Announcement date	Industry Sector	Cancellation price as at the respective last trading day (Note 1) (HK\$)	Implied market capitalisation based on the cancellation price (Note 2) (HK\$ million)	Closing price per share quoted on the Stock Exchange trading day (the "LTD Price") (HK\$)	Average closing price per share quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day (the "10-Day Price") (HK\$)	Average closing price per share quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day (the "30-Day Price") (HK\$)	Percentage difference between the LTD Price and the 30-Day Price (%)	Premium/ (discount) of price over/ (to) the closing price of the last trading day (as defined in the corresponding Privatisation Precedents) (%)	Premium/ (discount) of price over/ (to) the average closing price for the last 10 consecutive trading days prior to and up to the last trading day (as defined in the corresponding Privatisation Precedents) (%)	Premium/ (discount) of price over/ (to) the average closing price for the last 30 consecutive trading days prior to and up to the last trading day (as defined in the corresponding Privatisation Precedents) (%)
CIMC-TianDa (445)	4 October 2020	Properties & Construction	0.27	4,314.0	0.221	N/A (Note 3)	0.225	(1.8)	20.4	N/A (Note 3)	18.2
Shanghai Prime Machinery (2345)	15 October 2010	Industrials	1.60	2,761.5	0.95	N/A (Note 3)	0.76	25.0	68.4	N/A (Note 3)	110.5
Tony Electronics (1249)	30 October 2020	Consumer Discretionary	12.00	3,280.7	10.08	9.9	9.38	7.5	19.0	21.2	28.0
I.T Limited (999)	6 December 2020	Consumer Discretionary	3.00	3,587.4	1.94	N/A (Note 3)	1.274	52.3	54.6	N/A (Note 3)	135.5
SHK Hong Kong Industries (666)	18 December 2020	Financials	0.21	863.5	0.14	N/A (Note 3)	0.134	4.5	50.0	N/A (Note 3)	56.7
Huifu Payment (1806)	22 December 2020	Information Technology	3.50	4,561.2	2.76	2.47	2.38	16.0	26.8	41.8	47.0
China Machinery (1829)	13 January 2021	Properties & Construction	3.70	15,265.1	2.55	1.91	1.69	50.9	45.1	93.7	118.9
HKC (190)	17 January 2021	Properties & Construction	8.00	4,088.6	3.63	N/A (Note 3)	3.64	(0.3)	120.4	N/A (Note 3)	119.8
Rivera (281)	18 January 2021	Properties & Construction	0.65	1,695.6	0.58	N/A (Note 3)	0.515	12.6	12.1	N/A (Note 3)	26.3
Zhejiang New Century Hotel Management (1158)	20 January 2021	Consumer Discretionary	18.15	5,082.0	14.56	N/A (Note 3)	15.03	(3.1)	24.7	N/A (Note 3)	20.8
Polytec Asset (208)	21 January 2021	Properties & Construction	1.50	6,658.5	0.93	0.919	0.8693	7.0	61.3	63.2	72.6
Zhubai Holdings (908)	22 January 2021	Consumer Discretionary	3.06	4,369.1	2.22	2.226	2.008	10.6	37.8	37.5	52.4
New Century Real Estate (1275)	27 January 2021	REIT	2.00 (Note 4)	1,976.0	1.75	N/A (Note 3)	1.493	17.2	14.3	N/A (Note 3)	34.0

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (stock code)	Announcement date	Industry Sector	Cancellation price as at the trading day (Note 1) (HK\$)	Implied market capitalisation based on the cancellation price (Note 2) (HK\$ million)	Closing price per share quoted on the Stock Exchange trading day (the "LTD Price") (HK\$)	Average closing price per share quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day (the "10-Day Price") (HK\$)	Average closing price per share quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day (the "30-Day Price") (HK\$)	Percentage difference between the LTD Price and the 30-Day Price (%)	Premium/ (discount) of cancellation price over/ (to) the closing price for the last 10 consecutive trading days prior to and up to the last trading day (as defined in the corresponding Privatisation Precedents) (%)	Premium/ (discount) of cancellation price over/ (to) the average closing price for the last 10 consecutive trading days prior to and up to the last trading day (as defined in the corresponding Privatisation Precedents) (%)
Xiezhong International (3663)	26 February 2021	Consumer Discretionary	0.80	640.0	0.68	0.66	0.64	6.3	17.6	21.2
Zhejiang Cangnan Instrument (1743)	12 March 2021	Industrials	22.00	1,535.4	19.84	19.89	19.64	1.0	10.9	10.6
Sichuan Languang Justbon (2606)	22 March 2021	Properties & Construction	54.30 ^(Note 5)	9,670.9	38.95	N/A ^(Note 3)	37	5.3	39.4	N/A ^(Note 3)
Inner Mongolia Energy Engineering (1649)	20 April 2021	Properties & Construction	1.80	5,124.3	1.19	1.16	1.28	(7.0)	51.3	55.2
Chong Hing Bank (1111)	18 May 2021	Financials	20.80	20,235.5	13.76	10.27	10.03	37.2	51.2	102.5
Bestway Global (3358)	25 June 2021	Consumer Discretionary	4.38	4,635.8	3.45	3.3	2.98	15.8	27.0	32.7
Clear Media Limited (100)	5 July 2021	Consumer Discretionary	7.12	3,856.9	7.12	N/A ^(Note 3)	N/A ^(Note 3)	0.0	0.0	N/A ^(Note 3)
Beijing Capital Land (2868)	9 July 2021	Properties & Construction	2.80	12,216.2	1.72	1.58	1.23	39.8	62.8	72.2
Nature Home Holding (2083)	27 July 2021	Consumer Discretionary	1.70	2,342.2	1.22	N/A ^(Note 3)	1.29	(5.4)	39.3	N/A ^(Note 3)
			Maximum							
			Minimum							
			Median							
			Average	117.4 ^(Note 6)	0.52	0.831	1.122	(53.5)	53.9	(3.7)
The Company			0.80							

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. All the numerical figures in this column are rounded to two decimal place for illustrative purpose. Any discrepancies between the exact amount and those listed therein are due to rounding.
2. The calculation of implied market capitalisation is based on the cancellation price multiplied by the number of issued shares of the company as at the date of respective offer announcement of the Privatisation Precedents.
3. The premium/discount for respective consecutive trading days were not disclosed according to the respective offer announcements.
4. The cancellation price represents the proposed interim distribution of HK\$2.00 per unit of New Century Real Estate Investment Trust as a result of the proposed disposal of assets, which forms part of the privatisation proposal of New Century Real Estate Investment Trust.
5. The cancellation price represents the enhanced share offer price of HK\$54.30, which is subject to certain conditions. As at the Latest Practicable Date, the said conditions are fulfilled and the independent shareholders who tender their shares for acceptance was entitled to the enhanced share offer price of HK\$54.30.
6. The calculation of implied market capitalisation is based on the Offer Price of HK\$0.80 multiplied by the number of total issued 146,781,285 Lee Hing Shares as at the date of the Joint Announcement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As shown in the table above, the Offer Price represents a premium of approximately 53.9% over the LTD Price of the Lee Hing Shares, which (i) falls within the range of those of the Privatisation Precedents; and (ii) is higher than the corresponding average and median of those of the Privatisation Precedents. We note that the offer prices of majority of the Privatisation Precedents were set at a significant premium over their respective LTD Price and the premium implied by the Offer Price to the LTD Price of Lee Hing Shares exceeds the average and median of those of the Privatisation Precedents, thus we consider the level of premium implied by the Offer Price to the LTD Price of Lee Hing Shares is reasonable.

With a view to explore the differentials of their share price movement at different periods prior to their corresponding last trading day, we also make reference to the 10-Day Price and 30-Day Price of the Lee Hing Shares and the shares of the company of the Privatisation Precedents. We observed that the LTD Price of the companies of the Privatisation Precedents was generally closed above their 30-Day Price and their LTD Price was on average higher than their 30-Day Price by approximately 13.9%, whereas the closing price of Lee Hing Shares exhibited a significant drop after the publication of the HKSE Decision Announcement. Thus, we consider that the fundamental outlook of the Lee Hing Shares has changed as a result of its potential delisting consequence and the impact has reflected in the LTD Price of the Lee Hing Shares. Upon comparison, the Offer Price represents discounts of approximately 3.7% and 28.7% to the 10-Day Price and 30-Day Price of Lee Hing Shares respectively. Such levels of discount for respective period (i) fall outside the range of those of the Privatisation Precedents; and (ii) fall below the average and median of those of the Privatisation Precedents. However, having considered that the 10-Day Price and 30-Day Price of Lee Hing Shares have not reflected the potential delisting status of Lee Hing Shares, we are of the view that (i) the levels of discount implied by the Offer Price for respective periods which fall below the average and median of those of the Privatisation Precedents is reasonable; and (ii) the results of comparison against the Privatisation Precedents under the 10-Day Price and 30-Day Price do not add much weighting on our analysis.

Moreover, we understand Rivera published an announcement in relation to decision of the Stock Exchange on Rule 13.24 and an announcement in relation to its privatisation proposal on a same day (i.e. 18 January 2021). Hence, the historical share price of Rivera, including its LTD Price, 10-Day Price and 30-Day Price, did not capture the potential delisting consequence as a result of the decision of the Stock Exchange on Rule 13.24. On the other hand, the Company published the HKSE Decision Announcement on 7 March 2021 and published the Joint Announcement on 27 August 2021. The trading of Lee Hing Shares has been suspended on 17 March 2021, which was 7 trading days after the publication of the HKSE Decision Announcement. Hence, the LTD Price of Lee Hing Shares reflected its potential delisting consequence as mentioned above. Therefore, we consider that a standalone comparison between the premium or discount implied by the Offer Price with those implied by the cancellation price of the Rivera's case may not be meaningful.

Based on above, we are of the view that the Offer Price is acceptable from the prospective of the Privatisation Precedent comparison.

7. The Share Alternative

For those Disinterested Shareholders opt for the Share Alternative, one Offeror Share will be allotted and issued, credited as fully paid, by the Offeror to the Disinterested Shareholders in respect of each Lee Hing Share owned by such Shareholders and validly tendered for acceptance under the Offer. The Offeror Shares to be issued under the Share Alternative will rank *pari passu* among themselves and with all Offeror Shares already in issue. The actual number of Offeror Shares to be issued under the Share Alternative will be determined after the latest time for election of the Cash Offer or the Share Alternative under the Offer, i.e. the Closing Date.

Under the Shareholders' Agreement, an exit will be sought following the PureCircle Exit Arrangements and a series of corporate activities, including but not limited to distribution of the Proceeds, production of the Audited Balance Sheet and making repurchase offer in respect of the Offeror Shares, will be conducted by the Offeror to facilitate the making of offer to repurchase in cash all of the Offeror Shares held by each shareholder of the Offeror. In particular, the Disinterested Shareholders are advised to carefully study associated risks in holding of the Offeror Shares by referring to (a) the sub-section headed "5. Reasons for and benefits of the Offer made by the Offeror — Business prospects of the Group" to this letter; (b) the section headed "Offeror Exit Arrangements" in the Letter from Kingkey Securities and relevant disclosure in the Explanatory Memorandum; (c) the amended articles of association of the Offeror available for inspection as a document on display at the time of despatch of the Composite Document if they are considering accepting the Share Alternative; and (d) this section.

(a) Valuation of the Offeror Shares

In assessing the fairness and reasonableness of the value of the Offeror Shares, we have considered and reviewed letter issued by INCU (the "**Estimate Letter**") contained in Appendix IV to the Composite Document and discussed with INCU regarding the methodology of and the principal bases and assumptions adopted for the estimate of value of the Offeror Shares (the "**Estimate of Value**"). According to the Estimate Letter, the Estimate of Value would be a range of between HK\$0.55 and HK\$0.78 for each Offeror Share. The Disinterested Shareholders should be aware that it is expressed in the Estimate Letter that such estimated value is not necessarily indicative of, among others, the price at which Offeror Shares might actually trade at any future date.

We have reviewed and discussed with INCU the assumptions adopted, for the Estimate of Value as set out in Appendix IV to the Composite Document. The major assumptions adopted by INCU that (a) the Offer has become or has been declared unconditional in all respects and the Company is a subsidiary of the Offeror (with the Offeror holding not less than 70% of all the Lee Hing Shares in issue); (b) the Offeror Shares issued in connection with the Offer as at the Latest Practicable Date comprise the entire issued share capital of the Offeror and no person has any right to acquire or subscribe any share or loan capital of the Offeror other than the Offeror Shares issued in connection with the Offer; and (c) the Offeror was established for the sole purpose of the Offer and as such, we have assumed that immediately following the Offer becomes

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

unconditional, the Offeror's turnover, profits, assets and liabilities (on a consolidated basis) will be the same as the Company, save for the shareholder's loan and any cash balance that may remain in the Offeror that was not required to finance the amount payable in cash to Shareholders under the Offer. In view that (i) the Estimate Letter sets out the Estimate of Value assuming the Offer has become or has been declared unconditional; (ii) the Offeror will be substantially the same as the Company in terms of turnover, profits, assets and liabilities; and (iii) the above major assumptions are consistent with the terms of the Offer, we are of the opinion that the above assumptions are fair and reasonable.

In determining the Estimate of Value, INCU has not taken into account any value derived from the Offeror Exit Arrangements as pursuant to the PureCircle Shareholders' Agreement, the fair value of the PureCircle Shares will be assessed by Ingridion unless a Minority Investor refers determination of the fair price to an independent valuer. The PureCircle Shareholder's Agreement does not specify any basis on which Ingridion shall determine the fair value of the PureCircle Shares. Besides, in the event that (i) the Group decides not to sell any PureCircle Shares to Ingridion under the Annual Purchase Offers and not to exercise the Put Option and (ii) Ingridion decides not to exercise the Call Option, no Proceeds will be received by the Group as a result of which no repurchase offer under the Offeror Exit Arrangements will be made by the Offeror. Therefore, the Proceeds under the Offeror Exit Arrangements are highly uncertain and cannot be determined as at the date of the Composite Document. In the event no repurchase offer under the Offeror Exit Arrangements has been made by the Offeror as stated above, the value of the Offeror Exit Arrangements will be zero, on a prudent basis. Having considered that the exercise of Put Option is subject to numerous factors (including mainly, but not limited to, the financial performance of PureCircle and the book value of PureCircle Shares held by the Group) as mentioned in the sub-section headed (iii) Put Option and Call Option to the Letter from Kingkey, we are of the view that it is reasonable for INCU to not take into account any value derived from the Offeror Exit Arrangements when determining the Estimate of Value.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The table below sets out the implied consideration for every Lee Hing Share (a range of HK\$0.55 to HK\$0.78) calculated based on (i) the Share Alternative, whereby each Disinterested Shareholder is entitled to receive one Offeror Share; and (ii) the Estimate of Value extracted from the Estimate Letter contained in Appendix IV to the Composite Document:

	Scenario 1 (Acceptance level: 70%)		Scenario 2 (Acceptance level: 100%)	
	Assuming only the Offeror Concert Group who have undertaken to elect the Share Alternative elect the Share Alternative	Assuming all Shareholders who accept the Offer elect the Share Alternative	Assuming only the Offeror Concert Group who have undertaken to elect the Share Alternative elect the Share Alternative	Assuming all Shareholders elect the Share Alternative
(a) the estimated value of all of the outstanding Lee Hing Shares	HK\$82,197,520	HK\$82,197,520	HK\$117,425,028	HK\$117,425,028
(b) the shareholder's loan incurred by the Offeror	HK\$54,000,000	HK\$54,000,000	HK\$54,000,000	HK\$54,000,000
(c) any cash that may remain in the Offeror immediately following the Offer	HK\$40,455,280	HK\$52,000,000	HK\$5,227,772	HK\$52,000,000
Total value of the Offeror Shares	HK\$68,652,800	HK\$80,197,520	HK\$68,652,800	HK\$115,425,028
Number of Offeror Shares in issue immediately following the Offer	88,316,000	102,746,900	88,316,000	146,781,285
The top end of the Estimate of Value	HK\$0.78	HK\$0.78	HK\$0.78	HK\$0.78
The bottom end of the Estimate of Value (Assuming a 30% discount for non-marketability of the Offeror Shares)	HK\$0.55 <i>(equal to the top end of the Estimate of Value × (1 – 30%))</i>	HK\$0.55 <i>(equal to the top end of the Estimate of Value × (1 – 30%))</i>	HK\$0.55 <i>(equal to the top end of the Estimate of Value × (1 – 30%))</i>	HK\$0.55 <i>(equal to the top end of the Estimate of Value × (1 – 30%))</i>

As stated in the Estimate Letter, following the implementation of the Offer, the Offeror will not own any other assets or any other liabilities except for the Lee Hing Shares, the shareholder's loan for financing the Offer and the cash that may be remained in the Offeror immediately following the Offer. As a result, the estimated value of the Offeror Shares is equal to (a)–(b)+(c) as shown in above table. Besides, in deriving a value for (a) at the top end of the range, INCU has used a value of HK\$0.78 per Lee Hing Share which is equivalent to the value per Lee Hing Share under the cash payment of the Offer after deducting the fees and expenses incurred in connection with the Offer of approximately HK\$2 million as at the Latest Practicable Date. Based on the Offeror's financing structure for the Offer, the shareholder's loan put in place amounts to approximately HK\$54 million, being the value of (b). The exact value of the cash on hand immediately following the Offer is after deducting the fees and expenses incurred in connection with the Offer of approximately HK\$2 million as at the Latest Practicable Date

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and dependent on the level of acceptance of the Share Alternative and, as such, this range of values has been used in deriving a value for (c).

Based on above table, we note that the Estimate of Value has been derived under two scenarios, assuming the full amount of the shareholder's loan stated above is used to pay the aggregate cash payment of the Offer (if applicable) and before further fees and expenses of the Offeror incurred in connection with the Offer have been paid:

- under scenario 1 where only 70% of all the Lee Hing Shares have been received as valid acceptances under the Offer (i.e. the Offer becomes unconditional) and the Company becomes a non-wholly owned subsidiary of the Offeror:
 - (i) if only the Offeror Concert Group who have undertaken, together with Mr. Tan, Zali Capital Limited and Zali International Limited, to elect the Share Alternative, and the remaining Shareholders (i.e. among 70% of the Shareholders who accept the Offer) elect the Cash Offer, the Offeror's cash on hand immediately following the Offer would be approximately HK\$40.46 million after deducting the fees and expenses incurred in connection with the Offer of approximately HK\$2 million as at the Latest Practicable Date; or
 - (ii) if all Shareholders (i.e. 70% in total) elect the Share Alternative, the Offeror's cash on hand would be approximately HK\$52 million after deducting the fees and expenses incurred in connection with the Offer of approximately HK\$2 million as at the Latest Practicable Date.
- under scenario 2 where 100% of the Lee Hing Shares have been received as valid acceptances under the Offer and the Company becomes a wholly owned subsidiary of the Offeror:
 - (i) if only the Offeror Concert Group who have undertaken, together with Mr. Tan, Zali Capital Limited and Zali International Limited, to elect the Share Alternative, and the remaining Shareholders elect the Cash Offer, the Offeror's cash on hand immediately following the Offer would be approximately HK\$5.23 million after deducting the fees and expenses incurred in connection with the Offer of approximately HK\$2 million as at the Latest Practicable Date; or
 - (ii) if all Shareholders (i.e. 100% in total) elect the Share Alternative, the Offeror's cash on hand would be approximately HK\$52 million after deducting the fees and expenses incurred in connection with the Offer of approximately HK\$2 million as at the Latest Practicable Date.

As stated in the Estimate Letter, under all scenarios shown above, each of the Offeror Share has an estimated value of HK\$0.78 at the top end of the range and an estimated value of HK\$0.55 at the bottom end of the range. For all scenarios shown above, where a proportion of the Shareholders elect either of the Cash Offer or the Share Alternative or partly Cash Offer and partly Share Alternative, the Estimate of Value for

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

each of the Offeror's Shares remain the same at HK\$0.78 at the top end of the range, and an estimated value of HK\$0.55 at the bottom end of the range.

We have discussed with INCU on the above calculation and understand that the top end value per Offeror Share under two scenarios resulted the same range of the Estimate of Value as the full amount of the shareholder's loan incurred by the Offeror shall be solely reserved and used for the payment the aggregate amount payable under the Cash Offer at the Offer Price of HK\$0.8 per Lee Hing Share after deducting the fees and expenses incurred in connection with the Offer of approximately HK\$2 million as at the Latest Practicable Date. The total value of the Offeror will change proportionally according to the level of acceptance of the Offeror's Share Alternative. Therefore, the top end value per Offeror Share in any circumstances in regard to any level of acceptance shall be the same as HK\$0.78.

The main difference between the bottom end and the top end is the assumption on discount for lack of marketability which the bottom end applied a 30% discount on the Estimate of Value. We consider it is reasonable to apply discount to the value of an illiquid share in view of lack of marketability. According to the Estimate Letter, INCU has searched for the general offer/privatisation cases since 2016 which involved valuation of unlisted shares with a repurchase offer by the offeror. However, INCU could not identify any cases based on the aforementioned selection criteria. In this regard, INCU has revised the selection criteria to identify the following general offer/privatisation cases since 2016 which involved valuation of unlisted shares, and noted that a discount of 30% for lack of marketability/shareholders' rights was applied to derive the low-end value of the unlisted shares under the share alternative in the respective case:

Date of scheme/ composite document	Company (stock code)	Discount applied
3 August 2021	Clear Media Limited (100)	30%
27 January 2021	Huifu Payment Limited (1806)	30%
20 June 2019	China Power Clean Energy Development Ltd (735)	30%
5 September 2016	Nirvana Asia Ltd (1438)	30%

For our independent assessment on the reasonableness of applying a 30% discount on the bottom end of the Estimate of Value, we cross-checked the discount for lack of marketability, as suggested by the 2020 edition of Stout Restricted Stock Study, which is published by Stout Risius Ross, LLC (a global leading valuation advisory, investment banking, dispute consulting and management consulting firm founded in 1991). With reference to the Stout Restricted Stock Study, the research on the discount for lack of marketability was based on analysis of 759 private placement transactions of unregistered common stock, with and without registration rights, issued by publicly traded companies from July 1980 through December 2019. The discount was calculated by dividing the difference between the private placement price and the market reference price by the market reference price. The results of the discount for lack of marketability are categorised by the characteristics of companies, mainly including market value, revenues, total assets and net income. Larger companies tend to have lower discount for lack of marketability,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

whereas smaller companies tend to have higher discount for lack of marketability. Based on the latest financial of the Company, the applied discount rate for lack of marketability falls within the range of the median of the discount rate for lack of marketability between 26.1% and 43.1% under the categories of smaller companies according to the Stout Restricted Stock Study. Having considered that (i) the rate of 30% is commonly applied as the discount for lack of marketability in the above general offer/privatisation cases; and (ii) such rate of discount falls within the range of the categories according to the above study, we consider the rate of discount for lack of marketability adopted by INCU is justifiable.

Although the above general offer/privatisation cases are not taken into account the perspective of the Put Options under the Offeror Exit Arrangements, based on our research on the similar offer/privatisation cases of the companies listed on the Main Board on a best effort basis, we are of the view that (i) the general offer/privatisation case with repurchase offer similar to the Offeror Exit Arrangements is not common in public takeovers in Hong Kong; (ii) the general offer/privatisation cases which involved valuation of unlisted shares represent the cases most similar to the Offeror Shares which are also unlisted in nature; and (iii) the discount for lack of marketability adopted by INCU which falls within the range of the categories according to the Stout Restricted Stock Study represents a more conservative approach to factor in the illiquid characteristic of the Offeror Shares, we consider the discount of 30% adopted by INCU for the bottom end of the Estimate of Value in its estimates to be acceptable.

We understand that the Estimate of Value will remain unchanged regardless of the acceptance level of the Share Alternative. Based on the above, the methodology set out in the Estimate Letter in Appendix IV to the Composite Document is, in our opinion, a reasonable approach in establishing the Estimate of Value.

(b) Risk factors of opting the Share Alternative

The Disinterested Shareholders should note that the Offeror is not a listed company and there is no plan for a listing of the Offeror elsewhere after the implementation of the proposed privatisation, therefore the shareholders of the Offeror should note that they may find it more difficult to find a purchaser for the Offeror Shares if they intend to sell their Offeror Shares, as there is less likely a ready market for them. In addition, the shareholders of the Offeror are not afforded the protection currently given to Disinterested Shareholders under the Listing Rules, the constitution of the Offeror and the laws of the British Virgin Islands. We wish to draw the attention of the Disinterested Shareholders that after the implementation of the privatisation, certain transactions, including acquisition or disposal transactions of the Offeror, may not require the approval of the shareholders of the Offeror.

The Disinterested Shareholders should also note that there is no guarantee that any dividend policy will be implemented nor there is any dividend payment schedule in respect of the Offeror Shares. Payment of dividends (if any) is solely dependent on whether such payment is recommended or declared by the board of the Offeror.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Disinterested Shareholders shall be aware that, as mentioned in the Letter from Kingkey Securities, under the Offeror Exit Arrangements, the Offeror will be obliged to offer to repurchase the shares in the Offeror held by the Entitled Shareholders. However, based on the timeline of the PureCircle Exit Arrangement, the repurchase offer in respect of the Offeror Share will be made in the first half of 2026. Therefore, from the perspective of the Disinterested Shareholders, the expected timespan for realisation of investment return on the Offeror Shares will be approximately five years from the Latest Practicable Date. In view of the five-year investment horizon under the Offeror Exit Arrangement, the Disinterested Shareholders should be reminded that there are chances that the global economy may suffer from dynamic fluctuation owing to uncertainty of the recoverability with regard to the current situation of COVID-19 pandemic or any other situations that may affect the global economy. As such, it may constitute some changes to the fundamental outlook of the Offeror and may restrain the Disinterested Shareholders from deploying their cash proceeds towards other investments.

The Disinterested Shareholders should note that the Company will take into account numerous factors (mainly including, but not limited to, the financial performance of PureCircle and the book value of PureCircle Shares held by the Group) to decide whether to exercise the Put Option, which is exercisable once annually during the period from 1 January 2022 and expiring on 31 December 2025, and how many PureCircle Shares to be put to Ingredion upon each exercise. In the event that (i) the Group decides not to sell any PureCircle Shares to Ingredion under the Annual Purchase Offers and not to exercise the Put Option and (ii) Ingredion decides not to exercise the Call Option, no Proceeds will be received by the Group as a result of which no repurchase offer under the Offeror Exit Arrangements will be made by the Offeror. The Disinterested Shareholders will therefore continue to remain as shareholders of the Offeror and the value of the Offeror Exit Arrangements will be zero, on a prudent basis.

Under the Offeror Exit Arrangements, the consideration for each Offeror Share to be repurchased will be equal to 70% of the proportional share of an Offeror Share of the consolidated net asset value of the Company as shown in the Audited Balance Sheet. The Disinterested Shareholders should note that the consolidated net asset value of the Company should comprise the Proceeds and the carrying amount of the assets owned by the Group as at the date of the Audited Balance Sheet.

In addition to the above, the Disinterested Shareholder shall also bear in mind that the major investments of the Company (i.e. PureCircle and IGB Berhad) may be subject to several risk factors, as discussed in the sub-section headed “5. Reasons for and benefits of the Offer made by the Offeror — Business prospects of the Group” to this letter.

RECOMMENDATIONS

Based on our analyses above and, in particular, having considered the following key factors (which should be read in conjunction with and interpreted in the full context of this letter):

- (i) the unfavourable listing status of the Company due to non-compliance with Rule 13.24 of the Listing Rules, the continuous loss-making track record of the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Group and uncertainty of the Group's business prospect which is highly hinged on the future prospect of PureCircle and IGB Berhad;

- (ii) the Offer Price represents a discount of approximately 50.5% to the average closing price for the Pre HKSE Decision Announcement Period of approximately HK\$1.62, however the fundamental outlook of the Lee Hing Shares has been changed as the Lee Hing Shares would potentially lose its listing status, the market price of the Lee Hing Shares during the Post HKSE Decision Announcement Period could better incorporate the prevailing market sentiment and investors' expectation on Lee Hing Shares with respect to the potential delisting status of Lee Hing Share;
- (iii) the Offer Price represents a premium of approximately 53.9% and approximately 18.1% over the closing price of HK\$0.52 on the Last Trading Day and the average closing price of approximately HK\$0.68 for the Post HKSE Decision Announcement Period respectively;
- (iv) during the Review Period, the Lee Hing Shares have been traded at significant discounts to the NAV per Lee Hing Shares, while the Implied Discount of the Offer Price to the Adjusted NAV is approximately 68.2%, which is lower than the Historical Discount of the Lee Hing Shares to its NAV per Lee Hing Share during the Post HKSE Decision Announcement Period and as at 16 March 2021; and
- (v) the premium implied by the Offer Price to the LTD Price of Lee Hing Shares exceeds the average and median of those of the Privatisation Precedents, thus the level of premium implied by the Offer Price to the LTD Price of Lee Hing Shares is reasonable,

we are of the opinion that the terms of the Offer (including the Offer Price) are fair and reasonable so far as the Disinterested Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Disinterested Shareholders to accept the Offer.

In electing between the Cash Offer and the Share Alternative, the Disinterested Shareholders should note that the Estimate of Value of HK\$0.78 (without taking into account the discount rate for lack of marketability of 30%) is slightly less than the Offer Price. The Cash Offer allows the Disinterested Shareholders to realise their investment in the Company and obtain cash outright, while the Share Alternative will enable the Disinterested Shareholders to remain as indirect shareholders in the Company and enjoy the potential upside of the Offeror Shares in the future but with uncertainty. Therefore, we recommend the Disinterested Shareholders to accept the Cash Offer.

However, the Disinterested Shareholders who have knowledge and experience in investing as minority shareholders of privately held companies and consider opting for the Share Alternative should take note of the inherent risks associated with the Share Alternative, mainly including (i) the future prospect IGB Berhad and PureCircle; (ii) lack of protection offered by the Listing Rules; (iii) no guarantee of whether dividend policy of

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the Offeror will be implemented in the future; and (iv) the five-year timespan for realisation of investment return on the Offeror Shares. If the Disinterested Shareholders who are optimistic about the future prospects and operating performance of the Group and have a relatively long term investment horizon may opt for the Share Alternative, subject to their investment objective, risk tolerance level as well as financial circumstances.

In the event that the Offer does not become unconditional, as the trading suspension requirement of Rule 6.01(3) of the Listing Rules will continue to be effective. Accordingly, trading in the Shares remains suspended, the Disinterested Shareholder may continue to face obstacle to dispose of Lee Hing Shares. Furthermore, the Stock Exchange may cancel the listing of the Shares if the trading has been suspended for a continuous period of 18 months pursuant to Rule 6.01A(1) of the Listing Rules and there is currently no plan for the Company to seek a listing in the long run if the Company has been privatised or delisted on or before the expiration of the 18-month period, i.e. 16 September 2022.

In event that the Offer does become unconditional, for those Disinterested Shareholders who do not wish to accept either the Cash Offer or the Share Alternative should bear in mind that their Lee Hing Shares will be delisted, and they will not be able to enjoy the Offeror Exit Arrangements under the Shareholders' Agreement, except for the entitlement of the cash dividend which may be declared by the Company as a result of the receipt of all proceeds from Ingression by the Group pursuant to the PureCircle Exit Arrangements, subject to uncertainties.

The Disinterested Shareholders who wish to retain some or all of their investments in the securities of the Company by accepting the Share Alternative, are reminded to monitor the development of the Group, in particular the Offeror's business strategy, and any announcements of the Company during and after the Offer period.

As different Disinterested Shareholders would have different investment criteria, objectives, risk preference and tolerance level and/or circumstances, we would recommend any Disinterested Shareholder who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser before making the decision to, whether or not, accept the Offer or disposing any of their Shares in the open market. The Disinterested Shareholders should note that in making our recommendation, we express no opinion on the business strategy, the future performance of the Group and of its underlying businesses.

Yours faithfully,
For and on behalf of
Octal Capital Limited
Alan Fung **Louis Chan**
Managing Director *Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Note: Mr. Alan Fung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Fung has more than 28 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong. Mr. Louis Chan has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2008. Mr. Chan has more than 20 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong.

1. PROCEDURES FOR ACCEPTANCE OF THE OFFER

You may, in respect of your Lee Hing Shares validly tendered for acceptance, elect:

- (a) wholly to receive cash payment; or
- (b) wholly to receive Offeror Shares under the Share Alternative; or
- (c) partly to receive cash payment and partly to receive Offeror Shares under the Share Alternative.

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer. You should insert the total number of Lee Hing Shares for which the Offer is accepted in the Form of Acceptance. If no number is specified or if the total number specified is greater than or (after enquiry with you, it was specified by mistake) smaller than your registered holding of Lee Hing Share(s), as supported by the share certificate(s), transfer receipt(s) and/or any other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof), and you have signed the Form of Acceptance, the Form of Acceptance will be returned to you for correction and resubmission. Any corrected Form of Acceptance must be resubmitted and received by the Registrar by not later than 4:00 p.m. on Wednesday, 1 December 2021 or such later time(s) and/or date(s) as may be announced by the Offeror in compliance with the Takeovers Code and approved by the Executive.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Lee Hing Shares is/are in your name, and you wish to accept the Offer, you must lodge the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Lee Hing Shares for which you intend to accept the Offer to the Registrar, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong in an envelope marked "**Lee Hing Development Limited — Offer**" as soon as possible but in any event so as to reach the Registrar no later than 4:00 p.m. on the First Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code.

- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Lee Hing Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Lee Hing Shares, you must either:
- (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Lee Hing Shares for which you intend to accept the Offer with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver in an envelope marked “**Lee Hing Development Limited — Offer**” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Lee Hing Shares for which you intend to accept the Offer to the Registrar; or
 - (ii) arrange for the Lee Hing Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked “**Lee Hing Development Limited — Offer**” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Lee Hing Shares for which you intend to accept the Offer to the Registrar; or
 - (iii) if your Lee Hing Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, and (a) you elect to receive fully or partly in cash, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf in respect of the number of Lee Hing Shares for which you intend to accept the Offer on or before the deadline set by HKSCC Nominees Limited; or (b) you elect the Share Alternative whether in respect of all your Lee Hing Shares deposited in CCASS or in respect of part of them, instruct your licensed securities dealer/registered institution in securities/custodian bank to withdraw the relevant Lee Hing Shares from CCASS and arrange for the transfer of the relevant Lee Hing Shares into your own name as soon as possible thereafter before the relevant deadline for election. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

- (iv) if your Lee Hing Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Lee Hing Shares is/are not readily available and/or is/are lost and you wish to accept the Offer in respect of your Lee Hing Shares, the Form of Acceptance should nevertheless be duly completed, signed and delivered in an envelope marked "**Lee Hing Development Limited — Offer**" to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Lee Hing Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Lee Hing Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed and signed in accordance with the instructions given, should be provided to the Registrar.
- (d) If you have lodged transfer of any of your Lee Hing Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Lee Hing Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked "**Lee Hing Development Limited — Offer**" to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Offeror and/or Kingkey Securities and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

- (e) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar no later than 4:00 p.m. on the First Closing Date (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive in accordance to the Takeovers Code) and the Registrar has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Lee Hing Shares for which you intend to accept the Offer and, if that/those share certificate(s) is/are not in your name, such other document(s) in order to establish your right to become the registered holder of the relevant Lee Hing Shares; or
 - (ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Lee Hing Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
 - (iii) certified by the Registrar or the Stock Exchange.
- (f) If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.
- (g) The Company and the Offeror shall have the right to reject any or all of the Form of Acceptance that it determines are invalid or in improper form. In addition, the Company and the Offeror shall also have the right to treat any Form of Acceptance that has not been completed in accordance with the instructions thereon, or has otherwise been completed incorrectly, as being valid, provided that the Company and the Offeror in their absolute discretion consider the omissions or errors to be immaterial. Neither the Company nor the Offeror shall be obliged to give notice of any such defects or irregularities and will not incur any liability for failure to give any such notice.
- (h) All ad valorem stamp duty for transfer of Shares registered in the seller's name by the Company through the Registrar arising in connection with acceptance of the Offer will be payable by the Offeror. The Offeror will arrange for payment of all ad valorem stamp duty in connection with the Offer and the transfer of the Lee Hing Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

- (i) No acknowledgement of receipt of any Form of Acceptance and/or share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (j) By completing, signing and submitting the Form of Acceptance and opting for the Share Alternative, you represent and warrant to the Company and the Offeror that:
 - (i) you may lawfully be offered, take up, obtain and receive the Offeror Shares in the jurisdiction in which you reside or are currently located;
 - (ii) you are not resident or located in, or a citizen of any territory where it would be unlawful to elect the Share Alternative and/or receive the Offeror Shares;
 - (iii) you are not electing the Share Alternative and/or receiving the Offeror Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of any territory where it would be unlawful to elect the Share Alternative and/or receive the Offeror Shares at the time the instruction to elect was given;
 - (iv) you are not taking up for the account of any person who is located in any territory where it would be unlawful to elect the Share Alternative and/or receive the Offeror Shares unless:
 - (A) the instruction to elect the Share Alternative and/or receive the Offeror Shares was received from a person outside any territory where it would be unlawful to elect the Share Alternative and/or receive the Offeror Shares; and
 - (B) the person giving such instruction has confirmed that it (aa) has the authority to give such instruction, and (bb) either (x) has investment discretion over such account or (y) is an investment manager or investment company that is electing the Share Alternative and/or receiving the Offeror Shares;
 - (v) you are not electing the Share Alternative and/or receiving the Offeror Shares with a view to the offer, sale, allotment, taking up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such Offeror Shares into any territory where it would be unlawful to elect the Share Alternative and/or receive the Offeror Shares;

- (vi) you understand that the Offeror Shares have not been or will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state, territory, or possession of the U.S.; and
 - (vii) you agree to provide such additional document or evidence as may be required for the purpose of complying with the relevant anti-money laundering requirements of the British Virgin Islands, failing which your election of the Share Alternative may be invalid and you will be treated for the purposes of the election as opting to receive cash payment in respect of all of your Lee Hing Shares tendered by you for acceptance under the Form of Acceptance.
- (k) In the event that you elect the Share Alternative, by completing, signing and submitting the Form of Acceptance, you represent and warrant to the Company and the Offeror that:
- (i) (in case of a corporate Shareholder) you are duly incorporated and validly existing as a corporation under the laws of our jurisdiction of incorporation;
 - (ii) you have the requisite power and authority to enter into the Shareholders' Agreement and to perform your obligations thereunder (in case of a corporate Shareholder, without any further sanction or consent by your shareholders);
 - (iii) (in case of a corporate Shareholder) you have taken all necessary actions to authorise the execution of the Shareholders' Agreement by you and the performance of your obligations hereunder;
 - (iv) the Shareholders' Agreement will, when executed, constitute legal, valid and binding obligations of you enforceable in Hong Kong, subject to any procedural regulations under the applicable law; and
 - (v) the execution, delivery and performance of the Shareholders' Agreement by you does not and will not violate in any respect any provision of (A) any law or regulation or any order, judgment or decree of any governmental authority, agency or court of Hong Kong or elsewhere; (B) (in case of a corporate Shareholder) the laws and documents incorporating and constituting you; or (C) any mortgage, agreement, contract or other undertaking or instrument to which you are a party or which is binding upon you or any of your assets, and does not and will not result in the creation or imposition of any Encumbrance on any of your assets pursuant to the provisions of any such mortgage, contract or other undertaking or instrument.

For the purpose of ensuring accuracy of the registered ownership of the Offeror Shares and satisfying compliance requirements applicable to shareholders of a company incorporated in the British Virgin Islands, you may opt for the Share Alternative only in respect of such of your Lee Hing Shares as are registered in your own name on the register of members of the Company maintained by the Company's share registrar. Accordingly, if you are holding all or part of your Lee Hing Shares via CCASS and wish to accept the Offer and opt for the Share Alternative in respect of any of such Lee Hing Shares, you must instruct your securities dealer/custodian banks to withdraw the relevant Lee Hing Shares from CCASS and arrange for the transfer of the relevant Lee Hing Shares into your own name as soon as possible before the relevant deadline for election, i.e. the Closing Date. In order to meet the relevant deadline, you should check with your securities dealer/custodian bank for the timing on the processing of your instruction, and submit your instruction to your securities dealer/custodian bank as required by your securities dealer/custodian bank. If you do not arrange to have the relevant Lee Hing Shares withdrawn from CCASS and transferred in your name as mentioned above, you will only receive cash payment in respect of the relevant Lee Hing Shares tendered by you for acceptance.

Again, for the purpose of ensuring accuracy of the registered ownership of the Offeror Shares and satisfying compliance requirements applicable to shareholders of a company incorporated in the British Virgin Islands, if you opt for the Share Alternative in respect of any of your Lee Hing Shares registered in your name on the register of members of the Company, you must, in addition to a duly completed and executed Form of Acceptance and the certificate(s) for the Lee Hing Shares being tendered, also lodge the following documents (the "KYC Documents") to comply with the relevant anti-money laundering requirements of the British Virgin Islands (which shall be in English or accompanied by an English translation which is certified as a true translation):

- (a) if you are an individual, you must provide a certified true copy (certified as a true copy by a solicitor, a certified public accountant or a chartered secretary) of each of:
 - (i) your valid Hong Kong Identity Card or passport; and
 - (ii) proof of your residential address (which shall be issued within the last three months of the date of the acceptance); or
- (b) if you are a corporation, you must provide a certified true copy (certified as a true copy by a solicitor, a certified public accountant or a chartered secretary) of each of:
 - (i) your certificate of incorporation;
 - (ii) your registration certificate (where applicable);
 - (iii) your constitutional document;

- (iv) your register of members (or equivalent);
- (v) your register of directors (or equivalent);
- (vi) your address proof;
- (vii) your organization chart (showing up to your ultimate beneficial owners holding 10% shareholding or more and any intermediate holding companies);
- (viii) for any of the intermediate holding companies as mentioned in item (b)(vii) above, items (b)(i) to (b)(vi) above of such intermediate holding company; and
- (ix) items (a)(i) to (a)(ii) above of each of your ultimate beneficial owners.

The Offeror and the Company reserve the discretion to request additional evidence or documents as may be required for the purpose of complying with the relevant anti-money laundering requirements of the British Virgin Islands.

If you are a registered Shareholder and accept the Offer by returning the Form of Acceptance (a) opting both to receive cash payment and for the Share Alternative but have failed to indicate an allocation of your Lee Hing Shares between cash payment and the Share Alternative which corresponds to the total number of your Lee Hing Shares tendered for acceptance as indicated in the Form of Acceptance; or (b) but do not make an election as to cash payment and/or for the Share Alternative in respect of all of your Lee Hing Shares tendered for acceptance; or (c) opting for the Share Alternative but have failed to submit all applicable KYC Documents or such additional evidence or documents as may be required by the Offeror, will be treated for the purposes of the election as opting to receive cash payment in respect of all the Lee Hing Shares registered in your name and tendered by you for acceptance.

2. ACCEPTANCE PERIOD AND REVISIONS

- (a) The Offer is conditional only upon valid acceptances of the Offer having been received at or before 4:00 p.m. on the First Closing Date in respect of Lee Hing Shares which, together with the Lee Hing Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding not less than 70% of all the Lee Hing Shares then in issue. Such condition is not waivable by the Offeror. Upon the Offer becoming unconditional following the fulfilment of such condition, the Offer will remain open for acceptance until the expiry of a period of four months after the posting of this Composite Document for the purpose of allowing the Offeror to acquire further Lee Hing Shares to entitle it to exercise its compulsory acquisition rights as further particularised in the paragraph headed "Letter from Kingkey Securities — Compulsory acquisition rights and withdrawal from listing" in this Composite Document.

- (b) Unless the Offer has previously been revised or extended with the consent of the Executive in accordance with the Takeovers Code, assuming that the Offer becomes unconditional on Wednesday, 1 December 2021, the Offer will close on Thursday, 10 March 2022 (being the Closing Date). The latest time for acceptance of the Offer will be at 4:00 p.m. on the Closing Date. The Form of Acceptance must be received by 4:00 p.m. on the Closing Date in accordance with the instructions printed on the Form of Acceptance. If the Offer is revised, extended or remains open after the First Closing Date for acceptance as aforesaid, the Form of Acceptance must be received by 4:00 p.m. on the subsequent Closing Date in accordance with the instructions printed on the Form of Acceptance, and the Offer will close on the subsequent Closing Date.
- (c) The Offeror and the Company will jointly issue an announcement through the websites of the Stock Exchange and the Company no later than 7:00 p.m. on the First Closing Date stating whether the Offer has been extended, revised or has expired.
- (d) In the event that the Offeror decides to extend the Offer, at least 14 days' notice by way of announcement will be given, before the latest time and date for acceptance of the Offer, to those Shareholders who have not accepted the Offer.
- (e) If the Offeror revises the terms of the Offer, all Shareholders, whether or not they have already accepted the Offer, will be entitled to the revised terms. The revised Offer must be kept open for at least 14 days following the date on which the revised offer document is posted.
- (f) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date so extended.

3. ANNOUNCEMENTS

- (a) As required under Rule 19 of the Takeovers Code, by 6:00 p.m. on the First Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement in accordance with the requirements of the Listing Rules by 7:00 p.m. on the First Closing Date stating whether the Offer has been extended, revised or has expired. Such announcement must state the following:
 - (i) the total number of Lee Hing Shares and rights over Lee Hing Shares for which acceptances of the Offer have been received;

- (ii) the total number of Lee Hing Shares and rights over Lee Hing Shares held, controlled or directed by the Offeror and the parties acting in concert with it before the Offer Period;
 - (iii) the total number of Lee Hing Shares and rights over Lee Hing Shares acquired or agreed to be acquired by the Offeror and parties acting in concert with it during the Offer Period;
 - (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and parties acting in concert with it have borrowed or lent, save for any borrowed Lee Hing Shares which have been either on-lent or sold; and
 - (v) the percentage of the Lee Hing Shares, and the percentage of voting rights, represented by the above number of Lee Hing Shares.
- (b) In computing the total number of Lee Hing Shares represented by acceptances, only valid acceptances that are complete and in good order, and which have been received by the Registrar by no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.
- (c) As required under the Takeovers Code and the Listing Rules, any announcement in relation to the Offer, in respect of which the Executive has confirmed that it has no further comments, will be published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.lhd.com.hk).

4. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer tendered by the Shareholders shall be irrevocable and cannot be withdrawn, except (i) that a Shareholder shall be entitled to withdraw his/her/its acceptance after 21 days from the First Closing Date if the Offer has not by then become unconditional in which case such entitlement to withdraw shall be exercisable until such time as the Offer becomes or is declared unconditional or (ii) in the circumstances set out in subparagraph (b) below.
- (b) If the Offeror is unable to comply with the requirements set out in paragraph 3 of this Appendix headed "Announcement" above, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the Shareholders who have tendered acceptance to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the Takeovers Code can be met.

In such case, when the Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance to the relevant Shareholder(s).

5. SETTLEMENT OF THE OFFER

Provided that the Offer has become unconditional and that the accompanying Form of Acceptance for the Lee Hing Shares, together with the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and/or the applicable KYC Documents, are valid, complete and in good order and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the accepting Shareholders in respect of the Lee Hing Shares tendered under the Offer or (where the Share Alternative is opted for) a share certificate for the Offeror Share(s) in respect of the Lee Hing Shares tendered under the Offer by each of the accepting Shareholders, will be despatched to the accepting Offer Shareholders by ordinary post at his/her/its own risk as soon as possible but in any event within seven Business Days following the later of the date on which the Offer becomes, or is declared, unconditional and the date on which the Form of Acceptance is received by the Registrar.

No fraction of a cent will be payable and the amount of cash consideration payable to a Disinterested Shareholder who opt to receive cash payment under the Offer will be rounded up to the nearest cent.

Settlement of the consideration to which any accepting Shareholder is entitled under the Offer will be paid by the Offeror in full in accordance with the terms of the Offer set out in this Composite Document (including this Appendix) and the accompanying Form of Acceptance, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholder.

6. OVERSEAS DISINTERESTED SHAREHOLDERS

Based on the register of members of the Company as at the Latest Practicable Date, there are 39 Overseas Disinterested Shareholders holding a total of 43,490,580 Lee Hing Shares (representing approximately 29.63% of the Lee Hing Shares in issue as at the Latest Practicable Date) with registered addresses in the Republic of Panama, Macau, Canada, the United Kingdom, the United States of America, Malaysia, the Philippines, France, Singapore and Australia.

The making of the Offer to the Overseas Disinterested Shareholders may be prohibited or affected by the laws of the relevant jurisdictions in which they are resident. After considering the legal advice obtained on behalf of the Offeror and the Company on the regulatory and documentation requirements of sending the Composite Document to each such overseas addresses, the Offeror and the Company may have to comply with

unduly onerous or burdensome regulatory and documentary requirements in order to send the Composite Document to the overseas addresses of the Overseas Disinterested Shareholders in the United Kingdom and the United States of America, due to the legal requirements of those jurisdictions.

The Offeror has applied to the Executive for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code, and the consent has been granted by the Executive that the Composite Document will not be sent to the overseas addresses of the Overseas Disinterested Shareholders in the United Kingdom and the United States of America. For the avoidance of doubt, no Shareholder is excluded from the Offer. In case any of these Overseas Disinterested Shareholders in the United Kingdom and the United States of America validly accepts the Offer, it will receive the consideration wholly in cash only.

Overseas Disinterested Shareholders should obtain appropriate legal advice regarding the implications of the Offer in the relevant jurisdictions or keep themselves informed about and observe any applicable legal or regulatory requirements. It is the responsibility of the Overseas Disinterested Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of all relevant jurisdictions in connection with the acceptance of the Offer (including but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes). The Offeror, parties acting in concert with it, the Company, Kingkey Securities, INCU, the Independent Financial Adviser, the Registrar, their respective ultimate beneficial owners, directors, officers, advisers, associates, agents or any persons involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Disinterested Shareholders for any taxes they may be required to pay. Acceptance of the Offer by any Overseas Disinterested Shareholder will be deemed to constitute a warranty by such person that such person is permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Overseas Disinterested Shareholders should consult their professional advisers if in doubt. Overseas Disinterested Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

7. TAX IMPLICATIONS

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their acceptance of the Offer. It is emphasized that none of the Offeror, parties acting in concert with it, the Company, Kingkey Securities, INCU, the Independent Financial Adviser, the Registrar, their respective ultimate beneficial owners, directors, officers, advisers, associates, agents or any persons involved in the Offer is in a position to advise the Shareholders on their individual tax implications, nor do they accept responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance of the Offer.

8. GENERAL

- (a) All communications, notices, Form of Acceptance, certificates, transfer receipts and other documents of title and/or of indemnity and/or of any other nature to be delivered by or sent to or from the Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeror, parties acting in concert with it, the Company, Kingkey Securities, INCU, the Independent Financial Adviser, the Registrar, their respective ultimate beneficial owners, directors, officers, advisers, associates, agents or any persons involved in the Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result thereof.
- (b) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror, Kingkey Securities and INCU that the Lee Hing Shares tendered under the Offer are sold or tendered by such Shareholder(s) free from all Encumbrances and together with all rights and benefits attached thereto, including all rights to any dividends or other distributions, declared, made or paid on or after the date on which the Offer is made.
- (c) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Lee Hing Shares in respect of which it is indicated in the Form of Acceptance is the aggregate number of Lee Hing Shares held by such nominee for such beneficial owners who accept the Offer.
- (d) Subject to the Takeovers Code, the Offeror reserves the right to notify any matter (including the making of the Offer) to all or any of the Disinterested Shareholders with registered address(es) outside Hong Kong or whom the Offeror and/or Kingkey Securities and/or INCU knows to be nominees, trustees or custodians for such persons by announcement in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Disinterested Shareholder to receive or see such notice, and all references in this Composite Document to notice in writing shall be construed accordingly.
- (e) In making their decision, the Disinterested Shareholders must rely on their own examination of the Offeror, the Company, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance shall not be construed as any legal or business advice on the part of the Offeror, the Company, Kingkey Securities, INCU, the Independent Financial Adviser, the Registrar and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer. The Disinterested Shareholders should consult their own professional advisers for professional advice.

- (f) The provisions set out in the accompanying Form of Acceptance form part of the terms of the Offer.
- (g) The accidental omission to despatch this Composite Document and/or the accompanying Form of Acceptance or either of them to any person to whom the Offer is made shall not invalidate the Offer in any way.
- (h) The Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (i) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror and/or Kingkey Securities and/or INCU and/or such person or persons as any of them may direct to complete and execute on behalf of the person(s) accepting the Offer, and to do any other act(s) that may be necessary or expedient for the purpose of vesting in the Offeror, or such person or persons as it may direct the Lee Hing Shares in respect of which such person has accepted the Offer.
- (j) The Offer is made in accordance with the Takeovers Code.
- (k) References to the Offer in this Composite Document and in the Form of the Acceptance shall include any extension and/or revision thereof.
- (l) The English texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the financial information of the Group for each of the three years ended 31 December 2018, 2019 and 2020 respectively and the six months ended 30 June 2021, as extracted from (i) the published annual reports of the Company for the relevant years; and (ii) the published interim report of the Company for the six months ended 30 June 2021.

	For the	For the	For the year ended 31 December		
	six months ended 30 June 2021 HK\$'000 (unaudited)	six months ended 30 June 2020 HK\$'000 (unaudited)	2020 HK\$'000 (audited)	2019 HK\$'000 (audited)	2018 HK\$'000 (audited)
Revenue and income	940	3,362	17,024	20,160	13,361
Unrealised (loss)/gain on derivative financial instruments	(1,221)	248	(92)	6,661	-
Unrealised profit/(loss) on financial assets at fair value through profit or loss — unlisted investments	1,503	-	(53,632)	-	5
Unrealised loss on financial assets at fair value through profit or loss — listed investments	(37,221)	(220,893)	(48,881)	(455,043)	(1,155,578)
Net loss on financial assets at fair value through profit or loss — listed investments	-	-	(319,316)	-	-
Impairment loss of freehold land	-	-	(3,815)	-	-
Impairment loss of construction in progress	-	-	-	(6,906)	-
Gain/(loss) on revaluation of investment properties	-	-	5,000	(1,000)	-
Operating expenses	(7,545)	(37,897)	(32,552)	(25,063)	(29,305)
Operating loss before finance costs	(43,544)	(255,180)	(436,264)	(461,191)	(1,171,517)
Finance costs	(2,704)	(5,135)	(8,456)	(20,365)	(22,383)
Operating loss after finance costs	(46,248)	(260,315)	(444,720)	(481,556)	(1,193,900)
Share of results of associates	(25)	(37)	(1,772)	(53)	(51)
Loss before tax	(46,273)	(260,352)	(446,492)	(481,609)	(1,193,951)
Income tax	(7)	(13)	(5)	(47)	(23)
Loss attributable to owners of the Company	(46,280)	(260,365)	(446,497)	(481,656)	(1,193,974)
Loss per share (HK cents) Basic and diluted	(31.53)	(177.38)	(304.19)	(328.15)	(813.42)
Total amount of dividend distributed to owners of the Company	-	-	-	-	11,009
Dividend per share	-	-	-	-	0.075

There were no profit or loss attributable to non-controlling interests, comprehensive income attributable to non-controlling interests, other items of any income or expense which are material in respect of the consolidated income statement of the Group for each of the three years ended 31 December 2018, 2019 and 2020 respectively and in respect of the condensed consolidated income statement of the Group for the six months ended 30 June 2021.

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEARS ENDED 31 DECEMBER 2018, 2019 AND 2020

The financial information of the Group for each of the three years ended 31 December 2018, 2019 and 2020 respectively has been set out in the annual reports of the Company for the relevant years and is available on the website of the Company (www.lhd.com.hk) and the website of the Stock Exchange (www.hkexnews.hk) as specifically set out below:

- the annual report of the Company for the year ended 31 December 2018 (pages 32 to 76), which is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0326/ltn20190326351.pdf>

- the annual report of the Company for the year ended 31 December 2019 (pages 37 to 85), which is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0407/2020040700326.pdf>

- the annual report of the Company for the year ended 31 December 2020 (pages 40 to 89), which is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0419/2021041900280.pdf>

3. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE SIX MONTHS ENDED 30 JUNE 2021

The financial information of the Group for the six months ended 30 June 2021 has been set out in the interim report of the Company for the period and is available on the website of the Company (www.lhd.com.hk) and the website of the Stock Exchange (www.hkexnews.hk) as specifically set out below:

- the interim report of the Company for the six months ended 30 June 2021 (pages 1 to 18), which is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0819/2021081900327.pdf>

4. AUDITORS' QUALIFIED OPINION GIVEN IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2020

The Company's auditors, Cheng & Cheng Limited, have issued qualified opinion on the Group's financial statements for each of the two years ended 31 December 2019 and 2020 respectively, details of which as extracted from the auditor's reports contained in the annual reports of the Company for the relevant years are set out below.

(a) For the year ended 31 December 2020 (pages 33 to 34 of the annual report of the Company for that year)

"As at 31 December 2019, the Group held equity interest in PureCircle Limited with carrying amount of HK\$560,632,000. The Group classified this investment as financial assets at fair value through profit or loss — listed investment. The Group also held call option with carrying amount of HK\$48,021,000 which was related to ordinary shares of PureCircle Limited (the "call option") and classified as financial assets at fair value through profit or loss. However, the suspension of the trading in ordinary shares of PureCircle Limited took effect from 28 October 2019. Therefore, no market value of the PureCircle Limited was available as at 31 December 2019. The carrying amounts of the equity interest in PureCircle Limited and the call option were determined by reference to the closing quoted price of the ordinary shares of PureCircle Limited at 28 October 2019. There might be change of the fair value of the ordinary shares of PureCircle Limited and the call option due to the suspension of trading and the operations since 28 October 2019. The Group did not provide any reasonable measurements to reflect the fair value of the ordinary shares of PureCircle Limited and the call option. We were unable to obtain sufficient appropriate audit evidence as to the fair value of investment in PureCircle Limited and call option as at 31 December 2019 and 1 January 2020 as required under HKFRS 9 and to quantify the effect, if any, on the net assets as at 31 December 2019 and 1 January 2020, and loss for the year ended 31 December 2019. Accordingly, comparative amounts might not be comparable with those of current year.

During the year ended 31 December 2020, all the equity interest in PureCircle Limited was disposed of at consideration of (i) cash consideration of HK\$59,374,000 and (ii) 39,246,277 B ordinary shares of Ingredion SRSS Holdings Limited. As at 31 December 2020, investment in Ingredion SRSS Holdings Limited was classified as financial assets at fair value through profit or loss and stated at the carrying amount of HK\$177,097,000. Since the Group could not obtain sufficient information to carry out a reasonable valuation, the carrying amount of HK\$177,097,000 was determined by reference to the Group's share of net assets of Ingredion SRSS Holdings Limited based on its unaudited financial statements as at 31 December 2020. Consequently, we were unable to obtain sufficient appropriate audit evidence as to the fair value of investment in Ingredion SRSS Holdings Limited as at 31 December 2020 and to quantify the effect, if any, on the net assets as at 31 December 2020.

In view of the circumstances as mentioned in the preceding paragraphs and the absence of reliable valuations of investments in PureCircle Limited as at 31 December 2019 and 1 January 2020, and B ordinary shares of Ingredion SRSS Holdings Limited as at 31 December 2020, we were unable to obtain sufficient appropriate audit evidence as to the accuracy of the fair value changes relevant to these two investments recognised in the consolidated statement of profit or loss, including loss on disposal of equity interest in PureCircle Limited of HK\$302,852,000 and gain on disposal of B ordinary shares of Ingredion SRSS Holdings Limited of HK\$9,118,000, included in “net loss on financial assets at fair value through profit or loss — listed investments” and “revenue and income” of the consolidated statement of profit and loss respectively.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.”

(b) For the year ended 31 December 2019 (page 31 of the annual report of the Company for that year)

“As at 31 December 2019, the Group held equity interest in PureCircle Limited of HK\$560,632,000. The Group classified this investment as financial assets at fair value through profit or loss — listed investment. The Group also held call option of HK\$48,021,000 which is related to ordinary shares of PureCircle Limited (the “call option”) and classified as financial assets at fair value through profit or loss. However, the suspension of the trading in ordinary shares of PureCircle Limited has taken effect from 28 October 2019. Therefore, no market value of the PureCircle Limited was available as at 31 December 2019. The carrying amounts of the equity interest in PureCircle Limited and the call option were determined by reference to the closing quoted price of the ordinary shares of PureCircle Limited at 28 October 2019. There may be change of fair value of ordinary shares of PureCircle Limited and the call option due to the suspension of trading and operations since 28 October 2019. The Group does not provide any reasonable measurements to reflect the fair value of the ordinary shares of PureCircle Limited and the call option.

In view of the circumstances as mentioned in the preceding paragraph and the absence of a reliable valuation, we were unable to obtain sufficient appropriate audit evidence as to the fair value of investment in PureCircle Limited and call option as at 31 December 2019 as required under HKFRS 9 and to quantify the effect, if any, on the net assets as at 31 December 2019 and the loss for the year then ended.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.”

Save as disclosed above, there were no modified opinion, emphasis of matter or material uncertainty related to going concern contained in the auditor’s reports issued by the Company’s auditors, Cheng & Cheng Limited, on the Group’s financial statements for the three years ended 31 December 2018, 2019 and 2020 respectively.

The qualified opinion relating to the Group’s financial statements for the year ended 31 December 2019 was mainly due to the absence of market value of the shares in London Listco as at 31 December 2019 because of the suspension of the trading in the shares of London Listco effective from 28 October 2019, resulting in the Company determining the carrying amounts of the equity interest in London Listco and the call option by reference to the closing quoted price of the shares of London Listco at 28 October 2019. As at the Latest Practicable Date, the suspension had been lifted and London Listco had been privatized by PureCircle and become a wholly-owned subsidiary of PureCircle. As for the qualified opinion relating to the Group’s financial statements for the year ended 31 December 2020, it arose mainly from the unavailability of the audited financial statements of PureCircle for determining the carrying value of the Group’s investment in PureCircle. For this reason, the Company determined the carrying value based on PureCircle’s unaudited financial statements for the year ended 31 December 2020 available to the Company. Given the above, the Board do not consider that these qualifications have any significant implications on the Offer and the Company.

5. INDEBTEDNESS STATEMENT OF THE GROUP

As at the close of business on 31 August 2021, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Composite Document, the Group had total indebtedness of approximately HK\$163,057,000 as summarized below:

Borrowings

The Group had total outstanding borrowings of approximately HK\$163,057,000, which were bank borrowings that were secured by the Group’s leasehold land and buildings, investment properties, certain financial assets at fair value through profit and loss and bank deposits with a total net book value of approximately HK\$205,423,000. All of these bank borrowings were guaranteed.

Save as aforesaid and apart from intra-group liabilities, normal trade payables and contract liabilities in the normal course of business, at the close of business on 31 August 2021, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

6. MATERIAL CHANGE IN RESPECT OF THE GROUP

The Directors confirm that save as disclosed below, there has been no material change in the financial or trading position or outlook of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

- (a) as disclosed in the announcements of the Company dated 5 March 2021 and 16 March 2021, the Company was notified by the Stock Exchange that it has failed to maintain a sufficient level of operations and assets of sufficient value to support its operations under Rule 13.24 to warrant the continued listing of its shares. At the request of the Company, trading in the shares of the Company were suspended with effect from 9:00 a.m. on 17 March 2021 and would remain suspended pending re-compliance with Rule 13.24 by the Company and fulfilment of any resumption guidance that may be set by the Stock Exchange; and
- (b) as a shareholder of IGB Berhad, the Group was entitled to the rights to subscribe for 35,829,816 shares (the “**Entitlement Shares**”) in the IGB Berhad Commercial REIT under its spin-off proposal from IGB Berhad. As the Group had no intention to subscribe for the Entitlement Shares, such unsubscribed Entitlement Shares were made available for subscription by the placees under the institutional offering under the spin-off proposal and the subscription completed in October 2021. Under the terms of the spin-off proposal, the Group is entitled to receive, and had as at the Latest Practicable Date received, a sum from the proceeds of the subscription by the placees of the Entitlement Shares of approximately RM10.8 million (equivalent to approximately HK\$20.2 million).

7. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group’s main business activities are share investment and dealing. As at the Latest Practicable Date, the Group’s significant investments classified as financial assets at fair value through profit or loss comprised shares in PureCircle and IGB Berhad.

The Group has no control or influence over PureCircle and IGB Berhad. Hence, for the business performance and factors which may affect the share price and business outlook and future prospects of these two companies, shareholders and potential investors of the Company should refer to the information published on the websites of PureCircle and IGB Berhad, which are www.purecircle.com and www.igbbhd.com respectively.

Depending on the market conditions and the availability of funding, the Group may acquire additional shares or dispose of some of its interest in IGB Berhad.

8. FINANCIAL INFORMATION OF THE OFFEROR

Since the incorporation of the Offeror up to and including the Latest Practicable Date, the Offeror has no published accounts.

9. INDEBTEDNESS STATEMENT OF THE OFFEROR

As at the close of business on 31 August 2021, being the latest practicable date for the purpose of ascertaining the indebtedness of the Offeror prior to the printing of this Composite Document, the Offeror had total indebtedness of approximately HK\$54 million as summarized below:

Borrowings

The Offeror had total outstanding borrowings of approximately HK\$54 million, which were amount due to controlling shareholder of the Offeror that were unsecured and not guaranteed.

Save as aforesaid, at the close of business on 31 August 2021, the Offeror did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

10. FINANCIAL AND TRADING PROSPECT OF THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands, which is not intended to engage in any business activities save for the purposes of the implementation of the Offer and the intended privatisation of the Company.

For the above reason, subject to the Offer becoming or being declared unconditional, the major assets of the Offeror as at the close of the Offer will be the Lee Hing Shares acquired pursuant to the Offer and, where applicable, upon the Offeror exercising the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance. Accordingly, the financial and trading prospects of the Group as set out in the paragraph headed "7. Financial and trading prospects of the Group" above in this Appendix equally apply to the Offeror after the close of the Offer.

The following is the text of a valuation report, prepared for the purpose of incorporation in this Composite Document and received from ROMA Appraisals Limited, an independent qualified valuer, in connection with its valuation of certain property interests of the Group.



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139 Hennessy Road, Wan Chai, Hong Kong
Tel (852) 2529 6878 Fax (852) 2529 6806
E-mail inforomagroup.com
<http://www.romagroup.com>

10 November 2021

Lee Hing Development Limited

Suite 1506-07, 15th Floor,
Nine Queen's Road Central,
Central, Hong Kong

Dear Sir/Madam,

Re: Valuation of properties situated in Japan and Hong Kong

In accordance with your instructions for us to value the properties held by Lee Hing Development Limited (the “**Company**”) and/or its subsidiaries (together with the Company referred to as the “**Group**”) in Japan and Hong Kong, we confirm that we made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 30 September 2021 (the “**Valuation Date**”) for circular purpose.

VALUATION STANDARDS

Our valuations are prepared in compliance with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, Rule 11 on Asset Valuations of the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong and in accordance with the “RICS Valuation — Global Standards” published by the Royal Institution of Chartered Surveyors and the International Valuation Standards published by the International Valuation Standards Council.

BASIS OF VALUATION

Our valuations of the properties are our opinion of the market values of the concerned properties which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

PROPERTY CATEGORIZATION

In the course of our valuations, the properties owned by the Group are categorized into the following groups:

- Group I — Property held for disposal in Japan;
- Group II — Property held for owner occupation in Hong Kong; and
- Group III — Property held for investment purposes in Hong Kong.

VALUATION METHODOLOGY

For the property Nos 1, 2 and 3 in Group I which has no redevelopment potential, we have assumed that it will not be redeveloped in accordance with the latest Company's confirmation and there is no development planning provided to us. We have valued the property in Group I, II and III by the direct comparison approach assuming sale or asking price of the property in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

TITLE INVESTIGATION

For the property in Japan, we have been shown copies of extracts of title documents and have been advised by the Group that no further legal opinion have been provided. Furthermore, due to the nature of the land registration system in the Japan, we have not been able to examine the original documents to verify ownership or to ascertain the existence of any amendment documents, which may not appear on the copies handed to us. All documents have been used for reference only.

For property in Hong Kong, we have carried out land searches at the Land Registry. However, we have not scrutinized all the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us.

We have also relied on the advice given by the Group that the Group has valid and enforceable titles to the properties which are freely transferable, and have free and uninterrupted right to use the same.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the owners sell the properties in the market in their existing states without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of such properties. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the properties and no allowance has been made for the properties to be sold in one lot or to a single purchaser.

SOURCE OF INFORMATION

In the course of our valuations, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of properties, particulars of occupation, site/floor areas, ages of buildings and all other relevant matters which can affect the values of the properties. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

VALUATION CONSIDERATION

For property in Japan, due to the outbreak of Coronavirus Disease (COVID-19) and the relevant travelling restrictions, we are unable to conduct physical inspections of the property and the Group cannot provide the photos of the property. As agreed with the Group, we have conducted our valuation on desktop basis because there is a limitations or restrictions on the inspection, we conduct our valuation without a physical inspection as per VPS 1 of the RICS Red Book Global.

For property in Hong Kong, we have inspected the exterior and, where possible, the interior of the properties. No structural survey has been made in respect of the properties. However, in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the site/floor areas of the properties under consideration but we have assumed that the site/floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are therefore approximations.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty — and a higher degree of caution — should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the property under frequent review. As a consequence of the COVID-19 outbreak, the liquidity and transaction volume in the real estate market have been significantly reduced which resulted in a lack of clarity as to pricing levels and market drivers. Together with general weakening of sentiment towards real estate, there is less certainty with regard to valuations as market values might change rapidly in the current market conditions. The period required to negotiate a sale may also extend considerably beyond the normally expected period.

For the purpose of compliance with Rule 11.3 of the Code on Takeovers and Mergers and advised by the Group, the potential tax liabilities which would arise on the disposal of the property interests held by the Group, for the amount of market value minus the cost of purchase, comprise Withholding Tax (10.21%) in Japan and corporate profit tax of 16.5% with effect from the year of assessment 2020/21 in Hong Kong. The exact amount of the tax payable upon realization of the relevant properties will be subject to the formal tax advice issued by the relevant tax authorities at the time of disposal by presenting the relevant transaction documents. For the property interests held by the Group in Group I, they are going to be disposed of or being disposed of. Hence, the potential tax liabilities of these property interests are likely to be crystallized. For the property interests held by the Group in Group II and Group III, they are continued to be held by the Group and with no intention for disposal. Hence, the likelihood of any potential tax liabilities of these property interests being crystallized is remote.

Our valuation opinion as stated in this report only based on the information as available as at the Valuation Date such as economic and market environment or any other matters which might affect our valuation opinion. As the existing market condition, we would recommend the users of this report to seek latest opinion on the real estate market for their decisions.

REMARKS

Unless otherwise stated, all monetary amounts stated in our valuations are in Japanese Yen (“JPY”) and Hong Kong Dollar (“HK\$”). The exchange rate adopted in our valuation is approximately HK\$1.00 = JPY14.11, which was approximately the prevailing exchange rates as at the Valuation Date.

Our Summary of Values and Valuation Certificates are attached.

Yours faithfully,

For and on behalf of

Roma Appraisals Limited

Frank F Wong

BA (Business Admin in Acct/Econ) MSc (Real Est)

MRICS Registered Valuer MAusIMM ACIPHE

Director

Contributing Valuer:

Jack Zhou *MSc BA*

Note: Mr. Frank F Wong is a Chartered Surveyor, Registered Valuer, Member of the Australasian Institute of Mining & Metallurgy and Associate of Chartered Institute of Plumbing and Heating Engineering who has 22 years’ valuation, transaction advisory and project consultancy of properties experience in Hong Kong and 14 years’ experience in valuation of properties in the PRC as well as relevant experience in the Asia-Pacific region, Australia and Oceania-Papua New Guinea, France, Germany, Poland, United Kingdom, United States, Abu Dhabi (UAE) and Jordan.

SUMMARY OF VALUES

Group I — Property held for disposal in Japan

No.	Property	Market Value in Existing State as at 30 September 2021
1.	Lot No. 1320-299, Mukoyama, Gora-Aza, Hakone-machi, Ashigarashimo-gun, Japan	JPY85,900,000 (HK\$6,090,000)
2.	Lot No. 1308-15, Kawamukai, Kiga-Aza, Hakone-machi, Ashigarashimo-gun, Japan	JPY52,500,000 (HK\$3,720,000)
3.	Lot No. 1308-2, Kawamukai, Kiga-Aza, Hakone-machi, Ashigarashimo-gun, Japan	JPY2,300,000 (HK\$160,000)
Sub-Total:		JPY140,700,000 (HK\$9,970,000)

Group II — Property held for owner occupation in Hong Kong

4.	Office No. 6 and Office No. 7 on 15th Floor, “Nine Queen’s Road Central”, No. 9 Queen’s Road Central, Hong Kong	HK\$118,000,000
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Group III — Property held for investment purposes in Hong Kong

5.	Flat A on 15th Floor and Carpark Space No. 4 on P2 Level, Po Garden, No. 9 Brewin Path, Hong Kong	HK\$61,900,000
Sub-Total:		HK\$179,900,000
Grand Total:		HK\$189,870,000

VALUATION CERTIFICATE

Group I — Property held for disposal in Japan

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2021
1.	Lot No. 1320-299, Mukoyama, Gora-Aza, Hakone-machi, Ashigarashimo-gun, Japan	<p>The property comprises a parcel of land located near the railway station of Gora, Hakone-machi, Ashigarashimo-gun.</p> <p>As per the register certificate, the property has a total site area of approximately 5,000.68 sq.m.</p> <p>As per the register certificate, the land category is building land.</p> <p>The land is held under of Fee Simple Estate.</p>	As advised by the Group, the property is vacant as at the Valuation Date.	JPY85,900,000 (HK\$6,090,000)

Note: Pursuant to the Register certificate (Land) (全部事項証明書(土地)) No.0203000067142, the registered owner of the property with a total site area of approximately 5,000.68 sq.m. is Wang Tak Company Limited (“ワン・タック・カンパニー・リミテッド”), a wholly-owned subsidiary of the Group, dated 26 August 2004.

VALUATION CERTIFICATE

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2021
2.	Lot No. 1308-15, Kawamukai, Kiga-Aza, Hakone-machi, Ashigarashimo-gun, Japan	<p>The property comprises a parcel of land located near the railway station of Gora, Hakone-machi, Ashigarashimo-gun.</p> <p>As per the register certificate, the property has a total site area of approximately 3,040.73 sq.m.</p> <p>As per the register certificate, the land category is building land.</p> <p>The land is held under of Fee Simple Estate.</p>	As advised by the Group, the property is vacant as at the Valuation Date.	JPY52,500,000 (HK\$3,720,000)

Note: Pursuant to the Register certificate (Land) (全部事項証明書(土地)) No.0203000066696, the registered owner of the property with a total site area of approximately 3,040.73 sq.m. is Wang Tak Company Limited (“ワン・タック・カンパニー・リミテッド”), a wholly-owned subsidiary of the Group, dated 26 August 2004.

VALUATION CERTIFICATE

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2021
3.	Lot No. 1308-2, Kawamukai, Kiga-Aza, Hakone-machi, Ashigarashimo-gun, Japan	The property comprises a parcel of land located near the railway station of Gora, Hakone-machi, Ashigarashimo-gun. As per the register certificate, the property has a total site area of approximately 2,771 sq.m. As per the register certificate, the land category is forest preserve. The land is held under of Fee Simple Estate.	As advised by the Group, the property is vacant as at the Valuation Date.	JPY2,300,000 (HK\$160,000)

Note: Pursuant to the Register certificate (Land) (全部事項証明書(土地)) No.0203000066687, the registered owner of the property with a total site area of approximately 2,771 sq.m. is Wang Tak Company Limited (“ワン・タック・カンパニー・リミテッド”), a wholly-owned subsidiary of the Group, dated 26 August 2004.

VALUATION CERTIFICATE

Group II — Property held for owner occupation in Hong Kong

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2021
4.	Office No. 6 and Office No. 7 on 15th Floor, "Nine Queen's Road Central", No. 9 Queen's Road Central, Hong Kong	The property comprises two office units on 15th floor of an office building completed in about 1991.	As advised by the Group, the property is owner-occupied for office use.	HK\$118,000,000
	679/3000 of 500/23086 equal and undivided shares of and in the Remaining Portion of Section A of Marine Lot No. 102, Section C of Marine Lot No. 103, The Remaining Portion of Marine Lot No. 101, The Remaining Portion of Inland Lot No.514, Section A of Marine Lot No. 101, Section B of Marine Lot No. 101, The Remaining Portion of Section C of, Marine Lot No. 101	The property has a saleable area of approximately 2,114 sq.ft.. The property is held under the Government Lease for the lease terms of 999 years commencing from 16 November 1855 (Re: The Remaining Portion of Section A of Marine Lot No. 102, Section C of Marine Lot No. 103, The Remaining Portion of Marine Lot No. 101, Section A of Marine Lot No. 101, Section B of Marine Lot No. 101, The Remaining Portion of Section C of Marine Lot No. 101) and 999 years commencing from 21/01/1857. (Re: The Remaining Portion of Inland Lot No. 514)		

Notes:

1. The registered owner of the property is Lee Hing Investment Company Limited, a wholly-owned subsidiary of the Group, vide Memorial No. UB8824814 dated 31 October 2002.
2. The property lies within an area zoned "Commercial" under the Central District Outline Zoning Plan No. S/H4/17 gazetted Section 5 of Town Planning Ordinance on 24 May 2019.
3. The property is subjected to the following material encumbrances:
 - a. Deed Of Mutual Covenant and Management Agreement with Plans vide Memorial No. UB5711938 dated 30 June 1993;
 - b. Sub-Deed of Mutual Covenant with Plan vide Memorial No. UB7098399 dated 8 May 1997; and
 - c. Mortgage to Secure General Banking Facilities in favour of Liu Chong Hing Bank Limited vide Memorial No. UB8824815 dated 31 October 2002 (Remarks: the consideration is all moneys).

VALUATION CERTIFICATE

Group III — Property held for investment purposes in Hong Kong

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2021
5.	Flat A on 15th Floor and Carpark Space No. 4 on P2 Level, Po Garden, No. 9 Brewin Path, Hong Kong 31/2397 equal and undivided shares of and in the Inland Lot No. 8646	The property comprises a residential unit and a car parking space on 15th floor and P2 level of a residential building completed in about 1990. The property has a saleable area of approximately 1,943 sq.ft.. The property is held under the Conditions of Exchange No. 11885 for the lease terms of 75 years renewable for 75 years commencing from 17 January 1955.	As advised by the Group, the property is subject to a tenancy agreement dated 15 December 2020 for a term of 2 years commencing on 1 January 2021 to 31 December 2022 (both days inclusive) in monthly rental of \$75,000 inclusive of management fee, Government Rates, Government Rent and Property Tax. Rent free period is from 1 January 2021 to 7 January 2021 (both days inclusive).	HK\$ 61,900,000

Notes:

1. The registered owner of the property is Teamlight Enterprises Limited, a wholly-owned subsidiary of the Group, vide Memorial No. 11062700420147 dated 3 June 2011.
2. The property lies within an area zoned "Residential (Group B)" under the Mid-Levels West Outline Zoning Plan No. S/H11/15 gazetted section 9(1)(a) of Town Planning Ordinance on 19 March 2010.
3. The property is subjected to the following material encumbrances:
 - a. Deed Of Mutual Covenant and Management Agreement vide Memorial No. UB5008779 dated 31 August 1991;
 - b. Certified Copy Memorandum of Compliance vide Memorial No. UB7558343 dated 19 May 1992;
 - c. Mortgage for consideration of all moneys in favour of Chong Hing Bank Limited vide Memorial No. 11062700420154 dated 3 June 2011; and
 - d. Assignment of Rentals in favour of Chong Hing Bank Limited vide Memorial No. 11062700420165 dated 3 June 2011.

The following is the text of a letter from INCU, the financial adviser to the Offeror in relation to the Offer, on the estimate of value of Offeror Shares.

10 November 2021

The Director
Lee Hing (2021) Limited (formerly known as Classic Prestige Limited)
Vistra Corporate Services Centre
Wickhams Cay II, Road Town
Tortola, VG1110
British Virgin Islands

**THE VOLUNTARY CONDITIONAL CASH OFFER, WITH AN
ALTERNATIVE TO RECEIVE SHARES IN LEE HING (2021) LIMITED
(FORMERLY KNOWN AS CLASSIC PRESTIGE LIMITED),
BY KINGKEY SECURITIES GROUP LIMITED
ON BEHALF OF
LEE HING (2021) LIMITED
(FORMERLY KNOWN AS CLASSIC PRESTIGE LIMITED)
TO ACQUIRE ALL THE ISSUED SHARES OF
LEE HING DEVELOPMENT LIMITED**

ESTIMATE OF VALUE OF OFFEROR SHARES

Dear Sirs,

We refer to the document of even date jointly issued by Lee Hing Development Limited and Lee Hing (2021) Limited (formerly known as Classic Prestige Limited) (the “**Composite Document**”) of which this letter forms part. Capitalised terms used in this letter will, unless otherwise stated, have the same meaning given to them in the Composite Document.

Pursuant to the requirements of the Takeovers Code, you have requested us to provide you with an estimate of value of the Offeror Shares (the “**Estimate of Value**”). Under the Offer, the Shareholders may elect (i) wholly to receive cash of HK\$0.80 for every Lee Hing Share; or (ii) wholly to receive 1 Offeror Share for every Lee Hing Share held; or (iii) partly to receive cash payment and partly to receive Offeror Shares under the Share Alternative. The Offeror Shares are unlisted and there is therefore no reference for a publicly traded price.

PURPOSE

The Estimate of Value has been provided to the Offeror solely for the purposes of Paragraph 30 of Schedule I to the Takeovers Code, and shall not be used or relied upon for any other purpose whatsoever, and is not made on behalf of, and shall not confer rights or remedies upon, any third party. It is to be emphasized that the Estimate of Value contained herein is an estimated value of each Offeror Share based on certain assumptions and therefore does not necessarily reflect the actual value of Offeror Shares. This letter is not

addressed to any third party and the contents of it may not be relied upon by any third party for any purpose whatsoever; and INCU expressly disclaims any duty or liability to any third party with respect to the contents of this letter. Except for its inclusion in the Composite Document, this letter may not be quoted or referred to, in whole or in part, nor may any other public reference to INCU be made, without our prior written consent or unless otherwise required under the Takeovers Code.

This letter sets out an Estimate of Value of each Offeror Share assuming the Offer has become or has been declared unconditional and such share is in issue as at the date of this letter.

The Estimate of Value does not represent the value that a holder of an Offeror Share may realise on any future sale – and such a value may be higher or lower than the figure in this letter. INCU assumes no obligation to reaffirm, update or revise the Estimate of Value based upon circumstances or events occurring after the date hereof. Additionally, the Estimate of Value is based on the announced value of HK\$0.80 per Lee Hing Share under the Offer, on which INCU expresses no opinion and gives no representation.

In providing the Estimate of Value, INCU expresses no opinion and makes no recommendation to any person as to whether they should accept the Offer or whether they should make any election to choose cash payment or the Share Alternative. Further, INCU expresses no opinion as to the fairness of the amount of the cash payment and/or the number and nature of Offeror Shares comprised in the Share Alternative as referenced in the Offer.

ASSUMPTIONS

For the purposes of our analysis, we have made the following major assumptions:

- (i) There exists a willing buyer and seller, neither being under any compulsion to buy or sell, dealing on an arm's length basis, each having knowledge of all relevant facts;
- (ii) As at the date of this letter, the Offer has become or has been declared unconditional in all respects and the Company is a subsidiary of the Offeror (with the Offeror holding not less than 70% of all the Lee Hing Shares in issue);
- (iii) The Offeror Shares that may be issued in connection with the Offer, together with the 100 Offeror Shares held by Mr. Tan and the Offeror Shares to be issued due to compulsory acquisition comprised the entire issued share capital of the Offeror as at the Latest Practicable Date and no person has any right to acquire or subscribe for any share or loan capital of the Offeror. Such shares have been issued pursuant to the terms of the Offer free from all encumbrances, credited as fully-paid, non-assessable, and ranking pari passu with all issued shares in the Offeror, including the right to receive in full all dividends and other distributions (if any) declared, made or paid on or after the date of their issue;

- (iv) The Offeror was established for the sole purpose of the Offer and as such, we have assumed that immediately following the Offer becomes unconditional, the Offeror's turnover, profits, assets and liabilities (on a consolidated basis) will be the same as the Company, save for the shareholder's loan and any cash balance that may remain in the Offeror that was not required to finance the amount payable in cash to Shareholders under the Offer;
- (v) There is no change to the issued share capital of the Company from the date of the Joint Announcement up to and including the close of Offer;
- (vi) Any shares in the issued share capital of the Company received by the Offeror under the Offer have been received free from all liens, options and third-party rights and together with the right to receive in full all dividends and other distributions (if any) declared, made or paid on or after the date of this letter;
- (vii) No dividend or other distribution (whether in cash or in kind) shall be declared, made or paid by the Company to the Shareholders between the date of the Joint Announcement and the Closing Date, and any further dividend or distribution shall be subject to the approval of the Board;
- (viii) The Offeror and the Company exist on a continuing basis;
- (ix) The Offeror Shares are unlisted and valued on this basis. Whilst it is not possible to give a precise measure of the discount to reflect, among other things, the lack of marketability and the rights of the shareholders of the Offeror and no methodological analysis can be undertaken for the purposes of estimating such a discount, for the purposes of calculating our range of Estimate of Value we have assumed a range of discounts of 0-30% to an equivalent listed security to reflect, among other things, the lack of marketability and such shareholders' rights. We believe such range of discounts is an appropriate assumption to use for this purpose as it is consistent with the approach taken in recent market privatisation and general offer precedents in Hong Kong which involves unlisted offeror shares being offered as an alternative transaction consideration and which adopts an illiquidity discount methodology to assess the value of the unlisted offeror shares. In evaluating the level of discount applied, we have searched for the general offer/privatisation cases since 2016 which involved valuation of unlisted shares with a repurchase offer by the offeror. However, we could not identify any cases based on the aforementioned selection criteria. In this regard, we have revised the selection criteria to identify general offer/privatisation cases since 2016 which involved valuation of unlisted shares, and noted that a discount of 30% for lack of marketability/shareholders' rights was applied to derive the low-end value of the unlisted shares under the share alternative in the respective case which we consider it fair and reasonable.

Date of scheme/ composite document	Company (stock code)	Discount applied
3 August 2021	Clear Media Limited (100)	30%
27 January 2021	Huifu Payment Limited (1806)	30%
20 June 2019	China Power Clean Energy Development Ltd (735)	30%
5 September 2016	Nirvana Asia Ltd (1438)	30%

- (x) We have relied on and assumed, without independent verification, the accuracy and completeness of the information reviewed by us (including but not limited to the management accounts of the Offeror as of the Latest Practicable Date, which specify the amount of cash, assets, indebtedness and liabilities that are expected to remain in the Offeror immediately following the Offer) for the purposes of the Estimate of Value; and we have not assumed and do not assume any responsibility or liability in relation thereto. We have not made any independent valuation or appraisal of the assets and liabilities of the Company, nor have we sought or been provided with any such valuation or appraisal. The Estimate of Value is necessarily based on financial, economic, market, regulatory and other conditions in effect, and the information made available to us, as at the date of this letter. It should be understood that subsequent developments may affect the Estimate of Value contained in this letter;
- (xi) The taxation of individual shareholders will vary and we have not taken account of the effects of any taxation exemptions, allowances or reliefs available for the purposes of income, capital gains, inheritance or any other applicable tax, duty or levy, notwithstanding these may be significant in the case of some shareholders;
- (xii) The Offeror will pay HK\$0.80 per Lee Hing Share to every Shareholder selecting the cash payment; and
- (xiii) The Company and its subsidiaries will continue to operate in the ordinary course as a going concern and are not subject to any material adverse event; the assets and liabilities of the Company (on a consolidated basis) are fairly reflected in the Company's annual report comprising its audited consolidated accounts for the financial year ended 31 December 2020 which was published on 19 April 2021 and its interim report comprising its unaudited consolidated accounts for the six months ended 30 June 2021 and which were published on 19 August 2021 (the "**Last Accounts**"); Neither the Company nor any of its subsidiaries disposes of any asset for less than its fair value (as reflected in the Last Accounts) nor suffers or incurs any liability, other than in the ordinary course of business.

METHODOLOGY

In our Estimate of Value, we derive ranges of value for Offeror Shares which reflect the estimated value of such shares hypothetically assuming for the purpose of calculating the top end of the range that they are listed and freely tradable, and for the purpose of calculating the bottom end of the range we have assumed a discount of 30% to reflect, among other things, the lack of marketability and shareholders' rights.

The estimated value of the Offeror Shares is equal to the total estimated value of the Lee Hing Shares (including any cash balance that may remain in the Offeror). As such, at the top end of our range, the total value of the Offeror Shares is assumed to be calculated as:

$$(a) - (b) + (c)$$

Where (a), (b) and (c) are defined as follows:

- (a) the estimated value of all of the outstanding Lee Hing Shares, which represents the value of the Lee Hing Shares that the Offeror will own (calculated by multiplying cash payment HK\$0.80 per Lee Hing Shares by number of Lee Hing Shares to be received under the Offer);
- (b) the shareholder's loan incurred by the Offeror for making the Offer; and
- (c) any cash that may remain in the Offeror immediately following the Offer.

Following the implementation of the Offer, the Offeror will not own any other assets or any other liabilities except for the Lee Hing Shares, the shareholder's loan for financing the Offer and the cash that may remain in the Offeror immediately following the Offer. As a result, the estimated value of the Offeror Shares is equal to (a) - (b) + (c).

In deriving a value for (a) at the top end of the range, we have used a value of HK\$0.80 per Lee Hing Share which is equivalent to the value per Lee Hing Share under the cash payment of the Offer. Based on the Offeror's financing structure for the Offer, the shareholder's loan put in place amounts to approximately HK\$54 million, being the value of (b).

It is currently estimated that: (i) under scenario 1 where the Offer becomes unconditional (i.e. the Offeror received 70% valid acceptance), and only the Offeror Concert Group who have undertaken to elect the Share Alternative, together with Mr. Tan, Zali Capital Limited and Zali International Limited, elect the Share Alternative and the remaining Shareholders (i.e. among 70% of the Shareholders who accept the Offer) elect cash payment, the Offeror's cash on hand immediately following the Offer would be approximately HK\$40.46 million, after deducting the fees and expenses incurred in connection with the Offer of approximately HK\$2 million as at the Latest Practicable Date; and (ii) under scenario 2 where the Offeror received all 100% of valid acceptance, and only the Offeror Concert Group who have undertaken to elect the Share Alternative, together with Mr. Tan, Zali Capital Limited and Zali International Limited, elect the Share

Alternative and the remaining Shareholders elect cash payment, the Offeror's cash on hand immediately following the Offer would be approximately HK\$5 million, after deducting the fees and expenses incurred in connection with the Offer of approximately HK\$2 million as at the Latest Practicable Date; and (iii) under both scenario 1 and scenario 2 where all 70% or all 100% Shareholders elect the Share Alternative, the Offeror's cash on hand would be approximately HK\$52 million, after deducting the fees and expenses incurred in connection with the Offer of approximately HK\$2 million as at the Latest Practicable Date, assuming the full amount of the shareholder's loan stated above is used to pay the aggregate cash payment of the Offer and before further fees and expenses of the Offeror incurred in connection with the Offer have been paid. The exact value of the cash on hand immediately following the Offer is dependent on the level of acceptance of the Share Alternative and, as such, this range of values has been used in deriving a value for (c).

As stated above, we have derived the lower end of the range for the estimate of value for each Offeror Share, by assuming a 30% discount to the value calculated above to reflect the lack of marketability and shareholders' rights, of an unlisted share.

The valuation of non-publicly traded securities is inherently imprecise and is subject to certain uncertainties and contingencies, including, but not limited to, the above qualitative factors, the effects of which are difficult to predict. Consequently, the view expressed in this letter is not necessarily indicative of: (i) the price at which the Offeror Shares might actually trade as at the date hereof or at any future date; (ii) the amount which might be realised upon a sale of an Offeror Share to a third party; or (iii) the amount that might be realized by a holder of an Offeror Share on liquidation of the Offeror. Our Estimate of Value may differ substantially from estimates available from other sources. In addition, our view would be expected to fluctuate with changes in prevailing market conditions, the financial conditions and prospects of the Offeror and other factors which generally influence the valuation of companies and securities. As a result, there can be no assurance that the actual price of an Offeror Share will not be higher or lower than the Estimate of Value.

Scenario 1: Only 70% of all the Lee Hing Shares have been received as valid acceptances under the Offer (i.e. the Offer becomes unconditional) and the Company becomes a non-wholly owned subsidiary of the Offeror

- (i) Assuming only the Offeror Concert Group who have undertaken to elect the Share Alternative, together with Mr. Tan, Zali Capital Limited and Zali International Limited, elect the Share Alternative:

At the top end of the range, we derive our value of the Offeror Shares as follows:

- (a) is equal to approximately HK\$82,197,520 which is the estimated value of 70% of the outstanding Lee Hing Shares (calculated by multiplying the cash payment of HK\$0.80 per Lee Hing Share by 102,746,900 Lee Hing Shares (i.e. 70% of the Lee Hing Shares as at the Latest Practicable Date of 146,781,285);

(b) is equal to approximately HK\$54,000,000; and

(c) is equal to approximately HK\$40,455,280.

This implies a total value of Offeror Shares of approximately HK\$68,652,800. Based on the number of Offeror Shares in issue as at the Latest Practicable Date of 100 shares plus 88,315,900 Offeror Shares to be issued, this implies a value per Offeror Share of HK\$0.78 at the top end of the range.

At the bottom end of the range, we derive our value of the Offeror Shares as follows:

Assuming 30% discount of non-marketability of the Offeror Shares, this implies a value per Offeror Share of HK\$0.55 at the bottom end of the range.

(ii) Assuming all Shareholders (i.e. 70% in total) elect the Share Alternative:

At the top end of the range, we derive our value of the Offeror Shares as follows:

(a) is equal to approximately HK\$82,197,520 which is the estimated value of all of the outstanding Lee Hing Shares (calculated by multiplying the cash payment of HK\$0.80 per Lee Hing Share by 102,746,900 Lee Hing Shares (i.e. 70% of the Lee Hing Shares as at the Latest Practicable Date of 146,781,285);

(b) is equal to approximately HK\$54,000,000; and

(c) is equal to approximately HK\$52,000,000.

This implies a total value of Offeror Shares of approximately HK\$80,197,520. Based on the number of Offeror Shares in issue as at the Latest Practicable Date of 100 shares plus 102,746,800 Offeror Shares to be issued, this implies a value per Offeror Share of HK\$0.78 at the top end of the range.

At the bottom end of the range, we derive our value of the Offeror Shares as follows:

Assuming 30% discount of non-marketability of the Offeror Shares, this implies a value per Offeror Share of HK\$0.55 at the bottom end of the range.

Scenario 2: 100% of the Lee Hing Shares have been received as valid acceptances under the Offer and the Company becomes a wholly owned subsidiary of the Offeror

- (i) Assuming only the Offeror Concert Group who have undertaken to elect the Share Alternative, together with Mr. Tan, Zali Capital Limited and Zali International Limited, elect the Share Alternative:

At the top end of the range, we derive our value of the Offeror Shares as follows:

- (a) is equal to approximately HK\$117,425,028 which is the estimated value of all of the outstanding Lee Hing Shares (calculated by multiplying the cash payment of HK\$0.80 per Lee Hing Share by the number of Lee Hing Shares as at the Latest Practicable Date of 146,781,285);
- (b) is equal to approximately HK\$54,000,000; and
- (c) is equal to approximately HK\$5,227,772.

This implies a total value of Offeror Shares of approximately HK\$68,652,800. Based on the number of Offeror Shares in issue as at the Latest Practicable Date of 100 shares plus 88,315,900 Offeror Shares to be issued, this implies a value per Offeror Share of HK\$0.78 at the top end of the range.

At the bottom end of the range, we derive our value of the Offeror Shares as follows:

Assuming 30% discount of non-marketability of the Offeror Shares, this implies a value per Offeror Share of HK\$0.55 at the bottom end of the range.

- (ii) Assuming all Shareholders elect the Share Alternative:

At the top end of the range, we derive our value of the Offeror Shares as follows:

- (a) is equal to approximately HK\$117,425,028 which is the estimated value of all of the outstanding Lee Hing Shares (calculated by multiplying the cash payment of HK\$0.80 per Lee Hing Share by the number of Lee Hing Shares as at the Latest Practicable Date of 146,781,285);
- (b) is equal to approximately HK\$54,000,000; and
- (c) is equal to approximately HK\$52,000,000.

This implies a total value of Offeror Shares of approximately HK\$115,425,028. Based on the number of Offeror Shares in issue as at the Latest Practicable

Date of 100 shares plus 146,781,185 Offeror Shares to be issued, this implies a value per Offeror Share of HK\$0.78 at the top end of the range.

At the bottom end of the range, we derive our value of the Offeror Shares as follows:

Assuming 30% discount of non-marketability of the Offeror Shares, this implies a value per Offeror Share of HK\$0.55 at the bottom end of the range.

	Scenario 1 (Acceptance level: 70%)		Scenario 2 (Acceptance level: 100%)	
	Assuming only the Offeror Concert Group who have undertaken to elect the Share Alternative, together with Mr. Tan, Zali Capital Limited and Zali International Limited, elect the Share Alternative	Assuming all Shareholders who accept the Offer elect the Share Alternative	Assuming only the Offeror Concert Group who have undertaken to elect the Share Alternative, together with Mr. Tan, Zali Capital Limited and Zali International Limited, elect the Share Alternative	Assuming all Shareholders elect the Share Alternative
(a) the estimated value of all of the outstanding Shares	HK\$82,197,520	HK\$82,197,520	HK\$117,425,028	HK\$117,425,028
(b) the shareholder's loan incurred by the Offeror	HK\$54,000,000	HK\$54,000,000	HK\$54,000,000	HK\$54,000,000
(c) any cash that may remain in the Offeror immediately following the Offer (<i>Note</i>)	HK\$40,455,280	HK\$52,000,000	HK\$5,227,772	HK\$52,000,000
Total value of the Offeror Shares	HK\$68,652,800	HK\$80,197,520	HK\$68,652,800	HK\$115,425,028
Number of Offeror Shares in issue immediately following the Offer	88,316,000	102,746,900	88,316,000	146,781,285
Top end value per Offeror Share	HK\$0.78	HK\$0.78	HK\$0.78	HK\$0.78
Bottom end value per Offeror Share (Assuming a 30% discount for non-marketability of the Offeror Shares)	HK\$0.55	HK\$0.55	HK\$0.55	HK\$0.55

Note: The remaining balance of cash in the Offeror will be used to repay the shareholder's loan incurred by the Offeror in the same amount. Such repayment will not bring any effect in the value of the Offeror Shares.

Under both scenarios shown above where only the Offeror Concert Group who have undertaken to elect the Share Alternative, together with Mr. Tan, Zali Capital Limited and Zali International Limited, elect the Share Alternative or all Shareholders elect the Share Alternative, each of the Offeror Shares has an estimated value of HK\$0.78 at the top end of the range and an estimated value of HK\$0.55 at the bottom end of the range. For all scenarios in between the two shown above, where a proportion of the Shareholders elect either of the cash payment or the Share Alternative or partly cash payment and partly Share Alternative, the Estimate of Value for each of the Offeror's Shares remain the same at HK\$0.78 at the top end of the range, and an estimated value of HK\$0.55 at the bottom end of the range.

In determining the Estimate of Value, we have not taken into account, among other things, any financial projections of the Company for the year ended 31 December 2020 and beyond. Moreover, we have not taken into account any value derived from the Offeror Exit Arrangements as pursuant to the PureCircle Shareholders' Agreement, the fair value of the PureCircle Shares will be assessed by Ingredion unless a Minority Investor refers determination of the fair price to an independent valuer. The PureCircle Shareholder's Agreement does not specify any basis on which Ingredion shall determine the fair value of the PureCircle Shares. Besides, in the event that (i) the Group decides not to sell any PureCircle Shares to Ingredion under the Annual Purchase Offers and not to exercise the Put Option and (ii) Ingredion decides not to exercise the Call Option, no Proceeds will be received by the Group as a result of which no repurchase offer under the Offeror Exit Arrangements will be made by the Offeror. Therefore, the Proceeds under the Offeror Exit Arrangements are highly uncertain and cannot be determined as at the date of this letter. In the event no repurchase offer under the Offeror Exit Arrangements has been made by the Offeror as stated above, the value of the Offeror Exit Arrangements will be zero, on a prudent basis.

No account has been taken of any potential transaction costs that a holder of the Lee Hing Shares or may incur in regard to accepting the Offer, or in any attempted or actual sale of Offeror Shares.

No account has been taken of any potential transaction costs that a holder of Offeror Shares may incur, or any potential costs that might be associated with a sale of the Offeror to a third party or a liquidation of the Offeror, which might be expected to reduce any return to a holder of an Offeror Share upon the occurrence of such an event.

We have produced the Estimate of Value using these methodologies and taken into account the information, factors, assumptions and limitations set out above.

ESTIMATE OF VALUE

On the basis of the above assumptions and methodology adopted by us and subject to the foregoing, the Estimate of Value as defined in this letter is within a range of HK\$0.55 to HK\$0.78 for each Offeror Share. This Estimate of Value does not represent a formal opinion of the value of an Offeror Share or a Lee Hing Share by INCU.

Under the Share Alternative, each Shareholder is entitled to receive 1 Offeror Share for every Lee Hing Share held. This implies a value of approximately HK\$0.55 to HK\$0.78 for each Offeror Share.

GENERAL

INCU is acting as the financial adviser to the Offeror in relation to the Offer and no one else in connection with the Offer. INCU will not be responsible to anyone other than the Offeror for providing advice in relation to the Offer, the contents of the Composite Document or any other matters referred to in the Composite Document.

Shareholders are urged to read carefully all the information contained in the Composite Document.

The value of an Offeror Share may be impacted by the factors described in this letter.

Further, in providing the Estimate of Value, INCU expresses no opinion or recommendation to any person as to whether they should accept the Offer or whether they should make any election to choose the cash payment or the Share Alternative. Shareholders are recommended to seek their own independent financial advice. Further, INCU expresses no opinion as to the fairness of the amount of the cash payment and/or the number and nature of Offeror Shares comprised in the Share Alternative as referenced in the Offer.

Yours faithfully,
For and on behalf of
INCU Corporate Finance Limited
Gina Leung
Managing Director

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this Composite Document (other than any information relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were 146,781,285 Lee Hing Shares in issue.

As at the Latest Practicable Date, the Company had no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than the Lee Hing Shares.

All the Lee Hing Shares in issue are fully paid up and rank pari passu in all respects among themselves, including all rights in respect of dividends, voting and interest in capital.

The number of Lee Hing Shares in issue as at 31 December 2020, being the date to which the latest audited consolidated financial statements of the Company were made up, was 146,781,285.

Since 31 December 2020 and up to the Latest Practicable Date:

- (a) the Company had not issued any Lee Hing Shares, options, warrants or conversion rights affecting Lee Hing Shares (including any derivatives or other securities which may confer rights to the holders thereof to subscribe for, convert or exchange into Lee Hing Shares) and had not entered into any agreement for the issue of any of such securities; and
- (b) no Lee Hing Shares had been issued or bought back by the Company or any of its subsidiaries.

3. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests of the Directors and chief executive of the Company in Lee Hing Shares, underlying Lee Hing Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such

provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange; or (iv) to be disclosed in this Composite Document pursuant to the Takeovers Code, were as follows:

(1) *Long position*

Lee Hing Shares

Name of Directors	Personal interests	Number of Lee Hing Shares			Percentage holding
		Family interests	Corporate interests	Total	
Mr. Tan Boon Seng	1,479,000	10,000 (iii)	52,340,000 (i)(ii)(iv)	53,829,000	36.67

Notes:

- (i) Wah Seong Enterprises Sdn. Bhd. held 2,100,000 Lee Hing Shares. Mr. Tan Boon Seng has beneficial interest in this company and is a director of this company.
- (ii) Zali International Limited held 14,386,000 Lee Hing Shares. Mr. Tan Boon Seng has beneficial interest in this company and is a director of this company.
- (iii) The wife of Mr. Tan Boon Seng held 10,000 Lee Hing Shares.
- (iv) Zali Capital Limited held 35,854,000 Lee Hing Shares. Mr. Tan Boon Seng has beneficial interest in this company and is a director of this company.

(2) *Shares in subsidiaries*

As at the Latest Practicable Date, one nominee share in Lee Hing Investment Company, Limited, which was a subsidiary of the Company, was held by Mr. Tan Boon Seng in trust for the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest and short positions in Lee Hing Shares, underlying Lee Hing Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange, or which were required to be disclosed in this Composite Document pursuant to the Takeovers Code.

(b) Interests of substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors, the following persons, other than the Directors or chief executives of the Company, had interests or short positions in Lee Hing Shares and underlying Lee Hing Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Long position in Lee Hing Shares

Name	Number of Lee Hing Shares	Percentage holding
Zali International Limited	14,386,000	9.80
Zali Capital Limited	35,854,000	24.43
Ms. Connie Cheng Wai Ka	53,829,000	36.67
Petaling Garden (S) Pte. Limited	29,006,000	19.76

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, there was no other person who had an interest or short position in Lee Hing Shares and underlying Lee Hing Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' INTERESTS AND DEALINGS IN SECURITIES OF THE OFFEROR

During the Relevant Period, save for the allotment and issue of one ordinary share of US\$1.00 in the Offeror to Mr. Tan on 28 May 2021 upon his subscription for such ordinary share which was subsequently sub-divided into 100 Offeror Shares on 25 June 2021, none of the Directors had, or was deemed or taken to have, an interest in the shares of the Offeror or had dealt in the shares of the Offeror.

5. ADDITIONAL DISCLOSURE OF THE INTERESTS AND DEALINGS

- (a) None of the members of the Group had any beneficial interest in the shares, convertible securities, warrants, options and derivatives of the Offeror as at the Latest Practicable Date, and nor did any of them have dealt for value in any shares, convertible securities, warrants, options or derivatives of the Offeror during the Relevant Period.

- (b) Save for the interests of the Directors as disclosed in paragraph 3(a) of this Appendix, none of the Directors was interested in or owned or controlled any shares, convertible securities, warrants, options or derivatives of the Company as at the Latest Practicable Date. Save for the interests of the Directors as disclosed in paragraph 4 of this Appendix, none of the Directors was interested in or owned or controlled any shares, convertible securities, warrants, options or derivatives of the Offeror as at the Latest Practicable Date. None of the Directors had dealt in any shares, the convertible securities, warrants, options of the Company or derivatives in respect of such securities during the Relevant Period.
- (c) None of the subsidiaries of the Company and pension fund of any member of the Group or a person as specified in class (2) of the definition of “associate” or a person presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code had any interest in the shares, the convertible securities, warrants, options of the Offeror or the Company or any derivatives in respect of such securities as at the Latest Practicable Date, and no such person had dealt in any shares, convertible securities, warrants, options of the Offeror or the Company or any derivatives in respect of such securities during the Relevant Period.
- (d) No person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code as at the Latest Practicable Date, and no such person had dealt in any shares, the convertible securities, warrants, options of the Offeror or the Company or derivatives in respect of such securities during the Relevant Period.
- (e) No shares, convertible securities, warrants, options of the Offeror or the Company or any derivatives in respect of such securities were managed on a discretionary basis by fund managers connected with the Company as at the Latest Practicable Date, and no such person had dealt in any shares, convertible securities, warrants, options of the Offeror or the Company or derivatives in respect of such securities during the Relevant Period.
- (f) None of the Company and the Directors had borrowed or lent any shares, convertible securities, warrants, options in the Offeror or the Company or derivatives in respect of such securities as at the Latest Practicable Date.
- (g) As at the Latest Practicable Date, there was no benefit in whatever form provided or to be provided to any Director as compensation for loss of office or otherwise in connection with the Offer.

- (h) As at the Latest Practicable Date, save for (i) the Irrevocable Undertakings, (ii) the Offeror's confirmation in writing to the Board that Mr. Tan, Zali International Limited and Zali Capital Limited will accept the Offer in respect of all the Lee Hing Shares held by each of them and opt for the Share Alternative and (iii) the Shareholders' Agreement, there was no agreement or arrangement or understanding (including any compensation arrangement) existing between the Offeror or any party acting in concert with it and any of the directors, recent directors, shareholders or recent shareholders of the Company having any connection with or dependence upon the Offer.
- (i) As at the Latest Practicable Date, there was no material contract to which the Offeror is a party in which any Director has a material personal interest.
- (j) As at the Latest Practicable Date, there was no agreement, arrangement or understanding that any securities sold or acquired in pursuance of the Offer would be transferred, charged or pledged to any other person.
- (k) As at the Latest Practicable Date, none of the Directors (save for Mr. Tan) intended, in respect of their own beneficial shareholdings (if any), to accept the Offer.
- (l) As at the Latest Practicable Date, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any service contract with the Company or any of its subsidiaries or associated companies in force which (a) (including both continuous and fixed term contracts) had been entered into or amended within six months preceding the commencement of the Offer Period; or (b) was a continuous contract with a notice period of 12 months or more; or (c) was fixed term contract that has more than 12 months to run irrespective of the notice period.

7. EXPERTS AND CONSENTS

The following are the names and qualifications of the professional advisers whose letters, opinions or advice are contained or referred to in this Composite Document:

Name	Qualification
Octal Capital	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
ROMA Appraisals Limited	qualified property valuer

Each of the above experts has given and has not withdrawn their written consent to the issue of this Composite Document with the inclusion of its letters, opinions or advice and the references to its name included herein in the form and context in which it appears.

As at the Latest Practicable Date, none of the above experts was beneficially interested in the share capital of any member of the Group; nor did any of them have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

8. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

9. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) had been entered into by any member of the Group after the date falling two years immediately preceding the commencement of the Offer Period, and up to and including the Latest Practicable Date:

- (a) the deed of irrevocable undertaking dated 9 April 2020 by Wang Tak Company Limited (“**Wang Tak**”), a wholly-owned subsidiary of the Company, to PureCircle containing, among others, undertakings regarding (i) voting at the meeting of the shareholders of London Listco and the special general meeting of London Listco held for the purposes of, among others, the scheme of arrangement through which the London Listco Privatisation was implemented and (ii) election for receiving ordinary B shares of PureCircle in exchange for all the shares of London Listco held by Wang Tak;
- (b) the PureCircle Shareholders’ Agreement; and
- (c) the sale and purchase agreement dated 9 June 2020 and entered into between Wang Tak as vendor and Mr. Tan, Mr. Tan Boon Lee and Ms. Tan Lei Cheng as purchasers in relation to the sale and purchase of a total of 2,500,000 ordinary B shares in the capital of PureCircle at a total consideration of 2,500,000 pound sterling payable to Wang Tak.

10. MISCELLANEOUS

- (a) The registered and principal office of the Company is at Suite 1506, 15th Floor, 9 Queen’s Road Central, Hong Kong.
- (b) The share registrar and transfer office of the Company in Hong Kong is Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

- (c) The company secretary of the Company is Mr. Chan Kai Kwok, who is a fellow member of Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (d) The registered office of Octal Capital is 801-805, 8/F, Nan Fung Tower, 88 Connaught Road Central, Hong Kong.
- (e) The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

In addition to the documents set forth in paragraph “Documents available for inspection” of Appendix VI to this Composite Document, copies of the following documents will be available for inspection on the website of the SFC at www.sfc.hk, and the Company’s website at www.lhd.com.hk during the period from the date of this Composite Document up to and including the Closing Date:

- (a) the articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2019 and 2020 respectively and the interim report of the Company for the six months ended 30 June 2021;
- (c) the letter from the Board, the text of which is set out on pages 32 to 38 of this Composite Document;
- (d) the letter from the Independent Board Committee, the text of which is set out on pages 39 to 40 of this Composite Document;
- (e) the letter from the Independent Financial Adviser, the text of which is set out on pages 41 to 89 of this Composite Document;
- (f) the letter, summary of valuations and valuation certificates relating to the values of certain property interests of the Group prepared by ROMA Appraisals Limited, the text of which is set out in Appendix III to this Composite Document;
- (g) the letters of consent referred to under the paragraph headed “7. Experts and consents” in this Appendix; and
- (h) the material contracts referred to under the paragraph headed “9. Material contracts” in this Appendix.

1. RESPONSIBILITY STATEMENT

The sole director of the Offeror accepts full responsibility for the accuracy of information contained in this Composite Document (other than any information relating to the Group), and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date, the Offeror was authorised to issue a maximum of 200,000,000 Offeror Shares.

The number of issued Offeror Shares as at the Latest Practicable Date and the maximum of Offeror Shares that may be allotted and issued under the Share Alternative are as follows:

Issued:

<u>100</u>	Offeror Shares (as at the Latest Practicable Date)
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To be issued under the Share Alternative:

146,781,185	Offeror Shares (to be issued under the Share Alternative assuming full acceptance of the Offer and full election of the Share Alternative by all the members of the Offeror Concert Group and all the Disinterested Shareholders)
<u>146,781,285</u>	Offeror Shares (upon completion of the Offer assuming full acceptance of the Offer and full election of the Share Alternative by all the members of the Offeror Concert Group and all the Disinterested Shareholders)

The new Offeror Shares to be issued under the Share Alternative will, as at the date of allotment and issue of such new Offeror Shares, rank *pari passu* among themselves and with all Offeror Shares already in issue as at the Latest Practicable Date, including all rights in respect of dividends, voting and interest in capital.

On 25 June 2021, a shareholder's resolution of the Offeror was passed whereby each one ordinary share of US\$1.00 (whether issued or unissued) was sub-divided into 100 ordinary shares of US\$0.01 each. As a result of the aforesaid share sub-division, the only ordinary share of US\$1.00 then in issue of the Offeror and held by Mr. Tan was sub-divided into 100 ordinary shares of US\$0.01 each of the Offeror (i.e. 100 Offeror Shares). Save as aforesaid, there had been no reorganisation of the capital of the Offeror since its date of incorporation up to the Latest Practicable Date.

As at the Latest Practicable Date, save and except for the 100 Offeror Shares held by Mr. Tan and the Offeror Shares to be issued under the Share Alternative, the Offeror: (a) had not issued any shares; (b) had not bought back any of its issued shares; (c) did not have any options, derivatives, warrants or securities which were convertible or exchangeable into the Offeror Shares or which conferred rights to require the issue of the Offeror Shares; (d) had not entered into any agreement for the issue of such options, derivatives, warrants or securities which were convertible or exchangeable into Offeror Shares or which conferred rights to require the issue of Offeror Shares; and (e) had no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). As at the Latest Practicable Date, save and except for the 100 Offeror Shares held by Mr. Tan, none of the Offeror and parties acting in concert with it owned or controlled any shares in the Offeror.

3. DEALINGS AND INTERESTS IN SECURITIES OF THE COMPANY

As at the Latest Practicable Date, details of interests in the Lee Hing Shares, underlying Shares, debentures or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company held or controlled by the Offeror, its directors and parties acting in concert with it were as follows:

Name of Offeror/ its directors/parties acting in concert with it	Capacity	Number of Lee Hing Shares held/interested (Note 1)	Approximate % of interest (Note 10)
Mr. Tan	Beneficial owner	1,479,000 (L)	1.00
Wah Seong Enterprises Sdn. Bhd.	Beneficial owner (Note 2)	2,100,000 (L)	1.43
Zali International Limited	Beneficial owner (Note 3)	14,386,000 (L)	9.80
Zali Capital Limited	Beneficial owner (Note 4)	35,854,000 (L)	24.43
Ms. Cheng Connie Wai Ka	Beneficial owner (Note 5)	10,000 (L)	0.01
Ms. Tan Mei Sian	Beneficial owner (Note 6)	1,490,500 (L)	1.02
Mr. Tan Yee Seng	Beneficial owner (Note 6)	1,490,500 (L)	1.02
Petaling Garden	Beneficial owner (Note 7)	29,006,000 (L)	19.76
TKY Sdn. Bhd.	Beneficial owner (Note 8)	2,500,000 (L)	1.70

Notes:

- (1) The letter "L" denotes long position in the Lee Hing Shares.
- (2) Each of Tan Chin Nam Sdn. Bhd. and TKY Sdn. Bhd. is an ultimate controlling shareholder of Wah Seong Enterprises Sdn. Bhd., ultimately holding approximately 34.56% and 42.51% of all the shares of Wah Seong Enterprises Sdn. Bhd. in issue respectively. Tan Chin Nam Sdn. Bhd. is controlled by the children of the late Mr. Tan Chin Nam, who was the father of Mr. Tan, whereas TKY Sdn. Bhd. is held by the family members of the late Mr. Tan Kim Yeow, who was an uncle of Mr. Tan. The remaining approximately 22.93% of all the shares of Wah Seong Enterprises Sdn. Bhd. in issue are ultimately held as to approximately 0.20% by Mr. Tan, as to approximately 1.20% by the wife of the late Mr. Tan Kim Yeow and as to approximately 21.53% by a number of independent investors, none of whom ultimately holds more than approximately 2%.
- (3) Zali International Limited is wholly owned by Zali Holdings Limited, whose entire issued share capital is held by Mr. Tan.
- (4) The entire issued share capital of Zali Capital Limited is held by Mr. Tan.
- (5) Ms. Connie Cheng Wai Ka is the wife of Mr. Tan.
- (6) Ms. Tan Mei Sian and Mr. Tan Yee Seng are children of Mr. Tan.
- (7) To the best knowledge, belief and information of the Company having made all reasonable enquiries, Petaling Garden is ultimately controlled by the late Mr. Ang Guan Seng's immediate family members and their respective associates (as defined in the Listing Rules) and parties acting in concert with any of them. Save and except that (a) the late Mr. Ang Guan Seng and the late Mr. Tan Chin Nam, who was the father of Mr. Tan, were business partners and (b) Petaling Garden was holding Lee Hing Shares as at the Latest Practicable Date, the late Mr. Ang Guan Seng's immediate family members had no relationship with the Offeror.
- (8) TKY Sdn. Bhd. is held by the family members of the late Mr. Tan Kim Yeow, who was an uncle of Mr. Tan.
- (9) Save for Mr. Tan, none of the Directors held any Lee Hing Shares as at the Latest Practicable Date.
- (10) Calculated based on the number of issued Lee Hing Shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Offeror, its directors and parties acting in concert with it had any interest in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

4. OTHER ARRANGEMENTS IN RELATION TO THE OFFER

The Offeror confirms that, as at the Latest Practicable Date:

- (a) the Offeror and parties acting in concert with it owned an aggregate of 88,316,000 Lee Hing Shares and save as aforesaid, none of the Offeror and parties acting in concert with it owned or had control or direction over any voting rights or rights over the Lee Hing Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- (b) none of the Offeror, nor any person acting in concert with it had dealt for value in any Lee Hing Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the Relevant Period; none of the Offeror, its directors nor any person acting in concert with the Offeror had dealt for value in any shares, convertible securities, warrants or options of the Offeror or any derivatives in respect of such securities in the Relevant Period save for the allotment and issue of one ordinary share of US\$1.00 in the Offeror to Mr. Tan on 28 May 2021 upon his subscription for such ordinary share;
- (c) save for (i) the Irrevocable Undertakings, (ii) the Offeror's confirmation in writing to the Board that Mr. Tan, Zali International Limited and Zali Capital Limited will accept the Offer in respect of all the Lee Hing Shares held by each of them and opt for the Share Alternative and (iii) the Shareholders' Agreement, there was no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Lee Hing Shares and which might be material to the Offer;
- (d) there was no agreement or arrangement to which the Offeror, or any person acting in concert with it, is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a condition to the Offer;
- (e) none of the Offeror and any person acting in concert with it had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror;
- (f) other than the Irrevocable Undertakings, none of the Offeror and any person acting in concert with it had received any irrevocable commitment to accept or reject the Offer;

- (g) there was no outstanding derivative in respect of the securities in the Company entered into by the Offeror or any parties acting in concert with it;
- (h) there was no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or parties acting in concert with it to the Shareholders or parties acting in concert with any of them in relation to the Lee Hing Shares under the Offer, other than (in case of elections to receive cash payment under the Offer) such cash payment and (in case of the Share Alternative) the allotment and issue of Offeror Shares;
- (i) save for the Irrevocable Undertakings and the Shareholders' Agreement, there was no other understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeover Code) between the Offeror or any person acting in concert with it and any other person;
- (j) save for (i) the Irrevocable Undertakings, (ii) the Offeror's confirmation in writing to the Board that Mr. Tan, Zali International Limited and Zali Capital Limited will accept the Offer in respect of all the Lee Hing Shares held by each of them and opt for the Share Alternative and (iii) the Shareholders' Agreement, there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeover Code) between (i) any shareholder of the Company; and (ii)(A) the Offeror and any parties acting in concert with it or (ii)(B) the Company, its subsidiaries or associated companies (as defined in the Takeovers Code); and
- (k) save for (i) the Irrevocable Undertakings, (ii) the Offeror's confirmation in writing to the Board that Mr. Tan, Zali International Limited and Zali Capital Limited will accept the Offer in respect of all the Lee Hing Shares held by each of them and opt for the Share Alternative and (iii) the Shareholders' Agreement, none of the Offeror and any party acting in concert with it had any arrangement or indemnity of the kind described in Note 8 to Rule 22 of the Takeovers Code with any person.

5. MARKET PRICES

The table below shows the closing price of the Lee Hing Shares as quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) on the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price per Lee Hing Share (HK\$)
26 February 2021	1.330
16 March 2021 (the Last Trading Day)	0.520
31 March 2021	suspended
30 April 2021	suspended
31 May 2021	suspended
30 June 2021	suspended
30 July 2021	suspended
26 August 2021 (the last Business Day immediately preceding the date of the Joint Announcement)	suspended
31 August 2021	suspended
30 September 2021	suspended
29 October 2021	suspended
5 November 2021 (the Latest Practicable Date)	suspended

During the Relevant Period:

- (a) the highest closing price of the Lee Hing Shares quoted on the Stock Exchange was HK\$1.20 per Lee Hing Share on 1 March 2021 and 2 March 2021; and
- (b) the lowest closing price of the Lee Hing Shares quoted on the Stock Exchange was HK\$0.52 per Lee Hing Share on 16 March 2021.

The shares of the Offeror are not, and have not been, listed on the Stock Exchange or any other stock exchange. During the Relevant Period, save for the allotment and issue of one ordinary share of US\$1.00 in the Offeror to Mr. Tan on 28 May 2021 upon his subscription for such ordinary share which was subsequently sub-divided into 100 Offeror Shares on 25 June 2021, there was no allotment, issue and transfer of shares of the Offeror.

6. EXPERTS AND CONSENTS

The following are the names and qualifications of the professional advisers whose letters, opinions or advice are contained or referred to in this Composite Document:

Name	Qualification
Kingkey Securities	a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
INCUB	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Each of the above experts has given and has not withdrawn their written consent to the issue of this Composite Document with the inclusion of its letters, opinions or advice and the references to its name included herein in the form and context in which it appears.

As at the Latest Practicable Date, none of the above experts was beneficially interested in the share capital of any member of the Group; nor did any of them have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

7. LITIGATION

As at the Latest Practicable Date, the Offeror was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the sole director of the Offeror to be pending or threatened by or against the Offeror.

8. MATERIAL CONTRACTS

No material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Offeror) had been entered into by the Offeror after 18 May 2021, being the date of its incorporation, up to and including the Latest Practicable Date.

9. MISCELLANEOUS

- (a) There will be no effect on the emoluments of the sole director of the Offeror by the acquisition of the Lee Hing Shares pursuant to the Offer or by any other associated transactions.
- (b) It is expected that upon full acceptance of the Offer (assuming that all the Shareholders opt for the Share Alternative), there will be no immediate and material effect on the assets, liabilities, profits and business of the Offeror.

- (c) The registered office of the Offeror is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and its principal office in Hong Kong is at Suite 1506, 15th Floor, 9 Queen's Road Central, Hong Kong.
- (d) The address of Mr. Tan is Suite 1506, 15th Floor, 9 Queen's Road Central, Hong Kong.
- (e) The address of Wah Seong Enterprises Sdn. Bhd. is Suite 29-03 Level 29, GTower, 199 Jalan Tun Razak, Kuala Lumpur, Malaysia 50400. As at the Latest Practicable Date, its directors were Tony Tan Choon Keat, Pauline Tan Suat Ming, Dato' Seri Robert Tan Chung Meng and Mr. Tan.
- (f) The address of Zali International Limited is Vistra Corporate Service Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. As at the Latest Practicable Date, its sole director was Mr. Tan.
- (g) The address of Zali Capital Limited is Vistra Corporate Service Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. As at the Latest Practicable Date, its sole director was Mr. Tan.
- (h) The address of Ms. Connie Cheng Wai Ka is Suite 1506, 15th Floor, 9 Queen's Road Central, Hong Kong.
- (i) The address of Ms. Tan Mei Sian is Level 29, The Garden South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.
- (j) The address of Mr. Tan Yee Seng is Level 29, The Garden South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.
- (k) The address of Petaling Garden is 19 New Bridge Road, Singapore 059387. As at the Latest Practicable Date, its directors were Ang Poon Tiak, Ang See Keng @ Hong Guo Ming and Terence Ang See Leng.
- (l) The address of TKY Sdn. Bhd. is 8th Floor, Wisma Penang Garden, Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia. As at the Latest Practicable Date, its directors were Tony Tan Choon Keat, Pauline Tan Suat Ming, Dato' Seri Robert Tan Chung Meng and Daniel Yong Chen-I (alternate director).
- (m) The registered office of INCU is Unit D, 6/F, Bank of China Building, 2A Des Voeux Road Central, Hong Kong.
- (n) The registered office of Kingkey Securities is 44/F., Convention Plaza Office Tower, 1 Harbour Road, Wan Chai, Hong Kong.

- (o) The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION

In addition to the documents set forth in paragraph “Documents available for inspection” of Appendix V to this Composite Document, copies of the following documents will be available for inspection on the website of the SFC at www.sfc.hk, and the Company’s website at www.lhd.com.hk during the period from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter from Kingkey Securities, the text of which is set out on pages 8 to 31 of this Composite Document;
- (c) the estimate of value of Offeror Shares, the text of which is set out in Appendix IV to this Composite Document;
- (d) the letters of consent referred to under the paragraph headed “6. Experts and consents” in this Appendix; and
- (e) the Irrevocable Undertakings.

Set out below is the form of the Shareholders' Agreement

DATED [●]

INITIAL SHAREHOLDERS

and

LEE HING (2021) LIMITED

SHAREHOLDERS' AGREEMENT

relating to

LEE HING (2021) LIMITED

Contents

Clause	Page
1. INTERPRETATION	[●]
2. CONSIDERATION	[●]
3. APPOINTMENT AND REMOVAL OF DIRECTORS	[●]
4. MANAGEMENT OF THE COMPANY	[●]
5. NO SHAREHOLDER GUARANTEES AND INDEMNITIES	[●]
6. ACCOUNTS AND ACCESS TO INFORMATION	[●]
7. SHAREHOLDERS EXIT ARRANGEMENTS	[●]
8. OTHER INVESTORS ACKNOWLEDGMENTS	[●]
9. DURATION	[●]
10. STATUS OF AGREEMENT	[●]
11. CONFIDENTIALITY AND ANNOUNCEMENTS	[●]
12. NO PARTNERSHIP	[●]
13. LANGUAGE	[●]
14. ASSIGNMENT NOT PERMITTED	[●]
15. NOTICES	[●]
16. COSTS	[●]
17. VARIATION	[●]
18. WAIVER	[●]
19. RIGHTS AND REMEDIES ARE CUMULATIVE	[●]
20. COUNTERPARTS	[●]
21. ENTIRE AGREEMENT	[●]
22. INVALIDITY	[●]
23. THIRD PARTY RIGHTS	[●]
24. GOVERNING LAW	[●]
25. JURISDICTION	[●]
26. APPOINTMENT OF AGENT FOR SERVICE	[●]
SCHEDULE 1 Other Investors	[●]
SCHEDULE 2 Form of Deed of Adherence	[●]

THIS SHAREHOLDERS' AGREEMENT is dated [●]

BETWEEN:

- (1) **TAN BOON SENG**, holder of Hong Kong Identity Card No. [●], of [●] ("**BS Tan**");
- (2) **WAH SEONG ENTERPRISES SDN. BHD.**, a company incorporated in Malaysia (Company registration number: [●]), whose registered office is at [●] ("**Wah Seong**");
- (3) **ZALI INTERNATIONAL LIMITED**, a company incorporated in the British Virgin Islands (BVI company number: [●]), whose registered office is at [●] ("**Zali International**");
- (4) **ZALI CAPITAL LIMITED**, a company incorporated in the British Virgin Islands (BVI company number: [●]), whose registered office is at [●] ("**Zali Capital**");
- (5) **CONNIE CHENG WAI KA**, holder of Hong Kong Identity Card No. [●], of [●] ("**Connie Cheng**");
- (6) **TAN MEI SIAN**, holder of Malaysia Passport No. [●], of [●] ("**MS Tan**");
- (7) **TAN YEE SENG**, holder of Malaysia Passport No. [●], of [●] ("**YS Tan**");
- (8) **PETALING GARDEN (S) PTE LTD**, a company incorporated in the Republic of Singapore (UEN: [●]), whose registered office is at [●] ("**Petaling Garden**");
- (9) **TAN KIM YEOW SDN. BHD.**, a company incorporated in Malaysia (registration number: [●]), whose registered office is at [●] ("**TKY Sdn Bhd**");
- (10) The **Other Investors** (as defined below); and
- (11) **LEE HING (2021) LIMITED**, a company incorporated in the British Virgin Islands (BVI company number: [●]), whose registered office is at [●] (the "**Company**").

(BS Tan, Wah Seong, Zali International, Zali Capital, Connie Cheng, MS Tan, YS Tan, Petaling Garden, TKY Sdn Bhd and the Other Investors shall hereinafter be collectively referred to as the "**Initial Shareholders**" and an "**Initial Shareholder**" shall mean any one of them.)

WHEREAS:

- (A) The Initial Shareholders will acquire shares in the Company upon the successful completion of the Acquisition.
- (B) The Company was incorporated in the British Virgin Islands with limited liability on 18 May 2021 and has not commenced any business activities other than for the purposes of implementing the Acquisition.

- (C) The Initial Shareholders and the Company have agreed to enter into this Agreement to regulate their relationship and the operation and management of the Company following completion of the Acquisition.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. INTERPRETATION

1.1 In this Agreement:

"Acquisition" means the acquisition of the Lee Hing Shares in issue by the Company on the terms and subject to the conditions set out in the Announcement;

"Announcement" means the announcement dated 27 August 2021 and published jointly by the Company and Lee Hing pursuant to Rule 3.5 of the Takeovers Code in relation to, among others, the voluntary general cash offer by or on behalf of the Company to acquire the Lee Hing Shares in issue, which sets out, amongst others, the terms and conditions of the Acquisition;

"Articles" means the articles of association of the Company from time to time;

"Board" means the board of Directors;

"Business" means all and any holding company activities and/or commercial activities of the Company and/or any Company Subsidiary in respect of property investment and investment holding, sales and purchases of available-for-sale investments and held for trading investments, along with such other activities that may be included from time to time with the approval of the Board;

"Business Day" means a day (excluding Saturday, Sunday, public holiday and, in respect of Hong Kong, any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a "black" rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks in Hong Kong and London are generally open for business throughout their normal business hours;

"Companies Ordinance" means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

"Company Subsidiary" means any subsidiary of the Company from time to time (and **"Company Subsidiaries"** means all of them);

"Company's Group" means the Company and every Company Subsidiary;

"Deed of Adherence" means a deed in all material respect in the form set out in Schedule 2, under which a third party shall become a party, as a Shareholder, to this Agreement;

"Directors" mean the directors of the Company from time to time;

"Encumbrance" means a charge, debenture, mortgage, pledge, lien, security interest, title retention, assignment, restriction, right of first refusal, option, right of pre-emption or other third party right or interest of any kind, whether granted for the purpose of security or not and **"Encumbrances"** means all those kinds of right or interest;

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China;

"Ingredion" means Ingredion Incorporated, a Delaware corporation headquartered at 5 Westbrook Corporate Center, Westchester, Illinois, USA, 60154;

"Lee Hing" means Lee Hing Development Limited, a company incorporated in Hong Kong with limited liability (company number: 29786) and whose registered office is situated at Suite 1506, 15th Floor, 9 Queen's Road Central, Hong Kong;

"Lee Hing Share(s)" means issued share(s) of Lee Hing;

"Other Investors" means the persons whose names and addresses are set out in Schedule 1;

"Parties" means collectively the parties to this Agreement from time to time whether by virtue of being an original signatory to it or agreeing to be bound by its terms by virtue of executing a Deed of Adherence, and **"Party"** means each one of them;

"PureCircle" means PureCircle Limited (formerly known as Ingredion SRSS Holdings Limited), a company incorporated in England and Wales with company registration number 12542326;

"PureCircle Exit Arrangements" means the arrangements as provided under clauses 20 to 22 of the PureCircle Shareholders Agreement through which the Company's Group may dispose of, or may be required to dispose of, B ordinary shares of £0.01 each in the capital of PureCircle to Ingredion in the manners as stipulated in those clauses;

"PureCircle Shareholders Agreement" means the shareholders' agreement dated 9 April 2020 and entered into between, among others, Ingredion and PureCircle;

"Securities Act" means the US Securities Act of 1933, as amended;

"Share(s)" means the ordinary share(s) of US\$0.01 each in the capital of the Company;

“**Shareholders**” means holder(s) of Share(s) from time to time and “**Shareholder**” means each one of them;

“**Takeovers Code**” means the Hong Kong Code on Takeovers and Mergers;

“**this Agreement**” means this shareholders’ agreement, as supplemented and amended from time to time;

“**U.S. Person**” means a U.S. Person as defined in Rule 902(o) under the Securities Act;

“**HK\$**” means Hong Kong dollar(s), the lawful currency of Hong Kong;

“**US\$**” means United States dollar(s), the lawful currency of the United States of America;

“**£**” means pound sterling, the lawful currency of the United Kingdom; and

“**%**” means per cent.

1.2 In this Agreement:

- (a) a reference to a Clause, Paragraph or Schedule is, unless stated otherwise, a reference to a clause or paragraph of, or schedule to, this Agreement;
- (b) a reference in a Schedule to a paragraph is, unless otherwise stated, a reference to a paragraph in that Schedule or, where that Schedule is split into parts, a reference to a paragraph in that part of that Schedule;
- (c) a reference to any statute or statutory provision is a reference to that statute or statutory provision as re-enacted, amended, consolidated or extended from time to time;
- (d) a reference to a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, association, state, state agency, institution or trust (whether or not having a separate legal personality);
- (e) a reference to one gender is a reference to all or any genders;
- (f) a reference to a particular time of day is, unless stated otherwise, a reference to that time in Hong Kong;
- (g) a reference to “**including**” or “**includes**” does not limit the scope of the meaning of the words preceding it;
- (h) where a party has to “**procure**” anything under this Agreement the obligation is only to do so to the extent permitted by law or any relevant regulatory body or authority;

- (i) a reference to a document being in the “**agreed form**” is a reference to a document in the form and terms approved by or on behalf of each Party; and
- (j) a reference to a “**holding company**” or a “**subsidiary**” means a holding company or a subsidiary (as the case may be) as defined in the Companies Ordinance.

1.3 The Schedules form part of this Agreement and a reference to “**this Agreement**” includes its Schedules.

1.4 The headings in this Agreement do not affect its interpretation.

2. **CONSIDERATION**

In consideration of the various agreements and undertakings set out in this Agreement the parties have granted the rights and accepted the obligations contained in this Agreement.

3. **APPOINTMENT AND REMOVAL OF DIRECTORS**

3.1 **Appointment of Directors**

Any appointment of Director shall be made in accordance with the Articles and the applicable laws of the British Virgin Islands.

3.2 **Removal of Directors**

Any removal of Director shall be made in accordance with the Articles and the applicable laws of the British Virgin Islands.

4. **MANAGEMENT OF THE COMPANY**

4.1 **Supervision and Management of the Company**

- (a) The Board has responsibility for the supervision and management of the Company and its Business.
- (b) The Directors must act in the best interest of the Company and take into account the interest of all Shareholders.
- (c) The business of the Company is the Business and the Directors shall not be obligated to bring any other opportunities to or through the Company.

4.2 **Chairman**

The Chairman will be appointed by the Board from time to time.

5. NO SHAREHOLDER GUARANTEES AND INDEMNITIES

No Shareholder is obliged to give any guarantee, indemnity or security in respect of the Company's liabilities or obligations.

6. ACCOUNTS AND ACCESS TO INFORMATION

6.1 Duty to maintain records

The Company must at all times maintain accurate and complete accounting and other financial records including all corporation tax computations and related documents (including correspondence with relevant tax authorities) in accordance with the requirements of all applicable laws and generally accepted accounting principles adopted by the Company.

6.2 Company to provide financial information to Shareholders

The Company must supply each Shareholder with a copy of the audited accounts of the Company, prepared in accordance with all applicable laws and generally accepted accounting principles adopted by the Company, within three weeks (or such longer period as the Board may decide) of their being approved by the Board.

7. SHAREHOLDERS EXIT ARRANGEMENTS

7.1 Offer to repurchase

The Company hereby agrees with and undertakes in favour of the Shareholders that subject to the receipt of all proceeds (if any) from Ingredion by the Company's Group pursuant to the PureCircle Exit Arrangements (depending on the Company's then shareholding in Lee Hing, all or a part of which will ultimately be distributed to the Company by Lee Hing by way of cash dividend in proportion to the Company's then shareholding in Lee Hing), it will offer to repurchase in cash, in respect of each Shareholder (excluding BS Tan, Zali International and Zali Capital) (the "**Eligible Shareholders**"), all (but not part) of the Shares held by such Shareholder upon the terms of this Clause 7 (the "**Repurchase Offer**").

7.2 Preparation and production of Audited Balance Sheet

Within three months after receipt of all proceeds from Ingredion by the Company's Group pursuant to the PureCircle Exit Arrangements, the Company shall procure Lee Hing to prepare its consolidated balance sheet as at the last day of the month in which all of the aforesaid proceeds are received by the Company's Group, and to procure the auditors of Lee Hing to audit such balance sheet for the time being in accordance with the generally accepted accounting principles in Hong Kong (the "**Audited Balance Sheet**").

7.3 Making of the Repurchase Offer

The Company shall serve on each of the Eligible Shareholders within 30 days after the Audited Balance Sheet becomes available a written notice (the "**Repurchase Notice**") to make the Repurchase Offer to such Eligible Shareholder which shall set out the number of Shares subject to the Repurchase Offer (i.e. the number of Shares held by the relevant Eligible Shareholder at that time as recorded in the Company's register of members) and the total consideration for such Shares, together with a copy of the Audited Balance Sheet.

7.4 Acceptance of the Repurchase Offer

Within 10 Business Days following the date of the Repurchase Notice issued to an Eligible Shareholder (the "**Offer Period**"), such Eligible Shareholder shall give the Company a written reply (the "**Reply**") whether it accepts the Repurchase Offer. An Eligible Shareholder who has duly served the Reply as provided above and indicated therein its decision to accept the Repurchase Offer is an "**Accepting Shareholder**". If an Eligible Shareholder fails to give a valid Reply within the Offer Period, it is deemed that such Eligible Shareholder has chosen not to accept the Repurchase Offer. Once given by an Eligible Shareholder and received by the Company, the Reply given by such Eligible Shareholder shall be irrevocable.

Acceptance of the Repurchase Offer by any Shareholder will be deemed to constitute a warranty by such Shareholder that all Shares sold by it under the Repurchase Offer are free from all Encumbrances and are sold together with all rights attaching to them, including all rights to any dividend or other distribution, the record date of which falls on or after the date of the relevant Repurchase Notice.

7.5 Basis of determination of the consideration

The consideration for each Share to be repurchased under the Repurchase Offer shall be equal to 70% of the proportional share of a Share of the consolidated net asset value of Lee Hing as shown in the Audited Balance Sheet, as calculated by the following formula:

$$C = \frac{NAV \times SH \times 70\%}{TN}$$

whereas:

"C"	means the consideration payable by the Company for each Share
"NAV"	means the consolidated net asset value of Lee Hing as shown in the Audited Balance Sheet
"SH"	means the then percentage shareholding of the Company in Lee Hing
"TN"	means the total number of Shares then in issue

7.6 Audited Balance Sheet to be final and conclusive

The Parties agree that the consolidated net asset value of Lee Hing as shown in the Audited Balance Sheet shall be final and conclusive in the determination of the consideration payable by the Company under the Repurchase Offer, save for manifest errors.

7.7 Completion

At the same time of giving the Reply, an Accepting Shareholder shall deliver the share certificate(s) in respect of all the Shares held by it and the transfer form, duly signed by such Accepting Shareholder, in respect of such Shares which accompanies the Repurchase Notice served on the Accepting Shareholder. The Company shall settle the consideration by posting a cheque in HK\$ or in any other manner as may be agreed between the Company and such Accepting Shareholder within 30 days after the receipt by the Company from such Accepting Shareholder of the Reply, the relevant share certificate(s) and the duly signed transfer form referred to above.

7.8 Consent to the repurchase under the Repurchase Offer

The Shareholders hereby expressly agree and consent to the repurchase by the Company of the Shares as contemplated under the Repurchase Offer and to be effected in accordance with the provisions of this Clause 7. The above consent shall constitute, and be deemed to constitute, a valid and effective resolution passed by the Shareholders in the capacity of the shareholders of the Company in accordance with the Articles.

8. OTHER INVESTORS ACKNOWLEDGMENTS

- (a) The Other Investors acknowledge that the Shares have not been and will not be registered under the Securities Act or under the relevant securities laws of any state or territory or other jurisdiction of the United States and will not be listed on any stock exchange in the United States, and may not be offered, sold or delivered, directly or indirectly, in, into or from the United States.
- (b) Each of the Other Investors: (1) represents and warrants that it is not located or resident in the United States or otherwise a U.S. Person and is acquiring or has acquired the Shares in an offshore transaction for its own account and not with view to, or for offer or sale in connection with any distribution thereof (within the meaning of the Securities Act) in the United States or to U.S. Persons. As used herein, the terms "offshore transaction" and "United States," have the meaning given to them by Regulation S under the Securities Act.

9. DURATION**9.1 When Agreement terminates**

This Agreement terminates:

- (a) when the Shares are no longer held by two or more persons; or
- (b) when a resolution is passed by shareholders or creditors, or an order made by a court or other competent body or person instituting a process that must lead to the Company being wound up and its assets being distributed among the Company's creditors, shareholders or other contributors.

9.2 Rights and obligations of departing Shareholders

A Shareholder ceases to have any further rights or obligations under this Agreement on ceasing to hold any Shares except in relation to those provisions which are expressed to continue in force and provided that this Clause 9.2 will not affect any of the rights or liabilities of any Parties in connection with any breach of this Agreement which may have occurred before that Shareholder ceased to hold any Shares.

10. STATUS OF AGREEMENT**10.1 Shareholders to give effect to the Agreement**

The Shareholders must execute and perform all such deeds, documents, assurances, acts and things and exercise all powers and rights available to them, including the convening of all meetings and the giving of all waivers and consents and passing of all resolutions reasonably required to ensure that the Shareholders, the Directors appointed by them (and any alternate Directors) and, so far as any obligations are expressed to be imposed on them, the Company and any Company Subsidiaries give effect to the terms of this Agreement.

10.2 Conflict with Articles

Without prejudice to Clause 10.1, the Shareholders agree that if any provision in the Articles conflicts with any provision of this Agreement, this Agreement shall prevail.

11. CONFIDENTIALITY AND ANNOUNCEMENTS

11.1 Confidential information

“**Confidential Information**” means all or any information of a confidential nature disclosed (whether before or after the date of this Agreement) by or on behalf of one party and all information concerning the business or property of the Company or a Company Subsidiary or any business, property or transaction in which the Company or a Company Subsidiary may be or may have been concerned or interested.

11.2 Confidentiality undertaking

Except as provided in clauses 11.4 or 11.5 or otherwise by this Agreement, each Party must:

- (a) keep the others' Confidential Information strictly confidential;
- (b) not use, reproduce or record in any medium or form any of the other's Confidential Information except to the extent that it is strictly necessary for the proper purposes of this Agreement; and
- (c) not disclose the others' Confidential Information to any third party.

11.3 Announcements

Except as provided by clause 11.4 or 11.5, a Party must not, without the prior written consent of the other Parties:

- (a) release any press statement regarding its relationship with any other; or
- (b) make any announcement relating to the relationship of the Parties.

11.4 Permitted disclosures

Each Party may disclose Confidential Information to those of its directors, employees and professional advisers who in each case reasonably require the information for the purposes of this Agreement, performing their respective obligations under this Agreement and/or enjoying their respective rights and benefits under this Agreement, and each Party must place all such persons to whom it permits access to such information under confidentiality obligations substantially equivalent to those contained in this Clause 11 (but which must also include an obligation on such persons not to disclose the terms of this Agreement save where it falls within an exception contained in Clause 11.5) and must take all reasonable steps open to it to enforce such obligations.

11.5 Exceptions

The obligations of confidentiality and restrictions on announcements and public statements imposed in this Clause 11 do not apply to any Confidential Information:

- (a) that the recipient is required to disclose, or to any announcement or public statement which a Party is required to make, by any applicable law or by any competent authority (including tax authorities, regulatory authorities and the rules of any relevant stock exchange or listing authority);
- (b) which the recipient can reasonably demonstrate is in the public domain otherwise than by a breach of this Agreement by the disclosing Party or by any person subject to an obligation of confidentiality;
- (c) which is already known to the recipient (as evidenced by its written records) at the date of disclosure;
- (d) which is required to be disclosed by a court order; or
- (e) which is disclosed to a potential purchaser to whom the disclosing Party is entitled to sell its Shares in accordance with the provisions of this Agreement, provided that before any Confidential Information is disclosed, such potential purchaser enters into appropriate confidentiality undertakings.

12. NO PARTNERSHIP

The Parties are not in partnership with one another and there is no relationship of principal and agent between them.

13. LANGUAGE

This Agreement is in English. If this Agreement is translated into another language, the English language version will prevail.

14. ASSIGNMENT NOT PERMITTED

Except as expressly provided by this Agreement, none of the rights or obligations under this Agreement may be assigned, delegated, transferred or otherwise disposed of.

15. NOTICES**15.1 Method of giving a notice or other communication**

A notice, permission or other communication under or in connection with this Agreement must be:

- (a) in writing;
- (b) in English;
- (c) dated with the date it is served/given; and
- (d) be left at the address of the addressee, or sent by pre-paid registered post to the address of the addressee or sent by e-mail to the e-mail address of the addressee which is specified in this clause 15.2 or to such other address or e-mail address as may be notified by such addressee by giving notice in accordance with this clause 15.1.

15.2 Addresses

The contact, address and email address number for each party and copy recipient is (unless otherwise notified under clause 15.1):

- (a) in the case of BS Tan as follows:

Address: [●]
E-mail address: [●]

- (b) in the case of Wah Seong as follows:

Address: [●]
E-mail address: [●]
For the attention of: [●]

- (c) in the case of Zali International as follows:

Address: [●]
E-mail address: [●]
For the attention of: [●]

- (d) in the case of Zali Capital as follows:

Address: [●]
E-mail address: [●]
For the attention of: [●]

(e) in the case of Connie Cheng as follows:

Address:
E-mail address:

(f) in the case of MS Tan as follows:

Address:
E-mail address:

(g) in the case of YS Tan as follows:

Address:
E-mail address:

(h) in the case of Petaling Garden as follows:

Address:
E-mail address:
For the attention of:

(i) in the case of TKY Sdn Bhd as follows:

Address:
E-mail address:
For the attention of:

(j) in the case of each Other Investor, to such address, email address and attention as notified under the relevant acceptance documentation in connection with the Acquisition and/or relevant Deed of Adherence;

(k) in the case of the Company as follows:

Address:
E-mail address:
For the attention of:

15.3 Time that notice or communication is deemed given

Unless there is evidence that it was received earlier, a notice or other communication that complies with Clause 15.1 is deemed given:

- (a) if delivered by hand, at the time of delivery, except as provided in Clause 15.4;
- (b) if sent by recorded delivery post, at 9.00 am on the Business Day after the day of posting;

- (c) if sent by e-mail, when despatched (subject to confirmation of delivery by a delivery receipt), except as provided in Clause 15.4.

15.4 Effect of delivery by hand after 6.00 pm or on a non-Business Day

- (a) If deemed delivery under Clause 15.3 of a notice or other communication delivered by hand occurs before 9.00 am on a Business Day, the notice or other communication is deemed delivered at 9.00 am on that day.
- (b) If deemed delivery under Clause 15.3 of a notice or other communication delivered by hand occurs after 6.00 pm on a Business Day or on a day which is not a Business Day, the notice or communication is deemed to have been given at 9.00 am on the next Business Day.

15.5 Relevant time of day

In this Clause, a reference to time is to local time in the country in which the recipient of the notice or communication is located.

15.6 Notification of change in notice details

A Party may notify another Party of a change to any of the details for it. The notice must comply with the terms of Clause 15.1 and must state the date on which the change is to occur. That date must be on or after the fifth Business Day after the date on which the notice is delivered.

16. COSTS

Except where this Agreement provides otherwise, each Party must pay its own costs incurred in connection with the negotiation, preparation, execution and implementation of this Agreement.

17. VARIATION

A variation of this Agreement is valid only if it is in writing and signed by each Party or signed on its behalf by its authorised representative.

18. WAIVER

Failure to exercise, or a delay in exercising, a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents the further exercise of the right or remedy or the exercise of another right or remedy. A waiver of a breach of this Agreement does not constitute a waiver of a subsequent or prior breach of this Agreement.

19. RIGHTS AND REMEDIES ARE CUMULATIVE

The rights and remedies provided by this Agreement are cumulative and do not exclude any rights and remedies provided by law.

20. COUNTERPARTS

- (a) This Agreement may be executed in any number of counterparts and by the different Parties on separate counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.
- (b) Transmission of the executed signature page of a counterpart of this Agreement by (a) fax or (b) email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Agreement. If either method of delivery is adopted, without prejudice to the validity of the Agreement thus made, each Party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

21. ENTIRE AGREEMENT**21.1 Entire Agreement**

This Agreement sets out the entire agreement between the Parties in respect of the subject matter of this Agreement and supersedes any previous agreement or arrangement between the Parties relating to such subject matter.

21.2 No reliance on a statement outside this Agreement

Each Party agrees and acknowledges that it has not relied on or been induced to enter into this Agreement by a warranty, statement, representation or undertaking which is not expressly included in this Agreement.

21.3 No remedy for a statement outside this Agreement

No Party has any claim or remedy in respect of a warranty, statement, misrepresentation (whether negligent or innocent) or undertaking made to it by or on behalf of another Party in connection with the subject matter of this Agreement or which is not expressly included in this Agreement.

22. INVALIDITY

If a provision of this Agreement is found to be illegal, invalid or unenforceable, then to the extent it is illegal, invalid or unenforceable, that provision will be given no effect and will be treated as though it were not included in this Agreement, but the validity or enforceability of the remaining provisions of this Agreement will not be affected.

23. THIRD PARTY RIGHTS

Except as expressly provided by this Agreement, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce this Agreement.

24. GOVERNING LAW

This Agreement shall be governed by, construed and take effect in accordance with Hong Kong law.

25. JURISDICTION

The Parties irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong.

26. APPOINTMENT OF AGENT FOR SERVICE

- (a) Each Party shall at all times maintain in Hong Kong an agent ("**Process Agent**") to receive and acknowledge on its behalf service of any writ, summons, order, judgment or other notice of legal process in Hong Kong in connection with this Agreement ("**Process Document**").
- (b) Where a Party fails to appoint its Process Agent and to notify the other Parties in writing of the identity and address in Hong Kong of its Process Agent, such Party shall be deemed to have appointed Lee Hing as its Process Agent.
- (c) Any Process Document will be sufficiently served on a Party if delivered to its Process Agent at its address in Hong Kong for the time being.
- (d) A Party must not revoke the authority of its Process Agent it has appointed (but, for the avoidance of doubt, may appoint a replacement agent, subject to compliance with (e) below). If a Process Agent ceases to be able to act as such or to have an address within the jurisdiction of the Hong Kong courts, the relevant Party shall promptly appoint another person as its Process Agent (with an address for service within the jurisdiction of the Hong Kong courts).
- (e) A Party must notify the other Parties within 14 days of any change in the identity or address of its Process Agent for service of process.
- (f) This Clause 26 does not prevent a Process Document being served in another manner permitted by law.

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SCHEDULE 1

Other Investors

NAME

DETAILS FOR NOTICES

[●]

[●]

SCHEDULE 2

Form of Deed of Adherence

The Parties agree that consequential amendments to the form of this deed of adherence will be made where there is a New Shareholder but not a Departing Shareholder.

This Deed is dated [●]

BETWEEN:

- (1) **LEE HING (2021) LIMITED**, a company incorporated in the British Virgin Islands (BVI company number: [●]), whose registered office is at [●] (the “**Company**”);
- (2) [●], a company incorporated in [●] (company number: [●]), whose registered office is at [●] (the “**Departing Shareholder**”);
- (3) [●], a company incorporated in [●] (company number: [●]), whose registered office is at [●] (each a “**Existing Shareholder**” and together the “**Existing Shareholders**”); and
- (4) [●], a company incorporated in [●] (company number: [●]), whose registered office is at [●] (the “**New Shareholder**”).

WHEREAS:

- (A) The Departing Shareholder intends to transfer [●] ordinary shares in the Company to the New Shareholder (the “**Transfer**”).
- (B) In accordance with the Shareholders Agreement, it is a term that the New Shareholder executes a deed of adherence in the form of this deed.

NOW THIS DEED WITNESSES as follows:

1. In this Deed:
 - (a) unless the context expressly requires otherwise, words and expressions used in this deed have the meaning given to them in the Shareholders Agreement;
 - (b) “**Effective Date**” means the date of completion of the Transfer; and
 - (c) “**Shareholders Agreement**” means the shareholders agreement relating to the Company dated [●] and made between the Departing Shareholder, the Company and the Existing Shareholders.

2. The New Shareholder confirms that it has been supplied with a copy of the Shareholders Agreement and undertakes to, and covenants with, all the parties to the Shareholders Agreement (including any person who has entered into a Deed of Adherence) to comply with the provisions of, and to perform all the obligations in, the Shareholders Agreement so far as they become due to be observed and performed on or after the Effective Date as if the New Shareholder had been an original party to the Shareholders Agreement in place of the Departing Shareholder and the Shareholders Agreement will be construed and apply accordingly.
3. The New Shareholder shall become a Shareholder and the Departing Shareholder shall cease to be a Shareholder with effect from the Effective Date from which time the New Shareholder will have the benefit of the provisions of the Shareholders Agreement in place of the Departing Shareholder and the Shareholders Agreement will be construed and apply accordingly.
4. For the purposes of the notice provisions in Clause 15 of the Shareholders Agreement, the contact, address and email address number for the New Shareholder and copy recipient is as follows:

Address: [●]
E-mail address: [●]
For the attention of: [●]
5. For the avoidance of doubt, the New Shareholder is not entitled to any amount which has fallen due for payment to the Departing Shareholder before the Effective Date and is not liable for any breach or non-performance of the obligations of the Departing Shareholder under to the Shareholders Agreement before the Effective Date and the Departing Shareholder is entitled to each such amount, and is not released from any liability in respect of any such breach or non-performance.
6. This Agreement shall be governed by, construed and take effect in accordance with Hong Kong law.
7. The parties hereto irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong.

THIS DOCUMENT has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Executed as a deed by)
LEE HING (2021) LIMITED)
acting by [name] (Director))
in the presence of:)

Executed as a deed by)
Departing Shareholder)
acting by [name] (Director))
in the presence of:)

Executed as a deed by)
Existing Shareholder)
acting by [name] (Director))
in the presence of:)

Executed as a deed by)
New Shareholder)
acting by [name] (Director))
in the presence of:)

IN WITNESS whereof this Agreement has been duly executed by all Parties the day and year first above written.

SIGNED by **TAN BOON SENG**)
in the presence of:)

SIGNED by [●])
for and on behalf of)
WAH SEONG ENTERPRISES)
SDN. BHD.)
in the presence of:)

SIGNED by [●])
for and on behalf of)
ZALI INTERNATIONAL LIMITED)
in the presence of:)

SIGNED by [●])
for and on behalf of)
ZALI CAPITAL LIMITED)
in the presence of:)

SIGNED by **CHENG CONNIE WAI KA**)
in the presence of:)

SIGNED by **TAN MEI SIAN**)
in the presence of:)

SIGNED by **TAN YEE SENG**)
in the presence of:)

SIGNED by [●])
for and on behalf of)
PETALING GARDEN (S) PTE LTD)
in the presence of:)

SIGNED by [●])
for and on behalf of)
TAN KIM YEOW SDN. BHD.)
in the presence of:)

SIGNED by its lawful attorney)
for and on behalf of)
OTHER INVESTORS)
in the presence of:)

SIGNED by [●])
for and on behalf of)
LEE HING (2021) LIMITED)
in the presence of:)

ANNEXURE 2 AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- 1. Set out below is a summary of certain major provisions of the memorandum of association (the “Memorandum”) and the amended articles of association (the “Articles”) of the Offeror**

- 1. Right of shares**

Each Offeror Share confers upon the shareholder of the Offeror (each an “**Offeror Shareholder**”) the right to one vote at a meeting of the Offeror Shareholders or on any Resolution of Offeror Shareholders, the right to an equal share in any dividend paid by the Offeror, and the right to an equal share in the distribution of the surplus assets of the Offeror on its liquidation.

- 2. Amendment of the Memorandum and the Articles**

The Offeror may amend the Memorandum or the Articles by Resolution of Offeror Shareholders or by Resolution of Offeror Directors of the Offeror, save that no amendment may be made by Resolution of Offeror Directors, among others:

- to restrict the rights or powers of the Offeror Shareholders to amend the Memorandum or the Articles;
- to change the percentage of Offeror Shareholders required to pass a resolution of Offeror Shareholders to amend the Memorandum or the Articles;
- in circumstances where the Memorandum or the Articles cannot be amended by the Offeror Shareholders; or
- to the provisions of the Articles on the Offeror Exit Arrangements.

Notwithstanding the foregoing, if at any time the Offeror Shares are divided into different classes, the rights attached to any class may only be varied, whether or not the Offeror is in liquidation, with the consent in writing of or by a resolution passed at a meeting by the holders of not less than 50 percent of the issued Offeror Shares in that class.

- 3. Registered shares**

The Offeror shall issue registered shares only and is not authorised to issue bearer shares, convert registered shares to bearer shares or exchange registered shares for bearer shares.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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Every Offeror Shareholder is entitled, on request to a certificate signed by a director of the Offeror (each an “**Offeror Director**”) or officer of the Offeror, or any other person authorised by Resolution of Offeror Directors, or under the seal of the Offeror (the “**Seal**”) specifying the number of Offeror Shares held by him and the signature of the Offeror Director, officer or authorised person and the Seal may be facsimiles.

If several persons are registered as joint holders of any Offeror Shares, any one of such persons may give an effectual receipt for any distribution by the Offeror.

4. Redemption of shares

The Offeror may purchase, redeem or otherwise acquire and hold its own shares in such manner and upon such other terms as the Offeror Directors may agree with the relevant Offeror Shareholder(s) save that the Offeror may not purchase, redeem or otherwise acquire its own shares without the consent of Offeror Shareholders whose shares are to be purchased, redeemed or otherwise acquired unless the Offeror is permitted by the BVI Business Companies Act, 2004 (No. 16 of 2004) (the “**Act**”) or any other provision in the Memorandum or the Articles to purchase, redeem or otherwise acquire the shares without their consent.

The Offeror may also purchase, redeem or otherwise acquire and hold its own shares in such manner as prescribed under the Offeror Exit Arrangements.

5. Meetings and consents of shareholders

(a) Convening of meetings

- (i) Any Offeror Director may convene meetings of the Offeror Shareholders at such times and in such manner and places within or outside the British Virgin Islands as the Offeror Director considers necessary or desirable.
- (ii) Upon the written request of Offeror Shareholders entitled to exercise 30 percent or more of the voting rights in respect of the matter for which the meeting is requested the Offeror Directors shall convene a meeting of Offeror Shareholders.
- (iii) The Offeror Director convening a meeting shall give not less than 7 days’ notice of a meeting of Offeror Shareholders to:
 - (aa) those Offeror Shareholders whose names on the date the notice is given appear as Offeror Shareholders in the register of members and are entitled to vote at the meeting; and
 - (bb) the other Offeror Directors.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- (iv) A meeting of Offeror Shareholders held in contravention of the requirement to give notice is valid if Offeror Shareholders holding at least 90 percent of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of an Offeror Shareholder at the meeting shall constitute waiver in relation to all the Offeror Shares which that Offeror Shareholder holds.
- (v) The inadvertent failure of an Offeror Director who convenes a meeting to give notice of a meeting to an Offeror Shareholder or another Offeror Director, or the fact that an Offeror Shareholder or another Offeror Director has not received notice, does not invalidate the meeting.

(b) *Attending by proxy*

- (i) An Offeror Shareholder may be represented at a meeting of Offeror Shareholders by a proxy who may speak and vote on behalf of the Offeror Shareholder.
- (ii) The instrument appointing a proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at which the proxy shall be presented.
- (iii) The chairman of any meeting at which a vote is cast by proxy or on behalf of any person other than an individual may call for a notarially certified copy of such proxy or authority which shall be produced within 7 days of being so requested or the votes cast by such proxy or on behalf of such person shall be disregarded.

(c) *Mode of participation*

An Offeror Shareholder shall be deemed to be present at a meeting of Offeror Shareholders if he participates by telephone or other electronic means and all Offeror Shareholders participating in the meeting are able to hear each other.

(d) *Quorum*

- (i) A meeting of Offeror Shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than 50 percent of the votes of the Offeror Shares entitled to vote on Resolutions of Offeror Shareholders to be considered at the meeting. A quorum may comprise a single Offeror Shareholder or proxy and then such person may pass a Resolution of Offeror Shareholders and a certificate signed by such person accompanied where such person be a proxy by a copy of the proxy instrument shall constitute a valid Resolution of Offeror Shareholders.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- (ii) If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Offeror Shareholders, shall be dissolved; in any other case it shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the Offeror Directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than one third of the votes of the Offeror Shares or each class or series of shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved.

(e) *Chairman of meetings and voting by poll*

- (i) At every meeting of Offeror Shareholders, the chairman (the “**Chairman**”) of the board of Offeror Directors shall preside as chairman of the meeting. If there is no Chairman or if the Chairman is not present at the meeting, the Offeror Shareholders present shall choose one of their number to be the chairman. If the Offeror Shareholders are unable to choose a chairman for any reason, then the person representing the greatest number of voting Offeror Shares present in person or by proxy at the meeting shall preside as chairman failing which the oldest individual Offeror Shareholder or representative of an Offeror Shareholder present shall take the chair.
- (ii) The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) At any meeting of the Offeror Shareholders the chairman is responsible for deciding in such manner as he considers appropriate whether any resolution proposed has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes of the meeting. If the chairman has any doubt as to the outcome of the vote on a proposed resolution, he shall cause a poll to be taken of all votes cast upon such resolution. If the chairman fails to take a poll then any Offeror Shareholder present in person or by proxy who disputes the announcement by the chairman of the result of any vote may immediately following such announcement demand that a poll be taken and the chairman shall cause a poll to be taken. If a poll is taken at any meeting, the result shall be announced to the meeting and recorded in the minutes of the meeting.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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(f) *Resolutions in writing*

An action that may be taken by the Offeror Shareholders at a meeting may also be taken by a resolution consented to in writing, without the need for any notice, but if any Resolution of Offeror Shareholders is adopted otherwise than by the unanimous written consent of all Offeror Shareholders, a copy of such resolution shall forthwith be sent to all Offeror Shareholders not consenting to such resolution. The consent may be in the form of counterparts, each counterpart being signed by one or more Offeror Shareholders. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the earliest date upon which Offeror Shareholders holding a sufficient number of votes of Offeror Shares to constitute a Resolution of Offeror Shareholders have consented to the resolution by signed counterparts.

(g) *Resolutions of Offeror Shareholders*

“Resolution of Offeror Shareholders” in the Memorandum and the Articles means either:

- (i) a resolution approved at a duly convened and constituted meeting of the Offeror Shareholders by the affirmative vote of a majority of in excess of 50 percent of the votes of the Offeror Shares entitled to vote thereon which were present at the meeting and were voted; or
- (ii) a resolution consented to in writing by a majority of in excess of 50 percent of the votes of Offeror Shares entitled to vote thereon.

6. Appointment, resignation and removal of directors

(a) *Appointment*

The Offeror Directors shall be elected by Resolution of Offeror Shareholders or by Resolution of Offeror Directors.

The Offeror Directors may at any time appoint any person to be an Offeror Director either to fill a vacancy or as an addition to the existing Offeror Directors. Where the Offeror Directors appoint a person as Offeror Director to fill a vacancy, the term shall not exceed the term that remained when the person who has ceased to be an Offeror Director ceased to hold office. A vacancy in relation to Offeror Directors occurs if an Offeror Director dies or otherwise ceases to hold office prior to the expiration of his term of office.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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(b) *Resignation*

An Offeror Director may resign his office by giving written notice of his resignation to the Offeror and the resignation has effect from the date the notice is received by the Offeror or from such later date as may be specified in the notice. An Offeror Director shall resign forthwith as an Offeror Director if he is, or becomes, disqualified from acting as an Offeror Director under the Act.

(c) *Removal*

An Offeror Director may be removed from office:

- (i) with or without cause, by Resolution of Offeror Shareholders passed at a meeting of Offeror Shareholders called for the purposes of removing the Offeror Director or for purposes including the removal of the Offeror Director or by a written resolution passed by at least 75 percent of the votes of the Offeror Shareholders entitled to vote; or
- (ii) with cause, by Resolution of Offeror Directors passed at a meeting of Offeror Directors called for the purpose of removing the Offeror Director or for purposes including the removal of the Offeror Director.

7. Alternate directors

An Offeror Director, by written instrument deposited at the registered office of the Offeror may from time to time appoint another Offeror Director or another person who is not disqualified for appointment as an Offeror Director under section 111 of the Act to be his alternate to:

- (a) exercise the appointing Offeror Director's powers; and
- (b) carry out the appointing Offeror Director's responsibilities, in relation to the taking of decisions by the Offeror Directors in the absence of the appointing Offeror Director.

No person shall be appointed as an alternate Offeror Director unless he has consented in writing to be an alternate Offeror Director. The appointment of an alternate Offeror Director does not take effect until written notice of the appointment has been deposited at the registered office of the Offeror.

The appointing Offeror Director may, at any time, terminate or vary the alternate's appointment. The termination or variation of the appointment of an alternate Offeror Director does not take effect until written notice of the termination or variation has been deposited at the registered office of the Offeror, save that if an

ANNEXURE 2 AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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Offeror Director shall die or cease to hold the office of Offeror Director, the appointment of his alternate shall thereupon cease and terminate immediately without the need of notice.

An alternate Offeror Director has no power to appoint an alternate, whether of the appointing Offeror Director or of the alternate Offeror Director.

An alternate Offeror Director has the same rights as the appointing Offeror Director in relation to any Offeror Directors' meeting and any written resolution of Offeror Directors circulated for written consent. Unless stated otherwise in the notice of the appointment of the alternate, or a notice of variation of the appointment, if undue delay or difficulty would be occasioned by giving notice to an Offeror Director of a resolution of which his approval is sought in accordance with the Articles his alternate (if any) shall be entitled to signify approval of the same on behalf of that Offeror Director. Any exercise by the alternate Offeror Director of the appointing Offeror Director's powers in relation to the taking of decisions by the Offeror Directors is as effective as if the powers were exercised by the appointing Offeror Director. An alternate Offeror Director does not act as an agent of or for the appointing Offeror Director and is liable for his own acts and omissions as an alternate Offeror Director.

8. Powers of directors

The business and affairs of the Offeror shall be managed by, or under the direction or supervision of, the Offeror Directors. The Offeror Directors have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Offeror.

Each Offeror Director shall exercise his powers for a proper purpose and shall not act or agree to the Offeror acting in a manner that contravenes the Memorandum, the Articles or the Act. Each Offeror Director, in exercising his powers or performing his duties, shall act honestly and in good faith in what the Offeror Director believes to be the best interests of the Offeror.

9. Proceedings of directors

(a) Convening of meetings

- (i) Any one Offeror Director may call a meeting of the Offeror Directors by sending a written notice to each other Offeror Director.
- (ii) The Offeror Directors or any committee thereof may meet at such times and in such manner and places within or outside the British Virgin Islands as the Offeror Directors may determine to be necessary or desirable.

ANNEXURE 2 AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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(iii) An Offeror Director shall be given not less than 3 days' notice of meetings of Offeror Directors, but a meeting of Offeror Directors held without 3 days' notice having been given to all Offeror Directors shall be valid if all the Offeror Directors entitled to vote at the meeting waive notice of the meeting, and for this purpose the presence of an Offeror Director at a meeting shall constitute waiver by that Offeror Director. The inadvertent failure to give notice of a meeting to an Offeror Director, or the fact that an Offeror Director has not received the notice, does not invalidate the meeting.

(b) *Mode of participation*

An Offeror Director is deemed to be present at a meeting of Offeror Directors if he participates by telephone or other electronic means and all Offeror Directors participating in the meeting are able to hear each other.

(c) *Quorum*

(i) A meeting of Offeror Directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than one-half of the total number of Offeror Directors, unless there are only 2 Offeror Directors in which case the quorum is 2.

(ii) If the Offeror has only one Offeror Director the provisions contained in the Articles for meetings of Offeror Directors do not apply and such sole Offeror Director has full power to represent and act for the Offeror in all matters as are not by the Act, the Memorandum or the Articles required to be exercised by the Offeror Shareholders. In lieu of minutes of a meeting the sole Offeror Director shall record in writing and sign a note or memorandum of all matters requiring a Resolution of Offeror Directors. Such a note or memorandum constitutes sufficient evidence of such resolution for all purposes.

(d) *Chairman of meetings*

At meetings of Offeror Directors at which the Chairman is present, he shall preside as chairman of the meeting. If there is no Chairman or if the Chairman is not present, the Offeror Directors present shall choose one of their number to be chairman of the meeting.

(e) *Resolutions in writing*

An action that may be taken by the Offeror Directors or a committee of Offeror Directors at a meeting may also be taken by a Resolution of Offeror Directors or a resolution of a committee of Offeror Directors consented to in writing or by telex, telegram, cable or other written electronic communication by a majority of the Offeror Directors or by a majority of the members of the committee, as the case may be, without the need for any notice. A written resolution consented to in such

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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manner may consist of several documents, including written electronic communication, in like form each signed or assented to by one or more Offeror Directors. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date upon which the last Offeror Director has consented to the resolution by signed counterparts.

(f) *Resolutions of Offeror Directors*

“Resolution of Offeror Directors” in the Memorandum and the Articles means either:

- (i) a resolution approved at a duly convened and constituted meeting of Offeror Directors by the affirmative vote of a majority of the Offeror Directors present at the meeting who voted except that where an Offeror Director is given more than one vote, he shall be counted by the number of votes he casts for the purpose of establishing a majority; or
- (ii) a resolution consented to in writing or by telex, telegram, cable or other written electronic communication by a majority of the Offeror Directors. A written resolution consented to in such manner may consist of several documents including written electronic communication, in like form each signed or assented to by one or more Offeror Directors.

10. Conflict of interests of directors

An Offeror Director shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Offeror, disclose the interest to all other Offeror Directors.

For the purposes of the preceding sub-paragraph, a disclosure to all other Offeror Directors to the effect that an Offeror Director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date of the entry into the transaction or disclosure of the interest, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.

An Offeror Director who is interested in a transaction entered into or to be entered into by the Offeror may:

- (a) vote on a matter relating to the transaction;
- (b) attend a meeting of Offeror Directors at which a matter relating to the transaction arises and be included among the Offeror Directors present at the meeting for the purposes of a quorum; and

ANNEXURE 2 AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- (c) sign a document on behalf of the Offeror, or do any other thing in his capacity as an Offeror Director, that relates to the transaction, and, subject to compliance with the Act shall not, by reason of his office be accountable to the Offeror for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

11. Distributions

The Offeror Directors may, by Resolution of Offeror Directors, authorise a distribution by the Offeror at a time and of an amount they think fit if they are satisfied, on reasonable grounds, that, immediately after such distribution, the value of the Offeror's assets will exceed its liabilities and the Offeror will be able to pay its debts as they fall due.

Distributions by the Offeror may be paid in money, shares, or other property.

Notice of any distribution by the Offeror that may have been declared shall be given to each Offeror Shareholder as specified in the Articles and all distributions unclaimed for 3 years after having been declared may be forfeited by Resolution of Offeror Directors for the benefit of the Offeror.

No distributions by the Offeror shall bear interest as against the Offeror.

12. Auditors' report and accounts

The report of the auditors of the Offeror shall be annexed to the accounts and shall be read at the meeting of Offeror Shareholders at which the accounts are laid before the Offeror or shall be otherwise given to the Offeror Shareholders.

**ANNEXURE 2 AMENDED MEMORANDUM AND ARTICLES OF
ASSOCIATION OF THE OFFEROR**

2. Set out below is the full text of the amended Memorandum and Articles

BVI COMPANY NUMBER: 2063512

**TERRITORY OF THE BRITISH VIRGIN ISLANDS
THE BVI BUSINESS COMPANIES ACT, 2004**

MEMORANDUM AND ARTICLES

OF ASSOCIATION

OF

LEE HING (2021) LIMITED

A COMPANY LIMITED BY SHARES

Incorporated on the 18th day of May, 2021

INCORPORATED IN THE BRITISH VIRGIN ISLANDS

(As adopted by the Sole Shareholder's resolutions dated 4 October, 2021 and filed on 6 October, 2021)

TERRITORY OF THE BRITISH VIRGIN ISLANDS
THE BVI BUSINESS COMPANIES ACT, 2004

MEMORANDUM OF ASSOCIATION

OF

LEE HING (2021) LIMITED

A COMPANY LIMITED BY SHARES

1. **DEFINITIONS AND INTERPRETATION**

1.1 In this Memorandum of Association and the Articles of Association of the Company, if not inconsistent with the subject or context:

“**Acquisition**” means the acquisition of the Lee Hing Shares in issue by the Company on the terms and subject to the conditions set out in the Announcement;

“**Announcement**” means the announcement dated 27 August, 2021 and published jointly by the Company and Lee Hing pursuant to Rule 3.5 of the Takeovers Code in relation to, among others, the voluntary general cash offer by or on behalf of the Company to acquire the Lee Hing Shares in issue, which sets out, amongst others, the terms and conditions of the Acquisition;

“**Act**” means the BVI Business Companies Act, 2004 (No. 16 of 2004) and includes the regulations made under the Act;

“**Articles**” means the Articles of Association of the Company;

“**Business Day**” means a day (excluding Saturday, Sunday, public holiday and, in respect of Hong Kong, any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks in Hong Kong and London are generally open for business throughout their normal business hours;

“**Chairman of the Board**” has the meaning specified in Regulation 12;

“**Distribution**” in relation to a distribution by the Company to a Shareholder means the direct or indirect transfer of an asset, other than Shares, to or for the benefit of the Shareholder, or the incurring of a debt to or for the benefit of a Shareholder, in relation to Shares held by a Shareholder, and whether by means of the purchase of an asset, the purchase, redemption or other acquisition of Shares, a transfer of indebtedness or otherwise, and includes a dividend;

“**Group**” means the Company and its subsidiaries (as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) from time to time;

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Ingredion**” means Ingredion Incorporated, a Delaware corporation headquartered at 5 Westbrook Corporate Center, Westchester, Illinois, USA, 60154;

“**Lee Hing**” means Lee Hing Development Limited, a company incorporated in Hong Kong with limited liability (company number: 29786);

“**Lee Hing Share(s)**” means issued share(s) of Lee Hing;

“**Memorandum**” means this Memorandum of Association of the Company;

“**Person**” includes individuals, corporations, trusts, the estates of deceased individuals, partnerships and unincorporated associations of persons;

“**PureCircle**” means PureCircle Limited (formerly known as Ingredion SRSS Holdings Limited), a company incorporated in England and Wales with company registration number 12542326;

“**PureCircle Exit Arrangements**” means the arrangements as provided under clauses 20 to 22 of the PureCircle Shareholders Agreement through which the Company’s Group may dispose of, or may be required to dispose of, B ordinary shares of £0.01 each in the capital of PureCircle to Ingredion in the manners as stipulated in those clauses;

“**PureCircle Shareholders Agreement**” means the shareholders’ agreement dated 9 April 2020 and entered into between, among others, Ingredion and PureCircle;

“**Registrar**” means the Registrar of Corporate Affairs appointed under section 229 of the Act;

“**Resolution of Directors**” means either:

- (a) a resolution approved at a duly convened and constituted meeting of directors of the Company by the affirmative vote of a majority of the directors present at the meeting who voted except that where a director is given more than one vote, he shall be counted by the number of votes he casts for the purpose of establishing a majority; or
- (b) a resolution consented to in writing or by telex, telegram, cable or other written electronic communication by a majority of the directors of the Company. A written resolution consented to in such manner may consist of several documents including written electronic communication, in like form each signed or assented to by one or more directors.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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“Resolution of Shareholders” means either:

- (a) a resolution approved at a duly convened and constituted meeting of the Shareholders of the Company by the affirmative vote of a majority of in excess of 50 percent of the votes of the Shares entitled to vote thereon which were present at the meeting and were voted; or
- (b) a resolution consented to in writing by a majority of in excess of 50 percent of the votes of Shares entitled to vote thereon;

“Seal” means any seal which has been duly adopted as the common seal of the Company;

“Securities” means Shares and debt obligations of every kind of the Company, and including without limitation options, warrants and rights to acquire Shares or debt obligations;

“Share” means a share issued or to be issued by the Company;

“Shareholder” means a Person whose name is entered in the register of members as the holder of one or more Shares or fractional Shares;

“Takeovers Code” means the Hong Kong Code on Takeovers and Mergers;

“Treasury Share” means a Share that was previously issued but was repurchased, redeemed or otherwise acquired by the Company and not cancelled;

“Written” or any term of like import includes information generated, sent, received or stored by electronic, electrical, digital, magnetic, optical, electromagnetic, biometric or photonic means, including electronic data interchange, electronic mail, telegram, telex or telecopy, and **“in writing”** shall be construed accordingly;

“HK\$” means Hong Kong dollar(s), the lawful currency of Hong Kong;

“US\$” means United States dollar(s), the lawful currency of the United States of America;

“£” means pound sterling, the lawful currency of the United Kingdom; and

“%” means per cent.

1.2 In the Memorandum and the Articles, unless the context otherwise requires a reference to:

- (a) a **“Regulation”** is a reference to a regulation of the Articles;
- (b) a **“Clause”** is a reference to a clause of the Memorandum;

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- (c) voting by Shareholders is a reference to the casting of the votes attached to the Shares held by the Shareholder voting;
- (d) the Act, the Memorandum or the Articles is a reference to the Act or those documents as amended or, in the case of the Act, any re-enactment thereof and any subsidiary legislation made thereunder; and
- (e) the singular includes the plural and vice versa.

1.3 Any words or expressions defined in the Act unless the context otherwise requires bear the same meaning in the Memorandum and the Articles unless otherwise defined herein.

1.4 Headings are inserted for convenience only and shall be disregarded in interpreting the Memorandum and the Articles.

2. NAME

The name of the Company is LEE HING (2021) LIMITED.

3. STATUS

The Company is a company limited by Shares.

4. REGISTERED OFFICE AND REGISTERED AGENT

4.1 The first registered office of the Company is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands, the office of the first registered agent.

4.2 The first registered agent of the Company is Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

4.3 The Company may by Resolution of Shareholders or by Resolution of Directors change the location of its registered office or change its registered agent.

4.4 Any change of registered office or registered agent will take effect on the registration by the Registrar of a notice of the change filed by the existing registered agent or a legal practitioner in the British Virgin Islands acting on behalf of the Company.

ANNEXURE 2 AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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4.5 The registered agent shall:

- (a) act on the instructions of the directors of the Company if those instructions are contained in a Resolution of Directors and a copy of the Resolution of Directors is made available to the registered agent; and
- (b) recognise and accept the appointment or removal of a director or directors by Shareholders.

5. CAPACITY AND POWERS

5.1 Subject to the Act and any other British Virgin Islands legislation, the Company has, irrespective of corporate benefit:

- (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
- (b) for the purposes of paragraph (a), full rights, powers and privileges.

5.2 For the purposes of section 9(4) of the Act, there are no limitations on the business that the Company may carry on.

6. NUMBER AND CLASSES OF SHARES

6.1 Shares in the company shall be issued in the currency of the United States of America.

6.2 The Company is authorised to issue a maximum of 200,000,000 Shares of a single class each with a par value of US\$0.01.

6.3 The Company may issue fractional Shares and a fractional Share shall have the corresponding fractional rights, obligations and liabilities of a whole Share of the same class or series of Shares.

6.4 Shares may be issued in one or more series of Shares as the directors may by Resolution of Directors determine from time to time.

7. RIGHTS OF SHARES

7.1 Each Share confers upon the Shareholder:

- (a) the right to one vote at a meeting of the Shareholders or on any Resolution of Shareholders;
- (b) the right to an equal share in any dividend paid by the Company; and

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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(c) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

7.2 The Company may by Resolution of Directors redeem, purchase or otherwise acquire all or any of the Shares subject to Regulation 3 of the Articles.

8. VARIATION OF RIGHTS

If at any time the Shares are divided into different classes, the rights attached to any class may only be varied, whether or not the Company is in liquidation, with the consent in writing of or by a resolution passed at a meeting by the holders of not less than 50 percent of the issued Shares in that class.

9. RIGHTS NOT VARIED BY THE ISSUE OF SHARES PARI PASSU

The rights conferred upon the holders of the Shares of any class shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

10. REGISTERED SHARES

10.1 The Company shall issue Registered Shares only.

10.2 The Company is not authorised to issue Bearer Shares, convert Registered Shares to Bearer Shares or exchange Registered Shares for Bearer Shares.

11. TRANSFER OF SHARES

11.1 The Company shall, on receipt of an instrument of transfer complying with Sub-Regulation 6.1 of the Articles, enter the name of the transferee of a Share in the register of members unless the directors resolve to refuse or delay the registration of the transfer for reasons that shall be specified in a Resolution of Directors.

11.2 The directors may not resolve to refuse or delay the transfer of a Share unless the Shareholder has failed to pay an amount due in respect of the Share.

12. AMENDMENT OF THE MEMORANDUM AND THE ARTICLES

12.1 Subject to Clause 8, the Company may amend the Memorandum or the Articles by Resolution of Shareholders or by Resolution of Directors, save that no amendment may be made by Resolution of Directors:

(a) to restrict the rights or powers of the Shareholders to amend the Memorandum or the Articles;

ANNEXURE 2 AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- (b) to change the percentage of Shareholders required to pass a Resolution of Shareholders to amend the Memorandum or the Articles;
- (c) in circumstances where the Memorandum or the Articles cannot be amended by the Shareholders; or
- (d) to Clauses 7, 8, 9 or this Clause 12 or to Regulation 3A of the Articles.

12.2 Any amendment of the Memorandum or the Articles will take effect on the registration by the Registrar of a notice of amendment, or restated Memorandum and Articles, filed by the registered agent.

We, Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign this Memorandum of Association the 18th day of May, 2021.

Incorporator

(Sd.) Rexella D. Hodge
Authorised Signatory
Vistra (BVI) Limited

**TERRITORY OF THE BRITISH VIRGIN ISLANDS
THE BVI BUSINESS COMPANIES ACT, 2004**

ARTICLES OF ASSOCIATION

OF

LEE HING (2021) LIMITED

A COMPANY LIMITED BY SHARES

1. REGISTERED SHARES

- 1.1 Every Shareholder is entitled, on request to a certificate signed by a director or officer of the Company, or any other person authorised by Resolution of Directors, or under the Seal specifying the number of Shares held by him and the signature of the director, officer or authorised person and the Seal may be facsimiles.
- 1.2 Any Shareholder receiving a certificate shall indemnify and hold the Company and its directors and officers harmless from any loss or liability which it or they may incur by reason of any wrongful or fraudulent use or representation made by any person by virtue of the possession thereof. If a certificate for Shares is worn out or lost it may be renewed on production of the worn out certificate or on satisfactory proof of its loss together with such indemnity as may be required by Resolution of Directors.
- 1.3 If several Persons are registered as joint holders of any Shares, any one of such Persons may give an effectual receipt for any Distribution.

2. SHARES

- 2.1 Shares and other Securities may be issued at such times, to such Persons, for such consideration and on such terms as the directors may by Resolution of Directors determine.
- 2.2 Section 46 of the Act (*Pre-emptive rights*) does not apply to the Company.
- 2.3 A Share may be issued for consideration in any form or a combination of forms, including money, a promissory note, or other written obligation to contribute money or property, real property, personal property (including goodwill and know-how), services rendered or a contract for future services.
- 2.4 The consideration for a Share with par value shall not be less than the par value of the Share. If a Share with par value is issued for consideration less than the par value, the person to whom the Share is issued is liable to pay to the Company an amount equal to the difference between the issue price and the par value.
- 2.5 A bonus share issued by the Company shall be deemed to have been fully paid for on issue.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- 2.6 No Shares may be issued for a consideration, which is in whole or in part, other than money, unless a Resolution of Directors has been passed stating:
- (a) the amount to be credited for the issue of the Shares; and
 - (b) that, in the opinion of the directors, the present cash value of the non-money consideration and money consideration, if any, is not less than the amount to be credited for the issue of the Shares.
- 2.7 The consideration paid for any Share, whether a par value Share or a no par value Share, shall not be treated as a liability or debt of the Company for the purposes of:
- (a) the solvency test in Regulations 3 and 18; and
 - (b) sections 197 and 209 of the Act.
- 2.8 The Company shall keep a register (the “**register of members**”) containing:
- (a) the names and addresses of the Persons who hold Shares;
 - (b) the number of each class and series of Shares held by each Shareholder;
 - (c) the date on which the name of each Shareholder was entered in the register of members; and
 - (d) the date on which any Person ceased to be a Shareholder.
- 2.9 The register of members may be in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until the directors otherwise determine, the magnetic, electronic or other data storage form shall be the original register of members.
- 2.10 A Share is deemed to be issued when the name of the Shareholder is entered in the register of members.

3. REDEMPTION OF SHARES AND TREASURY SHARES

- 3.1 The Company may purchase, redeem or otherwise acquire and hold its own Shares in such manner and upon such other terms as the directors may agree with the relevant Shareholder(s) save that the Company may not purchase, redeem or otherwise acquire its own Shares without the consent of Shareholders whose Shares are to be purchased, redeemed or otherwise acquired unless the Company is permitted by the Act or any other provision in the Memorandum or Articles to purchase, redeem or otherwise acquire the Shares without their consent.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- 3.2 The Company may acquire its own fully paid Share or Shares for no consideration by way of surrender of the Share or Shares to the Company by the Shareholder holding the Share or Shares. Any surrender of a Share or Shares under this Sub-Regulation 3.2 shall be in writing and signed by the Shareholder holding the Share or Shares.
- 3.3 The Company may only offer to purchase, redeem or otherwise acquire Shares if the Resolution of Directors authorising the purchase, redemption or other acquisition contains a statement that the directors are satisfied, on reasonable grounds, that immediately after the acquisition the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 3.4 Sections 60 (*Process for acquisition of own Shares*), 61 (*Offer to one or more shareholders*) and 62 (*Shares redeemed otherwise than at the option of company*) of the Act shall not apply to the Company.
- 3.5 Shares that the Company purchases, redeems or otherwise acquires pursuant to this Regulation may be cancelled or held as Treasury Shares except to the extent that such Shares are in excess of 50 percent of the issued Shares in which case they shall be cancelled but they shall be available for reissue.
- 3.6 All rights and obligations attaching to a Treasury Share are suspended and shall not be exercised by the Company while it holds the Share as a Treasury Share.
- 3.7 Treasury Shares may be transferred by the Company on such terms and conditions (not otherwise inconsistent with the Memorandum and the Articles) as the Company may by Resolution of Directors determine.
- 3.8 Where Shares are held by another body corporate of which the Company holds, directly or indirectly, Shares having more than 50 percent of the votes in the election of directors of the other body corporate, all rights and obligations attaching to the Shares held by the other body corporate are suspended and shall not be exercised by the other body corporate.

3A. SHAREHOLDERS EXIT ARRANGEMENTS

- 3A.1 Subject to Regulation 3 and the receipt of all proceeds (if any) from Ingression by the Group pursuant to the PureCircle Exit Arrangements (depending on the Company's then shareholding in Lee Hing, all or a part of which will ultimately be distributed to the Company by Lee Hing by way of cash dividend in proportion to the Company's then shareholding in Lee Hing), the Company shall offer to repurchase in cash, in respect of each Shareholder (excluding Tan Boon Seng, Zali International Limited and Zali Capital Limited) (the "**Eligible Shareholders**"), all (but not part) of the Shares held by such Shareholder upon the terms of this Regulation 3A (the "**Repurchase Offer**").

ANNEXURE 2 AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- 3A.2 Within three months after receipt of all proceeds (if any) from Ingression by the Group pursuant to the PureCircle Exit Arrangements as mentioned in Regulation 3A.1, the Company shall procure Lee Hing to prepare its consolidated balance sheet as at the last day of the month in which all of the aforesaid proceeds are received by the Group, and to procure the auditors of Lee Hing to audit such balance sheet for the time being in accordance with the generally accepted accounting principles in Hong Kong (the “**Audited Balance Sheet**”).
- 3A.3 The Company shall serve on each of the Eligible Shareholders within 30 days after the Audited Balance Sheet becomes available a written notice (the “**Repurchase Notice**”) to make the Repurchase Offer to such Eligible Shareholder which shall set out the number of Shares subject to the Repurchase Offer (i.e. the number of Shares held by the relevant Eligible Shareholder at that time as recorded in the Company’s register of members) and the total consideration for such Shares, together with a copy of the Audited Balance Sheet.
- 3A.4 Within 10 Business Days following the date of the Repurchase Notice issued to an Eligible Shareholder (the “**Offer Period**”), such Eligible Shareholder shall give the Company a written reply (the “**Reply**”) whether it accepts the Repurchase Offer. An Eligible Shareholder who has duly served the Reply as provided above and indicated therein its decision to accept the Repurchase Offer is an “**Accepting Shareholder**”. If an Eligible Shareholder fails to give a valid Reply within the Offer Period, it is deemed that such Eligible Shareholder has chosen not to accept the Repurchase Offer. Once given by an Eligible Shareholder and received by the Company, the Reply given by such Eligible Shareholder shall be irrevocable.
- 3A.5 Acceptance of the Repurchase Offer by any Shareholder will be deemed to constitute a warranty by such Shareholder that all Shares sold by it under the Repurchase Offer are free from all encumbrances and are sold together with all rights attaching to them, including all rights to any dividend or other distribution, the record date of which falls on or after the date of the relevant Repurchase Notice.
- 3A.6 The consideration for each Share to be repurchased under the Repurchase Offer shall be equal to 70% of the proportional share of a Share of the consolidated net asset value of Lee Hing as shown in the Audited Balance Sheet, as calculated by the following formula:

$$C = \frac{NAV \times SH \times 70\%}{TN}$$

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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whereas:

- “C” means the consideration payable by the Company for each Share
“NAV” means the consolidated net asset value of Lee Hing as shown in the Audited Balance Sheet
“SH” means the then percentage shareholding of the Company in Lee Hing
“TN” means the total number of Shares then in issue

- 3A.7 The consolidated net asset value of Lee Hing as shown in the Audited Balance Sheet shall be final and conclusive in the determination of the consideration payable by the Company under the Repurchase Offer, save for manifest errors.
- 3A.8 At the same time of giving the Reply, an Accepting Shareholder shall deliver the share certificate(s) in respect of all the Shares held by it and the transfer form, duly signed by such Accepting Shareholder, in respect of such Shares which accompanies the Repurchase Notice served on the Accepting Shareholder. The Company shall settle the consideration by posting a cheque in HK\$ or in any other manner as may be agreed between the Company and such Accepting Shareholder within 30 days after the receipt by the Company from such Accepting Shareholder of the Reply, the relevant share certificate(s) and the duly signed transfer form referred to above.

4. MORTGAGES AND CHARGES OF SHARES

- 4.1 Shareholders may mortgage or charge their Shares.
- 4.2 There shall be entered in the register of members at the written request of the Shareholder:
- (a) a statement that the Shares held by him are mortgaged or charged;
 - (b) the name of the mortgagee or chargee; and
 - (c) the date on which the particulars specified in subparagraphs (a) and (b) are entered in the register of members.
- 4.3 Where particulars of a mortgage or charge are entered in the register of members, such particulars may be cancelled:
- (a) with the written consent of the named mortgagee or chargee or anyone authorised to act on his behalf; or
 - (b) upon evidence satisfactory to the directors of the discharge of the liability secured by the mortgage or charge and the issue of such indemnities as the directors shall consider necessary or desirable.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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4.4 Whilst particulars of a mortgage or charge over Shares are entered in the register of members pursuant to this Regulation:

- (a) no transfer of any Share the subject of those particulars shall be effected;
- (b) the Company may not purchase, redeem or otherwise acquire any such Share; and
- (c) no replacement certificate shall be issued in respect of such Shares, without the written consent of the named mortgagee or chargee.

5. FORFEITURE

5.1 Shares that are not fully paid on issue are subject to the forfeiture provisions set forth in this Regulation.

5.2 A written notice of call specifying the date for payment to be made shall be served on the Shareholder who defaults in making payment in respect of the Shares.

5.3 The written notice of call referred to in Sub-Regulation 5.2 shall name a further date not earlier than the expiration of 14 days from the date of service of the notice on or before which the payment required by the notice is to be made and shall contain a statement that in the event of non-payment at or before the time named in the notice the Shares, or any of them, in respect of which payment is not made will be liable to be forfeited.

5.4 Where a written notice of call has been issued pursuant to Sub-Regulation 5.3 and the requirements of the notice have not been complied with, the directors may, at any time before tender of payment, forfeit and cancel the Shares to which the notice relates.

5.5 The Company is under no obligation to refund any moneys to a Shareholder whose Shares have been cancelled pursuant to Sub-Regulation 5.4 and that Shareholder shall be discharged from any further obligation to the Company.

6. TRANSFER OF SHARES

6.1 Subject to the Memorandum, Shares may be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee, which shall be sent to the Company for registration.

6.2 The transfer of a Share is effective when the name of the transferee is entered on the register of members.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- 6.3 If the directors of the Company are satisfied that an instrument of transfer relating to Shares has been signed but that the instrument has been lost or destroyed, they may resolve by Resolution of Directors:
- (a) to accept such evidence of the transfer of Shares as they consider appropriate; and
 - (b) that the transferee's name should be entered in the register of members notwithstanding the absence of the instrument of transfer.

6.4 Subject to the Memorandum, the personal representative of a deceased Shareholder may transfer a Share even though the personal representative is not a Shareholder at the time of the transfer.

7. MEETINGS AND CONSENTS OF SHAREHOLDERS

7.1 Any director of the Company may convene meetings of the Shareholders at such times and in such manner and places within or outside the British Virgin Islands as the director considers necessary or desirable.

7.2 Upon the written request of Shareholders entitled to exercise 30 percent or more of the voting rights in respect of the matter for which the meeting is requested the directors shall convene a meeting of Shareholders.

7.3 The director convening a meeting shall give not less than 7 days' notice of a meeting of Shareholders to:

- (a) those Shareholders whose names on the date the notice is given appear as Shareholders in the register of members and are entitled to vote at the meeting; and
- (b) the other directors.

7.4 The director convening a meeting of Shareholders may fix as the record date for determining those Shareholders that are entitled to vote at the meeting the date notice is given of the meeting, or such other date as may be specified in the notice, being a date not earlier than the date of the notice.

7.5 A meeting of Shareholders held in contravention of the requirement to give notice is valid if Shareholders holding at least 90 percent of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a Shareholder at the meeting shall constitute waiver in relation to all the Shares which that Shareholder holds.

**ANNEXURE 2 AMENDED MEMORANDUM AND ARTICLES OF
ASSOCIATION OF THE OFFEROR**

- 7.6 The inadvertent failure of a director who convenes a meeting to give notice of a meeting to a Shareholder or another director, or the fact that a Shareholder or another director has not received notice, does not invalidate the meeting.
- 7.7 A Shareholder may be represented at a meeting of Shareholders by a proxy who may speak and vote on behalf of the Shareholder.
- 7.8 The instrument appointing a proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at which the proxy shall be presented.
- 7.9 The instrument appointing a proxy shall be in substantially the following form or such other form as the chairman of the meeting shall accept as properly evidencing the wishes of the Shareholder appointing the proxy.

<p>[COMPANY NAME]</p> <p>(the “Company”)</p> <p>I/We, _____, being a Shareholder of the Company HEREBY APPOINT _____ of _____ or failing him _____ of _____ to be my/our proxy to vote for me/us at the meeting of Shareholders to be held on the _____ day of _____, 20____ and at any adjournment thereof.</p> <p>(Any restrictions on voting to be inserted here.)</p> <p>Signed this _____ day of _____, 20_____</p> <p>_____</p> <p>Shareholder</p>

- 7.10 The following applies where Shares are jointly owned:
- (a) if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of Shareholders and may speak as a Shareholder;
 - (b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and
 - (c) if two or more of the joint owners are present in person or by proxy they must vote as one.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- 7.11 A Shareholder shall be deemed to be present at a meeting of Shareholders if he participates by telephone or other electronic means and all Shareholders participating in the meeting are able to hear each other.
- 7.12 A meeting of Shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than 50 percent of the votes of the Shares entitled to vote on Resolutions of Shareholders to be considered at the meeting. A quorum may comprise a single Shareholder or proxy and then such person may pass a Resolution of Shareholders and a certificate signed by such person accompanied where such person be a proxy by a copy of the proxy instrument shall constitute a valid Resolution of Shareholders.
- 7.13 If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved; in any other case it shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than one third of the votes of the Shares or each class or series of Shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved.
- 7.14 At every meeting of Shareholders, the Chairman of the Board shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present at the meeting, the Shareholders present shall choose one of their number to be the chairman. If the Shareholders are unable to choose a chairman for any reason, then the person representing the greatest number of voting Shares present in person or by proxy at the meeting shall preside as chairman failing which the oldest individual Shareholder or representative of a Shareholder present shall take the chair.
- 7.15 The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 7.16 At any meeting of the Shareholders the chairman is responsible for deciding in such manner as he considers appropriate whether any resolution proposed has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes of the meeting. If the chairman has any doubt as to the outcome of the vote on a proposed resolution, he shall cause a poll to be taken of all votes cast upon such resolution. If the chairman fails to take a poll then any Shareholder present in person or by proxy who disputes the announcement by the chairman of the result of any vote may immediately following such announcement

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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demand that a poll be taken and the chairman shall cause a poll to be taken. If a poll is taken at any meeting, the result shall be announced to the meeting and recorded in the minutes of the meeting.

- 7.17 Subject to the specific provisions contained in this Regulation for the appointment of representatives of Persons other than individuals the right of any individual to speak for or represent a Shareholder shall be determined by the law of the jurisdiction where, and by the documents by which, the Person is constituted or derives its existence. In case of doubt, the directors may in good faith seek legal advice from any qualified person and unless and until a court of competent jurisdiction shall otherwise rule, the directors may rely and act upon such advice without incurring any liability to any Shareholder or the Company.
- 7.18 Any Person other than an individual which is a Shareholder may by resolution of its directors or other governing body authorise such individual as it thinks fit to act as its representative at any meeting of Shareholders or of any class of Shareholders, and the individual so authorised shall be entitled to exercise the same rights on behalf of the Shareholder which he represents as that Shareholder could exercise if it were an individual.
- 7.19 The chairman of any meeting at which a vote is cast by proxy or on behalf of any Person other than an individual may call for a notarially certified copy of such proxy or authority which shall be produced within 7 days of being so requested or the votes cast by such proxy or on behalf of such Person shall be disregarded.
- 7.20 Directors of the Company may attend and speak at any meeting of Shareholders and at any separate meeting of the holders of any class or series of Shares.
- 7.21 An action that may be taken by the Shareholders at a meeting may also be taken by a resolution consented to in writing, without the need for any notice, but if any Resolution of Shareholders is adopted otherwise than by the unanimous written consent of all Shareholders, a copy of such resolution shall forthwith be sent to all Shareholders not consenting to such resolution. The consent may be in the form of counterparts, each counterpart being signed by one or more Shareholders. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the earliest date upon which Shareholders holding a sufficient number of votes of Shares to constitute a Resolution of Shareholders have consented to the resolution by signed counterparts.

8. DIRECTORS

- 8.1 The first directors of the Company shall be appointed by the first registered agent within 6 months of the date of incorporation of the Company; and thereafter, the directors shall be elected by Resolution of Shareholders or by Resolution of Directors.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- 8.2 No person shall be appointed as a director, alternate director, or nominated as a reserve director, of the Company unless he has consented in writing to be a director, alternate director or to be nominated as a reserve director respectively.
- 8.3 Subject to Sub-Regulation 8.1, the minimum number of directors shall be one and there shall be no maximum number.
- 8.4 Each director holds office for the term, if any, fixed by the Resolution of Shareholders or the Resolution of Directors appointing him, or until his earlier death, resignation or removal. If no term is fixed on the appointment of a director, the director serves indefinitely until his earlier death, resignation or removal.
- 8.5 A director may be removed from office,
- (a) with or without cause, by Resolution of Shareholders passed at a meeting of Shareholders called for the purposes of removing the director or for purposes including the removal of the director or by a written resolution passed by at least 75 percent of the votes of the Shareholders of the Company entitled to vote; or
 - (b) with cause, by Resolution of Directors passed at a meeting of directors called for the purpose of removing the director or for purposes including the removal of the director.
- 8.6 A director may resign his office by giving written notice of his resignation to the Company and the resignation has effect from the date the notice is received by the Company or from such later date as may be specified in the notice. A director shall resign forthwith as a director if he is, or becomes, disqualified from acting as a director under the Act.
- 8.7 The directors may at any time appoint any person to be a director either to fill a vacancy or as an addition to the existing directors. Where the directors appoint a person as director to fill a vacancy, the term shall not exceed the term that remained when the person who has ceased to be a director ceased to hold office.
- 8.8 A vacancy in relation to directors occurs if a director dies or otherwise ceases to hold office prior to the expiration of his term of office.
- 8.9 Where the Company only has one Shareholder who is an individual and that Shareholder is also the sole director of the Company, the sole Shareholder/director may, by instrument in writing, nominate a person who is not disqualified from being a director of the Company as a reserve director of the Company to act in the place of the sole director in the event of his death.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- 8.10 The nomination of a person as a reserve director of the Company ceases to have effect if:
- (a) before the death of the sole Shareholder/director who nominated him,
 - (i) he resigns as reserve director, or
 - (ii) the sole Shareholder/director revokes the nomination in writing; or
 - (b) the sole Shareholder/director who nominated him ceases to be able to be the sole Shareholder/director of the Company for any reason other than his death.
- 8.11 The Company shall keep a register of directors (the “**register of directors**”) containing:
- (a) in the case of an individual director, the particulars stated in section 118A(1)(a) of the Act;
 - (b) in the case of a corporate director, the particulars stated in section 118A(1)(b) of the Act; and
 - (c) such other information as may be prescribed by the Act.
- 8.12 The register of directors may be kept in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until a Resolution of Directors determining otherwise is passed, the magnetic, electronic or other data storage shall be the original register of directors.
- 8.13 The Company shall file for registration with the Registrar a copy of its register of directors (and any changes to the register of directors) in accordance with the provisions of the Act.
- 8.14 The directors may, by Resolution of Directors, fix the emoluments of directors with respect to services to be rendered in any capacity to the Company.
- 8.15 A director is not required to hold a Share as a qualification to office.
- 8.16 A director, by written instrument deposited at the registered office of the Company may from time to time appoint another director or another person who is not disqualified for appointment as a director under section 111 of the Act to be his alternate to:
- (a) exercise the appointing director’s powers; and

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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(b) carry out the appointing director's responsibilities, in relation to the taking of decisions by the directors in the absence of the appointing director.

8.17 No person shall be appointed as an alternate director unless he has consented in writing to be an alternate director. The appointment of an alternate director does not take effect until written notice of the appointment has been deposited at the registered office of the Company.

8.18 The appointing director may, at any time, terminate or vary the alternate's appointment. The termination or variation of the appointment of an alternate director does not take effect until written notice of the termination or variation has been deposited at the registered office of the Company, save that if a director shall die or cease to hold the office of director, the appointment of his alternate shall thereupon cease and terminate immediately without the need of notice.

8.19 An alternate director has no power to appoint an alternate, whether of the appointing director or of the alternate director.

8.20 An alternate director has the same rights as the appointing director in relation to any directors' meeting and any written resolution of directors circulated for written consent. Unless stated otherwise in the notice of the appointment of the alternate, or a notice of variation of the appointment, if undue delay or difficulty would be occasioned by giving notice to a director of a resolution of which his approval is sought in accordance with these Articles his alternate (if any) shall be entitled to signify approval of the same on behalf of that director. Any exercise by the alternate director of the appointing director's powers in relation to the taking of decisions by the directors is as effective as if the powers were exercised by the appointing director. An alternate director does not act as an agent of or for the appointing director and is liable for his own acts and omissions as an alternate director.

8.21 The remuneration of an alternate director (if any) shall be payable out of the remuneration payable to the director appointing him (if any), as agreed between such alternate and the director appointing him.

9. POWERS OF DIRECTORS

9.1 The business and affairs of the Company shall be managed by, or under the direction or supervision of, the directors of the Company. The directors of the Company have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company. The directors may pay all expenses incurred preliminary to and in connection with the incorporation of the Company and may exercise all such powers of the Company as are not by the Act or by the Memorandum or the Articles required to be exercised by the Shareholders.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- 9.2 Each director shall exercise his powers for a proper purpose and shall not act or agree to the Company acting in a manner that contravenes the Memorandum, the Articles or the Act. Each director, in exercising his powers or performing his duties, shall act honestly and in good faith in what the director believes to be the best interests of the Company.
- 9.3 If the Company is the wholly owned subsidiary of a holding company, a director of the Company may, when exercising powers or performing duties as a director, act in a manner which he believes is in the best interests of the holding company even though it may not be in the best interests of the Company.
- 9.4 Any director which is a body corporate may appoint any individual as its duly authorised representative for the purpose of representing it at meetings of the directors, with respect to the signing of consents or otherwise.
- 9.5 The continuing directors may act notwithstanding any vacancy in their body.
- 9.6 The directors may by Resolution of Directors exercise all the powers of the Company to incur indebtedness, liabilities or obligations and to secure indebtedness, liabilities or obligations whether of the Company or of any third party.
- 9.7 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as shall from time to time be determined by Resolution of Directors.
- 9.8 For the purposes of Section 175 (*Disposition of assets*) of the Act, the directors may by Resolution of Directors determine that any sale, transfer, lease, exchange or other disposition is in the usual or regular course of the business carried on by the Company and such determination is, in the absence of fraud, conclusive.

10. PROCEEDINGS OF DIRECTORS

- 10.1 Any one director of the Company may call a meeting of the directors by sending a written notice to each other director.
- 10.2 The directors of the Company or any committee thereof may meet at such times and in such manner and places within or outside the British Virgin Islands as the directors may determine to be necessary or desirable.
- 10.3 A director is deemed to be present at a meeting of directors if he participates by telephone or other electronic means and all directors participating in the meeting are able to hear each other.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- 10.4 A director shall be given not less than 3 days' notice of meetings of directors, but a meeting of directors held without 3 days' notice having been given to all directors shall be valid if all the directors entitled to vote at the meeting waive notice of the meeting, and for this purpose the presence of a director at a meeting shall constitute waiver by that director. The inadvertent failure to give notice of a meeting to a director, or the fact that a director has not received the notice, does not invalidate the meeting.
- 10.5 A meeting of directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than one-half of the total number of directors, unless there are only 2 directors in which case the quorum is 2.
- 10.6 If the Company has only one director the provisions herein contained for meetings of directors do not apply and such sole director has full power to represent and act for the Company in all matters as are not by the Act, the Memorandum or the Articles required to be exercised by the Shareholders. In lieu of minutes of a meeting the sole director shall record in writing and sign a note or memorandum of all matters requiring a Resolution of Directors. Such a note or memorandum constitutes sufficient evidence of such resolution for all purposes.
- 10.7 At meetings of directors at which the Chairman of the Board is present, he shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present, the directors present shall choose one of their number to be chairman of the meeting.
- 10.8 An action that may be taken by the directors or a committee of directors at a meeting may also be taken by a Resolution of Directors or a resolution of a committee of directors consented to in writing or by telex, telegram, cable or other written electronic communication by a majority of the directors or by a majority of the members of the committee, as the case may be, without the need for any notice. A written resolution consented to in such manner may consist of several documents, including written electronic communication, in like form each signed or assented to by one or more directors. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date upon which the last director has consented to the resolution by signed counterparts.

11. COMMITTEES

- 11.1 The directors may, by Resolution of Directors, designate one or more committees, each consisting of one or more directors, and delegate one or more of their powers, including the power to affix the Seal, to the committee.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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11.2 The directors have no power to delegate to a committee of directors any of the following powers:

- (a) to amend the Memorandum or the Articles;
- (b) to designate committees of directors;
- (c) to delegate powers to a committee of directors;
- (d) to appoint or remove directors;
- (e) to appoint or remove an agent;
- (f) to approve a plan of merger, consolidation or arrangement;
- (g) to make a declaration of solvency or to approve a liquidation plan; or
- (h) to make a determination that immediately after a proposed Distribution the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

11.3 Sub-Regulation 11.2(b) and (c) do not prevent a committee of directors, where authorised by the Resolution of Directors appointing such committee or by a subsequent Resolution of Directors, from appointing a sub-committee and delegating powers exercisable by the committee to the sub-committee.

11.4 The meetings and proceedings of each committee of directors consisting of 2 or more directors shall be governed *mutatis mutandis* by the provisions of the Articles regulating the proceedings of directors so far as the same are not superseded by any provisions in the Resolution of Directors establishing the committee.

11.5 Where the directors delegate their powers to a committee of directors they remain responsible for the exercise of that power by the committee, unless they believed on reasonable grounds at all times before the exercise of the power that the committee would exercise the power in conformity with the duties imposed on directors of the Company under the Act.

12. OFFICERS AND AGENTS

12.1 The Company may by Resolution of Directors appoint officers of the Company at such times as may be considered necessary or expedient. Such officers may consist of a Chairman of the Board of Directors, a president and one or more vice-presidents, secretaries and treasurers and such other officers as may from time to time be considered necessary or expedient. Any number of offices may be held by the same person.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- 12.2 The officers shall perform such duties as are prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by Resolution of Directors. In the absence of any specific prescription of duties it shall be the responsibility of the Chairman of the Board to preside at meetings of directors and Shareholders, the president to manage the day to day affairs of the Company, the vice-presidents to act in order of seniority in the absence of the president but otherwise to perform such duties as may be delegated to them by the president, the secretaries to maintain the register of members, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the treasurer to be responsible for the financial affairs of the Company.
- 12.3 The emoluments of all officers shall be fixed by Resolution of Directors.
- 12.4 The officers of the Company shall hold office until their successors are duly appointed, but any officer elected or appointed by the directors may be removed at any time, with or without cause, by Resolution of Directors. Any vacancy occurring in any office of the Company may be filled by Resolution of Directors.
- 12.5 The directors may, by Resolution of Directors, appoint any person, including a person who is a director, to be an agent of the Company.
- 12.6 An agent of the Company shall have such powers and authority of the directors, including the power and authority to affix the Seal, as are set forth in the Articles or in the Resolution of Directors appointing the agent, except that no agent has any power or authority with respect to the following:
- (a) to amend the Memorandum or the Articles;
 - (b) to change the registered office or agent;
 - (c) to designate committees of directors;
 - (d) to delegate powers to a committee of directors;
 - (e) to appoint or remove directors;
 - (f) to appoint or remove an agent;
 - (g) to fix emoluments of directors;
 - (h) to approve a plan of merger, consolidation or arrangement;
 - (i) to make a declaration of solvency or to approve a liquidation plan;

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- (j) to make a determination that immediately after a proposed Distribution the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due; or
- (k) to authorise the Company to continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands.

12.7 The Resolution of Directors appointing an agent may authorise the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company.

12.8 The directors may remove an agent appointed by the Company and may revoke or vary a power conferred on him.

13. CONFLICT OF INTERESTS

13.1 A director of the Company shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to all other directors of the Company.

13.2 For the purposes of Sub-Regulation 13.1, a disclosure to all other directors to the effect that a director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date of the entry into the transaction or disclosure of the interest, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.

13.3 A director of the Company who is interested in a transaction entered into or to be entered into by the Company may:

- (a) vote on a matter relating to the transaction;
- (b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum; and
- (c) sign a document on behalf of the Company, or do any other thing in his capacity as a director, that relates to the transaction, and, subject to compliance with the Act shall not, by reason of his office be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

14. INDEMNIFICATION

14.1 Subject to the limitations hereinafter provided the Company shall indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:

(a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director of the Company; or

(b) is or was, at the request of the Company, serving as a director of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.

14.2 The indemnity in Sub-Regulation 14.1 only applies if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that their conduct was unlawful.

14.3 For the purposes of Sub-Regulation 14.2, a director acts in the best interests of the Company if he acts in the best interests of

(a) the Company's holding company; or

(b) a Shareholder or Shareholders;

in either case, in the circumstances specified in Sub-Regulation 9.3 or the Act, as the case may be.

14.4 The decision of the directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Company and as to whether the person had no reasonable cause to believe that his conduct was unlawful is, in the absence of fraud, sufficient for the purposes of the Articles, unless a question of law is involved.

14.5 The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a *nolle prosequi* does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that his conduct was unlawful.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- 14.6 Expenses, including legal fees, incurred by a director in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposition of such proceedings upon receipt of an undertaking by or on behalf of the director to repay the amount if it shall ultimately be determined that the director is not entitled to be indemnified by the Company in accordance with Sub-Regulation 14.1.
- 14.7 Expenses, including legal fees, incurred by a former director in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposition of such proceedings upon receipt of an undertaking by or on behalf of the former director to repay the amount if it shall ultimately be determined that the former director is not entitled to be indemnified by the Company in accordance with Sub-Regulation 14.1 and upon such terms and conditions, if any, as the Company deems appropriate.
- 14.8 The indemnification and advancement of expenses provided by, or granted pursuant to, this section is not exclusive of any other rights to which the person seeking indemnification or advancement of expenses may be entitled under any agreement, Resolution of Shareholders, resolution of disinterested directors or otherwise, both as acting in the person's official capacity and as to acting in another capacity while serving as a director of the Company.
- 14.9 If a person referred to in Sub-Regulation 14.1 has been successful in defence of any proceedings referred to in Sub-Regulation 14.1, the person is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings.
- 14.10 The Company may purchase and maintain insurance in relation to any person who is or was a director, officer or liquidator of the Company, or who at the request of the Company is or was serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in the Articles.

15. RECORDS AND UNDERLYING DOCUMENTATION

- 15.1 The Company shall keep the following documents at the office of its registered agent:
- (a) the Memorandum and the Articles;
 - (b) the register of members, or a copy of the register of members;

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- (c) the register of directors, or a copy of the register of directors; and
 - (d) copies of all notices and other documents filed by the Company with the Registrar of Corporate Affairs in the previous 10 years.
- 15.2 Until the directors determine otherwise by Resolution of Directors the Company shall keep the original register of members and original register of directors at the office of its registered agent.
- 15.3 If the Company maintains only a copy of the register of members or a copy of the register of directors at the office of its registered agent, it shall:
- (a) within 15 days of any change in either register, notify the registered agent in writing of the change; and
 - (b) provide the registered agent with a written record of the physical address of the place or places at which the original register of members or the original register of directors is kept.
- 15.4 Where the original register of members or the original register of directors is maintained other than at the office of the registered agent, and the place at which the original records is changed, the Company shall provide the registered agent with the physical address of the new location of the records of the Company within 14 days of the change of location.
- 15.5 The Company shall keep the following records at the office of its registered agent or at such other place or places, within or outside the British Virgin Islands, as the directors may determine:
- (a) the records and underlying documentation of the Company;
 - (b) minutes of meetings and Resolutions of Shareholders and classes of Shareholders;
 - (c) minutes of meetings and Resolutions of Directors and committees of directors; and
 - (d) an impression of the Seal.
- 15.6 The records and underlying documentation of the Company shall be in such form as:
- (a) are sufficient to show and explain the Company's transactions; and
 - (b) will, at any time, enable the financial position of the Company to be determined with reasonable accuracy.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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15.7 The Company shall retain the records and underlying documentation for a period of at least five years from the date:

- (a) of completion of the transaction to which the records and underlying documentation relate; or
- (b) the Company terminates the business relationship to which the records and underlying documentation relate.

15.8 Where the records and underlying documentation of the Company are kept at a place or places other than at the office of its registered agent, the Company shall provide the registered agent with a written:

- (a) record of the physical address of the place at which the records and underlying documentation are kept; and
- (b) record of the name of the person who maintains and controls the Company's records and underlying documentation.

15.9 Where the place or places at which the records and underlying documentation of the Company, or the name of the person who maintains and controls the Company's records and underlying documentation, change, the Company shall, within 14 days of the change, provide its registered agent with:

- (a) the physical address of the new location of the records and underlying documentation; or
- (b) the name of the new person who maintains and controls the Company's records and underlying documentation.

15.10 The Company shall provide its registered agent without delay any records and underlying documentation in respect of the Company that the registered agent requests pursuant to the Act.

15.11 The records and underlying documentation kept by the Company under this Regulation shall be in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act, 2001 (No. 5 of 2001) as from time to time amended or re-enacted.

16. REGISTER OF CHARGES

16.1 The Company shall maintain at the office of its registered agent a register of charges in which there shall be entered the following particulars regarding each mortgage, charge and other encumbrance created by the Company:

- (a) the date of creation of the charge;

ANNEXURE 2 AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- (b) a short description of the liability secured by the charge;
- (c) a short description of the property charged;
- (d) the name and address of the trustee for the security or, if there is no such trustee, the name and address of the chargee;
- (e) unless the charge is a security to bearer, the name and address of the holder of the charge; and
- (f) details of any prohibition or restriction contained in the instrument creating the charge on the power of the Company to create any future charge ranking in priority to or equally with the charge.

16.2 Where a change occurs in the relevant charges or in the details of the charges required to be recorded in the Company's register of charges maintained in accordance with Sub-Regulation 16.1, the Company shall, within 14 days of the change occurring, transmit details of the change to the registered agent.

17. SEAL

The Company shall have a Seal and may have more than one Seal and references herein to the Seal shall be references to every Seal which shall have been duly adopted by Resolution of Directors. The directors shall provide for the safe custody of the Seal and for an imprint thereof to be kept at the registered office. Except as otherwise expressly provided herein the Seal when affixed to any written instrument shall be witnessed and attested to by the signature of any one director or other person so authorised from time to time by Resolution of Directors. Such authorisation may be before or after the Seal is affixed, may be general or specific and may refer to any number of sealings. The directors may provide for a facsimile of the Seal and of the signature of any director or authorised person which may be reproduced by printing or other means on any instrument and it shall have the same force and validity as if the Seal had been affixed to such instrument and the same had been attested to as hereinbefore described.

18. DISTRIBUTIONS

18.1 The directors of the Company may, by Resolution of Directors, authorise a Distribution at a time and of an amount they think fit if they are satisfied, on reasonable grounds, that, immediately after the Distribution, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

18.2 Distributions may be paid in money, Shares, or other property.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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18.3 Notice of any Distribution that may have been declared shall be given to each Shareholder as specified in Sub-Regulation 20.1 and all Distributions unclaimed for 3 years after having been declared may be forfeited by Resolution of Directors for the benefit of the Company.

18.4 No Distributions shall bear interest as against the Company and no Distribution shall be paid on Treasury Shares.

19. ACCOUNTS AND AUDIT

19.1 The Company shall keep records that are sufficient to show and explain the Company's transactions and that will, at any time, enable the financial position of the Company to be determined with reasonable accuracy.

19.2 The Company may by Resolution of Shareholders call for the directors to prepare periodically and make available a profit and loss account and a balance sheet. The profit and loss account and balance sheet shall be drawn up so as to give respectively a true and fair view of the profit and loss of the Company for a financial period and a true and fair view of the assets and liabilities of the Company as at the end of a financial period.

19.3 The Company may by Resolution of Shareholders call for the accounts to be examined by auditors.

19.4 The first auditors shall be appointed by Resolution of Directors; subsequent auditors shall be appointed by Resolution of Shareholders or by Resolution of Directors.

19.5 The auditors may be Shareholders, but no director or other officer shall be eligible to be an auditor of the Company during their continuance in office.

19.6 The remuneration of the auditors of the Company may be fixed by Resolution of Directors.

19.7 The auditors shall examine each profit and loss account and balance sheet required to be laid before a meeting of the Shareholders or otherwise given to Shareholders and shall state in a written report whether or not:

(a) in their opinion the profit and loss account and balance sheet give a true and fair view respectively of the profit and loss for the period covered by the accounts, and of the assets and liabilities of the Company at the end of that period; and

(b) all the information and explanations required by the auditors have been obtained.

ANNEXURE 2	AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE OFFEROR
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- 19.8 The report of the auditors shall be annexed to the accounts and shall be read at the meeting of Shareholders at which the accounts are laid before the Company or shall be otherwise given to the Shareholders.
- 19.9 Every auditor of the Company shall have a right of access at all times to the books of account and vouchers of the Company, and shall be entitled to require from the directors and officers of the Company such information and explanations as he thinks necessary for the performance of the duties of the auditors.
- 19.10 The auditors of the Company shall be entitled to receive notice of, and to attend any meetings of Shareholders at which the Company's profit and loss account and balance sheet are to be presented.

20. NOTICES

- 20.1 Any notice, information or written statement to be given by the Company to Shareholders may be given by personal service or by mail addressed to each Shareholder at the address shown in the register of members.
- 20.2 Any summons, notice, order, document, process, information or written statement to be served on the Company may be served by leaving it, or by sending it by registered mail addressed to the Company, at its registered office, or by leaving it with, or by sending it by registered mail to, the registered agent of the Company.
- 20.3 Service of any summons, notice, order, document, process, information or written statement to be served on the Company may be proved by showing that the summons, notice, order, document, process, information or written statement was delivered to the registered office or the registered agent of the Company or that it was mailed in such time as to admit to its being delivered to the registered office or the registered agent of the Company in the normal course of delivery within the period prescribed for service and was correctly addressed and the postage was prepaid.

21. VOLUNTARY LIQUIDATION

The Company may by Resolution of Shareholders or, subject to section 199(2) of the Act, by Resolution of Directors appoint a voluntary liquidator.

22. CONTINUATION

The Company may by Resolution of Shareholders or by a Resolution of Directors continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

**ANNEXURE 2 AMENDED MEMORANDUM AND ARTICLES OF
ASSOCIATION OF THE OFFEROR**

We, Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign these Articles of Association the 18th day of May, 2021.

Incorporator

(Sd.) Rexella D. Hodge
Authorised Signatory
Vistra (BVI) Limited