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LEONG HUP INTERNATIONAL BERHAD

Registration No. 201401022577 (1098663-D)
(Incorporated in Malaysia)

PART A

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED
SHAREHOLDERS’ RATIFICATION, PROPOSED SHAREHOLDERS’ MANDATE AND
PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

PART B

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED AUTHORITY
FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

The ordinary resolutions in respect for the above proposals will be tabled at the Sixth Annual General Meeting (“**AGM**”) of Leong Hup International Berhad (“**LHI**”). The date, time and venue of the Sixth AGM are as follows:

Date and time : Friday, 26 June 2020 at 10.30 a.m. or at any adjournment thereof
Venue : Connexion Conference & Event Centre, The Zenith function room (Level M1), The Vertical, Bangsar South City, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

Please complete, sign and return the proxy form in accordance with the instructions printed thereon. The completed proxy form must be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to submit your electronic proxy form via TIIH Online at <https://tiah.online> not later than 48 hours before the time set for holding the AGM or at any adjournment thereof. The lodging of the proxy form will not preclude you from attending and voting in person at the AGM should you subsequently decide to do so.

Last date and time for lodging the proxy form : Wednesday, 24 June 2020 at 10.30 a.m.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular/Statement:

- “Act” : The Companies Act 2016, as may be amended from time to time and any enactment thereof
- “AGM” : Annual General Meeting
- “ARC” : Audit and Risk Committee of LHI
- “Board” : The Board of Directors of LHI for the time being
- “Bursa Securities” : Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
- “Circular” : This circular to shareholders dated 28 May 2020 in relation to the Proposals
- “CMSA” : Capital Market and Services Act 2007, as amended, supplemented or modified from time to time
- “CNL&S” : CN Lau & Sons Sdn Bhd [Registration No. 199601012172 (384521-D)]
Lau Chia Nguang and his children, Lau Joo Hwa, Lau Joo Pern and Lau Joo Kiang are directors and major shareholders of CNL&S
- “Code” : Malaysian Code on Take-Overs and Mergers 2016 and any amendments made thereto from time to time
- “CWL&S” : CW Lau & Sons Sdn Bhd [Registration No. 199501025932 (355137-H)]
Datuk Lau Joo Hong, Lau Jui Peng and Lau Joo Heng are brothers. They are directors and major shareholders of CWL&S
- “Director(s)” : Shall have the same meaning given in Section 2(1) of the CMSA and for the purpose of the Proposals, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or chief executive of LHI, its subsidiary or holding company, in accordance with the definition in Chapter 10 of the Listing Requirements
- “EGSB” or “Emerging Glory” : Emerging Glory Sdn Bhd [Registration No. 201001019033 (902741-V)]
Major Shareholders of EGSB
CWL&S, HNL&S, Lau Chia Nguang, Dato’ Lau Eng Guang, Tan Sri Lau Tuang Nguang and Lau Joo Han
Directors of EGSB
Lau Chia Nguang, Dato’ Lau Eng Guang, Tan Sri Lau Tuang Nguang, Datuk Lau Joo Hong, Lau Joo Han and Lau Joo Keat
- “EPS” : Earnings per share
- “ESOS” : The existing employees’ share option scheme of the Company, which is effective from 11 April 2019 and expires on 10 April 2024
- “FYE” : Financial year ended

- “Grantee” : An eligible employee who has accepted an offer of Options
- “HNL&S” : HN Lau & Sons Sdn Bhd [Registration No. 199401022329 (308008-P)]
Lau Hai Nguan and his children, Lau Joo Keat, Lau Joo Ping and Lau Joo Hau are directors and major shareholders of HNL&S
- “LHI” or the “Company” : Leong Hup International Berhad [Registration No. 201401022577 (1098663-D)]
- “LHI Group” or “the Group” : LHI and its subsidiaries, collectively
- “Listing Requirements” : Main Market Listing Requirements of Bursa Securities and any Practice Notes issued in relation thereto, including any amendments that may be made from time to time
- “LHM” : Leong Hup Management Sdn Bhd [Registration No.198701005024 (163695-A)]
Major Shareholders of LHM
(a) Estate of Dato’ Lau Bong Wong of which Lau Joo Han is the sole beneficiary;
(b) Lau Chia Nguang;
(c) Goh Cha Boh @ Goh Hui Siang;
(d) Datin Goh Kim Kooi;
(e) Tan Sri Lau Tuang Nguang;
(f) Lai Chong Koo;
(g) Datuk Lau Joo Hong;
(h) Lau Jui Peng;
(i) Lau Joo Heng;
(j) Lau Joo Han;
(k) Lau Joo Keat;
(l) Lau Joo Ping;
(m) Lau Joo Hau; and
(n) Lau Joo Yong.
Directors of LHM
(a) Lau Chia Nguang;
(b) Dato’ Lau Eng Guang;
(c) Lau Hai Nguan;
(d) Tan Sri Lau Tuang Nguang;
(e) Datuk Lau Joo Hong;
(f) Lau Jui Peng;
(g) Lau Joo Keat;
(h) Lau Joo Hwa; and
(i) Lau Joo Yong.
- “LPD” : 30 April 2020, being the latest practicable date prior to the issuance of this Circular/Statement
- “LTN” : LTN Resources Sdn Bhd [Registration No. 200601018656 (738409-A)]
Tan Sri Lau Tuang Nguang and his spouse, Puan Sri Wong Kee Choo and their child, Lau Wee Fong are directors and shareholders of LTN
- “Major Shareholder(s)” : A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of total shares is:
(a) 10% or more of the total number of voting shares in the Company; or

- (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.

For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act.

For the purpose of the Proposals, Major Shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company or any other corporation which is the Company’s subsidiary or holding company, in accordance with the definition in Chapter 10 of the Listing Requirements.

| | |
|---------------------------------------|---|
| “Market Day” | : A day on which Bursa Securities is open for trading in securities |
| “Minister” | : Minister charged with the responsibility for companies, currently the Minister of Domestic Trade, Co-operatives and Consumerism, Malaysia |
| “NA” | : Net assets attributable to ordinary equity holders of the Company |
| “Options” | : The right of a Grantee to subscribe for new Shares at the Option Price under the ESOS |
| “Option Price” | : The price at which the Grantee shall be entitled to subscribe for new Shares by exercising his Options |
| “Outstanding Options” | : 34,675,000 Options which have been granted under the ESOS and are still outstanding as at the LPD |
| “Person(s) Connected” | : Shall have the same meaning as in Paragraph 1.01 Chapter 1 of the Listing Requirements |
| “Proposals” | : Proposed Shareholders’ Ratification, Proposed Shareholders’ Mandate and Proposed New Shareholders’ Mandate, collectively |
| “Proposed New Shareholders’ Mandate” | : Proposed new shareholders’ mandate for RRPT to be entered into from the date of the forthcoming AGM until the next AGM |
| “Proposed Shareholders’ Mandate” | : Proposed shareholders’ mandate for RRPT to be entered into from the date of the forthcoming AGM until the next AGM |
| “Proposed Shareholders’ Ratification” | : Proposed shareholders’ ratification for RRPT entered/to be entered into from the date of listing on 16 May 2019 up to the date of the forthcoming AGM |
| “Proposed Share Buy-Back Authority” | : Proposed authority for the Company to purchase its own Shares of up to ten percent (10%) of its total number of issued Shares at any point in time |
| “Related Party(ies)” | : Directors, Major Shareholders and/or Person(s) Connected with such Directors and/or Major Shareholders |
| “RRPT(s)” | : Recurrent related party transactions entered into or proposed to be entered into that involve the interests, direct or indirect, of the Related Parties and which are recurrent, of a revenue or trading nature and necessary for the day-to-day operations |
| “RM” | : Ringgit Malaysia, the lawful currency of Malaysia |

- “Rules” : Rules on Take-Overs, Mergers and Compulsory Acquisition issued by the Securities Commission Malaysia, including any amendment thereto that may be made from time to time
- “Shares” : Ordinary shares in LHI
- “Statement” : This statement to shareholders dated 28 May 2020 in relation to the Proposed Share Buy-Back Authority
- “Substantial Shareholder(s)” : A person who has an interest or interests in one or more voting shares in the Company and the number or the aggregate number of such shares is not less than 5% of the total number of all the voting shares in the Company
- “Transacting Party” : A party with which LHI Group has entered, or may or intend to enter, into a RRPT under the Proposals
- “Treasury Shares” : The purchased shares which are retained by the Company and shall have the meaning given under Section 127 of the Act

Interested Directors and Major shareholders

- “Datuk Lau Joo Hong” : Director and Major Shareholder of LHI
- “Lau Joo Han” : Director and Major Shareholder of LHI

Interested Directors

- “Lau Chia Nguang” : Director of LHI
- “Dato’ Lau Eng Guang” : Director of LHI
- “Tan Sri Lau Tuang Nguang” : Director of LHI
- “Lau Joo Keat” : Director of LHI

Interested Major Shareholders

- “Lau Jui Peng” : Major Shareholder of LHI
- “Lau Joo Heng” : Major Shareholder of LHI

Persons Connected

- “Lau Hai Nguan” : Father of Lau Joo Keat
Brother of Lau Chia Nguang, Dato’ Lau Eng Guang and Tan Sri Lau Tuang Nguang
- “Datin Heng Ah Pee” : Mother of Datuk Lau Joo Hong, Lau Jui Peng and Lau Joo Heng
- “Datin Chua Ah Nia @ Chua Kah Nui” : Mother of Lau Joo Han
- “Datuk Lau Chir Nguan” : Brother of Lau Chia Nguang, Dato’ Lau Eng Guang and Tan Sri Lau Tuang Nguang
- “Goh Cha Boh @ Goh Hui Siang” : Spouse of Lau Chia Nguang

“Lai Chong Koo” : Mother of Lau Joo Keat
“Puan Sri Wong Kee Choo” : Spouse of Tan Sri Lau Tuang Nguang
“Lau Joo Yong” : Son of Dato’ Lau Eng Guang

All references in this Circular/Statement to “we”, “us”, “our” and “ourselves” are to LHI and, where the context requires, to the LHI Group. All references to “you” in this Circular/Statement are to the shareholders of LHI.

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

Any reference to any enactment in this Circular/Statement is a reference to that enactment as amended or re-enacted from time to time.

Any reference to a time of day in this Circular/Statement shall be reference to Malaysian time, unless otherwise stated.

Any discrepancy in the tables included in this document between the amounts listed, actual figures and the totals thereof are due to rounding.

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PART B – STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

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PART A

**CIRCULAR TO SHAREHOLDERS IN RELATION TO
THE PROPOSED SHAREHOLDERS' RATIFICATION, PROPOSED SHAREHOLDERS'
MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**



LEONG HUP INTERNATIONAL BERHAD

Registration No. 201401022577 (1098663-D)
(Incorporated in Malaysia)

Registered Office:
Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

28 May 2020

Board of Directors:

Lau Chia Nguang (Non-Independent Executive Chairman)
Dato' Lau Eng Guang (Non-Independent Executive Director)
Tan Sri Lau Tuang Nguang (Non-Independent Executive Director/ Group Chief Executive Officer)
Datuk Lau Joo Hong (Non-Independent Executive Director)
Lau Joo Han (Non-Independent Executive Director)
Lau Joo Keat (Non-Independent Executive Director)
Benny Lim Jew Fong (Non-Independent Non-Executive Director)
Low Han Kee (Senior Independent Non-Executive Director)
Datin Paduka Rashidah Binti Ramli (Independent Non-Executive Director)
Mahani Binti Amat (Independent Non-Executive Director)
Chu Nyet Kim (Independent Non-Executive Director)
Goh Wen Ling (Independent Non-Executive Director)
Tay Tong Poh (Independent Non-Executive Director)

To: The Shareholders of Leong Hup International Berhad

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' RATIFICATION, PROPOSED SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING IN NATURE

1. INTRODUCTION

Bursa Securities had vide its letter dated 17 May 2019, granted the Company an extension of time to obtain shareholders' ratification/mandate for RRPTs entered into by the LHI Group from the listing date on 16 May 2019 up to the forthcoming AGM or Extraordinary General Meeting, whichever is the earlier. The Company had, on 19 May 2020, announced its intention to seek shareholders' approval for the Proposed Shareholders' Ratification, Proposed Shareholders' Mandate and Proposed New Shareholders' Mandate under Paragraph 10.09 and Practice Note 12 of the Listing Requirements at the forthcoming AGM of the Company.

The purpose of this Circular is to provide you with relevant information of the Proposals and to seek your approval for ordinary resolutions pertaining to the Proposals to be tabled as Special Business at the forthcoming Sixth AGM of the Company. The Notice of the Sixth AGM and the proxy form are enclosed in the 2019 Annual Report of the Company.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING SIXTH AGM.

2. DETAILS OF THE PROPOSALS

2.1. Provisions under the Listing Requirements

Paragraph 10.09(2) and Practice Note 12 of the Listing Requirements provides that a listed issuer may seek its shareholders' mandate for RRPTs subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year (based on the type of transactions, names of related parties involved in each type of transactions made and their relationship with the listed issuer) where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- (c) the issuance of a circular to shareholders for the shareholders' mandate includes such information as may be prescribed by Bursa Securities;
- (d) in a meeting to obtain the shareholders' mandate, a related party with any interest, direct or indirect, must not vote on the resolution approving the RRPTs. An interested Director or interested Major Shareholder must also ensure that the Person(s) Connected with them abstain from voting on the resolution approving the RRPTs; and
- (e) to immediately announce to Bursa Securities when the actual value of RRPTs entered into by the Company, exceeds the estimated value of the RRPTs disclosed in the circular by 10% or more of the aggregate value and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured a shareholders' mandate pursuant to Paragraph 10.09(2) of the Listing Requirements, the provisions of Paragraph 10.08 of the Listing Requirements will not apply.

2.2. Proposed Shareholders' Ratification, Proposed Shareholders' Mandate and Proposed New Shareholders' Mandate

The Board proposes to seek shareholders' ratification for the RRPTs entered into by LHI Group from the date of listing on 16 May 2019 up to the date of the forthcoming Sixth AGM and shareholders' mandate for the RRPTs to be entered into by LHI Group from the date of the forthcoming Sixth AGM until the next AGM of the Company. Such RRPTs have been/will be conducted in the ordinary course of business with the Related Parties and are on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interest of the minority shareholders of the Company.

The Proposed Shareholders' Mandate and Proposed New Shareholders' Mandate, if approved, will take effect from the date of the passing of the proposed ordinary resolutions at the forthcoming Sixth AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the forthcoming Sixth AGM at which the Proposed Shareholders' Mandate and Proposed New Shareholders' Mandate were passed, at which time it will lapse, unless by a resolution passed in a general meeting whereby the authority is renewed; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340 of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) the mandate is revoked or varied by an Ordinary Resolution passed by the shareholders in a general meeting,

whichever is the earlier.

Thereafter, approval from shareholders will be sought for the renewal of the Proposed Shareholders' Mandate and Proposed New Shareholders' Mandate at each subsequent AGM of the Company if the Directors decide that the renewal of the mandate is desirable.

2.3. Principal business activities of the LHI Group

As at the LPD, the principal business activity of the Company is investment holding whilst its subsidiaries are principally involved in the integrated poultry industry and the production of feed products for livestock, as follows:

| | Name of company | Country of incorporation | Equity interest held (%) | Principal activities |
|---|---|---------------------------------|---------------------------------|--|
| | Wholly-owned subsidiaries of LHI | | | |
| 1 | Dragon Amity Pte Ltd | Singapore | 100.00 | Investment holding |
| 2 | Leong Hup Corporate Services Sdn Bhd | Malaysia | 100.00 | Management services provider |
| 3 | Leong Hup (Malaysia) Sdn Bhd | Malaysia | 100.00 | Investment holding |
| 4 | Leong Hup Myanmar Co., Ltd | Myanmar | 100.00 | Crop and animal production, hunting and related service activities |
| 5 | Leong Hup (Philippines), Inc | Philippines | 100.00 | Raising, breeding, cross-breeding, fattening and pasturing of poultry and similar stocks |
| 6 | Leong Hup Singapore Pte Ltd | Singapore | 100.00 | Investment holding |

| | Name of company | Country of incorporation | Equity interest held (%) | Principal activities |
|----|---|---------------------------------|---------------------------------|--|
| 7 | United Global Resources Limited | Labuan, Malaysia | 100.00 | Investment holding and trading of materials |
| 8 | Subsidiary of Dragon Amity Pte Ltd PT Malindo Feedmill TBK | Indonesia | 57.80 | Investment holding, poultry feed industry and day old chicks farming |
| 9 | Subsidiaries of PT Malindo Feedmill TBK PT Bibit Indonesia | Indonesia | 57.72 | Broiler grandparent stock farming |
| 10 | PT Leong Ayamsatu Primadona | Indonesia | 57.77 | Day old chicks and broiler chicken farm |
| 11 | PT Malindo Food Delight | Indonesia | 57.79 | Processing and preserving of meat |
| 12 | PT Mitra Bebek Persada | Indonesia | 57.22 | Duck farming |
| 13 | PT Prima Fajar | Indonesia | 57.78 | Trading and service and broiler chicken farm |
| 14 | PT Quality Indonesia | Indonesia | 40.44 | Duck farming |
| 15 | Subsidiaries of Leong Hup (Malaysia) Sdn Bhd Ayam A1 Food Corporation Sdn Bhd | Malaysia | 100.00 | Provision of manufacturing related services |
| 16 | Advantage Valuations Sdn Bhd | Malaysia | 51.00 | Investment holding |
| 17 | Beaming Agrotrade Sdn Bhd | Malaysia | 100.00 | Provision of manufacturing related services |
| 18 | FE Venture Sdn Bhd | Malaysia | 51.00 | Trading of animal feeds and veterinary products and investment holding |
| 19 | Ladang Ternakan Maju Sdn Bhd | Malaysia | 100.00 | Provision of farming related services |

| | Name of company | Country of incorporation | Equity interest held (%) | Principal activities |
|----|--|---------------------------------|---------------------------------|--|
| 20 | Leong Hup Feedmill Sdn Bhd | Malaysia | 100.00 | Provision of manufacturing related services |
| 21 | Leong Hup (G.P.S.) Farm Sdn Bhd | Malaysia | 100.00 | Provision of farming related services |
| 22 | Leong Hup Agrobusiness Sdn Bhd | Malaysia | 100.00 | Poultry farming, trading of broiler chickens, day old chicks, poultry feeds, medicine, processing and marketing of chicken and related products, renting of farm buildings, confectionary and investment holding |
| 23 | Leong Hup Broiler Farm Sdn Bhd | Malaysia | 100.00 | Provision of farming related services |
| 24 | Leong Hup Feedmill Malaysia Sdn Bhd | Malaysia | 100.00 | Manufacturing and marketing of animal feeds |
| 25 | Leong Hup Poultry Farm Sdn Bhd | Malaysia | 100.00 | Provision of farming related services |
| 26 | Leong Hup Poultry Farm (Sabah) Sdn Bhd | Malaysia | 100.00 | Poultry farming and related products |
| 27 | Leong Hup Ruminant Farm Sdn Bhd | Malaysia | 100.00 | Investment holding |
| 28 | New Soon Teng Poultry Sdn Bhd | Malaysia | 70.00 | Rearing of colourbird |
| 29 | Sri Medan Duck Farm Sdn Bhd | Malaysia | 100.00 | Provision of farming related services |
| 30 | The Baker's Cottage Restaurant Sdn Bhd | Malaysia | 100.00 | Operating a restaurant dealing with food and beverages |

| | Name of company | Country of incorporation | Equity interest held (%) | Principal activities |
|----|--|---------------------------------|---------------------------------|---|
| 31 | Subsidiary of Ayam A1 Food Corporation Sdn Bhd Ayam A1 Food Processing Sdn Bhd | Malaysia | 100.00 | Provision of manufacturing related services |
| 32 | Subsidiary of Advantage Valuations Sdn Bhd Teo Seng Capital Berhad | Malaysia | 29.02 | Investment holding and provision of management services |
| 33 | Subsidiaries of FE Venture Sdn Bhd Farm Excel Distribution Sdn Bhd | Malaysia | 51.00 | Trading of health and beauty products |
| 34 | Laboratorios Reveex (Asia) Sdn Bhd | Malaysia | 26.01 | Trading of veterinary products |
| 35 | Subsidiaries of Ladang Ternakan Maju Sdn Bhd Rising Momentum Sdn Bhd | Malaysia | 51.00 | Rearing of broiler chicken for sales |
| 36 | Ternakan Emas Sdn Bhd | Malaysia | 100.00 | Dormant |
| 37 | Subsidiaries of Leong Hup Agrobusiness Sdn Bhd Exclusive Treasures Sdn Bhd | Malaysia | 100.00 | Rearing of broiler chicken for sales |
| 38 | J.B. Kim Farm Sdn Bhd | Malaysia | 51.00 | Rearing of broiler chicken for sales |
| 39 | Mantap Untung Sdn Bhd | Malaysia | 51.00 | Rearing of broiler chicken for sales |
| 40 | Mighty Farms Sdn Bhd | Malaysia | 51.00 | Rearing of broiler chicken for sales |
| 41 | Sweet Vista Sdn Bhd | Malaysia | 100.00 | Rearing of broiler chicken for sales |
| 42 | Subsidiary of Leong Hup Broiler Farm Sdn Bhd Goldkist Breeding Farms Sdn Bhd | Malaysia | 100.00 | Provision of farming related services |
| 43 | Subsidiaries of Leong Hup Feedmill Sdn Bhd Kayangan Runding Sdn Bhd | Malaysia | 100.00 | Property investment holding |

| | Name of company | Country of incorporation | Equity interest held (%) | Principal activities |
|----|--|---------------------------------|---------------------------------|---|
| 44 | Ideal Multifeed (Malaysia) Sdn Bhd | Malaysia | 100.00 | Manufacturing and marketing of animal feed |
| 45 | Jaco Nutrimix Sdn Bhd | Malaysia | 100.00 | Dormant |
| 46 | Subsidiary of Leong Hup (G.P.S.) Farm Sdn Bhd Leong Hup Aquaculture Sdn Bhd | Malaysia | 100.00 | Operator of fish rearing |
| 47 | Subsidiary of Leong Hup Ruminant Farm Sdn Bhd Leong Hup Agriculture (Desaru) Sdn Bhd | Malaysia | 60.00 | Plantation - cultivation of fruits |
| 48 | Subsidiary of Sri Medan Duck Farm Sdn Bhd Prima Anjung Sdn Bhd | Malaysia | 100.00 | Poultry farming, sale of poultry and related products and aquaculture |
| 49 | Subsidiary of Ternakan Emas Sdn Bhd Golden Egg Sdn Bhd | Malaysia | 100.00 | Dormant |
| 50 | Subsidiaries of Teo Seng Capital Berhad Liberal Energy Sdn Bhd | Malaysia | 29.02 | General trading and generation of energy by establishment of bio gas plants – Dormant |
| 51 | Premium Eggs Product Pte Ltd | Singapore | 29.02 | Wholesaler importers, exporters of egg products |
| 52 | Pioneer Prosperity Sdn Bhd | Malaysia | 29.02 | Dormant – under members' voluntary winding up process |
| 53 | Ritma Prestasi Sdn Bhd | Malaysia | 29.02 | Distribution of pet food, medicine and other animal health related products |
| 54 | Success Century Sdn Bhd | Malaysia | 29.02 | Poultry farming |
| 55 | Teo Seng Farming Sdn Bhd | Malaysia | 29.02 | Poultry farming and investment holding |

| | Name of company | Country of incorporation | Equity interest held (%) | Principal activities |
|----|---|---------------------------------|---------------------------------|--|
| 56 | Teo Seng Feedmill Sdn Bhd | Malaysia | 29.02 | Manufacturing and marketing of animal feeds |
| 57 | Teo Seng Paper Products Sdn Bhd | Malaysia | 29.02 | Manufacturing and marketing of egg trays |
| 58 | Subsidiary of Premium Eggs Product Pte Ltd BH Fresh Food Pte Ltd | Singapore | 29.02 | Provision of cold room services, and other investment holding including renting of factory space |
| 59 | Subsidiary of Teo Seng Paper Products Sdn Bhd B-Tech Aquaculture Sdn Bhd | Malaysia | 29.02 | Dormant |
| 60 | Subsidiary of Ritma Prestasi Sdn Bhd Ritma Premier Pte Ltd | Singapore | 29.02 | Distribution of pet food, medicine and other animal health related products |
| 61 | Subsidiaries of Teo Seng Farming Sdn Bhd Great Egg Industries Sdn Bhd | Malaysia | 29.02 | Dormant |
| 62 | Laskar Fertiliser Sdn Bhd | Malaysia | 29.02 | Waste management services, dealing in fertiliser, conduct research on the fertiliser and agricultural business process and to carry on the business of processing of value added products and farm produce |
| 63 | Subsidiary of Success Century Sdn Bhd Professional Vet Enterprise Sdn Bhd | Malaysia | 29.02 | Trading of veterinary pharmaceutical biological products and farming equipment |

| | Name of company | Country of incorporation | Equity interest held (%) | Principal activities |
|----|--|---------------------------------|---------------------------------|--|
| | Subsidiaries of Leong Hup Singapore Pte Ltd | | | |
| 64 | Lee Say Group Pte Ltd | Singapore | 100.00 | Slaughtering, processing and sale of fresh and frozen poultry and investment holding |
| 65 | ES Food International Pte Ltd | Singapore | 100.00 | Investment holding |
| | Subsidiaries of Lee Say Group Pte Ltd | | | |
| 66 | Hup Heng Poultry Industries Pte Ltd | Singapore | 67.18 | Slaughtering of poultry, wholesale, processing and preserving of meat and meat product |
| 67 | Kendo Trading Pte Ltd | Singapore | 51.00 | Slaughtering, processing and sale of fresh and frozen poultry products |
| 68 | Lee Say Breeding Farm Sdn Bhd | Malaysia | 100.00 | Provision of farming related services |
| 69 | Lee Say Food Holdings Pte Ltd | Singapore | 100.00 | Investment holding |
| 70 | Tasty Meat Products Pte Ltd | Singapore | 80.00 | Manufacturer, importers, exporters, stores and packers of processed meats |
| | Subsidiaries of ES Food Pte Ltd | | | |
| 71 | Leong Hup Food Pte Ltd | Singapore | 100.00 | General importers and distributor of chickens and other meat products |
| 72 | Leong Hup Distribution Pte Ltd | Singapore | 100.00 | General trading of frozen food products and provision of warehousing activities |
| 73 | Safa Gourmet Food Pte Ltd | Singapore | 100.00 | Halal meat processing, manufacturing, wholesale and retail |

| | Name of company | Country of incorporation | Equity interest held (%) | Principal activities |
|----|---|---------------------------------|---------------------------------|---|
| 74 | Soonly Food Processing Industries Pte Ltd | Singapore | 100.00 | Slaughtering, processing and sale of fresh and frozen poultry |
| | Subsidiaries of Lee Say Breeding Farm Sdn Bhd | | | |
| 75 | Heng Kai Hock Farm Sdn Bhd | Malaysia | 100.00 | Poultry farming and related products |
| 76 | My-Kando Food Industries Sdn Bhd | Malaysia | 100.00 | Poultry farming, rental of chicken coops and related activities |
| 77 | Prestige Fortune Sdn Bhd | Malaysia | 55.00 | Poultry farming operations and the provision of consultancy services relating to poultry farming operations |
| | Subsidiary of Prestige Fortune Sdn Bhd | | | |
| 78 | Prestige Fortune (S) Pte Ltd | Singapore | 55.00 | Wholesale and distribution of poultry |
| | Subsidiary of Kendo Trading Pte Ltd | | | |
| 79 | Wang Xiang Shun Food Industry Pte Ltd | Singapore | 26.01 | Production, processing and preserving of meat and meat products |
| | Subsidiary of Lee Say Food Holdings Pte Ltd | | | |
| 80 | PT Ayam Prima Esa | Indonesia | 100.00 | In Liquidation |
| | Subsidiaries of United Global Resources Limited | | | |
| 81 | Emivest Feedmill (TG) Vietnam Limited Liability Company | Vietnam | 100.00 | Producing animal and poultry feed |
| 82 | Emivest Feedmill Vietnam Company Limited | Vietnam | 100.00 | Operating poultry hatcheries and breeder farms and producing animal poultry feed |
| 83 | Leong Hup (Cambodia) Limited | Cambodia | 100.00 | Trading of animal feed |
| 84 | Leong Hup Feedmill Vietnam Limited Liability Company | Vietnam | 100.00 | Producing animal and poultry feed |

| | Name of company | Country of incorporation | Equity interest held (%) | Principal activities |
|----|--|---------------------------------|---------------------------------|--|
| 85 | Associate company of Leong Hup Feedmill Sdn Bhd Indahgrains Logistics Sdn Bhd | Malaysia | 20.00 | Operating of warehouse and warehouse management |
| 86 | Associate company of Leong Hup (Philippines), Inc Greatmammoth Properties, Inc | Philippines | 40.00 | Engaging in the business of acquiring by purchase, lease or otherwise, and to own, use, improve, manage, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for agricultural, commercial, industrial, investment or other purposes. |

2.4. Classes of Related Parties and details of RRPTs

The details of the RRPTs entered and/or to be entered into by LHI Group with the Related Parties under the Proposals are as follows:

(i) Proposed Shareholders' Ratification and Proposed Shareholders' Mandate

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Proposed Shareholders' Ratification | | Proposed Shareholders' Mandate |
|--|--|---|--|--|--------------------------------|
| | | | Estimated aggregate value to be incurred from the date of listing (16 May 2019) to 30 June 2020 (RM) | Actual aggregate value transacted from the date of listing (16 May 2019) to LPD (RM) | |
| A'Famosa Golf Resort Bhd and its subsidiaries ("A'Famosa Group") | <p>Sale of poultry products & processed food</p> <p>Purchase of goods and services including:</p> <ul style="list-style-type: none"> • admission ticket • golf services • hotel accommodation services • cleaning and maintenance services | <p><u>Interested Directors⁽¹⁾</u></p> <ul style="list-style-type: none"> • Lau Chia Nguang • Dato' Lau Eng Guang • Tan Sri Lau Tuang Nguang | 6,000 | 2,100 | 4,000 |
| | | | 553,149 | 29,204 | 62,000 |

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Proposed Shareholders' Ratification | | Proposed Shareholders' Mandate |
|----------------------|---|---|--|--|--------------------------------|
| | | | Estimated aggregate value to be incurred from the date of listing (16 May 2019) to 30 June 2020 (RM) | Actual aggregate value transacted from the date of listing (16 May 2019) to LPD (RM) | |
| Aispuri Sdn Bhd | Sale of chicken and processed food Procurement of hotel accommodation services | <u>Interested Major Shareholders and Directors⁽²⁾</u> <ul style="list-style-type: none"> ● Datuk Lau Joo Hong ● Lau Joo Han <u>Interested Major Shareholders⁽²⁾</u> <ul style="list-style-type: none"> ● CWL&S ● Lau Joo Heng ● Lau Jui Peng <u>Interested Directors⁽²⁾</u> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato' Lau Eng Guang ● Tan Sri Lau Tuang Nguang ● Lau Joo Keat | 18,146 117,173 | 810 37,929 | 16,000 70,000 |
| Alam Muhibah Sdn Bhd | Sale of litters | <u>Interested Major Shareholders and Directors⁽³⁾</u> <ul style="list-style-type: none"> ● Datuk Lau Joo Hong ● Lau Joo Han <u>Interested Major Shareholders⁽³⁾</u> <ul style="list-style-type: none"> ● CWL&S ● Lau Joo Heng ● Lau Jui Peng <u>Interested Directors⁽³⁾</u> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato' Lau Eng Guang ● Tan Sri Lau Tuang Nguang ● Lau Joo Keat | 15,000 | 3,600 | 10,000 |

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Proposed Shareholders' Ratification | | Proposed Shareholders' Mandate |
|---------------------------------------|---|--|--|--|--------------------------------|
| | | | Estimated aggregate value to be incurred from the date of listing (16 May 2019) to 30 June 2020 (RM) | Actual aggregate value transacted from the date of listing (16 May 2019) to LPD (RM) | |
| Amalan Tepat Sdn Bhd | Maintenance service fee expenses | <u>Interested Directors⁽⁴⁾</u> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato' Lau Eng Guang ● Tan Sri Lau Tuang Nguang | 21,564 | 6,294 | 10,000 |
| Astaka Shopping Centre (Muar) Sdn Bhd | Sale of goods including: <ul style="list-style-type: none"> ● chicken ● processed products ● scraps Purchase of goods and services including: <ul style="list-style-type: none"> ● chicken ● processed products ● stationery and sundries ● cash vouchers and hampers ● utilities fees, cleaning and washing services | <u>Interested Major Shareholders and Directors⁽⁵⁾</u> <ul style="list-style-type: none"> ● Datuk Lau Joo Hong ● Lau Joo Han <u>Interested Major Shareholders⁽⁵⁾</u> <ul style="list-style-type: none"> ● Lau Jui Peng ● Lau Joo Heng <u>Interested Directors⁽⁵⁾</u> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato' Lau Eng Guang ● Tan Sri Lau Tuang Nguang ● Lau Joo Keat | 11,556,854 | 7,561,583 | 9,001,500 |
| | | | 3,150,857 | 1,307,364 | 1,427,569 |

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Proposed Shareholders' Ratification | | Proposed Shareholders' Mandate |
|---|---|--|--|--|--------------------------------|
| | | | Estimated aggregate value to be incurred from the date of listing (16 May 2019) to 30 June 2020 (RM) | Actual aggregate value transacted from the date of listing (16 May 2019) to LPD (RM) | |
| Chiap Hup Known You Agriculture Sdn Bhd | Provision of maintenance service income | <u>Interested Major Shareholder and Director⁽⁶⁾</u> ● Lau Joo Han | 16,600 | 3,984 | 10,000 |
| | Purchase of agriculture related product and transportation expenses | | 40,300 | 31,134 | 61,245 |
| Darma Canggih Sdn Bhd | Rental Payable | <u>Interested Major Shareholder and Director⁽⁷⁾</u> ● Lau Joo Han <u>Interested Directors⁽⁷⁾</u> ● Lau Chia Nguang ● Dato' Lau Eng Guang ● Tan Sri Lau Tuang Nguang | 50,000 | 18,000 | 0 |

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Proposed Shareholders' Ratification | | Proposed Shareholders' Mandate |
|--|---|--|--|--|--------------------------------|
| | | | Estimated aggregate value to be incurred from the date of listing (16 May 2019) to 30 June 2020 (RM) | Actual aggregate value transacted from the date of listing (16 May 2019) to LPD (RM) | |
| EGSB and its subsidiaries ("EGSB Group") <i>Note: effective from 27 December 2019, a group of EGSB's subsidiaries with which the LHI Group has RRPTs, has been divested to LHM.</i> | Procurement of services including: <ul style="list-style-type: none"> • rental payable • utilities fee expenses • trademark license expenses | <u>Interested Major Shareholders and Directors⁽⁸⁾</u> <ul style="list-style-type: none"> • Datuk Lau Joo Hong • Lau Joo Han <u>Interested Major Shareholders⁽⁸⁾</u> <ul style="list-style-type: none"> • EGSB • CWL&S • Lau Jui Peng • Lau Joo Heng <u>Interested Directors⁽⁸⁾</u> <ul style="list-style-type: none"> • Lau Chia Nguang • Dato' Lau Eng Guang • Tan Sri Lau Tuang Nguang • Lau Joo Keat | 1,086,411 | 1,086,411 | 0 |

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Proposed Shareholders' Ratification | | Proposed Shareholders' Mandate |
|---|--|---|--|--|--------------------------------|
| | | | Estimated aggregate value to be incurred from the date of listing (16 May 2019) to 30 June 2020 (RM) | Actual aggregate value transacted from the date of listing (16 May 2019) to LPD (RM) | |
| Emerging Success Pte Ltd ("Emerging Success") | Sale of goods and services including: <ul style="list-style-type: none"> • food products • management fees • rental Purchase of food products | <u>Interested Major Shareholders and Directors⁽⁹⁾</u> <ul style="list-style-type: none"> • Datuk Lau Joo Hong • Lau Joo Han <u>Interested Major Shareholders⁽⁹⁾</u> <ul style="list-style-type: none"> • Lau Jui Peng • Lau Joo Heng <u>Interested Directors⁽⁹⁾</u> <ul style="list-style-type: none"> • Lau Chia Nguang • Dato' Lau Eng Guang • Tan Sri Lau Tuang Nguang • Lau Joo Keat | 9,378,367 | 18,466,040 | 17,702,745 |
| Hornbill Restoran & Kafe Sdn Bhd | Sale of fresh chicken & processed products | <u>Interested Directors⁽¹⁰⁾</u> <ul style="list-style-type: none"> • Lau Chia Nguang • Dato' Lau Eng Guang • Tan Sri Lau Tuang Nguang | 100,759 | 58,310 | 80,000 |
| Ikatan Kayangan Sdn Bhd | Sale of fresh chicken & processed products | <u>Interested Directors⁽¹¹⁾</u> <ul style="list-style-type: none"> • Lau Chia Nguang • Dato' Lau Eng Guang • Tan Sri Lau Tuang Nguang • Lau Joo Keat | 2,000 | 239 | 1,000 |

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Proposed Shareholders' Ratification | | Proposed Shareholders' Mandate |
|---|---|--|--|--|--------------------------------|
| | | | Estimated aggregate value to be incurred from the date of listing (16 May 2019) to 30 June 2020 (RM) | Actual aggregate value transacted from the date of listing (16 May 2019) to LPD (RM) | |
| Jordon International Food Processing Pte Ltd (“Jordon”) | <p>Sale of goods including:</p> <ul style="list-style-type: none"> ● fresh chicken ● fresh duck ● meat products <p>Purchase of goods and services including :</p> <ul style="list-style-type: none"> ● frozen foods ● sundries ● management service and storage expense ● rental payable | <p><u>Interested Directors⁽¹²⁾</u></p> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato’ Lau Eng Guang ● Tan Sri Lau Tuang Nguang ● Lau Joo Keat | 35,850,083 | 19,605,362 | 22,962,870 |
| Kemajuan Mariwan Sdn Bhd | <p>Procurement of services including:</p> <ul style="list-style-type: none"> ● hotel accommodation services ● rental payable | <p><u>Interested Major Shareholders and Directors⁽¹³⁾</u></p> <ul style="list-style-type: none"> ● Datuk Lau Joo Hong ● Lau Joo Han <p><u>Interested Major Shareholders⁽¹³⁾</u></p> <ul style="list-style-type: none"> ● CWL&S ● Lau Jui Peng ● Lau Joo Heng <p><u>Interested Directors⁽¹³⁾</u></p> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato’ Lau Eng Guang ● Tan Sri Lau Tuang Nguang ● Lau Joo Keat | 347,389 | 120,898 | 640,000 |

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Proposed Shareholders' Ratification | | Proposed Shareholders' Mandate |
|---------------------------------------|--|--|--|--|--------------------------------|
| | | | Estimated aggregate value to be incurred from the date of listing (16 May 2019) to 30 June 2020 (RM) | Actual aggregate value transacted from the date of listing (16 May 2019) to LPD (RM) | |
| Leong Hup Corporation Sdn Bhd ("LHC") | Provision of services including secretarial and IT services income Procurement of services including: <ul style="list-style-type: none"> • rental payable • management service and storage expenses | <u>Interested Major Shareholders and Directors⁽¹⁴⁾</u> <ul style="list-style-type: none"> • Datuk Lau Joo Hong • Lau Joo Han <u>Interested Major Shareholders⁽¹⁴⁾</u> <ul style="list-style-type: none"> • Lau Jui Peng • Lau Joo Heng <u>Interested Directors⁽¹⁴⁾</u> <ul style="list-style-type: none"> • Lau Chia Nguang • Dato' Lau Eng Guang • Tan Sri Lau Tuang Nguang • Lau Joo Keat | 187,000 | 0 | 0 |
| | | | 238,336 | 173,942 | 152,342 |

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Proposed Shareholders' Ratification | | Proposed Shareholders' Mandate |
|---|---|---|--|--|---|
| | | | Estimated aggregate value to be incurred from the date of listing (16 May 2019) to 30 June 2020 (RM) | Actual aggregate value transacted from the date of listing (16 May 2019) to LPD (RM) | |
| LHM and its subsidiaries ("LHM Group") <i>Note: effective from 27 December 2019, a group of EGSB's subsidiaries with which the LHI Group has RRPTs, has been divested to LHM</i> | Procurement of services including: <ul style="list-style-type: none"> • rental payable • utilities fees expenses • trademark license expenses | <u>Interested Major Shareholders and Directors⁽¹⁵⁾</u> <ul style="list-style-type: none"> • Datuk Lau Joo Hong • Lau Joo Han <u>Interested Major Shareholders⁽¹⁵⁾</u> <ul style="list-style-type: none"> • Lau Jui Peng • Lau Joo Heng <u>Interested Directors⁽¹⁵⁾</u> <ul style="list-style-type: none"> • Lau Chia Nguang • Dato' Lau Eng Guang • Tan Sri Lau Tuang Nguang • Lau Joo Keat | 2,550,285 (RM) | 432,117 (RM) | Estimated aggregate value to be transacted from the forthcoming AGM on 26 June 2020 to the next AGM (RM) 2,674,413 |

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Proposed Shareholders' Ratification | | Proposed Shareholders' Mandate |
|------------------------------|---|---|--|--|--------------------------------|
| | | | Estimated aggregate value to be incurred from the date of listing (16 May 2019) to 30 June 2020 (RM) | Actual aggregate value transacted from the date of listing (16 May 2019) to LPD (RM) | |
| Leong Hup Industries Sdn Bhd | Rental payable | <u>Interested Major Shareholders and Directors⁽¹⁶⁾</u> <ul style="list-style-type: none"> ● Datuk Lau Joo Hong ● Lau Joo Han <u>Interested Major Shareholders⁽¹⁶⁾</u> <ul style="list-style-type: none"> ● Lau Joo Heng ● Lau Jui Peng <u>Interested Directors⁽¹⁶⁾</u> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato' Lau Eng Guang ● Tan Sri Lau Tuang Nguang ● Lau Joo Keat | 9,000 | 3,468 | 5,000 |
| Leong Hup Pedagog Sayur | Purchase of vegetables | <u>Interested Director⁽¹⁷⁾</u> <ul style="list-style-type: none"> ● Lau Joo Keat | 344,303 | 238,211 | 290,000 |
| Pengangkutan Mekar Sdn Bhd | <p>Sale of goods and services including chicken product and sundries</p> <p>Procurement of services including transportation and related services expense</p> | <u>Interested Directors⁽¹⁸⁾</u> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato' Lau Eng Guang ● Tan Sri Lau Tuang Nguang | 101,000 | 471 | 1,000 |
| | | | 20,758,448 | 15,303,072 | 15,806,945 |

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Proposed Shareholders' Ratification | | Proposed Shareholders' Mandate |
|--|--|--|--|--|--------------------------------|
| | | | Estimated aggregate value to be incurred from the date of listing (16 May 2019) to 30 June 2020 (RM) | Actual aggregate value transacted from the date of listing (16 May 2019) to LPD (RM) | |
| Perfect Breeding And Aquatic Corporation | Sale of goods including sale of raw material and medicine | <u>Interested Major Shareholder and Director⁽¹⁹⁾</u> <ul style="list-style-type: none"> ● Datuk Lau Joo Hong | 15,000 | 351,364 | 2,460,000 |
| | Purchase of feed additives, chicken vaccines and antibiotics | <u>Interested Major Shareholders⁽¹⁹⁾</u> <ul style="list-style-type: none"> ● Lau Jui Peng ● Lau Joo Heng <u>Interested Directors⁽¹⁹⁾</u> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato' Lau Eng Guang ● Tan Sri Lau Tuang Nguang | 2,861,648 | 2,513,297 | 5,700,000 |
| Perfect Food Solutions Pte Ltd | Sale of poultry products | <u>Interested Directors⁽²⁰⁾</u> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato' Lau Eng Guang ● Tan Sri Lau Tuang Nguang ● Lau Joo Keat | 21,406,732 | 18,366,202 | 23,540,980 |

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Proposed Shareholders' Ratification | | Proposed Shareholders' Mandate |
|----------------------------------|--|--|--|--|--------------------------------|
| | | | Estimated aggregate value to be incurred from the date of listing (16 May 2019) to 30 June 2020 (RM) | Actual aggregate value transacted from the date of listing (16 May 2019) to LPD (RM) | |
| Phil Malay Poultry Breeders, Inc | <p>Sale of goods and services including:</p> <ul style="list-style-type: none"> • hatching eggs • laboratory services income <p>Purchase of goods including:</p> <ul style="list-style-type: none"> • grandparent stock and day old chicks • veterinary products | <p><u>Interested Major Shareholders and Directors⁽²¹⁾</u></p> <ul style="list-style-type: none"> • Datuk Lau Joo Hong • Lau Joo Han <p><u>Interested Major Shareholders⁽²¹⁾</u></p> <ul style="list-style-type: none"> • EGSB • CWL&S • Lau Jui Peng • Lau Joo Heng <p><u>Interested Directors⁽²¹⁾</u></p> <ul style="list-style-type: none"> • Lau Chia Nguang • Dato' Lau Eng Guang • Tan Sri Lau Tuang Nguang | 1,384,000 | 1,910,107 | 2,000,000 |
| | | | 6,955,060 | 7,784,289 | 10,500,000 |
| Poly-Yarn Industries Sdn Bhd | <p>Sale of goods and services including:</p> <ul style="list-style-type: none"> • fresh chicken • processed products • rental income • cleaning and washing services income <p>Purchase of packing material</p> | <p><u>Interested Major Shareholders and Directors⁽²²⁾</u></p> <ul style="list-style-type: none"> • Datuk Lau Joo Hong • Lau Joo Han <p><u>Interested Major Shareholders⁽²²⁾</u></p> <ul style="list-style-type: none"> • Lau Jui Peng • Lau Joo Heng <p><u>Interested Directors⁽²²⁾</u></p> <ul style="list-style-type: none"> • Lau Chia Nguang • Dato' Lau Eng Guang • Tan Sri Lau Tuang Nguang • Lau Joo Keat | 601,173 | 476,440 | 504,946 |
| | | | 12,648,501 | 8,639,965 | 11,613,594 |

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Proposed Shareholders' Ratification | | Proposed Shareholders' Mandate |
|-----------------------|---|--|--|--|--------------------------------|
| | | | Estimated aggregate value to be incurred from the date of listing (16 May 2019) to 30 June 2020 (RM) | Actual aggregate value transacted from the date of listing (16 May 2019) to LPD (RM) | |
| Popular Yield Sdn Bhd | Rental income | <u>Interested Major Shareholders and Directors⁽²³⁾</u> <ul style="list-style-type: none"> ● Datuk Lau Joo Hong ● Lau Joo Han <u>Interested Major Shareholders⁽²³⁾</u> <ul style="list-style-type: none"> ● Lau Jui Peng ● Lau Joo Heng <u>Interested Directors⁽²³⁾</u> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato' Lau Eng Guang ● Tan Sri Lau Tuang Nguang ● Lau Joo Keat | 336,739 | 171,725 | 245,273 |
| PT Leong Hup Jayaindo | Sale of goods and services including: <ul style="list-style-type: none"> ● raw material and livestock ● internal audit services income Purchase of raw material and livestock | <u>Interested Directors⁽²⁴⁾</u> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato' Lau Eng Guang ● Tan Sri Lau Tuang Nguang ● Datuk Lau Joo Hong ● Lau Joo Han ● Lau Joo Keat | 123,503,319 | 76,868,671 | 114,356,468 |
| | | | 100,833,351 | 68,528,329 | 99,921,967 |

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Proposed Shareholders' Ratification | | Proposed Shareholders' Mandate |
|---------------------------------------|--|---|--|--|--------------------------------|
| | | | Estimated aggregate value to be incurred from the date of listing (16 May 2019) to 30 June 2020 (RM) | Actual aggregate value transacted from the date of listing (16 May 2019) to LPD (RM) | |
| PT Sehat Cerah Indonesia | Sale of premix and raw material Purchase of animal healthcare and premix | <u>Interested Directors⁽²⁵⁾</u> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato' Lau Eng Guang ● Tan Sri Lau Tuang Nguang ● Datuk Lau Joo Hong ● Lau Joo Han ● Lau Joo Keat | 45,071,715 | 20,929,361 | 41,278,746 |
| Safari Bird Park & Wonderland Sdn Bhd | Sale of goods, including: <ul style="list-style-type: none"> ● processed and animal foods ● raw material and livestock feed ● fresh chicken Purchase of sundries | <u>Interested Directors⁽²⁶⁾</u> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato' Lau Eng Guang ● Tan Sri Lau Tuang Nguang | 649,335 | 14,548 | 99,201 |
| | | | 3,417 | 0 | 7,875 |

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Proposed Shareholders' Ratification | | Proposed Shareholders' Mandate |
|-----------------------------|--|---|--|--|--------------------------------|
| | | | Estimated aggregate value to be incurred from the date of listing (16 May 2019) to 30 June 2020 (RM) | Actual aggregate value transacted from the date of listing (16 May 2019) to LPD (RM) | |
| Selasih Prospek Sdn Bhd | Sale of poultry products | <u>Interested Major Shareholders and Directors⁽²⁷⁾</u> <ul style="list-style-type: none"> ● Datuk Lau Joo Hong ● Lau Joo Han <u>Interested Major Shareholder⁽²⁷⁾</u> <ul style="list-style-type: none"> ● EGSB ● CWL&S ● Lau Jui Peng ● Lau Joo Heng <u>Interested Directors⁽²⁷⁾</u> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato' Lau Eng Guang ● Tan Sri Lau Tuang Nguang ● Lau Joo Keat | 537,615 | 654,785 | 0 |
| Teratai Agriculture Sdn Bhd | Sale of goods including: <ul style="list-style-type: none"> ● livestock feed ● veterinary products ● provision of laboratory services income | <u>Interested Major Shareholders and Directors⁽²⁸⁾</u> <ul style="list-style-type: none"> ● Datuk Lau Joo Hong ● Lau Joo Han <u>Interested Major Shareholders⁽²⁸⁾</u> <ul style="list-style-type: none"> ● Lau Joo Heng ● Lau Jui Peng <u>Interested Directors⁽²⁸⁾</u> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato' Lau Eng Guang ● Tan Sri Lau Tuang Nguang ● Lau Joo Keat | 87,330,104 | 60,232,098 | 86,286,336 |

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Proposed Shareholders' Ratification | | Proposed Shareholders' Mandate |
|--|---|--|--|--|--------------------------------|
| | | | Estimated aggregate value to be incurred from the date of listing (16 May 2019) to 30 June 2020 (RM) | Actual aggregate value transacted from the date of listing (16 May 2019) to LPD (RM) | |
| Teratai Agriculture Vietnam Limited | Sale of goods including: <ul style="list-style-type: none"> • livestock feed • commercial egg • broiler chicken Purchase of livestock feed | <u>Interested Major Shareholders and Directors⁽²⁹⁾</u> <ul style="list-style-type: none"> • Datuk Lau Joo Hong • Lau Joo Han <u>Interested Major Shareholders⁽²⁹⁾</u> <ul style="list-style-type: none"> • Lau Joo Heng • Lau Jui Peng | 359,086,131 | 283,721,787 | 384,523,606 |
| The Baker's Cottage Sdn Bhd and its subsidiaries ("The Baker's Cottage Group") | Sale of goods and services including: <ul style="list-style-type: none"> • fresh chicken • processed products • café food & beverages • rental income Purchase of goods including: <ul style="list-style-type: none"> • bakeries, and refreshment • sundries products | <u>Interested Major Shareholders and Directors⁽³⁰⁾</u> <ul style="list-style-type: none"> • Datuk Lau Joo Hong • Lau Joo Han <u>Interested Major Shareholder⁽³⁰⁾</u> <ul style="list-style-type: none"> • EGSB • CWL&S • Lau Jui Peng • Lau Joo Heng <u>Interested Directors⁽³⁰⁾</u> <ul style="list-style-type: none"> • Lau Chia Nguang • Dato' Lau Eng Guang • Tan Sri Lau Tuang Nguang • Lau Joo Keat | 3,905,195 | 2,955,548 | 0 |
| Total | | | 1,023,356,044 | 732,564,701 | 1,033,652,562 |

Notes:

- (1) A'Famosa Group
Datuk Lau Chir Nguan is a director and shareholder of A'Famosa Golf Resort Bhd.
- (2) Aispuri Sdn Bhd
Aispuri Sdn Bhd is collectively owned by CWL&S, CNL&S, HNL&S, LTN, Lau Joo Han and Lau Joo Yong. Datuk Lau Joo Hong and Lau Joo Han are directors of Aispuri Sdn Bhd.
- (3) Alam Muhibah Sdn Bhd
CWL&S, CNL&S, HNL&S, LTN, Dato' Lau Eng Guang, Lau Joo Han, Lau Joo Yong and Leong Hup Holdings Sdn Bhd, a wholly-owned subsidiary of LHM, collectively hold the entire equity interests in Alam Muhibah. Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang are directors of Alam Muhibah Sdn Bhd.
- (4) Amalan Tepat Sdn Bhd
Datuk Lau Chir Nguan is a director and shareholder of Amalan Tepat Sdn Bhd.
- (5) Astaka Shopping Centre (Muar) Sdn Bhd
Astaka Shopping Centre (Muar) Sdn Bhd is a wholly-owned subsidiary of Xing Ji Food Products Sdn Bhd, which in turn is wholly-owned by LHM. Datuk Lau Joo Hong, Lau Jui Peng, Lau Joo Han and Lau Joo Ping are directors of Astaka Shopping Centre (Muar) Sdn Bhd.
- (6) Chiap Hup Known You Agriculture Sdn Bhd
Galaxy Boulevard Sdn Bhd is the ultimate holding company of Chiap Hup Known You Agriculture Sdn Bhd. Galaxy Boulevard Sdn Bhd is owned by Lau Joo Han and his spouse, Ng Swee Kheng. Lau Joo Han is a director of Chiap Hup Known You Agriculture Sdn Bhd.
- (7) Darma Canggih Sdn Bhd
Darma Canggih Sdn Bhd is owned by Dato' Lau Eng Guang and Lau Joo Han. Dato' Lau Eng Guang is a director of Darma Canggih Sdn Bhd.

(8) EGSB

CWL&S, HNL&S, Lau Chia Nguang, Dato' Lau Eng Guang, Tan Sri Lau Tuang Nguang and Lau Joo Han collectively owned the entire equity interests in EGSB. Lau Chia Nguang, Dato' Lau Eng Guang, Tan Sri Lau Tuang Nguang, Datuk Lau Joo Hong, Lau Joo Han and Lau Joo Keat are directors of EGSB.

(9) Emerging Success

The ultimate shareholders of Emerging Success are Lau Chia Nguang, Dato' Lau Eng Guang, Tan Sri Lau Tuang Nguang, Datuk Lau Joo Hong, Lau Jui Peng, Lau Joo Heng, Lau Joo Han and HNL&S. Lau Chia Nguang and Dato' Lau Eng Guang are directors of Emerging Success.

(10) Hornbill Restoran & Kafe Sdn Bhd

Hornbill Restoran & Kafe Sdn Bhd is collectively owned by Dato' Lau Eng Guang's spouse, Datin Goh Kim Kooi and their children, Lau Joo Yong, Lau Geok Hong and Lau Geok Jade. Lau Geok Hong is a director of Hornbill Restoran & Kafe Sdn Bhd.

(11) Ikatan Kayangan Sdn Bhd

Gabungan Mayang Plantation Sdn Bhd ("GMP") and Tan Sri Lau Tuang Nguang are shareholders of Ikatan Kayangan Sdn Bhd. GMP is collectively owned by:

- (a) CWL&S;
- (b) CNL&S;
- (c) HNL&S;
- (d) LTN;
- (e) Ritz Valley Sdn Bhd, a company owned by Lau Ah Lek, Lau Cheh Eng, Lau Lee Eng and Lau Kiow Eng. They are the sisters of Lau Chia Nguang, Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang;
- (f) Datin Chua Ah Nia @ Chua Kah Nui;
- (g) Dato' Lau Eng Guang;
- (h) Lau Joo Han; and
- (i) Lau Joo Yong.

Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang are directors of Ikatan Kayangan Sdn Bhd.

- (12) Jordon
Jordon is a wholly-owned subsidiary of Muar Regent Holdings Pte Ltd. Lau Chia Nguang, Dato' Lau Eng Guang, Tan Sri Lau Tuang Nguang, Datuk Lau Joo Hong, Lau Jui Peng, Lau Joo Heng, Lau Joo Han and HNL&S collectively own the entire equity interests in Muar Regent Holdings Pte Ltd. Lau Chia Nguang is a director of Jordon and Muar Regent Holdings Pte Ltd.
- (13) Kemajuan Mariwan Sdn Bhd
CWL&S, CNL&S, HNL&S, LTN, Lau Joo Han and Lau Joo Yong collectively owned the entire equity interests in Kemajuan Mariwan Sdn Bhd. Lau Joo Han is a director of Kemajuan Mariwan Sdn Bhd.
- (14) LHC
LHC is collectively owned by Lau Chia Nguang, Dato' Lau Eng Guang, Tan Sri Lau Tuang Nguang, Lau Hai Nguan, Datuk Lau Joo Hong, Lau Jui Peng, Lau Joo Heng and Lau Joo Han. Lau Jui Peng and Lau Joo Ping are directors of LHC.
- (15) LHM
LHM is collectively owned by Lau Chia Nguang, Tan Sri Lau Tuang Nguang, Datuk Lau Joo Hong, Lau Jui Peng, Lau Joo Heng, Lau Joo Han, Lau Joo Keat and persons connected to them.
- (16) Leong Hup Industries Sdn Bhd
Leong Hup Industries Sdn Bhd is collectively owned by Lau Chia Nguang, Dato' Lau Eng Guang, Tan Sri Lau Tuang Nguang, Lau Hai Nguan, Datuk Lau Joo Hong, Lau Jui Peng, Lau Joo Heng and Lau Joo Han. Dato' Lau Eng Guang and Lau Joo Han are directors of Leong Hup Industries Sdn Bhd.
- (17) Leong Hup Pedagang Sayur
Lau Joo Ping, is the sole proprietor of Leong Hup Pedagang Sayur.
- (18) Pengangkutan Mekar Sdn Bhd
Tan Sri Lau Tuang Nguang is a shareholder and a director of Pengangkutan Mekar Sdn Bhd.

(19) Perfect Breeding And Aquatic Corporation

Tan Sri Lau Tuang Nguang and Lau Jui Peng are shareholders and directors of Perfect Breeding And Aquatic Corporation.

(20) Perfect Food Solutions Pte Ltd

Perfect Food Solutions Pte Ltd is a wholly-owned subsidiary of Muar Regent Holdings Pte Ltd. Lau Chia Nguang, Dato' Lau Eng Guang, Tan Sri Lau Tuang Nguang, Datuk Lau Joo Hong, Lau Jui Peng, Lau Joo Heng, Lau Joo Han and HNL&S collectively own the entire equity interests in Muar Regent Holdings Pte Ltd. Lau Chia Nguang is a director of Muar Regent Holdings Pte Ltd.

(21) Phil Malay Poultry Breeders, Inc

Estate of Dato' Lau Bong Wong, Tan Sri Lau Tuang Nguang and Lau Jui Peng collectively own the entire equity interests in Phil Malay Poultry Breeders, Inc. Tan Sri Lau Tuang Nguang and Lau Jui Peng are directors of Phil Malay Poultry Breeders, Inc. Lau Joo Han is deemed interested in Phil Malay Poultry Breeders, Inc by virtue of him being the sole beneficiary of Estate of Dato' Lau Bong Wong.

(22) Poly-Yarn Industries Sdn Bhd

LHM, LHC and Estate of Dato' Lau Bong Wong collectively own the entire equity interests in Poly-Yarn Industries Sdn Bhd. LHC is collectively owned by Lau Chia Nguang, Dato' Lau Eng Guang, Tan Sri Lau Tuang Nguang, Lau Hai Nguan, Datuk Lau Joo Hong, Lau Jui Peng, Lau Joo Heng and Lau Joo Han. Lau Joo Han is deemed interested in Poly-Yarn Industries Sdn Bhd by virtue of him being the sole beneficiary of Estate of Dato' Lau Bong Wong. Lau Joo Han is a director of Poly-Yarn Industries Sdn Bhd.

(23) Popular Yield Sdn Bhd

Popular Yield Sdn Bhd is collectively owned by Lau Chia Nguang, Dato' Lau Eng Guang, Tan Sri Lau Tuang Nguang, Lau Hai Nguan, Datuk Lau Joo Hong, Lau Jui Peng, Lau Joo Heng and Lau Joo Han. Lau Joo Pern and Lau Joo Yong are directors of Popular Yield Sdn Bhd.

(24) PT Leong Hup Jayaindo

Emerging Success and Lau Chia Nguang collectively own the entire equity interests in PT Leong Hup Jayaindo. The ultimate shareholders of Emerging Success are Lau Chia Nguang, Dato' Lau Eng Guang, Tan Sri Lau Tuang Nguang, Datuk Lau Joo Hong, Lau Jui Peng, Lau Joo Heng, Lau Joo Han and HNL&S. Dato' Lau Eng Guang and Lau Joo Hwa sit on the board of commissioners of PT Leong Hup Jayaindo.

- (25) PT Sehat Cerah Indonesia
PT Sehat Cerah Indonesia is a subsidiary of PT Leong Hup Jayaindo which in turn is collectively owned by Emerging Success and Lau Chia Nguang.
- (26) Safari Bird Park & Wonderland Sdn Bhd
Dato' Lau Eng Guang and his spouse, Datin Goh Kim Kooi, own the entire equity interests in Safari Bird Park & Wonderland Sdn Bhd. Dato' Lau Eng Guang is a director of Safari Bird Park & Wonderland Sdn Bhd.
- (27) Selasih Prospek Sdn Bhd
Selasih Prospek Sdn Bhd is a wholly-owned subsidiary of The Baker's Cottage Sdn Bhd which in turn is a wholly-owned subsidiary of EGSB. Lau Joo Han is a director of Selasih Prospek Sdn Bhd.
- (28) Teratai Agriculture Sdn Bhd
Teratai Agriculture Sdn Bhd is collectively owned by Datin Heng Ah Pee, Datin Chua Ah Nia @ Chua Kah Nui, Goh Cha Boh @ Goh Hui Siang, Datin Goh Kim Kooi, Lai Chong Koo and Puan Sri Wong Kee Choo. Lau Joo Han and Lau Joo Ping are directors of Teratai Agriculture Sdn Bhd.
- (29) Teratai Agriculture Vietnam Limited
Teratai Agriculture Vietnam Limited is a subsidiary of Joint Honest International Enterprise Limited (“**Joint Honest**”). The ultimate shareholders of Joint Honest are Datuk Lau Joo Hong and Lau Joo Han.
- (30) The Baker's Cottage Group
The Baker's Cottage Sdn Bhd is a wholly-owned subsidiary of EGSB. Lau Joo Ping is a director of The Baker's Cottage Sdn Bhd.

(ii) Proposed New Shareholders' Mandate

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Estimated aggregate value to be transacted from the forthcoming AGM on 26 June 2020 to the next AGM (RM) |
|------------------------|---|--|--|
| Kemajuan Mesju Sdn Bhd | <p>Sale of goods including chicken and related product</p> <p>Procurement of services including:</p> <ul style="list-style-type: none"> • hotel accommodation services • rental payable | <p><u>Interested Major Shareholders and Directors⁽¹⁾</u></p> <ul style="list-style-type: none"> • Datuk Lau Joo Hong • Lau Joo Han <p><u>Interested Major Shareholders⁽¹⁾</u></p> <ul style="list-style-type: none"> • Lau Jui Peng • Lau Joo Heng <p><u>Interested Directors⁽¹⁾</u></p> <ul style="list-style-type: none"> • Lau Chia Nguang • Dato' Lau Eng Guang • Tan Sri Lau Tuang Nguang • Lau Joo Keat | <p>43,200</p> <p>84,500</p> |
| Lau Joo Han | Rental payable | <p><u>Interested Major Shareholder and Director⁽²⁾</u></p> <ul style="list-style-type: none"> • Lau Joo Han | 26,000 |

| Transacting Party | Nature of transaction in LHI Group | Names of interested Related Parties | Estimated aggregate value to be transacted from the forthcoming AGM on 26 June 2020 to the next AGM (RM) |
|---------------------------|--|---|--|
| Safari Wonderland Sdn Bhd | Sale of good including sale of fresh chicken Purchase of sundries and admission tickets | <u>Interested Directors⁽³⁾</u> <ul style="list-style-type: none"> ● Lau Chia Nguang ● Dato' Lau Eng Guang ● Tan Sri Lau Tuang Nguang | 220,000 6,200 |
| Total | | | 379,900 |

Notes:

(1) Kemajuan Mesju Sdn Bhd

LHM is a shareholder of Kemajuan Mesju Sdn Bhd. Lau Hai Nguan is a director of Kemajuan Mesju Sdn Bhd.

(2) Lau Joo Han

Lau Joo Han is the owner of the property.

(3) Safari Wonderland Sdn Bhd

Datuk Lau Chir Nguan is a director and shareholder of Safari Wonderland Sdn Bhd

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2.5. Amount due and owing by the Related Parties

As at LPD, there was no material amount due and owing by the Related Parties to the Company that has exceeded the credit term for the transactions up to FYE 31 December 2019.

2.6. Review procedures for the RRPTs

To ensure that the RRPTs are undertaken on an arm's length basis and on normal commercial terms that are consistent with LHI Group's usual business practices and policies and on transaction prices and terms not more favourable to the Related Parties than those generally available to the public, and are not detrimental to the interest of the minority shareholders of the Company, the ARC has been tasked with the review of related party transactions.

The Company has established the following procedures for the review of RRPT:

- (a) A list of Related Parties shall be circulated to the operating divisions and the Company's subsidiaries to notify that all RRPTs are required to be undertaken on (i) an arm's length basis and (ii) normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public;
- (b) All RRPTs entered or to be entered into will be reviewed by the ARC and reported to the Board to ensure the transactions are not more favourable to the Related Parties and are not to the detriment of the minority shareholders;
- (c) Proper records shall be maintained to record all RRPTs entered or to be entered into pursuant to the Proposed Shareholders' Mandate and Proposed New Shareholders' Mandate to ensure the accurate disclosure thereof;
- (d) The transaction prices are based on prevailing market rates or prices that are agreed upon under normal commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- (e) The ARC shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor the RRPT are complied with and the review shall be done quarterly with the review of the quarterly financial result;
- (f) Where a member of the Board or the ARC has an interest (direct or indirect) in any particular RRPT, he/she shall declare his/her interest in the RRPT and will have to refrain from deliberation and abstain from voting on the matter at the Board or ARC meetings in respect of that RRPT; and
- (g) The internal threshold approval of all RRPTs entered into by LHI Group is subject to the review by the ARC and approval by the Board regardless of the amount.

Generally, the prices and terms and conditions of the RRPTs are based on market rates and industry practices, the availability of the amount to be transacted and negotiated are on a "willing buyer-willing seller" basis, so that there is no conflict of interest. Whilst assessing a memorandum to be put up before the ARC and/or Board for approval, the ARC and/or Board may review the following documents or seek the following information from the management in order to determine if the transaction is in the ordinary course of business and whether it is at arm's length:

- (a) Nature of transaction, such as details of sales and purchase of goods, or property to be acquired/sold, or services to be rendered;
- (b) Key terms, such as price and other commercial terms and conditions stipulated under the contract of the proposed transaction, including its value and quantum;
- (c) Key covenants as per contract to be entered into for such transaction;

- (d) Benchmarking information that may have an impact on the arm's length assessment such as:
 - (i) Management's assessment of pricing terms and business justification for the proposed transaction;
 - (ii) Comparative analysis, if any, of such other transaction entered into by the LHI Group;
 - (iii) Market analysis, industry trends, financial forecast or price publication such as consumer price index, property prices, interest rate, commodity prices, whichever is relevant; and
 - (iv) Whether the transactions are in the ordinary course of business.

Wherever practical or feasible, at least 2 other contemporaneous transactions with unrelated third parties for similar product/services and/or quantities will be used as comparison, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of product/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the LHI Group based on those offered to/by other independent third parties for the same or substantially similar type of transaction to ensure that the RRPTs are not detrimental to the LHI Group.

2.7. Statement by the ARC

The ARC has seen and reviewed the procedures in Section 2.6 above and is satisfied that the processes and procedures established for RRPTs are sufficient to ensure that the RRPTs are conducted at arm's length basis, and they are fair, reasonable, and on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interest of the minority shareholders.

The ARC is of the view that the LHI Group has put in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. Furthermore the ARC shall also have the discretion to amend the procedures which are no longer appropriate or adequate, to ensure the RRPTs are, at all times, carried out on terms which are consistent with the LHI Group's practices and are not detrimental to the interest of the minority shareholders. These processes and procedures are reviewed on an annual basis.

3. RATIONALE AND BENEFITS FOR THE PROPOSALS

The Proposed Shareholders' Ratification serves to ratify the RRPTs entered into by the LHI Group from the date of listing up to the date of the forthcoming Sixth AGM at which shareholders' ratification is proposed to be obtained. Given that LHI is in its first year of listing, ratification of RRPTs entered from the date of listing up to the forthcoming Sixth AGM allows the Company to coincide the Proposed Shareholders' Ratification, Proposed Shareholders' Mandate and Proposed New Shareholders' Mandate with its AGM and eliminate the need for separate general meetings which reduces expenses for the Company.

The RRPTs entered or to be entered into by the LHI Group are recurrent transactions of revenue or trading in nature conducted in the ordinary course of business of LHI Group and reflect the long term commercial relationship with the Related Parties, which are likely to continue in the future on a frequent and recurrent basis from time to time.

These RRPTs may be constrained by the time-sensitive nature and confidentiality of the same, and it may be impractical to seek shareholders' approval on a case-to-case basis before entering into such RRPT. In this regard, the Company is seeking its shareholders' approval for the mandate pursuant to Paragraph 10.09 of the Listing Requirements for the RRPTs, as described in Section 2.4, which have been entered or to be entered into on an arm's length basis, are on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Proposed Shareholders' Mandate and Proposed New Shareholders' Mandate would eliminate the need to make announcements to Bursa Securities and/or to convene separate general meetings from time to time to seek shareholders' approval as and when the RRPTs occur. This would substantially reduce the administrative time, inconvenience and resources associated with the convening of such meetings, without compromising the corporate objectives or adversely affecting the business opportunities available to the LHI Group.

The LHI Group has a long standing business relationship with the Related Parties. The Directors are of the view that the close working relationship of LHI Group and the Related Parties has over the years benefited the LHI Group's overall business and boosted business volume of the LHI Group.

It should also be emphasised that the Related Parties are not under any obligation to enter into transactions with the LHI Group and vice versa. Ultimately, all business transactions are entered into with the intention of profiting from market situations within normal trade practices. Therefore, external market prices and conditions are important factors that determine transaction prices between the LHI Group and the Related Parties.

4. EFFECTS OF THE PROPOSALS

The Proposals are not expected to have any effect on the issued and paid-up share capital of the Company and its substantial shareholders' shareholdings and are not expected to have a material effect on the NA per share, gearing or EPS of the LHI Group.

The Proposals are in relation to the transactions which are of revenue or trading nature and form part of the LHI Group's day-to-day operations. As such, those transactions will contribute positively to the LHI Group's financial performance and EPS.

5. APPROVALS REQUIRED

The Proposals are subject to the approval of the shareholders of LHI at the forthcoming Sixth AGM.

6. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed below, none of the Directors or Major Shareholders and/or Persons Connected to them have any interests, direct or indirect, in the Proposals:

| | Direct | | Indirect | |
|--------------------------------------|---------------|--------|------------------------------|--------|
| | No. of Shares | % | No. of Shares | % |
| Interested Directors | | | | |
| Lau Chia Nguang | - | - | 58,633,207 ⁽¹⁾ | 1.606 |
| Dato' Lau Eng Guang | 59,347,007 | 1.626 | - | - |
| Tan Sri Lau Tuang Nguang | - | - | 62,721,960 ⁽²⁾ | 1.718 |
| Datuk Lau Joo Hong | 27,670,543 | 0.758 | 1,927,201,000 ⁽³⁾ | 52.800 |
| Lau Joo Han | 76,837,532 | 2.105 | 1,927,201,000 ⁽⁴⁾ | 52.800 |
| Lau Joo Keat | - | - | 58,633,207 ⁽⁵⁾ | 1.606 |
| Interested Major Shareholders | | | | |
| EGSB | 1,927,201,000 | 52.800 | - | - |
| CWL&S | - | - | 1,927,201,000 ⁽⁶⁾ | 52.800 |
| Datuk Lau Joo Hong | 27,670,543 | 0.758 | 1,927,201,000 ⁽⁷⁾ | 52.800 |
| Lau Jui Peng | 24,583,822 | 0.674 | 1,927,201,000 ⁽⁷⁾ | 52.800 |
| Lau Joo Heng | 24,583,822 | 0.674 | 1,927,201,000 ⁽⁷⁾ | 52.800 |
| Lau Joo Han | 76,837,532 | 2.105 | 1,927,201,000 ⁽⁴⁾ | 52.800 |

| | Direct | | Indirect | |
|--|---------------|------------|---------------|---|
| | No. of Shares | % | No. of Shares | % |
| Persons connected to the Interested Directors and/or Major Shareholders | | | | |
| HNL&S | 58,633,207 | 1.606 | - | - |
| Lau Lee Eng | 2,000 | Negligible | - | - |

Notes:

- ⁽¹⁾ Deemed interested by virtue of his shareholdings in CNL&S pursuant to Section 8(4) of the Act.
- ⁽²⁾ Deemed interested by virtue of his shareholdings in TN Lau Holdings Sdn Bhd pursuant to Section 8(4) of the Act.
- ⁽³⁾ Deemed interested by virtue of his shareholdings in EGSB through his shareholdings held in CWL&S pursuant to Section 8(4) of the Act.
- ⁽⁴⁾ Deemed interested by virtue of his shareholdings in EGSB pursuant to Section 8(4) of the Act.
- ⁽⁵⁾ Deemed interested by virtue of his shareholdings in HNL&S pursuant to Section 8(4) of the Act.
- ⁽⁶⁾ Deemed interested by virtue of its shareholdings in EGSB pursuant to Section 8(4) of the Act.
- ⁽⁷⁾ Deemed interested by virtue of his shareholdings in EGSB through his shareholdings held in CWL&S pursuant to Section 8(4) of the Act.

The interested Directors have abstained and will continue to abstain from all Board's deliberations and voting in respect of the Proposals. Further, they will abstain from voting in respect of their direct or indirect interests on the resolution approving the Proposals at the forthcoming Sixth AGM.

In addition, the interested Major Shareholders will abstain from voting in respect of their direct or indirect shareholdings in the Company, on the resolution approving the Proposals at the forthcoming Sixth AGM.

The aforesaid interested Directors and interested Major Shareholders have also undertaken and will ensure that the Persons Connected with them will abstain from voting in respect of their direct or indirect shareholdings in the Company on the resolution deliberating or approving the Proposals at the forthcoming Sixth AGM.

Save as disclosed above, none of the other Directors, Major Shareholders and/or Persons Connected to them have any interest, direct or indirect, in the Proposals.

7. DIRECTORS' RECOMMENDATION

Having considered all aspects of the Proposals, the Board (save for the interested Directors), is of the opinion that the Proposals are in the best interest of the Company and accordingly recommends that you vote in favour of the ordinary resolution pertaining to the Proposals to be tabled at the forthcoming Sixth AGM.

8. AGM

The ordinary resolution in respect of the Proposals is set out in the Notice of the Sixth AGM contained in the Annual Report 2019 of the Company. The Sixth AGM of the Company will be held at Connexion Conference & Event Centre, The Zenith function room (Level M1), The Vertical, Bangsar South City, No 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Friday, 26 June 2020 at 10.30 a.m. or at any adjournment.

If you are unable to attend and vote in person at the Sixth AGM, you are requested to complete, sign and return the proxy form enclosed in the Annual Report 2019 of the Company, in accordance with the instructions printed thereon as soon as possible, in any event, so as to arrive at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to submit your electronic proxy form via TIIH Online at <https://tiih.online> not less than 48 hours before the time set for holding the meeting or at any adjournment thereof. The lodging of the proxy form will not preclude you from attending and voting in person at the forthcoming Sixth AGM of the Company should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendix I for further information.

Yours faithfully,
For and on behalf of the Board of
LEONG HUP INTERNATIONAL BERHAD

LOW HAN KEE
Senior Independent Non-Executive Director

PART B

**STATEMENT TO SHAREHOLDERS IN RELATION TO
THE PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**



LEONG HUP INTERNATIONAL BERHAD

Registration No. 201401022577 (1098663-D)
(Incorporated in Malaysia)

Registered Office:
Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

28 May 2020

Board of Directors:

Lau Chia Nguang (Non-Independent Executive Chairman)
Dato' Lau Eng Guang (Non-Independent Executive Director)
Tan Sri Lau Tuang Nguang (Non-Independent Executive Director/ Group Chief Executive Officer)
Datuk Lau Joo Hong (Non-Independent Executive Director)
Lau Joo Han (Non-Independent Executive Director)
Lau Joo Keat (Non-Independent Executive Director)
Benny Lim Jew Fong (Non-Independent Non-Executive Director)
Low Han Kee (Senior Independent Non-Executive Director)
Datin Paduka Rashidah Binti Ramli (Independent Non-Executive Director)
Mahani Binti Amat (Independent Non-Executive Director)
Chu Nyet Kim (Independent Non-Executive Director)
Goh Wen Ling (Independent Non-Executive Director)
Tay Tong Poh (Independent Non-Executive Director)

To: The Shareholders of Leong Hup International Berhad

Dear Sir/Madam,

PROPOSED SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

The Board had, on 19 May 2020, among others, resolved and announced its intention to seek shareholders' approval at the forthcoming Sixth AGM of the Company on the Proposed Share Buy-Back Authority.

The purpose of this Statement is to provide you with details of the Proposed Share Buy-Back Authority and to seek your approval for an ordinary resolution to be tabled at the forthcoming Sixth AGM of the Company.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AUTHORITY TO BE TABLED AT THE FORTHCOMING SIXTH AGM.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The Board is proposing to seek its shareholders' approval for the authority for the Company to purchase its own shares of up to ten percent (10%) of its total number of issued Shares at any point in time, subject to the compliance with the Act, the Listing Requirements and any prevailing laws, rules, regulation, guidelines and other requirement issued by the relevant authorities. The purchase of Shares under the Proposed Share Buy-Back Authority will be carried out through Bursa Securities via stockbroker(s) to be appointed by the Board at a later date.

The approval from shareholders for the Proposed Share Buy-Back Authority, shall be effective immediately upon the passing of the ordinary resolution on the Proposed Share Buy-Back Authority at the forthcoming Sixth AGM and will continue to be in force until:

- (i) the conclusion of the next AGM of the Company at which time the authority shall lapse unless by an ordinary resolution passed at the general meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoke or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

Shareholders' approval for the Proposed Share Buy-Back Authority does not impose an obligation on the Company to purchase its own Shares on Bursa Securities. The Proposed Share Buy-Back Authority will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

3. QUANTUM

As at the LPD, the total number of Shares issued by the Company is 3,650,000,000 Shares. For illustration purposes, the maximum number of Shares which may be purchased and/or held by the Company will not be more than 365,000,000 Shares, based on the total number of issued Shares as at LPD.

The Company also has an ESOS of which any exercise of vested ESOS options by the Grantees will increase the total number of issued shares of the Company. As at the LPD, the Company has 34,675,000 Outstanding Options. Should the number of issued Shares increase due to the exercise of Outstanding Options, the maximum aggregate number of shares that can be purchased by the Company is up to ten percent (10%) of the enlarged total number of issued Shares at the time of purchase.

4. FUNDING

The Proposed Share Buy-Back Authority will be funded through internally generated funds and/or bank borrowings, the proportion of which will depend on, among others, the availability of internally generated funds, the actual number of Shares to be purchased and other relevant cost factors at the time of purchase(s). The actual number of Shares to be purchased and/or held will also depend on the market conditions, sentiments of the stock market as well as financial resources available to the Company. In the event the purchase of Shares is to be partly financed by bank borrowings, the Board

will ensure that it has capability of repaying the borrowings and the repayment of borrowings will not have any material effect on the Company's cash flows. In addition, the Board will ensure that the Company satisfies the solvency test as stated under Section 112(2) of the Act before executing the Proposed Share Buy-Back Authority.

In accordance with the Listing Requirements, the funds for the Proposed Share Buy-Back Authority must be made wholly out of retained profits of the Company. As such, the Board proposes to allocate a maximum amount not exceeding the aggregate sum of the retained profits of the Company at the time of such purchase(s). Based on the Company's latest audited financial statements for the FYE 31 December 2019 and the unaudited financial results for the period ended 31 March 2020, the accumulated retained earnings of the Company were RM36,000,000 and RM34,917,077 respectively.

5. TREATMENT OF PURCHASED SHARES

Pursuant to the provision of Section 127(4) of the Act, the Board may resolve, at its discretion, to deal with the purchased Shares in the following manner:

- (i) cancel the Shares so purchased; or
- (ii) retain the Shares so purchased in treasury which is known as "treasury shares" in the Act; or
- (iii) retain a portion of the Shares so purchased as treasury shares and cancel the remainder of the Shares.

Accordingly, based on Section 127(7) of the Act, where such Shares are held as treasury shares, the Board may, at its discretion:

- (i) distribute the treasury shares as dividends to shareholders, such dividend to be known as "share dividends";
- (ii) resell the treasury shares, or any of the treasury shares, in accordance with the relevant rules of Bursa Securities;
- (iii) transfer the treasury shares, or any of the treasury shares, for the purpose of or under an employees' share scheme or such other purposes as allowed under the Act;
- (iv) transfer the treasury shares, or any of the treasury shares as purchase consideration;
- (v) cancel the treasury shares, or any of the treasury shares; or
- (vi) sell transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe.

Upon each purchase of the Shares pursuant to the Proposed Share Buy-Back Authority, an immediate announcement will be made to Bursa Securities in respect of the intention of the Board to either retain the Shares purchased as treasury shares or cancel them or a combination of both. An immediate announcement will also be made to Bursa Securities of any resale, transfer or cancellation of Shares so purchased.

While the purchased shares are held as treasury shares, the right attached to them as to voting, dividends and participation in any other distribution or otherwise are suspended, and the treasury shares shall not be taken into account in calculating the number or percentage of Shares or a class of Shares in the Company for any purposes including substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on a resolution at a meeting of the shareholders.

6. PRICING

Pursuant to the Listing Requirements, the Company may only purchase its own Shares at a price which is not more than fifteen percent (15%) above the weighted average market price of the Shares for the five (5) market days immediately preceding the date of any purchase(s).

In the case of a resale or transfer of the treasury shares on Bursa Securities, the Company may only resell any treasury shares at:

- (i) a price which is not less than the weighted average market price of the Shares for five (5) market days immediately prior to the date of the resale or transfer; or
- (ii) a discounted price of not more than five percent (5%) to the weighted average market price for the Shares for five (5) market days immediately prior to the date of the resale or transfer, provided that:
 - a. the resale or transfer takes place not earlier than thirty (30) days from the date of the purchase; and
 - b. the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.

6.1. Purchase, resale, transfer and cancellation of Shares made in the previous twelve (12) months

Given that this is the first time the Company is seeking authority from the shareholders for the Proposed Share Buy-Back Authority, the Company does not currently hold any treasury shares and has not purchased, resold, transferred or cancelled any Shares during the last twelve (12) months preceding the LPD.

7. PUBLIC SHAREHOLDING SPREAD

The Proposed Share Buy-Back Authority will be carried out in compliance with the prevailing laws at the time of purchase including compliance with Paragraph 8.02(1) of the Listing Requirements which requires at least 25% of the total number of issued Shares (excluding treasury shares) of the Company to be in the hands of public shareholders.

In this regard, the Company will ensure that prior to any share buy-back exercise, the minimum public shareholding spread of at least 25% is met and maintained. As at the LPD, the public shareholding spread of the Company was approximately 32.13%.

8. RATIONALE FOR THE PROPOSED SHARE BUY-BACK AUTHORITY

The Proposed Share Buy-Back Authority will provide the Company with an additional option to utilise its surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the open market at market prices which the Board views as favourable to help stabilise the supply and demand of Shares traded on the Bursa Securities and thereby support its fundamental value.

If the purchased shares are subsequently cancelled and subsequently a lower number of Shares being used for the purpose of computing EPS, all things being equal, long-term investors are expected to enjoy a corresponding increase in the value of their investments in the Company with the proportionate strengthening of the EPS and the NA per Share may improve, which is in turn expected to have a positive impact on the market price of the Shares.

If the purchased Shares are kept as treasury shares, it will provide the Company an opportunity to resell the treasury shares at higher price in future and may potentially generate capital gains for the Company. Should the treasury shares be distributed as share dividends and/or issued under an employees' share scheme, this would serve to reward the shareholders of LHI and/or eligible employees.

9. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK AUTHORITY

9.1. Potential advantages

The potential advantages of the Proposed Share Buy-Back Authority to the Company and its shareholders are as follows:

- (i) Allows the Company to take preventive measures against speculation, particularly when the Shares are undervalued and this would, in turn, stabilise the market price of the Shares and hence, enhance investors' confidence;
- (ii) Allows the Company the flexibility to achieve the desired capital structure, in terms of debt and equity composition and size of equity;
- (iii) Provides the Company with opportunities for potential gains if the purchased shares which are retained as treasury shares, are resold at a higher price than they were bought for; and
- (iv) Serves to reward the shareholders of the Company and/or eligible employees if the purchased Shares which are retained as treasury shares, are distributed as share dividends to the shareholders and/or issued under an employees' share scheme.

9.2. Potential disadvantages

The potential disadvantages of the Proposed Share Buy-Back Authority to the Company and its shareholders are as follows:

- (i) Temporally reduces the financial resources of the Company, which may result in the Company foregoing feasible investment opportunities that may emerge in the future; and
- (ii) Reduces the financial resources available for distribution of dividends to shareholders in the immediate future as the funds to be allocated for the Proposed Share Buy-Back Authority must be made wholly out of the retained profits of the Company.

Nevertheless, the Proposed Share Buy-Back Authority is not expected to have any material disadvantages to the Company and its shareholders, as it will be implemented only after due consideration of the financial resources of the Company and of the resultant impact to the Company and its shareholders. The Board, in exercising any decision to purchase any of the shares, will be mindful of the Company's and its shareholders' interest.

10. EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

10.1. Issued share capital

The Proposed Share Buy-Back Authority will have no effect on the number of issued share capital of LHI if the purchased Shares are held as treasury shares. However, the rights attaching to the treasury shares as to voting, dividends and participation in any other distributions or otherwise are suspended, and the treasury shares shall not be taken into account in calculating the number or percentage of Shares or a class of Shares in the Company for any purposes including substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on a resolution at a meeting of the shareholders.

The Proposed Share Buy-Back Authority will result in a reduction of the total number of issued Shares of the Company if the purchased Shares are cancelled. The effects on the issued share capital of the Company assuming up to ten percent (10%) of the issued share capital are purchased and cancelled entirely, are illustrated below:-

Minimum Scenario

Assuming that no Options are exercised and converted into new Shares during the implementation of the Proposed Share Buy-Back Authority, the Proposed Share Buy-Back Authority will have no effect on the issued share capital as the Shares purchased are to be retained as treasury shares, resold or distributed to the shareholders.

Maximum Scenario

Assuming that all Options are exercised and converted into new Shares during the implementation of the Proposed Share Buy-Back Authority, the effects shall be as follows-

| | <u>No. of Shares</u> |
|---|---------------------------|
| Issued Share Capital as at LPD | 3,650,000,000 |
| Add: Exercise of Options | 34,675,000 ⁽¹⁾ |
| Enlarged total number of issued shares after the exercise of Options | 3,684,675,000 |
| Less: Maximum number of Shares that may be purchased and cancelled pursuant to the Proposed Share Buy-Back Authority ⁽²⁾ | (368,467,500) |
| Resultant share capital | <u>3,316,207,500</u> |

Notes:

(1) Assuming all the outstanding 34,675,000 Options as at the LPD are exercised.

(2) Assuming all Shares purchased are cancelled.

10.2. NA

The effects of the Proposed Share Buy-Back Authority on the consolidated NA of the LHI Group will depend on the actual number of Shares purchased, purchase price of the Shares, the effective funding cost, if any, and the subsequent treatment of the Shares so purchased.

The NA of the LHI Group would decrease if the Shares bought back are cancelled. The Proposed Share Buy-Back Authority will reduce the consolidated NA per Share if the purchase price exceeds the consolidated NA per Share at the time of purchase and vice versa.

The consolidated NA of the LHI Group would decrease by the cost of the treasury shares due to the requirement for treasury shares to be carried at cost and be offset against equity if the Shares bought back are retained as treasury shares.

Should the Shares so purchased be held as treasury shares and later resold, the consolidated NA per Share of the LHI Group will increase if the Company realise a gain from the resale, and vice versa. Should the treasury shares are distributed as share dividends or issued under an employees' share scheme, the NA per Share of the LHI Group will decrease by the cost of the treasury shares.

10.3. Earnings and EPS

The effects of the Proposed Share Buy-Back Authority on the earnings and EPS of the LHI Group will depend on the number of Shares purchased, purchase price of the Shares and the effective funding cost or loss of interest income to the Group, or opportunity cost in relation to other investment opportunities. Nevertheless, all things being equal, assuming the purchased Shares are retained as treasury shares, the Proposed Share Buy-Back Authority is expected to increase the EPS of the LHI Group.

If the purchased Shares are treated as treasury shares and subsequently resold, the extent of the effect to the earnings of the LHI Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest savings arising.

If the purchased Shares are cancelled, the number of Shares applied in the computation of EPS will reduce and accordingly, all things being equal, the Proposed Share Buy-Back Authority will increase the EPS of the LHI Group.

10.4. Working Capital

The Proposed Share Buy-Back Authority will reduce the working capital and cash flow of the LHI Group, the quantum of which will depend on the actual purchase price of the Shares and number of Shares purchased and the funding cost, if any.

For Shares purchased which are kept as treasury shares, upon resale of such Shares, the working capital and cash flow of the LHI Group will increase assuming that a gain has been realised. The quantum of the increase in the working capital will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

10.5. Dividends

The Proposed Share Buy-Back Authority must be wholly made out of the Company's retained profits and thus, may have impact on the Company dividend rate as it will reduce the cash available for distribution of dividends to the shareholders of the Company.

Nonetheless, if the Shares purchased are retained as treasury shares, the treasury shares may be distributed as dividends to the shareholders, if the Company so decides. If the Shares purchased are cancelled, the Proposed Share Buy-Back Authority will have the effect of increasing the dividend rate of the Company as a result of the reduction in the number of issued Shares.

Barring any unforeseen circumstances, the Proposed Share Buy-Back Authority is not expected to have any material impact on the policy of the Board in the recommending dividends for the financial year ending 31 December 2020, which would depend on, amongst others, the profitability, cash flow position and financing requirements of the Company.

11. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

11.1. Directors' shareholdings

The effects of the Proposed Share Buy-Back Authority on the shareholding of the Directors in LHI are illustrated as follows:-

Minimum Scenario – Assuming that no Options are exercised into new Shares during the implementation of the Proposed Share Buy-Back Authority

| | As at the LPD | | | After the Proposed Share Buy-Back Authority | | | |
|-----------------------------------|-------------------------|------------------|------------------------------|---|-------------------------|------------------------------|------------------|
| | Direct No. of Shares | % ⁽¹⁾ | Indirect No. of Shares | % ⁽¹⁾ | Direct No. of Shares | Indirect No. of Shares | % ⁽²⁾ |
| Lau Chia Nguang | - | - | 58,633,207 ^(a) | 1.606 | - | 58,633,207 ^(a) | 1.785 |
| Dato' Lau Eng Guang | 59,347,007 | 1.626 | - | - | 59,347,007 | - | - |
| Tan Sri Lau Tuang Nguang | - | - | 62,721,960 ^(b) | 1.718 | - | 62,721,960 ^(b) | 1.909 |
| Datuk Lau Joo Hong | 27,670,543 | 0.758 | 1,927,201,000 ^(c) | 52.800 | 27,670,543 | 1,927,201,000 ^(c) | 58.667 |
| Lau Joo Han | 76,837,532 | 2.105 | 1,927,201,000 ^(d) | 52.800 | 76,837,532 | 1,927,201,000 ^(d) | 58.667 |
| Lau Joo Keat | - | - | 58,633,207 ^(e) | 1.606 | - | 58,633,207 ^(e) | 1.785 |
| Benny Lim Jew Fong | - | - | - | - | - | - | - |
| Datin Paduka Rashidah Binti Ramli | 500,000 | 0.014 | - | - | 500,000 | - | - |
| Chu Nyet Kim | 600,000 | 0.016 | - | - | 600,000 | - | - |
| Goh Wen Ling | 550,000 | 0.015 | - | - | 550,000 | - | - |
| Mahani Binti Amat | 500,000 | 0.014 | - | - | 500,000 | - | - |
| Low Han Kee | 500,000 | 0.014 | - | - | 500,000 | - | - |
| Tay Tong Poh | 500,000 | 0.014 | - | - | 500,000 | - | - |

Notes:

- (1) Calculated based on 3,650,000,000 Shares as at the LPD.
- (2) Assuming the Proposed Share Buy-Back Authority is undertaken in full and a maximum of 365,000,000 Shares are purchased from the open market, representing 10% of the total number of issued Shares of LHI as at the LPD of 3,650,000,000.
 - (a) Deemed interested by virtue of his shareholdings in CNL&S pursuant to Section 8(4) of the Act.
 - (b) Deemed interested by virtue of his shareholdings in TN Lau Holdings Sdn Bhd pursuant to Section 8(4) of the Act.
 - (c) Deemed interested by virtue of his shareholdings in EGSB through its shareholdings held in CWL&S pursuant to Section 8(4) of the Act.
 - (d) Deemed interested by virtue of his shareholdings in EGSB pursuant to Section 8(4) of the Act.
 - (e) Deemed interested by virtue of his shareholdings in HNL&S pursuant to Section 8(4) of the Act.

Maximum Scenario – Assuming that the Outstanding Options are exercised into new Shares during the implementation of the Proposed Share Buy-Back Authority

| | As at the LPD | | | After the full exercise of Options | | | After the Proposed Share Buy-Back Authority | | | |
|-----------------------------------|----------------------|------------------|------------------------------|------------------------------------|------------------|------------------------------|---|------------------|------------------------------|------------------|
| | Direct No. of Shares | % ⁽¹⁾ | Indirect No. of Shares | Direct No. of Shares | % ⁽²⁾ | Indirect No. of Shares | Direct No. of Shares | % ⁽³⁾ | Indirect No. of Shares | % ⁽³⁾ |
| Lau Chia Nguang | - | - | 58,633,207 ^(a) | - | - | 58,633,207 ^(a) | - | - | 58,633,207 ^(a) | 1.768 |
| Dato' Lau Eng Guang | 59,347,007 | 1.626 | - | 59,347,007 | 1.611 | - | 59,347,007 | 1.790 | - | - |
| Tan Sri Lau Tuang Nguang | - | - | 62,721,960 ^(b) | - | - | 62,721,960 ^(b) | - | - | 62,721,960 ^(b) | 1.891 |
| Datuk Lau Joo Hong | 27,670,543 | 0.758 | 1,927,201,000 ^(c) | 27,670,543 | 0.751 | 1,927,201,000 ^(c) | 27,670,543 | 0.834 | 1,927,201,000 ^(c) | 58.115 |
| Lau Joo Han | 76,837,532 | 2.105 | 1,927,201,000 ^(d) | 76,837,532 | 2.085 | 1,927,201,000 ^(d) | 76,837,532 | 2.317 | 1,927,201,000 ^(d) | 58.115 |
| Lau Joo Keat | - | - | 58,633,207 ^(e) | - | - | 58,633,207 ^(e) | - | - | 58,633,207 ^(e) | 1.768 |
| Benny Lim Jew Fong | - | - | - | - | - | - | - | - | - | - |
| Datin Paduka Rashidah Binti Ramli | 500,000 | 0.014 | - | 500,000 | 0.014 | - | 500,000 | 0.015 | - | - |
| Chu Nyet Kim | 600,000 | 0.016 | - | 600,000 | 0.016 | - | 600,000 | 0.018 | - | - |
| Goh Wen Ling | 550,000 | 0.015 | - | 550,000 | 0.015 | - | 550,000 | 0.017 | - | - |
| Mahani Binti Amat | 500,000 | 0.014 | - | 500,000 | 0.014 | - | 500,000 | 0.015 | - | - |
| Low Han Kee | 500,000 | 0.014 | - | 500,000 | 0.014 | - | 500,000 | 0.015 | - | - |
| Tay Tong Poh | 500,000 | 0.014 | - | 500,000 | 0.014 | - | 500,000 | 0.015 | - | - |

Notes:

- (1) Calculated based on 3,650,000,000 Shares as at the LPD.
- (2) Assuming all Outstanding Options of 34,675,000 as at LPD are exercised.
- (3) Assuming all Outstanding Options are exercised and the Proposed Share Buy-Back Authority is undertaken in full and a maximum of 368,467,500 Shares are purchased from the open market, representing 10% of the total number of issued Shares of LHI of 3,684,675,000.
 - (a) Deemed interested by virtue of his shareholdings in CNL&S pursuant to Section 8(4) of the Act.
 - (b) Deemed interested by virtue of his shareholdings in TN Lau Holdings Sdn. Bhd pursuant to Section 8(4) of the Act.
 - (c) Deemed interested by virtue of his shareholdings in EGSB through its shareholdings held in CWL&S pursuant to Section 8(4) of the Act.
 - (d) Deemed interested by virtue of his shareholdings in EGSB pursuant to Section 8(4) of the Act.
 - (e) Deemed interested by virtue of his shareholdings in HNL&S pursuant to Section 8(4) of the Act.

11.2. Substantial shareholders' shareholdings

The effects of the Proposed Share Buy-Back Authority on the shareholding of the Substantial Shareholders in LHI are illustrated as follows:

Minimum Scenario – Assuming that no Options are exercised into new Shares during the implementation of the Proposed Share Buy-Back Authority

| | As at the LPD | | | After the Proposed Share Buy-Back Authority | | | |
|--|-------------------------|------------------|------------------------------|---|-------------------------|---------------------------|------------------------------|
| | Direct No. of Shares | % ⁽¹⁾ | Indirect No. of Shares | % ⁽¹⁾ | Direct No. of Shares | Indirect No. of Shares | % ⁽²⁾ |
| EGSB | 1,927,201,000 | 52.800 | - | - | 1,927,201,000 | 58.667 | - |
| Clarinden Investments Pte Ltd | 328,898,300 | 9.011 | - | - | 328,898,300 | 10.012 | - |
| Concordant Investments Pte Ltd | - | - | 328,898,300 ^(a) | 9.011 | - | - | 328,898,300 ^(a) |
| Affinity Asia Pacific Fund IV L.P. | - | - | 328,898,300 ^(b) | 9.011 | - | - | 328,898,300 ^(b) |
| Affinity Asia Pacific Fund IV (No. 2) L.P. | - | - | 328,898,300 ^(b) | 9.011 | - | - | 328,898,300 ^(b) |
| CWL&S | - | - | 1,927,201,000 ^(c) | 52.800 | - | - | 1,927,201,000 ^(c) |
| Datuk Lau Joo Hong | 27,670,543 | 0.758 | 1,927,201,000 ^(d) | 52.800 | 27,670,543 | 0.842 | 1,927,201,000 ^(d) |
| Lau Jui Peng | 24,583,822 | 0.674 | 1,927,201,000 ^(d) | 52.800 | 24,583,822 | 0.748 | 1,927,201,000 ^(d) |
| Lau Joo Heng | 24,583,822 | 0.674 | 1,927,201,000 ^(d) | 52.800 | 24,583,822 | 0.748 | 1,927,201,000 ^(d) |
| Lau Joo Han | 76,837,532 | 2.105 | 1,927,201,000 ^(c) | 52.800 | 76,837,532 | 2.339 | 1,927,201,000 ^(c) |

Notes:

(1) Calculated based on 3,650,000,000 Shares as at the LPD.

(2) Assuming the Proposed Share Buy-Back Authority is undertaken in full and a maximum of 365,000,000 Shares are purchased from the open market, representing 10% of the total number of issued shares of LHI as at the LPD of 3,650,000,000.

(a) Deemed interested by virtue of its shareholdings in Clarinden Investments Pte Ltd pursuant to Section 8(4) of the Act.

(b) Deemed interested by virtue of its shareholdings in Clarinden Investments Pte Ltd through its shareholdings held in Concordant Investments Pte Ltd pursuant to Section 8(4) of the Act.

(c) Deemed interested by virtue of its/his shareholdings in EGSB pursuant to Section 8(4) of the Act.

(d) Deemed interested by virtue of his shareholdings in EGSB through its shareholdings held in CWL&S pursuant to Section 8(4) of the Act.

Maximum Scenario – Assuming that the Outstanding Options are exercised into new Shares during the implementation of the Proposed Share Buy-Back Authority

| | As at the LPD | | After the full exercise of Options | | After the Proposed Share Buy-Back Authority | |
|--|---------------|------------------|------------------------------------|------------------|---|------------------|
| | No. of Shares | % ⁽¹⁾ | No. of Shares | % ⁽²⁾ | No. of Shares | % ⁽³⁾ |
| EGSB | 1,927,201,000 | 52.800 | 1,927,201,000 | 52.303 | 1,927,201,000 | 58.115 |
| Clarinden Investments Pte Ltd | 328,898,300 | 9.011 | 328,898,300 | 8.926 | 328,898,300 | 9.918 |
| Concordant Investments Pte Ltd | - | - | 328,898,300 ^(a) | 8.926 | - | - |
| Affinity Asia Pacific Fund IV L.P. | - | - | 328,898,300 ^(b) | 8.926 | - | - |
| Affinity Asia Pacific Fund IV (No. 2) L.P. | - | - | 328,898,300 ^(b) | 8.926 | - | - |
| CWL&S | - | - | 1,927,201,000 ^(c) | 52.303 | - | - |
| Danuk Lau Joo Hong | 27,670,543 | 0.758 | 27,670,543 | 0.751 | 27,670,543 | 0.834 |
| Lau Jui Peng | 24,583,822 | 0.674 | 24,583,822 | 0.667 | 24,583,822 | 0.741 |
| Lau Joo Heng | 24,583,822 | 0.674 | 24,583,822 | 0.667 | 24,583,822 | 0.741 |
| Lau Joo Han | 76,837,532 | 2.105 | 76,837,532 | 2.085 | 76,837,532 | 2.317 |
| | | | 1,927,201,000 ^(c) | 52.303 | 1,927,201,000 ^(c) | 58.115 |
| | | | 1,927,201,000 ^(d) | 52.800 | 1,927,201,000 ^(d) | 58.115 |
| | | | 1,927,201,000 ^(d) | 52.800 | 1,927,201,000 ^(d) | 58.115 |
| | | | 1,927,201,000 ^(d) | 52.800 | 1,927,201,000 ^(d) | 58.115 |
| | | | 1,927,201,000 ^(e) | 52.800 | 1,927,201,000 ^(e) | 58.115 |

Notes:

- (1) Calculated based on 3,650,000,000 Shares as at the LPD.
- (2) Assuming all Outstanding Options of 34,675,000 as at LPD are exercised.
- (3) Assuming all Outstanding Options are exercised and the Proposed Share Buy-Back Authority is undertaken in full and a maximum of 368,467,500 Shares are purchased from the open market, representing 10% of the total number of issued Shares of LHI of 3,684,675,000.
 - (a) Deemed interested by virtue of its shareholdings in Clarinden Investments Pte Ltd pursuant to Section 8(4) of the Act.
 - (b) Deemed interested by virtue of its shareholdings in Clarinden Investments Pte Ltd through its shareholdings held in Concordant Investments Pte Ltd pursuant to Section 8(4) of the Act.
 - (c) Deemed interested by virtue of its/his shareholdings in EGSB pursuant to Section 8(4) of the Act.
 - (d) Deemed interested by virtue of his shareholdings in EGSB through its shareholdings held in CWL&S pursuant to Section 8(4) of the Act.

12. IMPLICATIONS OF THE PROPOSED SHARE BUY-BACK AUTHORITY RELATING TO THE CODE AND THE RULES

The Company does not intend to undertake the Proposed Share Buy-Back Authority such that it will trigger any obligation to undertake a mandatory general offer pursuant to the Code and the Rules.

In the event the Proposed Share Buy-Back Authority results in any parties triggering a mandatory offer obligation under the Code and the Rules, which is an action outside their direct participation, the relevant parties shall make the necessary application to the Securities Commission Malaysia for a waiver to undertake a mandatory offer pursuant to the Rules.

13. HISTORICAL SHARE PRICE

The monthly highest and lowest prices at which the Shares as traded on Bursa Securities since the Company's Shares were listed on 16 May 2019 up to April 2020 are as follows:-

| Month and Year | Highest (RM) | Lowest (RM) |
|----------------|--------------|-------------|
| 2019 | | |
| May | 1.190 | 1.010 |
| June | 1.100 | 1.020 |
| July | 1.040 | 0.905 |
| August | 0.935 | 0.720 |
| September | 0.855 | 0.800 |
| October | 0.995 | 0.830 |
| November | 0.990 | 0.815 |
| December | 0.905 | 0.820 |
| 2020 | | |
| January | 0.890 | 0.755 |
| February | 0.805 | 0.690 |
| March | 0.705 | 0.430 |
| April | 0.660 | 0.550 |

The last transacted price of the Shares as at the LPD was RM 0.635.

14. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save for the proportionate increase in the percentage of shareholdings and/or voting rights of the Directors and Major Shareholders of the Company in their capacities as the shareholders of the Company as a result of the implementation of the Proposed Share Buy-Back Authority, none of the Directors, Major Shareholders and/or Person(s) Connected to them, if any, have any interest, direct or indirect, in the Proposed Share Buy-Back Authority.

15. APPROVALS REQUIRED

The Proposed Share Buy-Back Authority is subject to the approval of the shareholders of LHI at the forthcoming Sixth AGM.

16. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Share Buy-Back Authority, is of the opinion that the Proposed Share Buy-Back Authority is in the best interest of the Company and accordingly recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back Authority to be tabled at the forthcoming Sixth AGM.

17. AGM

The ordinary resolution in respect of the Proposals is set out in the Notice of the Sixth AGM contained in the Annual Report 2019 of the Company. The Sixth AGM of the Company will be held at Connexion Conference & Event Centre, The Zenith function room (Level M1), The Vertical, Bangsar South City, No 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Friday, 26 June 2020 at 10.30 a.m. or at any adjournment thereof.

If you are unable to attend and vote in person at the Sixth AGM, you are requested to complete, sign and return the proxy form enclosed in the Annual Report 2019 of the Company, in accordance with the instructions printed thereon as soon as possible, in any event, so as to arrive at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to submit your electronic proxy form via TIIH Online at <https://tiih.online> not less than 48 hours before the time set for holding the meeting or at any adjournment thereof. The lodging of the proxy form will not preclude you from attending and voting in person at the forthcoming Sixth AGM of the Company should you subsequently wish to do so.

18. FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendix I for further information.

Yours faithfully,
For and on behalf of the Board of
LEONG HUP INTERNATIONAL BERHAD

LAU CHIA NGUANG
Non-Independent Executive Chairman

FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors of LHI have seen and approved this Circular/Statement and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular/Statement. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there are no other facts, the omission of which would make any statement in this Circular/Statement misleading.

2. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, the LHI Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and the Directors of LHI confirm that there are no proceedings pending or threatened or any fact likely to give rise to any proceedings which might materiality and adversely affect the financial or business position of the LHI Group.

2.1 Competition and Consumer Commission of Singapore's Investigation

On 8 March 2016, the Competition and Consumer Commission of Singapore ("CCCS") issued a Proposed Infringement Decision against 13 fresh chicken distributors, including Lee Say Poultry Industrial, Lee Say Group Pte Ltd, Hup Heng Poultry Industries Pte Ltd, KSB Distribution Pte Ltd, ES Food International Pte Ltd and Prestige Fortune (S) Pte Ltd (collectively, the "Affected Companies"), for allegedly engaging in anti-competitive agreements.

Based on legal advice, a provision was made during the FYE 31 December 2016 to cover the estimated cost of this alleged infringement. Following further investigations and in light of new evidence, the amount provided was reviewed and revised and an amount of RM7,617,000 was written back in the FYE 31 December 2017.

Written representations in defence of the Affected Companies were submitted to the CCCS on 8 February 2018, and oral representations were presented to the CCCS on 15 March 2018, and the CCCS was considering further written representations and oral representations submitted. On 12 September 2018, the CCCS have issued an infringement decision on the Affected Companies and imposed an aggregate financial penalty of SGD11,399,041 (RM34,667,000) on the Affected Companies. On 12 November 2018, the Affected Companies submitted its Notice of Appeal against CCCS infringement decision to the Competition Appeal Board ("CAB"). Hearings were conducted by the CAB on 5 August 2019 to 8 August 2019, 3 September 2019, 27 September 2019 and 3 March 2020. The CAB has also directed a further hearing on 5 and 6 May 2020 be reserved for clarifications by the CAB. The imposed financial penalty was fully provided for as at 31 December 2019.

3. MATERIAL CONTRACTS

Save as disclosed below, the LHI Group has not entered into any material contracts, which are not in the ordinary course of business during the past two (2) years preceding the date of this Circular/Statement:

(i) Trademark License Agreement

On 1 August 2018, Leong Hup Holdings Sdn Bhd being the registered owner of the "Leong Hup" trademark in Malaysia and a company controlled by the controlling shareholder of LHI, had granted an exclusive license for an annual royalty fee calculated at the rate 0.02% of the annual turnover of the Group to use the trademark worldwide on an exclusive basis for an initial period of ten (10) years through a signed trademark license agreement.

(ii) Sale and Purchase Agreement dated 9 June 2018 in respect of the disposal of our 51.00% equity interest in Jordon International Food Processing Pte Ltd (“Jordon”)

On 9 June 2018, an indirect subsidiary of LHI, Kendo Trading Pte Ltd (“**Kendo Trading**”), entered into a sale and purchase agreement with Muar Regent Holdings Pte Ltd (*formerly known as Leong Hup International Pte Ltd*), a company incorporated and registered in Singapore, for the disposal of 1,020,000 ordinary shares held by Kendo Trading in its wholly-owned subsidiary, Jordon, representing 51.00% of the equity interest in Jordon for a total cash consideration of SGD10,250,000 (equivalent to RM30,369,577). The sale and purchase was completed on 9 June 2018.

(iii) Sale and Purchase Agreement dated 9 June 2018 in respect of the disposal of 49.00% equity interest in Jordon

On 9 June 2018, Kendo Trading entered into a sale and purchase agreement with Lee Chai Soon for the disposal of 980,000 ordinary shares held by Kendo Trading in its wholly-owned subsidiary, Jordon, representing 49.00% of the equity interest in Jordon for a total cash consideration of SGD9,850,000 (equivalent to RM29,184,423). The sale and purchase was completed on 9 June 2018.

(iv) Sale and Purchase Agreement dated 28 November 2019 in respect of the acquisition of a parcel of leasehold industrial land

On 28 November 2019, Leong Hup Feedmill Malaysia Sdn Bhd, a wholly-owned subsidiary of LHI, entered into a sale and purchase agreement with Darma Canggih Sdn Bhd for the acquisition of a parcel of 9,902 square meters leasehold industrial land held under title PN 24346, Lot 102515, Mukim Klang, District Klang, State of Selangor for a total cash consideration of RM6,300,000.

(v) Sale and Purchase Agreement dated 28 February 2020 in respect of the acquisition of a feedmill factory and motor vehicles

On 28 February 2020, Emivest Feedmill (TG) Vietnam Limited Liability Company (“**EFTG**”), a wholly-owned subsidiary of LHI, entered into two (2) separate sale and purchase agreements with Hung VuongTay Nam Panga Feed Join Stock Company to acquire a feedmill factory and motor vehicles for an aggregate cash consideration of VND231,023,099,980 (equivalent to approximately RM41,935,578).

(vi) Sale and Purchase Agreement dated 9 March 2020 in respect of the acquisition of machineries and equipment

On 9 March 2020, EFTG entered into two (2) separate sale and purchase agreements with Hung VuongTay Nam Panga Feed Join Stock Company for the acquisition of machineries and equipment for an aggregate cash consideration of VND138,249,000,020 (equivalent to approximately RM25,095,117).

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of LHI during normal business hours for the period commencing from the date of this document up to and including the date of the forthcoming Sixth AGM:

- (i) the Constitution of LHI;
- (ii) the unaudited consolidated financial results of LHI for the period ended 31 March 2020;
- (iii) the audited consolidated financial statements of LHI for the past two (2) financial years ended 31 December 2018 and 31 December 2019; and
- (iv) the material contracts referred to in Section 3 of this Appendix I.