



## LionHub Group Limited

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### ASX Announcement

#### Voluntary De-listing from ASX

LionHub Group Limited (ACN 119 999 441) (ASX: LHB) (**LionHub**) advises that it has submitted a formal application to ASX requesting that ASX remove LionHub from the official list of the ASX (**Official List**) pursuant to ASX Listing Rule 17.11.

#### Reasons for delisting from the ASX

The key reasons for LionHub seeking to be removed from the Official List are:

- (a) **Low liquidity:** Trading in LionHub's shares has had a low level of liquidity over a significant period on the ASX, which has led to low trading volumes. Also, a large number of shareholders hold an 'unmarketable parcel', meaning there is a limited market for trading in the LionHub's shares on ASX. Further, LionHub's shares were suspended from official quotation on ASX on 21 February 2020 and have remained suspended since that date.
- (b) **Suspension:** On 21 February 2020, ASX suspended the securities of LionHub from official quotation under Listing Rule 17.3 due to insufficient operations to warrant the continue quotation of its securities in accordance with Listing Rule 12.1. ASX advised that the securities of LionHub would remain suspended until LionHub is able to demonstrate either compliance with Chapter 12 of the ASX Listing Rules or it re-complies with Chapters 1 and 2 of the ASX Listing Rules. Prior to its suspension, LionHub submitted an expanded business plan for ASX's consideration and sought an extension to the impending suspension due to the disruption caused to LionHub's operations as a result of the COVID-19 pandemic. However, following consultation with ASX, LionHub was advised that ASX would proceed with the suspension. The Board was greatly disappointed with this result.
- (c) **Limited operations in Australia:** LionHub does not currently have any tangible nexus with Australia from an operational perspective, which undermines the basis for retaining a listing on ASX. LionHub currently has one project in the city of Xuancheng in Anhui Province known as the Singapore Xuancheng Technology Park. Anhui Province is located in central China.
- (d) **Additional costs:** The continued listing of LionHub on ASX requires LionHub to incur considerable corporate and administrative costs, including listing fees. The costs and administrative burden of remaining listed on ASX outweigh any benefits of a continued listing. The Company is seeking to minimise its expenditure in light of the impact the COVID-19 pandemic has had on the Company's operations and the progress of its project. The Board considers that the costs associated with maintaining an ASX listing are no longer justified, nor is it in the higher level of compliance costs in the best interests of all shareholders of the Company. Additionally, there are indirect costs associated with the need to devote time to managing the Company's listing and compliance obligations, which could be directed elsewhere if the Company was removed from the official list of ASX.

Given the above, the Board has ultimately determined that the financial, administrative and compliance obligations and costs associated with maintaining an ASX listing are no longer justified, nor is the higher level of compliance costs in the best interests of all shareholders.

## Consequences of Delisting

The consequences for LionHub and its shareholders if LionHub is removed from the Official List are:

- (a) LionHub's shares will no longer be quoted on ASX and shareholders of LionHub will no longer be able to trade their shares on ASX;
- (b) LionHub's shares will only be capable of being traded by off-market, private transactions, which will require shareholders to identify and agree terms with potential purchasers of shares;
- (c) as an unlisted company, LionHub will not have the ability to raise capital from the issue of securities by means of limited disclosure fundraising documents, therefore the main means for LionHub (as an unlisted company) to raise equity funds will be by way of an offer of securities pursuant to a full form prospectus or by way of placement to sophisticated and other investors who do not require a prospectus;
- (d) for so long as LionHub has at least 50 members, it will remain subject to the takeover provisions set out in Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**);
- (e) for so long as LionHub has at least 100 members it will be classed as an "unlisted disclosing entity" and will still be required to give continuous disclosure of material matters in accordance with the Corporations Act by filing notices with ASIC under section 675 of the Corporations Act and LionHub will still be required to lodge annual audited and half-yearly financial statements in accordance with the requirements of the Corporations Act. However, if LionHub ceases to be an unlisted disclosing entity there will be no ongoing requirement for LionHub to give continuous disclosure of material matters under section 675 or lodge half-yearly financial statements reviewed by an auditor but as a public company it will continue to be required to lodge annual audited financial statements; and
- (f) a reduction of obligations associated with being listed on the Official List, which may include relief from some reporting and disclosure requirements, removal of restrictions on the issue of shares by LionHub and requirements concerning significant changes to LionHub's activities and as an unlisted company the ASX Corporate Governance Principles and Recommendations will no longer be applicable to LionHub.

## Arrangements for Eligible Shareholders to sell Unmarketable Parcels

As announced to ASX on 17 May 2021, LionHub will undertake a minimum holding buy-back of unmarketable parcels of shares (**Buy-Back Facility**). An unmarketable parcel of shares (**Unmarketable Parcel**) is a holding of ordinary shares in LionHub valued at less than \$500 as at 7.00pm (Sydney time) on Friday, 14 May 2021 (**Record Date**) based on a buy-back price of \$0.0035 per share (**Buy-Back Price**).

As noted above, following LionHub's removal from the Official List, it will be more difficult for a shareholder to dispose of their shares. The Buy-Back Facility has been established to enable shareholders holding an Unmarketable Parcel at the Record Date (**Eligible Shareholders**) to sell their Shares to LionHub at the Buy-Back Price prior to its removal from the Official List. The Buy-Back Facility will also assist in reducing share registry and other administrative costs for LionHub associated with maintaining a larger number of small shareholders.

Given that LionHub's shares are currently suspended from official quotation on ASX, shareholders will not be able to sell their shares on market prior to LionHub being removed from the Official List.

Refer to LionHub's announcement to ASX on 17 May 2021 for further details regarding the Buy-Back Facility.

## Timing and conditions

The ASX has granted LionHub's request to be removed from the Official List pursuant to Listing Rule 17.11, subject to compliance with the following conditions:

- (a) LionHub's removal from the Official List is approved by a special resolution of shareholders;
- (b) the notice of meeting seeking security holder approval for LionHub's removal from the Official List (**Notice of Meeting**) must include:
  - (i) a timetable of key dates, including the time and date at which LionHub will be removed from ASX if that approval is given;
  - (ii) details of the processes that will exist after LionHub is removed from the Official List to allow security holders to dispose of their holdings and how they can access those processes; and
  - (iii) to ASX's satisfaction, the information prescribed in section 2.11 of ASX Guidance Note 33; and
- (c) LionHub must release the full terms of ASX's decision to the market upon making a formal application to ASX to remove Lionhub from the official list of ASX.

The proposed delisting is subject to approval by a special resolution of LionHub's shareholders. Further details relating to the proposed delisting will be set out in the Notice of Meeting. All shareholders will be entitled to vote on the resolution.

Please note that as LionHub's shares are suspended from trading, ASX has advised that LionHub does not need to comply with the usual condition that removal from the Official List will not take place any earlier than one month after shareholder approval has been obtained. If approved by the requisite majority, LionHub intends to delist immediately following such shareholder approval.

#### **Remedies available to shareholders**

If a shareholder of LionHub considers the removal from the Official List to be contrary to the interests of the shareholders of LionHub as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a shareholder or shareholders, it may apply to the court for an order under Part 2F.1 of the Corporations Act. Under section 233 of the Corporations Act, the court can make any order that it considers appropriate in relation to LionHub, including an order that LionHub be wound up or an order regulating the conduct of LionHub's affairs in the future.

If a shareholder of LionHub considers that the removal from the Official List involves "unacceptable circumstances", it may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (refer also to Guidance Note 1: *Unacceptable Circumstances issued by the Takeovers Panel*). Under section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable, it may make any order that it thinks appropriate to protect the rights or interests of any person or group of persons, where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

This announcement has been authorised for release by the Board.

#### **For further information please contact:**

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