



LionHub Group Limited

LIONHUB GROUP LIMITED

ACN 119 999 441

NOTICE OF EXTRAORDINARY GENERAL MEETING;

and

INDEPENDENT EXPERT'S REPORT

TIME: 11:00am (AEST)

DATE: Thursday, 15 May 2014

PLACE Level 3A
Hyde Park Tower
148 Elizabeth Street
SYDNEY NSW 2000

This is an important document. If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at

- 11.00am (AEST) on Thursday, 15 May 2014
- Level 3A
Hyde Park Tower
148 Elizabeth Street
SYDNEY NSW 2000

Voting Is Important

The business of the General Meeting affects your shareholding and your vote is important.

Voting In Person

To vote in person, attend the General Meeting on the date and at the place set out above.

Voting In Proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form:

- post to NKH Knight Pty Ltd, PO Box 8281, SUBIACO WA 6008;
- send by facsimile to NKH Knight Pty Ltd on (08) 9367 8812 (within Australia) or +61 8 9367 8812 (outside Australia)

so that it is received not later than 11.00am (AEST) on Tuesday, 13 May 2014.

Proxy Forms received later than this time will be invalid.

Voting Eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 7.00pm (AEST) on Tuesday, 13 May 2014.

INDICATIVE TIMETABLE

Set out below is an indicative timetable relating to the proposed Acquisition. All times are times in Sydney, New South Wales (AEST) unless otherwise noted

Event	Date
Announcement of Acquisition	24 January 2014
Lodgement of Prospectus with ASIC	16 April 2014
Opening of Offer under the Prospectus	01 May 2014
General Meeting to approve Acquisition	15 May 2014
Closing Date of Offer under the Prospectus	26 May 2014
Anticipated date the suspension of trading is lifted and the Company's Shares commence trading again on ASX	30 May 2014

The Company's Shares are currently, and will remain, suspended from trading on the ASX on this date so trading and deferred settlement trading will not occur.

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

DIRECTOR'S LETTER

10 April 2014

Dear Shareholder,

A new direction for LionHub Group Limited has been canvassed. The decision has been made that the way forward for the Company is to pursue property projects in China with a focus on real estate developments, hotel operations, and land acquisition (**New Activities**). The previous business involving development of integrated optoelectronic and wireless solutions, which ceased in late 2009, has no merit and is no longer considered viable to adding to Shareholder wealth.

As many would appreciate, the New Activities represent a significant departure from the Company's previous business. The Company has met with the ASX and will seek Shareholder approval for the New Activities under Listing Rule 11.1.2 and to comply with Chapters 1 and 2 of the Listing Rules as a condition to seeking the readmission of the Company's shares on the ASX. The Company's shares on the ASX will remain suspended until ASX consents to their readmission.

Also, as announced to the market on 24 January 2014, the Company has signed a Share Sale Agreement on that date with Lian Keng Enterprises Pte Ltd (**Lian Keng**), a company incorporated in Singapore to acquire the sole share owned by Lian Keng in Lian Huat (Xuancheng) Pte Ltd (**Lian Huat**), who owns the sole share in Lian Huat (XC) Pte Ltd (**Lian Huat XC**), another Singapore incorporated entity (**Acquisition**).

The Acquisition, which is the subject of this Notice of Meeting, not only requires Shareholder approval under ASX Listing Rule 11.1.2 – Significant Acquisitions but also other approvals by Shareholders as set out in the Notice accompanying this letter.

Soon after the issue of this Notice, the Company intends to issue the Prospectus with a view to raising funds to support the New Activities and to facilitate readmission of the Company's Shares on the ASX.

Change of Activities

The Acquisition will result in a significant change in the nature and scale of the Company's activities from the development of integrated optoelectronic and wireless solutions to property development in China. Accordingly, the Company requires shareholder approval under ASX Listing Rule 11.1.2 and must re-comply with Chapters 1 and 2 of the ASX Listing Rules.

In this regard, the Company must issue a full form Prospectus, under which the Company is seeking to raise a minimum of \$7,000,000, with the ability to receive oversubscriptions of up to a further \$5,000,000 being accepted (**Capital Raising**).

The Company requires Shareholder approval to undertake the Capital Raising. The approval is being sought in accordance with this Notice. Full details of the Capital Raising are provided in this Notice.

Effect of Acquisition

If the Acquisition is successfully completed in accordance with the terms of the Share Sale Agreement:

- (a) the Company will acquire 100% of the issued shares in the capital of Lian Huat; and
- (b) the proceeds from the Capital Raising will be used to fund further growth opportunities for the Company business.

In the event that all of the Resolutions are not approved by Shareholders:

- (a) the Company's Shares will very likely continue to be suspended from trading until such time as the Company finds an alternative investment that Shareholders approve;
- (b) the Share Sale Agreement will terminate; and
- (c) the Directors will seek alternative opportunities for the Company. No assurance can be given that any such opportunities will be identified at this stage.

Based on the information available and having regard to the Independent Expert's Report, it would appear that the Acquisition is in the best interests of the Shareholders. On that basis, the Board considers that the Acquisition should be accepted by the Shareholders.

The Company makes no representation or warranty whatsoever that the Acquisition will actually enhance Shareholder value. The Company has not considered the situation of any particular Shareholder. Each and every Shareholder should make their own enquiries to satisfy themselves on all aspects of the Acquisition. Details contained in this letter, the Notice, Explanatory Statement or Independent Experts Report does not constitute any representation by the Company.

Before voting on the Resolutions, Shareholders should consider the appropriateness of the Acquisition having regard to their own objectives, financial situation and needs including any taxation consequences, and carefully read the Independent Experts Report.

The Directors of the Company recommend that Shareholders approve the Resolutions contained in this Notice of Meeting and so enable the Acquisition by the Company.

I look forward to seeing you at the Meeting.

Yours faithfully,

J Khoo
Chairman
LionHub Group Limited

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of LionHub Group Limited will be held at 11.00am (AEST) on Thursday, 15 May 2014 at Level 3A, Hyde Park Tower, 148 Elizabeth Street, SYDNEY NSW 2000.

The Explanatory Memorandum to this Notice of Meeting forms part of the Notice and provides additional information on matters to be considered at the General Meeting. In addition to assist Shareholders in their decision making process with respect to the Resolutions to be tabled before them, the Explanatory Memorandum should be read in conjunction with the Independent Expert's Report prepared by RSM Bird Cameron Corporate Pty Ltd that is included as Annexure A.

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary.

AGENDA

1. Approval to Change the Nature and Scale of Activities

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 2 and 3, for the purpose of Listing Rule 11.1.2 of the ASX Listing Rules, and for all other purposes, approval is given for the Company to make a significant change to the nature and the scale of its activities as described in the Explanatory Statement accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Acquisition of Lian Huat (Xuancheng) Pte Ltd

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 1 and 3, pursuant to Listing Rules 7.1 and 10.1 and for all other purposes, approval is given for the Company to issue, 42,500,000 fully paid Ordinary Shares at a deemed issue price of 20 cents per Share, to Lian Keng Enterprises Pte Ltd as consideration for the acquisition of the issued capital of its subsidiary, Lian Huat (Xuancheng) Pte Ltd."

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared by RSM Bird Cameron Corporate Pty Ltd (**Independent Expert**) for the purposes of the Shareholder approval required under ASX Listing Rule 10.1. In their report, the Independent Expert comments on the fairness and reasonableness of the Acquisition to the non-associated Shareholders in the Company.

The Independent Expert has determined that the Acquisition, the subject of Resolution 2, is FAIR and REASONABLE to the non-associated Shareholders.

Voting Exclusions:

The Company will disregard any votes cast on this resolution by Lian Keng Enterprises Pte Ltd and any associates of Lian Keng Enterprises Pte Ltd. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Issue of a Prospectus for Capital Raising

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 1 and 2 , for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue:

up to 35,000,000 Shares at an issue price of \$0.20 each to raise a minimum of \$7,000,000; and

up to an additional 25,000,000 Shares at an issue price of \$0.20 each to raise a further \$5,000,000, in the event of oversubscription

on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Election of Mr Koh Kim Huat as Non-Executive Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 1 to 3 (inclusive), for the purpose of section 201G of the Corporations Act and for all other purposes, Mr Koh Kim Huat, being eligible and having consented to act, is elected as a Director with effect from the conclusion of this General Meeting.”

5. Election of Mr Geoffrey Ellison McIntyre as Non-Executive Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 1 to 3 (inclusive), for the purpose of section 201G of the Corporations Act and for all other purposes, Mr Geoffrey Ellison McIntyre, being eligible and having consented to act, is elected as a Director with effect from the conclusion of this General Meeting.”

6. General Business

To consider any other business that may be brought forward in accordance with the Constitution or the Corporation Act.

By Order of the Board



Eryn Kestel
Company Secretary
10 April 2014

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the General Meeting of LionHub Group Limited to be held on Thursday, 15 May 2014 at 11:00am (AEDST).

The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company that is material to a decision on how to vote on the Resolutions in the accompanying Notice of General Meeting.

GENERAL INFORMATION

Background and Project Overview

LionHub Group Limited (**the Company**) is an Australian public company listed on the ASX Official List of however its Shares have been suspended on the ASX since 26 February 2009.

The Company was incorporated on 1 June 2006, and was admitted to the ASX Official List on 25 October 2006. The Company's previous business was the development of integrated optoelectronic and wireless solutions.

The Company had a history of significant operating losses, which led to the previous Board appointing Administrators to the Company on 17 May 2011. The original proposal for the recapitalisation of the Company was put forward by RAK Capital on 21 July 2011.

The Company entered into a Deed of Company Arrangement on 17 August 2011 (**DOCA**). Pursuant to the terms of the DOCA, the Administrators became the Deed Administrators of the Company.

The Company subsequently entered into an amended Deed of Company Arrangement with the creditors trust on 9 September 2011. Pursuant to the terms of the creditors trust, the Deed Administrators became Joint and Several Trustees of the Creditors Trust (**Trustees**). The Company was released from DOCA on 9 September 2011.

On 12 April 2013, the Trustees notified the Australian Securities Exchange (**ASX**) that the Original Proposal was not able to be completed by the proponent.

A new proposal from a different investment group, represented by Benelong Capital Partners Pty Ltd (**Benelong**), for the restructure and recapitalisation of the Company was submitted to the Company on or about 30 April 2013 (**Benelong Recapitalisation Proposal**).

The Benelong Recapitalisation Proposal was approved by Shareholders on 26 November 2013 and resulted in the Company completing the following:

- (a) The Company issued to overseas, sophisticated, professional and exempt investors nominated by Benelong 237 million shares at an issue price of \$0.00187324894 per share to raise a total of \$443,960; and a further allotment of 154 million performance based options to raise \$1,540.00;
- (b) A new Constitution was approved;
- (c) The current Directors – Messrs Khoo, Lee and Chan were appointed as Directors to the Company;
- (d) The Company changed its name to LionHub Group Limited; and
- (e) The Shares were consolidated on the basis of one (1) Share for each ten (10) Shares held.

If the Company completes the Acquisition, the Company will focus solely on the new business acquired which will involve the development of a proposed technology park in Xuancheng City, Anhui province in China (**Project**). The new business represents a change in the nature and scale of the Company's activities from that of developing integrated optoelectronic and wireless solutions to identifying and developing real estate opportunities in China and begins with the Project.

Having reviewed other investment proposals, the Directors are of the opinion that the Acquisition meets the Board's criteria for new investments and represents a significant opportunity for Shareholders.

In the event that none of the Resolutions are approved by Shareholders:

- (a) the Company's Shares will very likely remain suspended from trading until such time as the Company finds an alternative investment that Shareholders and ASX approves that will allow the Company's re-admission to the ASX Official List;
- (b) the Share Sale Agreement shall terminate; and
- (c) the Directors will seek alternative opportunities for the Company. No assurance can be given that any such opportunities will be identified at this stage.

Background to the Acquisition

In accordance with ASX Listing Rule 11.1.2, where a Company proposes a significant Acquisition; Shareholder approval must be obtained.

As announced to the market on 24 January 2014, the Company signed a Share Sale Agreement on that date with Lian Keng Enterprises Pte Ltd (**Lian Keng**) to acquire the sole issued Share in Lian Huat (Xuancheng) Pte Ltd (**Lian Huat**). Lian Huat owns the sole Share in Lian Huat (XC) Pte Ltd (**Lian Huat XC**), which is a party to an Investment Agreement with the China Anhui Xuan China Economic and Technology Development Board.

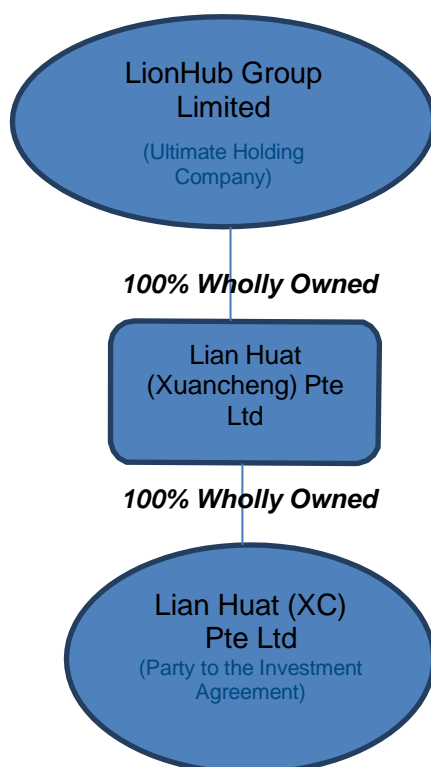
A summary of the Share Sale Agreement appears later in the Notice.

The Acquisition will result in the Company having the benefit of contractual rights under the Investment Agreement. The Project covers an area of 2.2 square kilometres of land and involves the preparation of a Master Plan and the development of a proposed technology park in Xuancheng City, Anhui province in China to be built in phases in accordance with the Investment Agreement.

A summary of the Investment Agreement appears later in the Notice.

The consideration to be paid will be in Shares only – 42,500,000 Ordinary Shares at a deemed issue price of 20 cents per Share for a total deemed value of \$8,500,000.

Lian Keng, Lian Huat and Lian Huat (XC) are entities incorporated in accordance with the laws of Singapore and are, at the date of this Notice, all active entities. Following the Acquisition, the Group will be as set out in the flow chart below.



Under the Investment Agreement, parcels of land, the subject of the Project, are made available for development and sale via a bidding process. The Company's Chinese lawyers, who have reviewed the Investment Agreement, have advised that as Lian Huat XC is a party to the Investment Agreement it is most likely that it will be the successful bidder for all parcels made available under the Investment Agreement. If however, the Company, Lian Huat, Lian Huat (XC) or any of their Related Bodies Corporate (**Contracting Party**) is not the successful bidder for all parcels of land offered, the Company may cancel or not issue the Consideration Shares **unless** the Company is the cause of the unsuccessful bid or a Contracting Party is a successful bidder in at least one bid. If Shareholders approve the Acquisition, the Company will focus on the Project.

The current Board comprising of Ms Khoo, Ms Lee and Mr Chan will remain and Messrs Koh Kim Huat and Geoffrey McIntyre – whose appointment the subject of Resolutions 4 and 5 if approved will join the Board post completion of the General Meeting.

It is agreed between the Company and Lian Keng that, as a part of the Share Sale Agreement, the current Directors of the Subsidiaries, Messrs Choon Keng Kho and Patrick Kho Chuan Thye, will remain as Directors of those entities.

The Project

Lian Huat's sole asset, through its 100% owned subsidiary Lian Huat (XC), is the Investment Agreement.

The Acquisition will provide the Company with the opportunity to develop a proposed technology park, to be called the Singapore (Xuancheng) Technology Park (**Park**).

The China Anhui Xuan Cheng Economic and Technology Development Board has provided a number of fiscal incentives to attract companies to the Development Zone, including but not limited to land and sales tax rebates as well as rebates for the purchase of land. These fiscal incentives and the vibrant nature of the Development Zone, makes this an excellent choice of location for the Project.

The Project will provide an avenue for companies to showcase and develop their operations in China. The Park is located 285km west of Shanghai.

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

Under the Investment Agreement, Lian Huat XC has been appointed as the Master Developer for the Project. Lian Huat XC is responsible for the design of the Park and construction of infrastructure within the Park.

As the Master Developer, Lian Huat XC has the right to participate in a bidding process to acquire all rights to use of land in stages for the Project. All rights to use of land in the Park must be to Lian Huat XC or parties nominated by Lian Huat XC, with development according to the Master Plan. Any nominated party of Lian Huat (XC) shall be a Related Body Corporate of it.

The development of the Park has as its core the combination of commercial, residential and industrial properties in an attractive style, divided into clusters.

The proposed Singapore Xuancheng Technology Park will mark the introduction and utilisation of Singaporean management and technology - learning and applying the advanced international level of Singapore's operation and management concepts, skills and experience to the portrayal of the history of world civilisation, which will be reflected in the design & style.

The history and evolution of world civilization will be featured in the design and architectural styles from around the world, including French, Italian, English and Chinese designs.

The proposed Singapore Xuancheng Technology Park will be designed in line with China's 18th CPC Central Committee Third Plenum making great efforts to preserve the ecological system and establishing systems to drive environmental sustainability, resource efficiency and pollution mitigation.

The proposed Singapore Xuancheng Technology Park will not only represent the developmental process of human civilization, but also combines over 40 years of successful management experience by Lian Huat's shareholders in Singapore, putting resource conservation and environment protection in an important

position, developing a circular and low-carbon economy, adopting a 'green spirit', high efficiency ecological planning, high productivity and sustainability of a green ecological technology park.

Following the successful completion of the Offer and Re-admission, the Company will provide an opportunity to invest in an ASX-listed technology park developer and investor in China with the potential for capital growth and development profits arising from Chinese Government's latest strategic direction towards urbanisation and expanding domestic demand.

Resolution 3 of this Notice proposes that Shareholder approval be sought to enable the Company to make a general Offer to the public under the Prospectus to issue a minimum of 35,000,000 Shares at a deemed issue price of \$0.20 each to raise a minimum of \$7,000,000 with the provision to accept oversubscriptions of up to a further 25,000,000 Shares at a deemed issue price of \$0.20 cents to raise a further \$5,000,000.

Koh Kim Huat

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

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

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

Geoffrey Ellison McIntyre AM, PSM (S'pore)

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

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

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

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

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

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

Terms of Share Sale Agreement

As stated previously in this Notice, the Consideration to be paid by the Company under the Share Sale Agreement is the issue of 42,500,000 Shares (**Consideration Shares**) at a deemed issue price of \$0.20 each (\$8,500,000).

In order for the Board to determine the Consideration, an independent valuation by Censere was commissioned by the Board. Censere subsequently provided the Valuation Report which supported the Consideration.

In addition to the Valuation Report, the Board has also considered the following:

- *Encouraged Industry in China:* High level of Chinese government support for foreign investment in construction of infrastructure;
- *Strong Property Market Drivers:* Strong & urgent demand for specific infrastructure in China. Current & future pricing trends favourable;
- *Reputable Partners:* A signed agreement with the China Economic and Technological Development Board together with discussions and negotiations with Singapore Government authorities and enterprises;
- *Access to New Markets:* Showcase and develop operations in the growing China property market - the property sector contributes significantly to China's economy;
- *Strong Team:* Management & Board has significant Chinese market and property development industry backgrounds. There is also collaboration with known Chinese and Singaporean Government departments and authorities; and
- *Changes to tax legislation:* The Communist Party leaders in November 2013 released a blueprint for wide-ranging social and economic overhauls, including a plan to speed up property-tax legislation. Property tax is an effective way to suppress speculation and lead the market to a healthy state.

Completion of the Share Sale Agreement is subject to the satisfaction or waiver (as applicable) of a number of conditions precedents being satisfied by 1 June 2014 (this date is able to be extended by agreement between the parties) as follows:

- The Company receiving all the necessary confirmations or waivers from the ASX or any other government authority which in the Company's opinion are necessary or desirable to proceed with the Acquisition including re-compliance with Chapters 1 and 2 of the Listing Rules;
- ASX conditional approval being obtained for the securities of the Company to be re-admitted to trading following re-compliance with Chapters 1 and 2 of the ASX Listing Rules; and
- The approval of the Company's Shareholders being obtained in accordance with Listing Rules for the issue of the Consideration Shares to Lian Keng for all purposes including approval of change of nature and scale of the Company's activities;

If the Company, Lian Huat, Lian Huat (XC) or any of their Related Bodies Corporate (Contracting Party) is not the successful bidder for all parcels of land offered under the Investment Agreement, the Company may cancel or not issue the Consideration Shares, **unless** the Company is the cause of the unsuccessful bid or a Contracting Party is a successful bidder in at least one bid.

Pro-forma balance sheet

An unaudited pro-forma Balance Sheet for the Company incorporating the effect of the Acquisition, Capital Raising and other matters is attached in Annexure B.

Shareholders should note that the Company seeks approval for the change of nature and scale of activities based on completion of the Acquisition. The Company is also seeking approval for the issue of the Consideration Shares.

Advantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- By approving the change of nature, the Company can focus on its property development activities;
- The Acquisition and Capital Raising provides an avenue for the lifting of the suspension of the Company's Shares and their re-listing on the ASX, therefore providing Shareholder liquidity;
- By changing focus and making this clear, there will no longer be confusion in the market as to the intentions of the Company;
- Property development in China represents a significant opportunity for the Company;
- The Board will provide an experienced and balanced set of skills to guide the growth of the Company;
- The Acquisition provides the Company with a clear strategic direction. This provides a more marketable position for a shareholder than holding shares in a dormant company with no clear strategic direction, as is the present case with the Company;
- The continuing viability of the Company as going concern depends on identifying suitable opportunities which will sustain a viable business. The Acquisition presents one such opportunity and as such, the Acquisition will seek to enable the Company to continue as a going concern; and

The Company believes these benefits and synergies will enhance the potential for additional valuation creation for all Shareholders.

Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- The Company will be changing the nature of its activities to become a company investing in China's high potential property market, which may not be consistent with the objectives of Shareholders and will reduce the possibility of alternative directions for the Company;
- Approval of Resolutions 1-3 will result in the issue of new Shares that will have a substantial dilutionary effect on the current holdings of Shareholders and reduce their control of the Company; and
- There are many risk factors associated with the change of nature of the Company's activities. Some of these risks are set out below.

Risks relating to the Change in Nature and Scale of Activities

An investment in the Company is not risk free and Shareholders should consider the risk factors described below, before deciding whether to vote in favour of the Resolutions.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

- **Re-Admission of Shares on ASX**
As the Company has no recent involvement in the property industry, the acquisition of Lian Huat constitutes a significant change in the nature and scale of the Company's activities and the Company needs to comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company may not be able to meet the requirements of the ASX for readmission of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all.

- **Conditions Precedent**

The Acquisition is to occur under the Share Sale Agreement, which is subject to a number of condition precedents as previously summarised above in this Notice. If these conditions are not satisfied or waived by 1 June 2014 (this date is able to be extended by agreement between the parties) the Acquisition may not proceed, in which case the Company will need to evaluate whether it can continue as a going concern.

- **International operations**

The Company's prime business will now operate in China and the Subsidiaries are registered in Singapore. International sales and operations are subject to a number of risks, including:

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

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

- **Foreign exchange**

Expenditure will be required in US dollars, Australian Dollars, Singapore Dollars and Chinese Renminbi.

In the future a proportion of the Company's revenues, cash inflows, other expenses, capital expenditure and commitments may be denominated in foreign currencies.

To comply with Australian reporting requirements the income, expenditure and cash flows of the Company will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of the Company being exposed to the fluctuations and volatility of the rate of exchange between other currencies and the Australian dollar, as determined in international markets.

- **The Company operates in industries which are cyclical**

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

- **A New Start up Risk**

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

- **Performance Risk**

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

- **Competition**

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

- **Set Up costs**

Registration, set up, application and developments costs associated with projects the size and nature of being a real estate development company can be extremely high and the economies of scale tend to favour large developers rather than small projects.

- **Operating Risks**

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

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

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

- **Auction process**

Under the terms of the Investment Agreement; the land upon which the Park will be constructed can only be acquired through an auction process. The Company relies on Lian Huat (XC) or a party nominated by it to be a successful bidder for parcels of land made available under the Investment Agreement. While the Company's Chinese lawyers have advised it would be unusual for a party in Lian Huat's position under the Investment Agreement not to be the successful bidder, there is a risk that it may not be. If however, the Company, Lian Huat, Lian Huat (XC) or any of their Related Bodies Corporate (**Contracting Party**) is not the successful bidder for all parcels of land offered, the Company may cancel or not issue the Consideration Shares **unless** the Company is the cause of the unsuccessful bid or a Contracting Party is a successful bidder in at least one bid.

General Risks

- **Counterparty risk**

As part of the Company's commercial activities, the Company will be a party to, and enter into, various contracts with third parties for the supply of products and services, sales contracts and financial instruments, amongst other things. An inability of counterparties to meet their commitments under such contracts may have an impact on the Company's financial position.

- **Reliance on key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

- **Dependence on key customers and supply relationships**

The Company will rely on various key customer and supplier relationships in certain of its businesses. The loss or impairment of any of these relationships could have a material adverse effect on the Company's results of operations, financial condition and prospects, at least until alternative

arrangements could be implemented. In some instances, however, alternative arrangements may not be available or may be less financially advantageous than the current arrangements.

- **Additional requirements for capital**

The continued operations of the Company are dependent on its ability to obtain financing through debt and equity financing, or generating sufficient cash flows from future operations. There is a risk that the Company may not be able to access capital from debt or equity markets for future projects or developments, which could have a material adverse impact on the Company's business and financial condition.

- **Industrial and personnel risk.**

Interruptions at the Company's production facilities, arising from industrial disputes, work stoppages and accidents may result in production losses and delays, which may adversely affect the financial position and performance of the Company.

The Company may also have difficulty attracting and retaining staff with specialised skills necessary for the operation of the Company's facilities, particularly in regional locations. A failure to attract and retain such staff may adversely affect the financial performance of the Company.

- **Dividends**

The Company's future dividend levels will be determined by the board of the Company having regard to financial results and the financial position of the Company. There is no guarantee that any dividend will be paid in future.

- **Insurance risks**

The Company maintains insurance for certain activities within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

- **Market risk and interest rate volatility**

From time to time, the Company may borrow money and accordingly will be subject to interest rates which may be fixed or floating. A change in interest rates would be expected to result in a change in the interest cost to the Company and, hence, may affect its profit.

- **Share market**

There are general risks associated with any investment and the share market. The price of Shares on the ASX may rise and fall depending on a range of factors beyond the Company's control and which are unrelated to the Company's financial performance. These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

- **Liquidity risk**

There is no guarantee that there will be an ongoing liquid market for the Company's Shares. Accordingly, there is a risk that, should the market for Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

- **Taxation**

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

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of accepting the General Offer.

- **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently

planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

- **Plans for the Company if the Acquisition is not approved**

If the Acquisition is not approved, the Company intends to consider further acquisition opportunities as and when they may arise.

- **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

Effect on Capital

If all of the Resolutions are passed and the Shares are issued in accordance with the Resolutions, the capital of the Company will change as set out below:

Shares	Minimum Raise (\$7m)	Maximum Raise (\$12m)
Shares currently on issue	678,941,973	678,941,973
Consideration Shares	42,500,000	42,500,000
Shares offered pursuant to the Capital Raising	35,000,000	60,000,000
Post Completion of Acquisition and Settlement	756,441,973	781,441,973

Funds

If all the Resolutions are passed and the funds are raised in accordance with the Resolutions, the cash position of the Company will change as set out in Table 1 below.

The Company intends to use the minimum funds of \$7,000,000 raised from the Capital Raising as working capital and to fund expansion of the business. It is intended to apply the funds as set out in Table 2 below.

In the event Oversubscriptions of up to \$5,000,000 are accepted, a total of \$12,000,000 will be raised and it is intended to apply these funds as set out in Table 3 below.

Table 1 Cash Position

	Minimum Subscription	Maximum Subscription
Funds available		
Cash reserves (approximate)	100,180	100,180
Proceeds from the Offer	7,000,000	12,000,000
Total funds available	7,100,180	12,100,180

Table 2 Use of Minimum Funds Raised

Activity	Year 1 \$	Year 2 \$	Total \$
Development expenditure	1,249,000	2,909,800	4,159,300
Working capital and company overheads	747,000	1,213,700	1,960,700
Estimated cost of Offer	880,000	0	880,000
Total Funds Applied	2,876,500	4,123,500	7,000,000

Table 3 Use of Maximum Funds Raised

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

The above budget is indicative only. As with any budget, intervening events and changed circumstances may alter the way funds are ultimately applied.

Directors' Recommendation

The Directors unanimously recommend the Acquisition and recommend that Shareholders approve all of the Resolutions.

Based on the information available, including that contained in this Explanatory Statement and the risks outlined above, all of the Directors consider that the proposed Acquisition is in the best interests of the Shareholders as it provides a unique opportunity to participate in China's property market. The Directors have approved the proposal to put the Resolutions to Shareholders and have approved the information contained in this Explanatory Statement.

The Directors recommend and believe that it is in the best interests of the Company and Shareholders that Shareholders approve the Resolutions set out in the Notice as this will enable the Company to change its activities to a property development company which will provide Shareholders with:

- A ground-floor opportunity to invest in an ASX- listed business park development proposal in China;
- Exposure to the opportunity to the success of China's latest strategic direction on urbanisation of secondary/tertiary/smaller cities and expanding domestic demand; and
- Investing liquidity provided by re-listing on the ASX.

RESOLUTION 1 - Approval for change in nature and scale of activities

General

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

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

Legal Requirements

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

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

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

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

RESOLUTION 2 - Acquisition of Lian Huat (Xuancheng) Pte Ltd

General

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

Lian Huat is a holding company with no operations or material assets or liabilities, other than its sole share in Lian Huat (XC), the entity that is a party to the Investment Agreement.

Lian Huat to date has a limited operating track record and no material recorded assets.

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

Resolution 2 provides for the issue of Consideration Shares to Lian Keng under the terms of the Share Sale Agreement.

The terms of the Share Sale Agreement were finalised to comply with Listing Rule 10.7. Listing Rule 10.7 provides that any component of the consideration payable for the acquisition of a "classified asset" that is a "substantial asset" (as those terms are defined in the Listing Rules) by the issue of shares, then those shares must be Restricted Securities. This requirement does not apply to any part of the consideration that is a reimbursement of expenditure incurred in developing the classified asset.

The Company considers that the Project is a classified asset within the meaning of the Listing Rules and consequently the Consideration Shares will be Restricted Securities as per the requirements of Appendix 9B of the Listing Rules.

Under the terms of the Share Sale Agreement, the Company has agreed to issue to Lian Keng the 42,500,000 Shares in consideration for one (1) Share in Lian Huat on the following general terms:

The Share Sale Agreement is conditional on:

- (a) Shareholder approval;
- (b) all necessary ASX approvals being obtained; and

- (c) ASX conditional approval being obtained for the securities of the Company to be re-admitted to trading following re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

Approval sought

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

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

Listing Rules Requirements

ASX Listing Rule 10.1

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

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

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

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

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

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

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

A voting exclusion statement in relation to Resolution 2 has been included at the conclusion of the Resolution in the Agenda.

The Independent Expert's Report concerns the proposed issue of the Consideration Shares under Resolution 2, and whether the terms of the Share Sale Agreement are fair and/or reasonable.

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

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

If the minimum Prospectus Shares are issued the Voting Power of Lian Keng will be 61.32% and if the maximum Prospectus Shares are issued the Voting Power of Lian Keng will be 59.36%.

ASX Listing Rule 7.1

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

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

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

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

Independent Experts Report

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

RSM Bird Cameron Corporate Pty Ltd has been engaged by the Company to provide the Independent Expert's Report.

Shareholders are urged to read and consider the Independent Expert's Report which is enclosed with the Notice of Meeting prior to making a decision as to how to vote on Resolution 2.

The Independent Expert concludes that the issue of the Consideration Shares to Lian Keng is on balance fair and reasonable to the non-associated Shareholders.

Lian Keng's intentions regarding the future of the Company

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

- (a) has no intention to change the financial policies of the Company;
- (b) may participate in capital raisings in the future on a case by case basis subject to appropriate approval by the Company's shareholders if necessary;
- (c) intends to retain the employ of the present employees of the Company;
- (d) has no intention to transfer any Company property between the Company and Lian Keng or any person associated with Lian Keng; and
- (e) has no intention to redeploy the fixed assets of the Company.

FIRB Approval

The Company confirms that it will not require FIRB approval under either FATA, or Australia's foreign investment Policy in respect of the Acquisition.

Directors' Recommendation

Each of the Directors recommends that non-associated Shareholders vote in favour of Resolution 2 for the following reasons:

- (a) Consistent with the comments made in the Explanatory Memorandum above, the Acquisition will enable the Company to continue as a going concern and see re-quotations of its Securities on the ASX;
- (b) The Acquisition provides the Company with a clear strategic direction. This provides a more marketable position for a shareholder than holding shares in a dormant company with no clear strategic direction; and
- (c) The Acquisition will enable the Company to access the exciting and dynamic Chinese property development market.

RESOLUTION 3 - Issue of a Prospectus for capital raising

General

Resolution 3 seeks Shareholder approval for the issue of 35,000,000 Shares at an issue price of \$0.20 per Share to raise \$7,000,000 with the provision to accept over subscriptions of a further 25,000,000 Shares at an issue price of \$0.20 per Share (**Capital Raising**).

The Company intends to conduct the Capital Raising through the issue of a Prospectus as part of its re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

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

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

This Resolution is conditional on all other Resolutions in this Notice of Meeting being approved.

Technical Information Required by ASX Listing Rule 7.3

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

1. the minimum number of Shares to be issued is 35,000,000, with the provision to receive oversubscriptions of up to a further 25,000,000 Shares;
2. the Prospectus Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue will occur on the same date;
3. the issue price of the Prospectus Shares will be 20 cents each;
4. the Prospectus Shares issued will be fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
5. the Directors will determine to whom the Shares will be issued, who are unknown as at the date of this Notice but none of the proposed investors will be a related party of the Company; and

6. assuming the Company raises the minimum funds from the Capital Raising of \$7 million and together with the current cash on hand, the total available funds of \$7,100,180 will be allocated as follows:
 - (a) Provide working capital for the Company to meet the costs of the Project;
 - (b) Pay the expenses of the Offer as detailed in Section 10 of the Prospectus; and
 - (c) Meet the ongoing administration costs of the Company including those associated with the Readmission.

It is anticipated that the \$747,000 working capital will cover such expenditure as Administration costs including Accounting and Audit Fees, Directors Fees, Travel and Accommodation and Legal fees and will be spent over the next twelve (12) months period.

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

RESOLUTION 4 - Election of non-executive director Mr Koh Kim Huat

Under Section 201G of the Corporations Act, a company may appoint a director by resolution passed at a general meeting.

Mr Koh Kim Huat, having consented to act and being eligible, seeks to be elected as a Non-Executive Director of the Company with effect immediately; subject to Shareholder approval.

Mr Koh's experience, knowledge and skill set that make him suitable for this role are detailed above under **Personnel**.

Mr Koh will join Ms Jamie Khoo, Ms Lee Kwee Jee, Mr Kum Leong Chan and Mr McIntyre (subject to Shareholder approval which is the subject of Resolution 5) as Non-Executive Directors of the Company.

Resolution 4 is conditional on Resolutions 1 to 3 in this Notice being approved.

RESOLUTION 5 - Election of non-executive director Mr Geoffrey McIntyre

Under Section 201G of the Corporations Act, a company may appoint a director by resolution passed at a general meeting.

Mr Geoffrey Ellison McIntyre, having consented to act and being eligible, seeks to be elected as a Non-Executive Director of the Company with effect immediately; subject to Shareholder approval.

Mr McIntyre's experience, knowledge and skill set that make him suitable for this role are detailed above under **Personnel**.

Mr McIntyre will join Ms Jamie Khoo, Ms Lee Kwee Jee, Mr Kum Leong Chan and Mr Koh (subject to Shareholder approval which is the subject of Resolution 4) as Non-Executive Directors of the Company.

Resolution 5 is conditional on Resolutions 1 to 3 in this Notice being approved.

GLOSSARY

\$ means Australian dollars

Acquisition means the acquisition of 100% of the issued capital in Lian Huat and Lian Huat XC on the terms of the Share Sale Agreement;

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

ASX Listing Rules or Listing Rules means the official listing rules of ASX as amended from time to time.

ASX Official List means the Official List of the ASX.

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

Board means the current board of directors of the Company.

Capital Raising means the proposed issue of a minimum of 35,000,000 Shares at an issue price of 20 cents to raise a minimum of \$7,000,000 with provision to accept oversubscriptions of up to a further 25,000,000 Shares at an issue price of 20 cents.

Censure means Censure Singapore Pte Ltd, a company incorporated in accordance with the laws of Singapore.

Company means LionHub Group Limited (ACN 119 999 441).

Consideration means the sum of \$AUD8,500,000 payable through the issue of the Consideration Shares.

Consideration Shares means 42,500,000 Shares

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means all the Directors of the Company from time to time.

Dollars or **\$** means Australian legal currency.

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice of Meeting.

Group means the Company and the Subsidiaries, immediately post completion of the Share Sale Agreement

Independent Expert means RSM Bird Cameron Corporate Pty Ltd of Level 12, 60 Castlereagh Street, Sydney NSW 2000

Independent Expert Report or IER means the report by the Independent Expert in respect of the Share Sale Agreement. A copy of the IER is attached as Annexure A to the Notice.

Lian Huat means Lian Huat (Xuancheng) Pte Ltd, a company incorporated in accordance with the laws of Singapore.

Lian Huat (XC) means Lian Huat (XC) Pte Ltd, a company incorporated in accordance with the laws of Singapore.

Lian Keng means Lian Keng Enterprises Pte Ltd, a company incorporated in accordance with the laws of Singapore

Meeting means the general meeting of the Shareholders to be held on 15 May 2014 convened by the Company under the Notice.

Notice or **Notice of General Meeting** means this Notice of Meeting giving notice to Shareholders of the Meeting, accompanying this Explanatory Memorandum.

Offer means the Offer contained in the Prospectus.

Project means the preparation of a Master Plan and the development of a technology park (to be known as the Singapore Xuancheng Technology Park) located in Xuancheng City, Anhui province, China.

Prospectus means the prospectus to be prepared and issued by the Company in April 2014 in respect of the Capital Raising.

Prospectus Shares means the shares issued in respect of the Capital Raising.

Readmission means the readmission of the Company to the Official List.

Related Body Corporate has the meaning given to this term in sections 9 and 50 of the Corporations Act.

Related Party has the meaning in section 228 of the Corporations Act.

Relevant Interest has the meaning given to that term on the Corporations Act.

Resolutions means the resolutions set out in the Notice of Meeting.

Restricted Securities has the same meaning as per the ASX Listing Rules

Share means a fully paid ordinary share in the capital of the Company.

Share Sale Agreement means the agreement for Sale of Shares between the Company and Lian Keng dated 24 January 2014

Shareholder means a holder of a Share.

Subsidiaries means the proposed subsidiaries post completion of the Share Sale Agreement, being Lian Huat and Lian Huat (XC).

Valuation Report means the Valuation Report by Censere dated 20 January 2014.

Voting Power has the meaning given by section 610 of the Corporations Act.

**APPOINTMENT OF PROXY
LIONHUB GROUP LIMITED
ACN 119 999 441**

GENERAL MEETING PROXY FORM

Member Details

Name:
 Address:
 Contact Telephone No:

Appointment of Proxy

I/We being a Member/s of LionHub Group Limited and entitled to attend and vote hereby appoint

Chairman of the Meeting **OR**

Or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the General Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of LionHub Group Limited to be held at Level 3A, Hyde Park Tower, 148 Elizabeth Street, SYDNEY NSW 2000 on Thursday, 15 May 2014 at 11.00am (AEST) and at any adjournment of that meeting.

If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitle to vote undirected proxies.

		For	Against	Abstain
Ordinary Resolutions				
Resolution 1	Approval to Change the Nature and Scale of Activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Acquisition of Lian Huat (Xuancheng) Pte Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of a Prospectus for Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Mr Koh Kim Huat as Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Election of Mr Geoffrey McIntyre as Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please Note: By marking the Abstain box for any of the Resolution 1 to 5 you are directing the proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

PLEASE SIGN HERE
Individual or Member 1

Sole Director and
Sole Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

LIONHUB GROUP LIMITED
ACN 119 999 441

INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 7.00pm (AEST) on Tuesday, 13 May 2014.

1. **Appointing a Proxy:** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **Direction to Vote:** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.

Unless authorised by ASIC, if a member of Key Management Personnel or their Closely Related Parties is appointed as a proxy, they are not permitted to vote undirected proxies on remuneration matters (arising directly or indirectly in connection with remuneration of Key Management Personnel), related party benefit matters under Chapter 2E of the Corporations Act and any spill resolutions. However, the chair may vote a proxy that does not specify how it is to be voted, provided the member who has lodged the proxy has provided their consent in the proxy form for the chair to exercise the proxy in its discretion (save in relation to the remuneration report where a direction is required).

3. **New sections 250BB and 250BC of the Corporations Act:** These sections came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:
 - if proxy holders vote, they must cast all directed proxies as directed; and
 - any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

LIONHUB GROUP LIMITED
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INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

Transfer of non-chair proxy to chair in certain circumstances Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

4. Signing Instructions:

- **(Individual):** Where the holding is in one name, the member must sign.
- **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
- **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

5. Attending the Meeting: Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.

6. Return of Proxy Form: To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post to NKH Knight Pty Ltd, PO Box 8281, SUBIACO WA 6008;
- send by facsimile to NKH Knight Pty Ltd on (08) 9367 8812 (within Australia) or +61 8 9367 8812 (outside Australia)

so that it is received not later than 11.00am (AEST) on Tuesday, 13 May 2014.

Proxy Forms received later than this time will be invalid.

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CORPORATE REPRESENTATIVE FORM

Shareholder Details

This is to certify that by a resolution of the directors of:

_____ ACN _____
(Insert Company Name)

(Insert Address)

The Company has appointed:

(Insert Name of Corporate Representative)

In accordance with the provisions of Section 250D of the Corporations Act to act as the Corporate Representative of the company to exercise all or any of the powers the company may exercise at the Annual General Meeting of shareholders of LionHub Group Limited ACN 119 999 441 to be held on Thursday, 14 May 2014 at 11.00am (AEST) and at any adjournment or postponement of the General Meeting, or any meeting arising from the Annual General Meeting.

Dated this day of 2014

Executed by

ACN
in accordance with section 127 of the *Corporations Act*
2001:

Director

Director/Secretary

Name of Authorised Representative

Signed by Authorised Representative

Annexure A Independent Expert's Report

Annexure B Pro Forma Balance Sheet

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

Notes	Acquisition of Lian		Pro forma adjustments (minimum) (\$)	LionHub		LionHub pro forma 31 Dec 2013 (maximum) (\$)	
	LionHub 31 Dec 2013 Audited (\$)	Huat 31 Dec 2013 Unaudited (\$)		LionHub pro forma 31 Dec 2013 (minimum) (\$)	Pro forma adjustments (maximum) (\$)		
Current assets							
Cash and cash equivalents	2	940	1	6,801,594	6,802,535	11,501,594	11,502,535
Trade and other receivables		28,156	-	-	28,156	-	28,156
Other current assets		15,375	-	-	15,375	-	15,375
Total current assets		44,471	1	6,801,594	6,846,066	11,501,594	11,546,066
Non-current assets							
Development agreement	3	-	8,500,000	-	8,500,000	-	8,500,000
Total non-current assets		-	8,500,000	-	8,500,000	-	8,500,000
Total assets		44,471	8,500,001	6,801,594	15,346,066	11,501,594	20,046,066
Current liabilities							
Trade & other payables	4	116,487	1,000	-	117,487	-	117,487
Borrowings		195,923	-	-	195,923	-	195,923
Total current liabilities		312,410	1,000	-	313,410	-	313,410
Total liabilities		312,410	1,000	-	313,410	-	313,410
Net assets		(267,939)	8,499,001	6,801,594	15,032,656	11,501,594	19,732,656
Equity							
Issued capital	5	157,447,389	1	6,886,594	164,333,984	11,586,594	169,033,984
Retained earnings	6	(157,715,328)	(1,000)	(85,000)	(157,801,328)	(85,000)	(157,801,328)
Revaluation reserve	7	-	8,500,000	-	8,500,000	-	8,500,000
Total equity		(267,939)	8,499,001	6,801,594	15,032,656	11,501,594	19,732,656