



2016 CORPORATE GOVERNANCE STATEMENT

With reference to the ASX Corporate Governance Councils “Corporate Governance Principles and Recommendations” – 3rd Edition

This Corporate Governance Statement is current as of 20 April 2016 has been approved by the Board of Directors.

Principle 1:

Lay solid foundations for management and oversight

Establish and disclose the respective roles and responsibilities of the board and management and how their performance is monitored and evaluated

1.1 The Company should disclose

- (a) the respective roles and responsibilities of the board and management; and
- (b) those matters expressly reserved to the board and those delegated to management

The Company’s Board Charter discloses the specific responsibilities, roles and segregation of functions between the board and those delegated to manager.

A copy of the Company’s Board Charter is available on the Company’s webpage.

1.2 The Company should

- (a) undertake appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director; and
- (b) provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director

The Board, through the Remuneration and Nomination Committee, oversees the appointment, selection and induction process for directors. When a vacancy exists or there is need for particular skills, the Board determines the selection criteria based on the skills deemed necessary.

The Board identifies potential candidates who are assessed by the Board against background, experience, professional skills, personal qualities and their availability to commit themselves to the Board’s activities and those of the Company. The Board then appoints the most suitable candidate.

Board candidates must stand for election at the next general meeting of shareholders.

When directors are due for re-election, the Company discloses the information to Shareholders in the Notice of Meetings at which directors will be elected or re-elected in order for them to make an informed decision about the appointment or re-appointment of that particular director.

The Board will not endorse the reappointment of a director who is not satisfactorily performing the role.

1.3 The Company should have a written agreement with each director and senior executive setting out the terms of their appointment.

New directors, who are appointed to the Board, will be provided with a personal letter of

appointment which includes the obligations and responsibilities of being a director of the Company, their remuneration details, confidentiality and disclosure obligations, share trading policy guidelines, indemnity and insurance arrangements.

New directors are also advised that they can gain access to copies of Company and Board policies, the Constitution and access to prior Board minutes and papers.

Contracts of employment are entered into with all senior executives.

1.4 The Company Secretary should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company's Board Charter provides the details of the role of the Company Secretary which among other things is to support the effectiveness of the Board, Remuneration and Nomination Committee and Audit and Risk Management Committee.

Each Director of the Company is able to communicate directly with the Company Secretary and vice versa.

1.5 The Company should:

- (a) Have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them;
- (b) Disclose that policy or a summary of it; and
- (c) Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the Company's diversity policy and its progress towards achieving them, and either
 - The respective proportions of men and women on the board, in senior executive positions and across the whole organization; or
 - The most recent "Gender Equity Indicators" as defined in the Workplace Gender Equality Act

The Company has established a policy on gender diversity in the boardroom and for senior executives which provides a framework for new and existing diversity related initiatives and polices to be implemented and maintained. The Policy is available on the Company's webpage.

The measurable objectives that the Company has developed for achieving gender diversity are:

- **Promote women in the Company;**
- **At least one woman must be included in any short-list of potential candidates for a position as a non-executive director, if applicable; and**
- **Ensure that in the interview process for each executive and management position there is at least one female on the interview panel**

There are currently fifteen female employees out of a total of twenty-three total staff meaning 65% of the Company's workforce is of the female gender. Additionally two of six of the current Board of directors are female who are also the Chairperson and Member of the Audit and Risk Management Committee.

There have been no changes to the personnel holding director positions - the six board positions comprise four males and two females.

1.6 The Company should

- (a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (b) Disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process

The Company's Corporate Governance Policies include a Performance Evaluation Process Policy which discloses the annual process for evaluating performance of the Board.

The Board understands the importance of an annual evaluation of its effectiveness as a whole against a broad range of good practice criteria. It will be the Chairman who reviews the individual performance of each director prior to them being considered for re-election and the Chairman's performance is evaluated by the Board without the presence of the Chairman.

A formal performance evaluation of the Board did not take place during the 2015 year.

1.7 The Company should

- (a) Have and disclose a process for periodically evaluating the performance of its senior executives; and
- (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period on accordance with that process

The Company's Corporate Governance Policies includes a Performance Evaluation Process Policy which discloses the annual process for evaluating performance. It will be the Remuneration and Nomination Committee that will review, monitor and evaluate the performance of senior executives.

A formal performance evaluation of the senior executives did not take place during the 2015 year.

Principle 2:

Structure the board to add value

The board should be of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

2.1 The Company should

- (a) Have a nomination committee
 - With a least three (3) members, a majority of who are independent directors;
 - Chaired by an independent director

And discloses:

- The charter of the committee;
- The members of the committee; and
- The number of times the committee met throughout the period and the individual attendance of the members at those meetings

- (b) If the Company has no nomination committee, there must be disclosure of that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience independent and diversity to enable it to discharge its duties and responsibilities effectively.

The Company has formed a Remuneration and Nomination Committee.

The Board has decided that with a Remuneration and Nomination Committee in place, no efficiencies will be achieved by establishing a separate Nomination Committee.

The Remuneration and Nomination Committee reviews the Board's size and composition, its

committees and committee charters and evaluates Board candidates and makes recommendations to the Board on suitable individuals for Board appointment.

This Committee is governed by a formal charter which is disclosed on the Company's website. The charter defines the Committee's function, operation, structure, authority and responsibilities.

The current Remuneration and Nomination Committee comprises three (3) members – two (2) are independent non-executive directors but the Chair is the Chairman of the Board. The Committee acknowledges the lack of independence between the Chair of the Committee and the Chair of the Board but believe his knowledge, experience, leadership and skill set is what is required to direct the Company in its formative stages.

2.2 The Company should have and disclose a board skills matrix of skills and diversity that the board currently has or is looking to achieve in its membership.

The skills, experience and knowledge of each of the Directors is disclosed in the Company's Annual Report.

Also refer Appendix A.

2.3 The Company should disclose:

- (a) The names of the directors considered by the board to be independent;
- (b) If a director has an interest, position, association or relationship that might cause doubts about the independence of a director but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and explanation of why the board is of that opinion; and
- (c) The length of service of each director

The Board has adopted a charter to give formal recognition to a detailed definition of independence.

Of the current Board of six directors four are independent directors. The Company's Chief Executive Officer is also independently appointed. The four independent directors are Mr Geoffrey McIntyre, Ms Kwee Jee Lee, Mr Kim Huat Koh and Ms Jamie Gee Choo Khoo. The Board is of the view that this ratio provides an adequate mix of independence.

Information relating to the directors is disclosed in the Directors' Report section of the Company's Annual Report.

2.4 A majority of the board should be independent directors

The Board is currently comprised of six directors, four of whom are independent in terms of the factors relevant to assessing the independence of a director as set out in Recommendation 2.3.

The directors believe that there exists a strong incentive for all board members to carry out their directorial duties in an independent manner. The Board considers that this combined with the fact that there is sufficient independence of view and variety of intellectual input between the directors.

A determination with respect to independence is made by the Board on an annual basis. In addition, the directors are required on an ongoing basis to disclose relevant personal interests and conflicts of interest which may in turn trigger a review of a director's independent status.

2.5 The chair of the board should be an independent director and, in particular should not be the

same person as the CEO.

The Chairman of the Board, Mr Choon Keng Kho, is not independent however his knowledge, experience, leadership and skill set are considered to be of significant value to direct the Company in its formative stages.

The Chairman is responsible for the leadership and effective performance of the board, to facilitate the effective contribution of all directors and promote respectful relations between the board and management. The Chairman's responsibilities are set out in more detail in the Board Charter.

The CEO role is fulfilled by Mr Charles Chor Cher Lim who the Board considers has the knowledge, experience and skill set to more than adequately perform this role for the Company.

2.6 The Company should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Induction set out in written engagement letter and availability of Company Secretary to assist with the process for new Directors to familiarise themselves with the Company.

Professional Development requirements are addressed at the time of Chairman reviews or as circumstances require.

New directors are provided with the opportunity to visit the Company's operations and meet with senior executives.

Principle 3:

Act ethically and responsibly

The Company should act ethically and responsibly

3.1 The Company should:

- (a) Have a code of conduct for its directors, senior executives and employees; and
- (b) Disclose that code or a summary of it.

The Company has established a Code of Business Conduct Policy and a Directors and Executive Officers' Code of Conduct which provide a framework for decisions and actions in relation to ethical conduct in employment.

These codes underpin the Company's commitment to integrity and fair dealing in its business affairs and a duty of care to all Directors, senior executives, employees and 3rd party service providers who are committed to implementing the Code and each individual is accountable for such compliance.

These codes are disclosed on the Company's website.

Principle 4:

Safeguard integrity in corporate reporting

The Company should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting

4.1 The Company should:

- (a) Have an audit committee
 - With a least three (3) members, all of whom are non-executive directors and the majority of who are independent directors;
 - Chaired by an independent director who is not the chair of the board

And discloses:

- The charter of the committee;
- The relevant qualifications and experience of the members of the committee; and
- The number of times the committee met throughout the period and the individual attendance of the members at those meetings

(b) If the Company has no audit committee, there must be disclosure of that fact and the processes it employs to independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Company has an established Audit and Risk Management Committee.

The Audit and Risk Management Committee established by the Board has three (3) members, all of whom are independent non-executive directors.

The Committee has a formal charter in place which is disclosed on the Company website. The charter defines the Committee's function, composition, operation, authority and responsibilities.

Information relating to the Directors of the committee, their skills, experience, expertise and the number of times the committee met throughout the period is contained in the Directors' Report section of the Company's Annual Report.

4.2 Before the board approves the financial statements for a financial period, it should receive from its CEO and CFO a declaration that, in their opinion the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and gives a true and fair view of the financial position and performance of the Company which has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board receives a declaration from the Chief Executive Officer and Group Finance Manager covering the matters set out in section 295A of the Corporations Act 2001 – that the financial records of the Company for year end and half-yearly financial reports have been properly maintained in accordance with the Act and that the financial statements and the notes for the financial year comply with the accounting standards and give a true and fair view of the financial position and performance of the Company.

This declaration is given before the Directors approve the financial statements for the financial year and half-year.

4.3 The external auditors are to attend the Company's AGM and are available to answer questions from shareholders relevant to the audit.

The Company's Annual General Meeting is conducted in accordance with the Corporations Act and the constitution of the Company.

The Company ensures that a representative from the external auditor attends the Annual General Meeting to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

Principle 5:

Make timely and balanced disclosure

The Company should make timely and balanced disclosure of all matters concerning it that a

reasonable person would expect to have a material effect on the price or value of its securities

5.1 The Company should

- (a) Have a written policy for complying with its Continuous disclosure obligations under the Listing Rules; and
- (b) Disclose that policy or a summary of it

Compliance procedures, to ensure timely and balanced disclosure of information in line with the Recommendations, have been noted and adopted by the Company and a Disclosure Policy has been adopted.

The focus of these procedures is on continuous disclosure compliance and improving access to information for investors by notifying the ASX, posting releases on the Company website, and issuing media releases

The Policy is available on the Company's website.

The CEO and the Company Secretary are charged with ensuring that any disclosure steps which need to be taken by the Company are brought before the Board for discussion and, subject to amendment, approval.

The Company Secretary is responsible for non-material and standard form disclosures to the market and for liaising with the ASX.

Principle 6:

Respect the rights of shareholders

The Company should respect the rights of its shareholders by providing them with appropriate information and facilities to allow them to exercise those rights effectively

6.1 The Company should provide information about itself and its governance to investors via its website.

The Company maintains a website and shareholders can find all recent information on the Company under various headings on the Company's website, including latest ASX releases, details of its projects and its Corporate Profile.

Shareholders may also request a copy of the Company's ASX recent releases.

6.2 The Company should design and implement an investor relations program to facilitate effective two-way communication with investors.

The Company has established a Communications Strategy which aims to ensure that shareholders are fully informed by communicating to them through

- **Continuous disclosure reporting to the ASX;**
- **Quarterly, half yearly and annual reports; and**
- **Media releases, copies of which are lodged with the ASX and placed on the Company's website**

The Company website provides a platform to disclose official ASX releases of material information and periodic reports, press releases, notices and presentations as well as the contact details of the Company and Share Registrar to enable shareholders to make contact.

The Communications Strategy is disclosed on the Company's website.

6.3 The Company should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of shareholders.

The Communications Strategy aims to ensure shareholder participation at all Annual and General Meetings that they are permitted to attend.

The Board encourages full participation of shareholders at the Annual General Meeting, to ensure a high level of identification with the Company's strategy and goals and to encourage communication and contact with the Board. Important issues are presented to shareholders as single resolutions

6.4 The Company should give shareholders the option to receive communications from and send communications to the Company and its share registry electronically.

Shareholders are given the option to receive information such as the Annual Report and Notice of Meeting in print or electronic form.

Principle 7:

Recognise and manage risk

The Company should establish a sound risk management framework and periodically review the effectiveness of that framework

7.1 The Company should:

- (a) Have a committee or committees to oversee risk, each of which
- Has at least three (3) members, a majority of who are independent directors; and
 - Chaired by an independent director

And discloses:

- The charter of the committee;
- The members of the committee; and
- The number of times the committee met throughout the period and the individual attendance of the members at those meetings

- (b) If the Company has no risk committee or committees, that satisfy (a) above, disclose that fact and the processes it employs to oversee the Company's risk management framework.

The responsibility and control of the Company's risk management system has been delegated to the Audit and Risk Management Committee.

The Board has decided that with an Audit and Risk Management Committee in place, no further efficiencies will be achieved by establishing a separate Risk Committee.

The Company has a Risk Management and Internal Control Policy in place for the identification and effective management of the key risks associated with the Company's business of real estate, development and logistics. The Risk Management and Internal Control Policy is disclosed on the Company website

The policy provides that the identification of the Company's risk profile, management strategies and internal controls will be performed by the Audit and Risk Management Committee and management reporting to the CEO.

The Committee has a formal Charter in place which is disclosed on the Company website. The Charter defines the Committee's function, composition, operation, authority and responsibilities.

Information relating to the Directors of the committee, their skills, experience, expertise and the number of times the committee met throughout the period is contained in the Directors' Report

section of the Company's Annual Report.

7.2 The board or a Committee of the board should:

- (a) Review the Company's risk management framework at least annually to satisfy itself that, it continues to be sound; and
- (b) Discloses, in relation to each reporting period, whether such a review has been taken.

The Audit and Risk Management Committee will establish a register of business risks and identified the material business risks affecting the Company.

Internal controls are in place to mitigate against any material business risks and these are under the control of the CEO.

Risks of a strategic, financial and operational nature (such as ability to raise capital to fund development, real estate prices and currency fluctuations, adequate levels of insurance, contract documentation, maintaining the land associated with the projects in good standing and meeting financial reporting and compliance obligations) are reviewed on a regular basis by the Board.

Potential operational risks involved in running the Company are managed by the Board. Due to the size of the Company, the Board does not consider it practical to establish a separate committee to focus on these issues.

Given that this was the Company's first full year of operations, at each Board Meeting held during 2015, the various risks facing a Company in the first year were reviewed and discussed.

7.3 The Company should disclose:

- (a) If it has an internal audit function, how the function is structured and what role it performs; or
- (b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Company does not have an internal audit function.

The processes necessary to manage what an internal audit function would carry out are currently completed by the Audit and Risk Management Committee.

The Committee has a formal charter in place which is disclosed on the Company website. The charter defines the Committee's function, composition, operation, authority and responsibilities.

Information relating to the Directors of the committee, their skills, experience, expertise and the number of times the committee met throughout the period is contained in the Directors' Report section of the Company's Annual Report.

7.4 The Company should disclose whether it has any material exposure to economic, environmental and social sustainability risks and if it does, how it manages or intends to manage those risks.

The Company recognises that it has exposure to economic, environmental and social sustainability risks which are managed through a series of internal and publicly available policies including but not limited to the Board Charter and the Code of Conduct.

Principle 8

Remunerate fairly and responsibly

The Company should pay director remuneration sufficient to attract and retain high quality directors

and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for Shareholders.

8.1 The Board should

(a) Have a remuneration committee which

- Has at least three (3) members, a majority of who are independent directors;
- Chaired by an independent director

And discloses:

- The charter of the committee;
- The members of the committee; and
- The number of times the committee met throughout the period and the individual attendance of the members at those meetings

(b) If the Company has no remuneration committee disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Company has an established Remuneration and Nomination Committee.

This Committee is governed by a formal charter which is disclosed on the Company's website. The charter defines the Committee's function, operation, structure, authority and responsibilities.

The Committee has three members of which two are independent non-executive directors and has a formal charter in place that is disclosed on the Company's website. The charter defines the Committee's function, composition, operations, authority and responsibilities.

The Committee meets at least on an annual basis to review executive remuneration and incentive policies.

The Committee also reviews and approves the audited remuneration report set out in the Directors' Report and makes the necessary recommendations to the Board to accept the report.

The Board, where necessary, consults external consultants and specialists.

8.2 The Company should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

The Company distinguishes the remuneration of non-executive directors from that of executive directors and senior executives.

The Company's Constitution provides that the remuneration of non-executive directors is fixed and they do not participate in any incentive plans. And do not receive any retirement benefits. For information about non-executive director remuneration practice, reference can be made to the audited remuneration report set out in the Directors' Report.

The Board is responsible for determining the remuneration of any director or senior executive without the participation of the concerned director or executive following consultation with the Remuneration and Nomination Committee.

Furthermore, the information provided in the Remuneration Report is audited as required by Section 308(3C) of the Corporations Act 2001.

8.3 The Company if it has an equity based remuneration scheme should

- (a) Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- (b) Disclose that policy or a summary of it

The Company's policy on Dealing in Securities prohibits participants from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

A copy of the Dealing Policy is on the Company's webpage.

Appendix A

LionHub Group Limited

Board Skills Matrix

	BOARD OF DIRECTORS					
	Choon Keng Kho (Chairman)	Patrick Chuan Thye Kho	Geoffrey McIntyre (Deputy Chairman)	Kwee Jee Lee	Kim Huat Koh	Jamie Gee Choo Khoo
Appointment Date						
Month/Year	24 September 2014	24 September 2014	15 May 2014	26 November 2013	15 May 2014	26 November 2013
Skills and Experience						
ASX Listed Board of Director experience	-	-	-	-	-	√
Complex Organisation experience	√	√	√	√	√	√
Financial experience	√	√	√	√	√	√
Real estate experience	√	√	-	-	√	-
Development and logistics experience	√	√	-	-	√	-
Legal	-	-	-	-	-	-
Ability to Chair Audit Committee	√	√	√	√	√	√
Ability to Chair Remuneration Committee	√	√	√	√	√	√