LH GROUP LIMITED
Reg. No.: 198203779D

LH GROUP LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 198203779D
(the "Company")

PROPOSED ACQUISITION OF ALL THE SHARES IN THE ISSUED AND PAID-UP SHARE CAPITAL OF PACIFIC STAR DEVELOPMENT PTE. LTD.

- STATUS OF CONDITIONAL PLACEMENT

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1. INTRODUCTION

1.1. The Board of Directors of LH Group Limited (the "**Company**" or the "**Purchaser**") together with its subsidiaries (the "**Group**") refers to the announcements dated 3 March 2016, 25 April 2016, 20 May 2016, 25 November 2016, 30 December 2016 and 31 December 2016 (collectively, the "**Announcements**") and the circular to Shareholders dated 30 December 2016 (the "**Circular**") in relation to the proposed acquisition by the Company of 100% of the shares in the entire issued and paid-up share capital of Pacific Star Development Pte. Ltd. (the "**Target**", and together with its group of companies, the "**Target Group**") (the "**Proposed Acquisition**").

1.2. Unless otherwise defined herein or the context requires otherwise, capitalised terms used in this announcement shall have the same meanings ascribed to them in the Announcements.

2. CONDITIONAL PLACEMENT

2.1. Pursuant to the SPA entered into by the Company and the Vendor on 20 May 2016, the Company will carry out a conditional placement exercise (the "**Conditional Placement**"). Subject to the completion of the Conditional Placement, the Company will issue new ordinary shares in the share capital of the Company ("**Conditional Placement Shares**") at S$0.80 per share (the "**Conditional Placement Price**") to raise an aggregate of between S$6,000,000 to S$10,000,000.

2.2. By way of update, the Company has received numerous applications to subscribe for an aggregate of 10.1 million Conditional Placement Shares, which consideration amounts to approximately S$8.1 million. The Placement is well-supported by Koh Brothers Group Limited (through its wholly-owned subsidiary) and prominent businessmen affiliated with Tang Group of Companies (owner and operator of the Dorsett Hospitality Chain), Home Fix DIY, and Food Empire Holdings Limited (a global branding and manufacturing company in the food and beverage sector), such applicants having applied for an aggregate of 5,825,000 Conditional Placement Shares representing approximately 57.5% of the total applications received to-date for the Conditional Placement.

2.3 Please note that the Company shall convene the extraordinary general meeting on 8 February 2017 to seek approval from the Shareholders for the allotment and issue of up to 12,500,000 Conditional Placement Shares under the Conditional Placement. The completion of the Conditional Placement and the issue of the Conditional Placement Shares shall be conditional on completion of the Proposed Acquisition taking place. Completion of the Conditional Placement is expected to take place after the completion of the Proposed Acquisition and is expected to take place simultaneously with or after the listing of and quotation of the Consideration Shares. The Company will make further announcement(s) in relation to the completion of the Conditional Placement and the listing and quotation of the Conditional Placement Shares.

3. RESPONSIBILITY STATEMENT

The directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the directors of the Company are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in the Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Announcement in its proper form and context.

BY ORDER OF THE BOARD

Tan Hai Peng Micheal
Executive Chairman

6 February 2017