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**LHN
GROUP**

SPACE OPTIMISED

LHN LIMITED

賢能集團有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong stock code: 1730)

(Singapore stock code: 410)

**POTENTIAL DISCLOSEABLE TRANSACTION
POTENTIAL DISPOSAL OF THE COMPANY'S 84.05% SHAREHOLDING INTEREST
IN ITS SUBSIDIARY, LHN LOGISTICS LIMITED, PURSUANT TO A POTENTIAL
VOLUNTARY CONDITIONAL GENERAL OFFER PROPOSED TO BE MADE BY AN
UNRELATED THIRD PARTY, MILKYWAY INTERNATIONAL CHEMICAL SUPPLY
CHAIN PTE. LTD.**

POTENTIAL DISPOSAL OF LHN LOGISTICS BY WAY OF VOLUNTARY CONDITIONAL GENERAL OFFER

The Board wishes to announce that on Sunday, 4 June 2023, the Offeror's Financial Advisor announced for and on behalf of the Offeror in the Pre-Conditional Offer Announcement of the Offeror's intention to make a voluntary conditional general offer to acquire all the issued and paid-up ordinary shares in the capital of LHN Logistics.

As it is one of the Pre-Conditions that the approval of the Shareholders be obtained before the Offeror (or through the Offeror's Financial Advisor) will make the Offer, the Board has resolved to convene the EGM and put forth the proposal for the Shareholders to consider and approve, if appropriate, the Potential Disposal.

LISTING RULES IMPLICATIONS

As one or more than one of the applicable percentage ratios for the Potential Disposal (if materialised) is/are expected to be more than 5% but below 25% under Rule 14.07 of the Listing Rules, the Potential Disposal is expected to constitute a discloseable transaction for the Company under the Listing Rules, and will therefore be subject to the notification and announcement requirements but exempt from shareholders' approval and circular requirements pursuant to Chapter 14 of the Listing Rules.

CATALIST RULES IMPLICATIONS

As the Potential Disposal is not under the ordinary course of business of the Group, the Potential Disposal is subject to the requirements of Chapter 10 of the Catalist Rules.

GENERAL

A circular containing, among other things, further details of the Potential Disposal along with the notice of EGM, is expected to be despatched to the Shareholders on or about 13 July 2023, which is more than 15 business days after the publication of this announcement, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

TRADING CAUTION

Shareholders and potential investors are advised to exercise caution in trading the Shares. Completion of the Potential Disposal is subject to fulfilment of the Pre-Conditions and the Offeror making the Offer and as at the date of this announcement, there is no certainty or assurance that the Potential Disposal will be completed. As the Potential Disposal may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares. Shareholders should consult their stock broker, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

1. POTENTIAL DISPOSAL OF LHN LOGISTICS BY WAY OF VOLUNTARY GENERAL OFFER

The Board wishes to announce that on Sunday, 4 June 2023, the Offeror's Financial Advisor announced for and on behalf of the Offeror in the Pre-Conditional Offer Announcement of the Offeror's intention to make a voluntary conditional general offer to acquire all the issued and paid-up ordinary shares in the capital of LHN Logistics.

According to the Pre-Conditional Offer Announcement, the making of the Offer will be subject to the satisfaction of the following Pre-Conditions on or before 5.00 p.m. on the Cut-off Date (i.e., 3 August 2023, or such other date as the Offeror may determine in consultation with SIC):

- (i) the Shareholders Approval; and
- (ii) the written consent from JTC Corporation for the change in the Company's indirect percentage ownership in HN Logistics in connection with its holding of the Gul Avenue Property.

As it is one of the Pre-Conditions that the approval of the Shareholders be obtained before the Offeror (or through the Offeror's Financial Advisor) will make the Offer, the Board has resolved to convene the EGM and put forth the proposal for the Shareholders to consider and approve, if appropriate, the Potential Disposal.

The SIC has confirmed that it has no objections to the Pre-Conditions. The Formal Offer Announcement will be made by and on behalf of the Offeror of its firm intention to make the Offer if and when the Pre-Conditions are satisfied.

However, in the event that any one or more of the Pre-Conditions are not satisfied on or before the Cut-off Date, the Offer will not be made and an announcement will be made as soon as practicable.

2. THE OFFER

2.1. Major Terms of the Offer

Subject to and contingent upon the satisfaction of the Pre-Conditions by the Cut-Off Date and the terms and conditions of the Offer to be set out in the Offer Document, the Offeror will make an Offer for all the Offer Shares, in accordance with Section 139 of the SFA, and Rule 15 of the Singapore Takeovers Code on the following basis:

Offer Price : The offer price for each Offer Share is S\$0.2266 in cash. The Offer Price is final and the Offeror does not intend to revise the Offer Price. The total consideration for the Target Shares will amount to S\$31,937,185.28. See the paragraph "2.2 Consideration" below for further details.

Offer Shares : The Offer, when made, will be extended to all Offer Shares at the Offer Price.

As at the Pre-Conditional Offer Announcement Date, based on publicly available information, LHN Logistics does not have any Shares held in treasury and does not have any outstanding instruments convertible into, rights to subscribe for, nor options (whether pursuant to an employee share option scheme or otherwise) in respect of, securities which carry voting rights of LHN Logistics.

No Encumbrance : The Offer Shares are to be acquired (i) fully paid, (ii) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing, and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Pre-Conditional Offer Announcement Date and hereafter attaching thereto, including but not limited to, the Distributions, on or after the Pre-Conditional Offer Announcement Date.

Adjustment for Distributions : Without prejudice to the foregoing and save for the 1H Distribution declared as payable to the shareholders of LHN Logistics, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be announced, declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date.

Accordingly and except for the 1H Distribution which is expected to be paid on or about 16 June 2023 as per the dividend announcement of LHN Logistics dated 28 April 2023, in the event any Distribution is or has been announced, declared, paid or made by LHN Logistics in respect of the Offer Shares on or after the Pre-Conditional Offer Announcement Date, the Offer Price payable to an Accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such Accepting Shareholder falls, as follows:

- (i) if such settlement date falls on or before the Books Closure Date, the Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the Accepting Shareholder the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from LHN Logistics; and
- (ii) if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by the Adjusted Offer Price and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

Minimum Acceptance Condition : The Offer, if and when made, will be conditional on the Offeror having received, by the close of the Offer, valid acceptances pursuant to the Offer (which have not been validly withdrawn) in respect of such number of Offer Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of shares carrying more than 50% of the voting rights attributable to the issued share capital of LHN Logistics as at the close of the Offer.

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of shares carrying more than 50% of the voting rights attributable to the issued share capital of LHN Logistics as at the close of the Offer.

Please see “2.3 Irrevocable Undertaking” of this announcement for details of the irrevocable undertaking given by Fragrance Ltd., a controlling shareholder of the Company, pursuant to which Fragrance Ltd. had undertaken, among others, to procure the acceptance by LHNGPL of the Offer for all the Target Shares. Upon such acceptance by LHNGPL of the Offer, the Offer will become unconditional as to acceptances given that the Target Shares carry in aggregate 84.05% of the voting rights attributable to the issued share capital of LHN Logistics.

2.2. Consideration

Subject to the Offer being made, the Offer Price for each Offer Share is S\$0.2266 in cash. The total consideration for the Target Shares will amount to S\$31,937,185.28. The Offeror has announced that the Offer Price is final and that it does not intend to revise the Offer Price.

2.2.1. Basis of Consideration

The consideration of S\$31,937,185.28 for the Target Shares was determined based on the Offer Price of S\$0.2266 per Offer Share proposed by the Offeror with reference to a premium of approximately 35.69%, 38.93%, and 44.52% over the volume-weighted average price per Offer Share for the 1-month, 3-month, and 6-month periods respectively up to and including 1 June 2023, being the Last Trading Day.

The historical trading volume of the Offer Shares has been low. The average daily trading volume of the Offer Shares since the LHN Logistics IPO and over the last 1-month, 3-month, and 6-month periods up to and including the Last Trading Day are set out in the table below:

Description	Average daily trading volume⁽¹⁾	Average daily trading volume as a percentage of total number of Offer Shares⁽²⁾
Since LHN Logistics IPO first trading day on 29 April 2022 up to and including the Last Trading Day	181,092	0.11%
1-month period up to and including the Last Trading Day	58,309	0.03%
3-month period up to and including the Last Trading Day	40,241	0.02%
6-month period up to and including the Last Trading Day	29,808	0.02%

Notes:

- (1) The average daily trading volume is computed based on data extracted from Bloomberg L.P. using the total volume of Offer Shares traded divided by the number of market days. Market day refer to a day on which SGX-ST is open for the trading of securities.
- (2) Calculated using the average daily trading volume divided by the total number of Offer Shares (excluding treasury shares).

The Offer Price represents the following premia over the historical traded prices of the Offer Shares as set out below:

Description	Offer Share Price⁽¹⁾ (S\$)	Premium of Offer Price over Share Price (%)
(a) The price of the Offer Shares offered to the public pursuant to the initial public offering's offer document	0.2000	13.30
(b) Last traded price of the Offer Shares on the SGX-ST on the Last Trading Day	0.1680	34.88
(c) VWAP of the Offer Shares on the SGX-ST for the 1-month period up to and including the Last Trading Day	0.1670	35.69
(d) VWAP for the 3-month period up to and including the Last Trading Day	0.1631	38.93
(e) VWAP for the 6-month period up to and including the Last Trading Day	0.1568	44.52

Note:

- (1) The figures for (b), (c), (d) and (e) are computed based on data extracted from Bloomberg L.P. on the Last Trading Day and rounded to the nearest four (4) decimal places.

In light of the above and given that the Offer Price is at a premium to the price of the Offer Shares offered to the public pursuant to the initial public offering, the last traded price of the Offer Shares on the SGX-ST on the Last Trading Day, and the VWAP of the Offer Shares on the SGX-ST for the 1-month period, the 3-month period and the 6-month period up to and including the Last Trading Day, the Board is of the view that the sales of the Target Shares at the Offer Price of S\$0.2266 per Target Share is fair and reasonable and in the interest of the Group and the Shareholders as a whole.

2.2.2. Payment of the Consideration

Pursuant to the Singapore Takeovers Code, the Target Shares must be paid for by the Offeror as soon as practicable, but in any event within 7 business days after:

- (i) the Offer becomes or is declared unconditional in all respects; or
- (ii) receipt of valid acceptances where such acceptances were tendered after the Offer has become or been declared unconditional in all respects.

2.3. Irrevocable Undertaking

As at the Pre-Conditional Offer Announcement Date, the Offeror has received the Irrevocable Undertaking from Fragrance Ltd., a controlling shareholder of the Company who directly holds 220,982,600 shares of the Company (representing 54.04% of the share capital of the Company) as at the date of this announcement, pursuant to which Fragrance Ltd. has, amongst other things, unconditionally and irrevocably undertaken, represented and warranted to the Offeror that they will:

- (i) procure that there shall be no disposal of the Target Shares held by LHNGPL prior to the Offer;

- (ii) vote in favour of the resolution(s) granting the Shareholders' Approval in relation to the disposal of the Target Shares by LHNGPL; and
- (iii) procure the acceptance by LHNGPL of the Offer for all the Target Shares.

As at the Pre-Conditional Offer Announcement Date, LHNGPL beneficially holds in aggregate 140,940,800 Target Shares, representing 84.05% of the total number of issued shares of LHN Logistics.

The Irrevocable Undertaking shall lapse on the date on the earliest of the Formal Offer Announcement not being released by 5.00 p.m. (Singapore time) on 3 August 2023, the Offer Document not being posted within 21 days after the Formal Offer Announcement Date and the date on which the Offer lapses or is withdrawn.

3. REASONS AND BENEFITS FOR THE POTENTIAL DISPOSAL

The Company and its Board consider that the Potential Disposal represents an opportunity for the Company to realise an investment return on LHN Logistics above the prevailing trading prices of the Offer Shares. Further, the Board notes that given the low trading volume in the Offer Shares, the Offer provides the Company with an opportunity to realise its entire investment in the Target Shares at a premium over the prevailing market prices which might not otherwise be readily available to the Company. For the reasons above, the Board considers that the Potential Disposal (including the Consideration) are fair and reasonable, on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

4. INFORMATION ABOUT THE PARTIES

4.1. Information about the Company and LHN Logistics

The Company (together with its subsidiaries) is a real estate management services group, with the expertise and experience to generate value for its landlords and tenants through its expertise in space optimisation, and logistics service provider headquartered in Singapore. The Group currently has five main business segments, namely: (i) space optimisation business; (ii) facilities management business; (iii) energy business; (iv) property development business; and (v) logistics services business (through LHN Logistics). The Group currently operates mainly in Singapore, Indonesia, Thailand, Myanmar, Hong Kong, Malaysia and Cambodia.

LHN Logistics is an indirect subsidiary of the Company in Singapore, whose shares are listed on the Catalist Board (SGX stock code: GIH). LHN Logistics has two principal business segments, namely, transportation and container depot services. As at the Pre-Conditional Offer Announcement Date, LHN Logistics has issued 167,678,800 shares and the shareholding structure is as follows:

Name of shareholder	Number of shares	Percentage shareholding
LHNGPL	140,940,800 (being the Target Shares)	84.05%
Public shareholders	26,738,000	15.95%
Total:	167,678,800	100.00%

The table below sets out the consolidated financial information of LHN Logistics together with its subsidiaries for the two financial years ended 30 September 2021 and 2022, and the six months ended 31 March 2023 extracted from its 2022 annual report and the unaudited interim results for the six months ended 31 March 2023:

	For the year ended 30 September		For the six months ended
	2021	2022	31 March 2023
	(Audited)	(Audited)	(Unaudited)
	S\$'000	S\$'000	S\$'000
Profit/(loss) before taxation	4,716	(2,667)	2,387
Profit/(loss) after taxation	3,984	(3,185)	2,656
Net assets	14,703	14,774	16,252

Based on the unaudited interim results for the six months ended 31 March 2023, the book value, net tangible asset value and latest available open market value of the Target Shares are approximately S\$10.9 million, S\$10.9 million and S\$23.7 million respectively. The excess of the proceeds over the book value is approximately S\$21.0 million. The net profit attributable to the Target Shares is approximately S\$1.7 million, and the estimated gain on disposal is approximately S\$21.0 million.

4.2. Information about the Offeror

The Offeror is a private company limited by shares that was incorporated in the Republic of Singapore on 30 July 2021. Its principal activity is that of freight forwarding business and transport arrangement of chemical products. The Offeror is a wholly-owned subsidiary of MCSC. MCSC is a PRC-based logistics group which is mainly engaged in the provision of chemical supply chain services.

MCSC mainly provides one-stop integrated logistics and management services worldwide, with freight forwarding, warehousing, transportation and chemical distribution as the core for domestic and foreign chemical production enterprises and chemical consumer enterprises, including transportation, warehousing, freight forwarding, distribution, logistics processing, information services and others. MCSC also provides chemical supply chain services for low-risk products such as paints, pesticides, polyurethane materials, electronic chemicals, lithium batteries, dyes and others. MCSC provides its services in domestic market and to overseas markets, with network and legal presence in Singapore, the United States of America and Germany.

MCSC was listed on the Shanghai Stock Exchange (stock code: 603713) in 2018. As at 1 June 2023, MCSC has a market capitalisation of approximately RMB13.79 billion.

The Offeror and MCSC are Independent Third Parties to the Group to the best of the Directors' knowledge, information and belief having made all reasonable enquiries.

5. FINANCIAL EFFECTS OF THE POTENTIAL DISPOSAL

The Board notes that upon completion of the Potential Disposal, LHNGPL will no longer hold any shares of LHN Logistics and LHN Logistics will accordingly cease to be a subsidiary in the Group. For the avoidance of doubt, the Potential Disposal is subjected to the satisfaction of the Pre-Conditions, the making of the Offer by the Offeror and the acceptance of the Offer by LHNGPL conditional upon the grant of the Shareholders Approval.

The following are presented purely for illustrative purposes only and are neither indicative nor do they represent the actual future financial situation or any projection of the financial performance or position of the Group following completion of the Potential Disposal. The financial effects of the Potential Disposal on the Group as set out below are based on the latest audited consolidated financial statements of the Group for the financial year ended 30 September 2022, as well as the following bases and key assumptions:

- (a) the financial effects of the Potential Disposal on the Group's net tangible asset per share are computed based on the assumption that the Potential Disposal was completed on 30 September 2022;
- (b) the financial effects of the Potential Disposal on the Group's earnings per share are computed based on the assumption that the Potential Disposal was completed on 1 October 2021;
- (c) the expenses in connection with the Potential Disposal are disregarded for the purpose of calculating the financial effects;
- (d) the analysis assumes that the consideration for the Potential Disposal is paid in full; and
- (e) save as set out above, there have not been any adjustments for the impact of any other transactions or events other than the Potential Disposal.

Share Capital

	Before the Potential Disposal	After the Potential Disposal
Number of issued shares ('000)	408,945	408,945
Issued and paid-up share capital (S\$'000)	65,496	65,496

Net Tangible Asset per Share

	Before the Potential Disposal	After the Potential Disposal
Net tangible asset of the Group attributable to shareholders of the Company (S\$'000)	185,904	207,664
Number of issued shares ('000)	408,945	408,945
Net tangible asset per share (Singapore cents)	45.46	50.78

Earnings per Share

	Before the Potential Disposal	After the Potential Disposal
Net profit of the Group attributable to shareholders of the Company (S\$'000)	45,838	71,272
Weighted average number of shares ('000)	408,945	408,945
Earnings per share (Singapore cents)	11.21	17.43

Gearing

	Before the Potential Disposal	After the Potential Disposal
Interest-bearing debt (S\$'000)	229,549	212,675
Total capital (S\$'000)	421,727	421,814
Gearing ⁽¹⁾ (times)	0.54	0.50

Note:

(1) Gearing equals to interest-bearing debt divided by total capital. Interest-bearing debt is calculated as the sum of bank borrowings and lease liabilities. Total capital is calculated as interest-bearing debt plus total equity.

6. INTENDED USE OF PROCEEDS FROM THE POTENTIAL DISPOSAL

It is expected that the Company will receive proceeds of S\$31,937,185.28 from the Potential Disposal (not considering of the estimated professional fees and other related expenses). The Company intends to apply the proceeds for general working capital purpose.

7. LISTING RULES IMPLICATIONS

7.1. Hong Kong Listing Rules Implications

As one or more than one of the applicable percentage ratios for the Potential Disposal (if materialised) is/are expected to be more than 5% but below 25% under Rule 14.07 of the Listing Rules, the Potential Disposal is expected to constitute a discloseable transaction for the Company under the Listing Rules, and will therefore be subject to the notification and announcement requirements but exempt from shareholders' approval and circular requirements pursuant to Chapter 14 of the Listing Rules.

7.2. Catalyst Rules Implications

7.2.1. Relative Figures Under Rule 1006 of the Catalyst Rules

Based on the latest announced consolidated financial statements of the Group for the half year ended 31 March 2023 ("1H2023"), the relative figures for the Potential Disposal computed on the bases set out in Rule 1006 of the Catalyst Rules are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, as compared with the Group's net asset value	7.87 ⁽¹⁾
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	11.74 ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares	22.89 ⁽³⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not Applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves	Not Applicable ⁽⁵⁾

Notes:

- (1) The net asset value of the assets to be disposed of and the net asset value of the Group as at 31 March 2023 was approximately S\$16,252,000 and S\$206,510,000, respectively.
- (2) Net profits/(loss) is defined to be profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. Based on the consolidated unaudited net profits of approximately S\$2,387,000 for 1H2023 of the assets to be disposed, and the Group's net profits of S\$20,336,000 for 1H2023.
- (3) Based on the consideration to be received by the Group, being S\$31,937,185.28, over the market capitalisation of the Company of approximately S\$139,532,000, being 408,945,400 ordinary shares in issue multiplied by the volume weighted average price of the shares of S\$0.3412 on 1 June 2023, being the last traded full market day immediately preceding the Pre-Conditional Offer Announcement Date.
- (4) Rule 1006(d) of the Catalist Rules is not applicable to a disposal of assets.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

Under Chapter 10 of the Catalist Rules, where, in respect of a disposal, any relative figure computed on the bases set out in Rule 1006 exceeds 5% but does not exceed 50%, the transaction shall constitute a “discloseable transaction” for the purposes of Chapter 10 of the Catalist Rules. Based on the relative figures computed under Rule 1006 of the Catalist Rules, as the relative figures under Rules 1006(a), (b) and (c) exceed 5% but do not exceed 50%, the Potential Disposal therefore constitutes a “discloseable transaction” under the provisions of Rule 1006 of the Catalist Rules.

7.2.2. Interests of Directors and Controlling Shareholders

Save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company and their respective associates has any interests, direct or indirect, in the Potential Disposal, other than through their respective shareholding interests in the Company, if any.

7.2.3. Service Contracts with Directors

There will be no person proposed to be appointed as a Director of the Company or any of its subsidiaries in connection with the Potential Disposal. Accordingly, no service contract is proposed to be entered into in connection with the Potential Disposal.

7.2.4. Responsibility Statement

The Directors (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement and all opinions expressed herein are fair and accurate and that no material facts have been omitted from this announcement (the omission of which would render any statement in this announcement misleading in any material aspect), and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror (including, without limitation, the Pre-Conditional Offer Announcement), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.

8. GENERAL

A circular containing, among other things, further details of the Potential Disposal along with the notice of EGM, is expected to be despatched to the Shareholders on or about 13 July 2023, which is more than 15 business days after the publication of this announcement, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

9. TRADING CAUTION

Shareholders and potential investors are advised to exercise caution in trading the Shares. Completion of the Potential Disposal is subject to fulfilment of the Pre-Conditions and the Offeror making the Offer and as at the date of this announcement, there is no certainty or assurance that the Potential Disposal will be completed. As the Potential Disposal may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares. Shareholders should consult their stock broker, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

10. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“1H Distribution”	the Distribution declared as payable to the shareholders of LHN Logistics and announced by way of the half year financial statements and dividend announcement of LHN Logistics dated 28 April 2023
“Accepting Shareholder”	a shareholder of LHN Logistics who validly accepts or has validly accepted the Offer
“Adjusted Offer Price”	an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Offer Price after such reduction)
“Board”	the board of Directors
“Books Closure Date”	books closure date for the determination of entitlements to the Distribution
“Catalist Rules”	Section B of the Listing Manual of the SGX-ST, as amended, supplemented or modified from time to time
“Company”	LHN Limited (formerly known as LHN Pte. Ltd.) a company incorporated with limited liability on 10 July 2014 under the laws of Singapore, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1730) and Catalist of the SGX-ST (SGX symbol: 41O)
“Cut-Off Date”	5:00 p.m. on 3 August 2023, being the date falling two (2) months after the date of the Pre-Conditional Offer Announcement (or such other date as the Offeror may determine in consultation with the SIC)
“Director(s)”	director(s) of the Company
“Distributions”	the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by LHN Logistics in respect of the Offer Shares, and each, “Distribution”
“EGM”	the extraordinary general meeting of the Company to be held on Monday, 31 July 2023 at 10:00 a.m.
“Formal Offer Announcement”	the announcement made or that will be made by or on behalf of the Offeror of its firm intention to make the Offer subject to the satisfaction of the Pre-Conditions
“Formal Offer Announcement Date”	the date of the Formal Offer Announcement
“Group”	the Company and its subsidiaries
“Gul Avenue Property”	the property located at 7 Gul Avenue, Singapore 629651, with a total land area of approximately 22,479.7 square meters, the leasehold title of which is held by HN Logistics
“HN Logistics”	Hean Nerng Logistics Pte Ltd (formerly known as LHN Logistics Pte Ltd), a limited liability company incorporated in Singapore on 18 June 1997 and a wholly-owned subsidiary of LHN Logistics, and a non-wholly owned subsidiary of the Company
“Independent Third Party(ies)”	third party(ies) independent from the Company and its connected persons, as well as the Company’s Directors, chief executive officer (or equivalent), substantial shareholders and their respective associates (as defined under the Listing Rules and the Catalist Rules)
“Irrevocable Undertaking”	an irrevocable undertaking from Fragrance Ltd. to the Offeror in relation to the Offer, details of which are set-out in the paragraph “The Offer” of this announcement

“JTC Corporation”	JTC Corporation (Abbreviation: JTC; Chinese: 裕廊集團; pinyin: Yùláng Jítuán), formerly known as Jurong Town Corporation, is a Singapore state owned developer of, among others, industrial infrastructure and a statutory board under the Ministry of Trade and Industry headquartered in Jurong, Singapore Established in 1968, the company was set up by the Government of Singapore as the country’s principal developer and manager of industrial estates and their related facilities
“Last Trading Day”	1 June 2023, being the last full day of trading of the Offer Shares prior to the date of the Pre-Conditional Offer Announcement
“LHNGPL”	LHN Group Pte. Ltd., a company incorporated in Singapore with limited liability on 4 March 2005, a wholly-owned subsidiary of the Company and a direct shareholder of LHN Logistics, holding 140,940,800 shares of LHN Logistics as at the date of this announcement
“LHN Logistics”	LHN Logistics Limited, a company incorporated in Singapore with limited liability on 24 August 2021 and a non-wholly owned subsidiary of the Company, the shares of which are listed on the Catalist Board (stock code: GIH)
“LHN Logistics IPO”	29 April 2022, the date where the ordinary shares of LHN Logistics commenced trading on the Catalist Board by way of initial public offering
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“MCSC”	Milkyway Chemical Supply Chain Service Co., Ltd., a company incorporated in the People’s Republic of China on 28 March 1997, the shares of which are listed on the Shanghai Stock Exchange (stock code: 603713)
“Offer”	the voluntary conditional general offer to be made by the Offeror to acquire the Target Shares
“Offeror”	Milkyway International Chemical Supply Chain Pte. Ltd., a company Incorporated in Singapore with limited liability on 30 July 2021 and a wholly-owned subsidiary of MCSC
“Offeror’s Financial Advisor”	RHT Capital Pte. Ltd., the financial advisor to the Offeror for the Offer
“Offer Document”	the formal offer document setting out the terms and conditions of the Offer to be issued by RHTC, for and on behalf of the Offeror for the Offer of all the Offer Shares
“Offer Price”	S\$0.2266 in cash per Offer Share
“Offer Shares”	all the issued and paid-up ordinary shares in the capital of LHN Logistics, and each, an “Offer Share”
“Potential Disposal”	the disposal of the Target Shares of LHN Logistics under the Offer if the Offer were to proceed and if the Shareholders were to approve such disposal at the forthcoming EGM
“Pre-Conditions”	the pre-conditions of the voluntary general offer as detailed in the paragraph “Potential disposal of LHN Logistics by way of voluntary general offer” of this announcement
“Pre-Conditional Offer Announcement”	a pre-conditional voluntary general offer announcement made by RHT Capital Pte. Ltd. for and on behalf of the Offeror to acquire all the issued and paid-up ordinary shares in the capital of LHN Logistics
“Pre-Conditional Offer Announcement Date”	the date of the Pre-Conditional Offer Announcement, being 4 June 2023
“SFA”	Securities and Futures Act 2001 of Singapore
“SGX-ST”	Singapore Exchange Securities Trading Limited

“Share(s)”	ordinary share(s) of the Company
“Shareholders”	shareholders of the Company
“Shareholders Approval”	approval from the Shareholders as required under the Catalist Rules and the Listing Rules for the disposal of the Company’s entire indirect interest in the Target Shares held through the Company’s wholly-owned subsidiary, LHNGPL
“SIC”	Securities Industry Council of Singapore
“Singapore Takeovers Code”	Singapore Code on Take-overs and Mergers
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S\$”	Singapore dollars, the lawful currency of Singapore
“Target Shares”	the 140,940,800 shares of LHN Logistics held by LHNGPL, a wholly-owned subsidiary of the Company
“VWAP”	the volume weighted average price, which is the average price of the Offer Shares weighted by the total trading volume of the relevant period
“%”	per cent.

By order of the Board
LHN Limited
Lim Lung Tieng
Executive Chairman and Group Managing Director

Singapore, 4 June 2023

As at the date of this announcement, the board of directors of the Company comprises Mr. Lim Lung Tieng and Ms. Lim Bee Choo as executive directors; and Ms. Ch’ng Li-Ling, Mr. Yong Chee Hiong and Mr. Chan Ka Leung Gary as independent non-executive directors.

*** For identification purpose only**