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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)**

## **DISCLOSEABLE TRANSACTION**

### **ESTABLISHMENT OF JOINT VENTURE FOR THE CARPARK**

#### **THE JOINT VENTURE AGREEMENT**

The Board is pleased to announce that on 23 September 2020, LHN Parking (GMT), an indirect wholly-owned subsidiary of the Company, GMTC and SM Venture established a new joint venture. On the same date, the Joint Venture Agreement was entered into among LHN Parking (GMT), the JV Company, GMTC, SM Venture and the shareholders of GMTC and SM Venture which sets out the joint venture arrangements for the JV Company. The joint venture has been established for the intention to acquire the Carpark, namely, the carpark of Bukit Timah Shopping Centre at 170 Upper Bukit Timah Road, Singapore. As at the date of this announcement, the JV Company has entered into the Option to Purchase the Carpark, which forms the binding sale and purchase agreement for the Carpark, pursuant to which the JV Company agreed to purchase and the seller of the Carpark agreed to sell the Carpark at the Carpark Purchase Price.

#### **LISTING RULES IMPLICATION**

As one or more than one of the applicable percentage ratios in respect of the maximum financial contribution of the Group as contemplated under the Joint Venture Agreement is more than 5% and below 25%, the entering into the Joint Venture Agreement constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirements but exempt from shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

#### **INTRODUCTION**

The Board is pleased to announce that on 23 September 2020, LHN Parking (GMT), an indirect wholly-owned subsidiary of the Company, GMTC and SM Venture established a new joint venture. On the same date, the Joint Venture Agreement was entered into among LHN Parking (GMT), the JV Company, GMTC, SM Venture and the shareholders of GMTC and SM Venture which sets out the joint venture arrangements for the JV Company. The JV Company has been established for the intention to acquire the Carpark. See "Information about the Parties – Information about the JV Company" below for further details.

## THE JOINT VENTURE AGREEMENT

The principal terms of the Joint Venture Agreement are set out below:

**Date** : 23 September 2020

**Parties** : (1) LHN Parking (GMT)  
(2) GMTC  
(3) SM Venture  
(4) Mr. Low  
(5) Mr. Andrew Lim  
(6) Mr. Shawn Lim  
(7) the JV Company

For details of background of the parties, please refer to “Information about the Parties” below.

**Agreed Proportions** : The shareholding of the Holders in the JV Company shall be in the proportion set out below:

- LHN Parking (GMT) (40%)
- GMTC (40%)
- SM Venture (20%)

**Share capital** : As at the date of this announcement, LHN Parking (GMT), GMTC and SM Venture hold two JV Shares, two JV Shares and one JV Share of S\$1.00 per JV Share, respectively.

On or before the date of completion of the sale and purchase of the Carpark in accordance with the terms of the Option to Purchase (which will be on 22 December 2020), or such other date as Parties may mutually agree, the share capital of the JV Company shall then subsequently progressively increase to S\$200,000 only by way of new issue of shares to the shareholders applying for the shares in the following manner:

<b>Party</b>	<b>Number of JV Shares</b>	<b>Aggregated Subscription Consideration</b>
LHN Parking (GMT)	79,998	S\$79,998
GMTC	79,998	S\$79,998
SM Venture	39,999	S\$39,999

The aggregated consideration for the subscription of shares by each of LHN Parking (GMT), GMTC and SM Venture is determined through arm’s length negotiation with reference to the portion of the Carpark Purchase Price to be paid by cash (which is equivalent to approximately 22% of the Carpark Purchase Price plus stamp duty). LHN Parking (GMT) will satisfy the aggregated subscription consideration of S\$79,998 through internal sources of funding.

The shares will progressively be increased to S\$200,000 on or before the completion of the sale and purchase of the Carpark, being 22 December 2020, to pay for part of the 20% Carpark Purchase Price and stamp duty.

**Objective of the JV Company** : The objective of the JV Company primarily includes:

- (a) the acquisition and ownership of the Carpark pursuant to the terms of the Option to Purchase to be entered into; and
- (b) the running and operation of the carpark business of the JV Company at the Carpark.

**Carpark management** : Subject to the JV Company obtaining the necessary approvals from the Competent Authorities (if required), the Parties agree that the JV Company shall enter into such agreement as appropriate to appoint LHN Parking (GMT) or its appointed nominee to manage the Carpark in accordance with such terms and conditions as may be imposed by the Competent Authorities, and the by-laws and regulations for the time being in force and applicable.

The carpark management agreement to be entered into shall include:

- (i) the JV Company to pay LHN Parking (GMT) or its appointed nominee monthly charges of 10% of the JV Company's monthly revenue;
- (ii) LHN Parking (GMT) or its appointed nominee shall provide the overall management of the running and operation of the JV Business;
- (iii) the JV Company shall run and operate the Carpark. In doing so, the JV Company shall bear costs related to the day-to-day running and operation of the Carpark, such as paying for the on-site manpower if required, agent's commission, licence fee for the car park equipment, car park equipment, and the maintenance of such equipment; and
- (iv) the JV Company shall pay for the outgoings, expenses (including capital expenditures, property tax and management and sinking fund contributions to the management corporation) and costs arising from the management of the Carpark (including cost overruns).

**Board composition** : The JV Board shall comprise of three directors, one to be appointed by each of LHN Parking (GMT), GMTTC and SM Venture. The chairman of the meetings of the JV Board shall rotate between the director appointed by LHN Parking (GMT), GMTTC and SM Venture on an annual basis.

A director holding office at the time his appointer ceases to hold shares of the JV Company shall be deemed to have vacated office forthwith without any claim for compensation for loss of office or otherwise except salary and fees (if any) which have accrued.

**Management of the JV Company** : The majority decision of the JV Board shall determine the managerial and financial policies of the JV Company, including but not limited to the scope of its activities and operations.

**General meetings** : Notwithstanding anything in the constitutional documents of the JV Company to the contrary, no action of the JV Company shall be taken at any general meeting unless a quorum of Holders is present throughout the meeting. The quorum for all general meetings (including an adjourned meeting) shall be at two Holders including LHN Parking (GMT) and GMTTC, or their representatives or proxies.

**First right of refusal** : Mr. Low shall not transfer or dispose all or any of his shares in GMTTC unless Mr. Low gives to LHN Parking (GMT) notice in writing of a desire to transfer or dispose all or any of his shares in GMTTC in accordance with the terms of the JV Agreement.

The notice in writing shall constitute an offer to LHN Parking (GMT) to acquire Mr. Low's shares in GMTTC on the terms and conditions stipulated therein. If LHN Parking (GMT) wishes to accept such offer, it shall give written notice of acceptance of all (or some) of Mr. Low's shares offered, to Mr. Low within 30 days.

In respect of shares in GMTTC not taken up by LHN Parking (GMT), Mr. Low shall be entitled to transfer such shares to the intended transferee identified in the notice in writing within 90 days of the lapse or rejection of the offer.

If Mr. Low transfers its shares to the intended transferee identified in the notice of writing pursuant to the above, the Parties acknowledge that they shall negotiate in good faith with each other and the said intended transferee to amend the relevant provisions of this Agreement and the constitutional document of the JV Company in relation to the proportion of shareholding.

- Tag along sale** : If a Holder (the “**Tag Shareholder**”) intends to sell all of its shares to a third party buyer (except a Prohibited Person), subject to other terms and conditions of the Joint Venture Agreement, then the Tag Shareholder must give a sale notice to each other Holder (the “**Offeree**”) stating its intention to sell some or all of its shares to the third party buyer (except a Prohibited Person).
- The Offeree may within ten business days of receipt of the sale notice give notice (the “**Tag Along Notice**”) to the Tag Shareholder of its wish to sell the same proportion of the shares held by or on behalf of the Offeree at the date of the sale notice at the same price per share and otherwise on the terms contained in the sale notice.
- If no Tag Along Notice is received by the Tag Shareholder from any Offeree within ten business days of receipt of the sale notice, then the Tag Shareholder may proceed on the sales. If an Offeree gives a Tag Along Notice to the Tag Shareholder, the Tag Shareholder may only sell its shares if all shares specified in each Tag Along Notice (“**Tag Along Shares**”) are sold at the same price per share and on the same terms and conditions as specified in the sale notice.
- If the third party buyer (except a Prohibited Person) is unwilling or unable to purchase any of the Tag Along Shares, the Tag Shareholder may, contemporaneously with the sale of its shares purchase those Tag Along Shares on the same terms and conditions under the Tag Along Notice if the other Offeree is willing (but without any obligation) to sell.
- Permitted transfers** : Transfer or disposal made to the other Holder or a Permitted Transferee, provided always that where the Permitted Transferee ceases, or will cease, in relation to the seller of the shares of the JV Company, to be a corporation which wholly-owns, is wholly-owned by or is wholly-owned by the corporation which is wholly owned by such seller, and such seller shall procure that the interests are transferred back to it or to another of its Permitted Transferees prior to the first mentioned Permitted Transferee ceasing to be a corporation which wholly-owns, is wholly-owned by or is wholly-owned by the corporation which is wholly-owned by the said seller.
- Restrictions of share transfer** : Subject always to any law, listing rules or other requirements of any regulatory authority (including but not limited to the requirements of the Catalist Rules and the Listing Rules) binding on a Holder (the “**Permitted Condition**”), and the prior written consent of the other Holder being obtained, a Holder (the “**Seller**”) shall not be entitled to transfer or dispose all or any of its interest in shares to any person unless:
- (a) it is a permitted transfer referred to above;
  - (b) in respect of any transfer or disposal of any Interests to any third party (except a Prohibited Person):
    - (i) the Seller has performed and complied with all its obligations as contemplated under the Joint Venture Agreement;
    - (ii) the sales interests are first offered by the Seller to the other Holder in accordance with the Joint Venture Agreement;
    - (iii) the Permitted Condition shall have been complied with or otherwise fulfilled;
    - (iv) in respect of the sale interests not taken up by the other Holder, the Seller shall be entitled to transfer all (and not part only) of such sale interests to the third party (except a Prohibited Person) identified in the transfer notice within 90 days of the lapse or rejection of the offer, on terms which are no less favourable than those first offered to the other Holder(s).

**Funding and financing of the JV Company** : The Carpark Purchase Price shall be financed through Third Party Financing. In the event that there is insufficient Third Party Financing, the shortfall required shall be financed by the Holders in the Agreed Proportions.

The Holders shall provide, within seven business days from the receipt of debit note or payment request from the JV Company, and in the Agreed Proportions, the necessary funds to enable the JV Company to make the following payments (the “**Initial Payments**”):

- (i) to the seller of the Carpark, or such other party as may be required by the Vendor’s solicitors in accordance with the Option to Purchase;
- (ii) the amount of the ad valorem duty chargeable on the Option to Purchase paid to the Commissioner of Stamp Duties, the Inland Revenue Authority of Singapore; and
- (iii) other costs associated with the purchase of the Carpark.

If a notice is issued by the JV Board to require funding contribution in the Agreed Proportion, the Holders shall ensure that it contributes its portion of such funding contribution, through shareholders’ loans, within seven business days after receipt of notifications from the JV Company of its portion of such payment amount or no later than three business days prior to the due date for payment to the JV Company of such amount, whichever is the later, or such other date as the JV Board, as the case may be, may determine. If any Holder defaults (the “**Breaching Holder**”) in providing all or any part of its Agreed Proportion of its funding contribution in respect of the JV Company (the “**Short-fall Capital**”), the other Holder (the “**Contributor**”) shall, upon such default by the breaching Holder, have the obligation to contribute the whole or part of the Short-fall Capital by way of shareholders’ loans (the “**Substitute Contribution**”).

**Guarantees for financing** : LHN Parking (GMT), GMTC and SM Venture shall provide guarantee for Third Party Financing severally in the Agreed Proportions.

**Shareholders’ loans** : The Holders undertake with each other and with the JV Company to contribute in the Agreed Proportions that any funding required by the JV Company, which is in excess of Third Party Financing, which includes but is not limited to the following:

- (a) not more than thirty-five per cent (35%) of the Carpark Purchase Price, if the Holders so agree, and the Initial Payment;
- (b) outgoings and expenses (including capital expenditures) in respect of the Carpark not covered by third party financing;
- (c) costs arising from the management of the Carpark (including cost overruns) not covered by third party financing;
- (d) the fees to be included in the carpark management agreement; and
- (e) such additional funding requirements as determined by the JV Board and approved by the Holders and not covered by Third Party Financing,

and in this connection, the Holders shall severally grant shareholders’ loans in the Agreed Proportions and in any other manner resolved by the Board from time to time.

Each shareholders’ loan advanced shall bear interest at three (3) percent or at mutually agreed rate, to be accrued annually. Payment of all accrued interest shall be made on such date or dates as the JV Board may decide and shall be made proportionately to all Holders so that no accrued interest in respect of any tranche of a shareholders’ loan shall be paid to any Holder in full unless the interest then accrued and owing to the other Holder in respect of that tranche shall at such time also be paid in full and no accrued interest in respect of a tranche shall be paid in part unless all accrued interest then outstanding in respect of that tranche shall be proportionately paid in part to all Holders.

Shareholders’ loan may be repaid in whole or in part by the JV Company on such date or dates as the JV Board may decide, provided that (unless the JV Board decides otherwise) repayment shall be made to all Holders in proportion to the outstanding principal amount of each of their respective shareholders’ loans.

**Advances** : The JV Company agrees with and undertakes to the Holders that it shall bear the aggregate amount of any liability incurred by the Holders on behalf of the JV Company arising under or in connection with the Option to Purchase and shall indemnify the Holders for any such payment made by a Holder and agreed to by the other Holder.

**Maximum financial contribution** : The maximum financial contribution by the Holders (including the subscription consideration for additional shares of the JV Company, the Carpark Purchase Price, the guarantees to be provided for Third Party Financing, and the shareholders' loans under the Joint Venture Agreement) shall not exceed:

<b>Party</b>	<b>Maximum financial contribution</b>
LHN Parking (GMT)	S\$7,200,000
GMTC	S\$7,200,000
SM Venture	S\$3,600,000

LHN Parking (GMT) will finance its shareholders' loans to the JV Company through internal sources of funding.

**Breaches and indemnity** : If any Holder (the "**Indemnifying Holder**") breaches any of its payment obligations for the Initial Payments, such Holder shall indemnify the other Holder (the "**Indemnified Holder**") for all losses, costs, damages, claims, demands, actions, proceedings, liabilities and expenses whatsoever (including but not limited to all legal costs or attorney's fees on a full indemnity basis) which the Indemnified Holder may suffer arising from such breach by the Indemnifying Holder, including but not limited to all losses, costs, damages, claims, demands, actions, proceedings, liabilities and expenses whatsoever (including but not limited to all legal costs or attorney's fees on a full indemnity basis) without prejudice to any other rights or remedies which the Indemnified Holder may have as a result of the said breach by the Indemnifying Holder.

Any payment required to be made by way of indemnity under this clause must be paid within 30 days of receipt of written notice requesting payment. Any Holder who fails to comply with the notice by the end of the 30 day period shall pay interest to the Holder making the request on any sum or sums which he has not then paid, at the rate of 2% plus prime rate or financing bank rate, whichever is higher, compounded with monthly rests and payable monthly on the last day of each month, provided that if the last day of such month is not a business day, then on the next business day.

The Holder who has given the Undertaking shall be duly indemnified based on the Agreed Proportions by the other Holder in the event of default of payment obligation by the JV Company resulting in the credit providing instructions enforcing the relevant Undertakings.

The Breaching Holder shall be liable to pay to the Contributor, the Substitute Contribution, together with interest at the rate of 2% plus prime rate or financing bank rate, whichever is higher, compounded with monthly rests and payable monthly on the last day of each month, provided that if the last day of such month is not a business day, then on the next business day, or from the date when such Short-fall Capital was due to the JV Company until the date the Breaching Holder contributes the whole of such amount to the Contributor, such repayment by the Breaching Holder to be made within six months from the date of the Substitute Contribution by the Contributor, unless otherwise agreed to by the Contributor in writing. For the avoidance of doubt, the Contributor shall be under no obligation to extend the repayment period beyond the six month period for the Breaching Holder.

In the event repayment of the Substitute Contribution, together with interest accrued hereon, is not repaid by the Breaching Holder to the Contributor, and no extension for repayment has been granted by the Contributor, or such extension as granted by the Contributor has expired, the Contributor or a third party named by the Contributor (other than Prohibited Person) ("**3rd-Party Purchaser**") shall have the right to purchase the Shares held by the Breaching Holder, subject always to the Permitted Conditions.

- Deadlock** : If a deadlock arises in that any of the following events has occurred in relation to the JV Company (the “**Deadlock Matter**”):
- (a) no quorum is present at a meeting and its adjourned meeting of the Board duly convened;
  - (b) no quorum is present at a shareholders’ meeting and its adjourned shareholders’ meeting duly convened;
  - (c) a resolution of the JV Board for the transaction of any business of the the JV Company cannot be passed after two successive attempts; or
  - (d) a resolution of the Holders for the transaction of any business of the JV Company cannot be passed after two successive attempts;

the JV Board shall, within seven days of the occurrence of such Deadlock Matter, refer the Deadlock Matter to Mr. Andrew Lim, the chief executive officer for the time being of the respective LHN Parking (GMT) and GMTTC, who shall jointly appoint a mediator who shall discuss the matter in good faith and endeavour to resolve the Deadlock Matter amicably within 30 days following the occurrence of the Deadlock Matter (“**CEO Resolution Period**”).

In the event that no mediator can be agreed upon within 30 days of the occurrence of the Deadlock Matter, or the deadlock is not resolved within the CEO Resolution Period, a Holder shall, without prejudice to any other rights and remedies it may have, be entitled to serve within 14 business days after the expiry of 30 days of the occurrence of the Deadlock Matter or the CEO Resolution Period, as the case may be, a notice on the other Holder requiring that the Deadlock Matter be referred to an independent arbitrator for determination and resolution.

- Distribution of income** : Except as may otherwise be agreed in writing by the Holders and subject to any restrictions under the Singapore Companies Act (Chapter 50 of Singapore), the JV Company shall distribute all of its audited profits after taxation (in each of its financial year) which are lawfully available for distribution, subject to its working capital requirements, to its respective Holders in the Agreed Proportions by way of dividend or capital reduction as soon as reasonably practicable after such accounts have been approved by the JV Board.

- Duration and termination** : The Joint Venture Agreement shall take effect from the date of the Joint Venture Agreement, subject to such approval as may be required under the Listing Rules and Catalist Rules, without limit in point of time and shall cease and determine upon the dissolution of the JV Company.

In the context of the Joint Venture Agreement, “business day” refers to a day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore.

## **INFORMATION ABOUT THE PARTIES**

### **Information about the Company and LHN Parking (GMT)**

The Company 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 three main business segments, namely: (i) space optimisation business; (ii) facilities management business; and (iii) logistics services business, which are fully integrated and complement one another. The Group currently operates mainly in Singapore, Indonesia, Thailand, Myanmar, Hong Kong, Malaysia and Cambodia.

LHN Parking (GMT) is an indirect wholly-owned subsidiary of our Company, which engages in carpark management and operation services.

### **Information about GMTC and Mr. Low**

GMTC and its ultimate sole shareholder, Mr. Low, are independent third parties. GMTC is the shareholder of a joint venture of the Group, namely, Metropolitan Parking Pte. Ltd. Metropolitan Parking Pte. Ltd., a joint venture of the Group, which is accounted for as a jointly-controlled entity of the Group, is held as to 50% by LHN Parking (GMT), a wholly owned subsidiary of the Group, and 50% by GMTC, a wholly-owned company held by Mr. Low. The principal business activity of GMTC is car park management and operation services.

Mr. Low, either through his other wholly-owned holding companies or in his own name, is also the shareholder of other joint ventures of the Group, namely, Work Plus Store (AMK) Pte. Ltd., Four Star Industries Pte. Ltd. and Work Plus Store (Kallang Bahru) Pte. Ltd.

Work Plus Store (AMK) Pte. Ltd., a joint venture of the Group, which is accounted for as a jointly-controlled entity of the Group, is held as to 50% by Work Plus Store Pte. Ltd., a wholly-owned subsidiary of the Group, and 50% by W&S Flexi Pte. Ltd., a wholly-owned company held by Mr. Low.

Four Star Industries Pte. Ltd., a joint venture of the Group, which is accounted for as a jointly-controlled entity of the Group, is held as to 50% by Singapore Handicrafts Pte. Ltd., a wholly-owned subsidiary of the Group, and 50% by W&S Star Pte. Ltd., a wholly-owned company held by Mr. Low.

Work Plus Store (Kallang Bahru) Pte. Ltd., a joint venture of the Group, which is accounted for as a jointly-controlled entity of the Group, is held as to 50% by WPS KB Pte. Ltd., a wholly-owned subsidiary of the Group, and 50% W&S Flexi Pte. Ltd., a wholly-owned company held by Mr. Low.

Save as disclosed, GMTC and Mr. Low are third parties independent from the Company and its connected persons, as well as the Company's Directors, substantial shareholders and their respective associates (as defined under the Catalist Rules), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries.

### **Information about SM Venture, Mr. Andrew Lim and Mr. Shawn Lim**

SM Venture was incorporated on 20 September 2020, and its shareholders, Mr. Andrew Lim and Mr. Shawn Lim, are father and son, respectively. The principal business activity of SM Venture is car park management and operation services. SM Venture, Mr. Andrew Lim and Mr. Shawn Lim are third parties independent from the Company and its connected persons, as well as the Company's Directors, substantial shareholders and their respective associates (as defined under the Catalist Rules), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries.

### **Information about the JV Company**

As at the date of this announcement, the JV Company has not commenced operations. The JV Company is intended to become the owner of the Carpark under the Option to Purchase. The JV Company is expected to engage in carpark business, in particular, to operate the Carpark. The Carpark is intended to be managed by the Group under its carpark management services.

The JV Company has been established for the intention to acquire the Carpark, namely, the carpark of Bukit Timah Shopping Centre at 170 Upper Bukit Timah Road, Singapore, which has a total of 381 car parking spaces and an estimated tenure of 862 years remaining. As at the date of this announcement, the JV Company has entered into the Option to Purchase the Carpark, which forms the binding sale and purchase agreement for the Carpark, pursuant to which the JV Company agreed to purchase and the seller of the Carpark agreed to sell the Carpark at the Carpark Purchase Price. The Carpark Purchase Price was determined by considering, among others, the remaining leasehold life, the potential of the property and the prevailing market prices of properties of similar nature available in the nearby area.

Under the Joint Venture Agreement, the Carpark is intended to be acquired for the running and operation of the car park business by the JV Company.

### **REASONS FOR ESTABLISHING THE JOINT VENTURE**

The entry into the Joint Venture Agreement and the establishment of the joint venture as contemplated under the Joint Venture Agreement would enable the Group to expand its business under the carpark business under the Facilities Management segment. Furthermore, the Group will be providing carpark management services for the JV Property, which will also increase the Group's sources of income and expand the number of carparks managed by the Group under the Facilities Management Business.



The terms and conditions of the Joint Venture Agreement, including the consideration for the subscription of shares of the JV Company and the terms of the shareholders' loans and guarantees to be provided, were arrived at after arm's length negotiations between the JV Parties. The Board is of the view that the terms of the Joint Venture Agreement and the transactions contemplated thereunder were negotiated on an arm's length basis between the JV Parties and are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## FINANCIAL EFFECT OF THE JOINT VENTURE

As referred to in "Information about the Parties – Information about the JV Company" above, as at the date of this announcement, the JV Company has not commenced operations.

The JV Company is accounted as a joint venture of the Group. It will not be accounted for as a subsidiary of the Group and its results will not be consolidated into the financial statements of the Group. As such, the entry into the Joint Venture Agreement and the acquisition of the Carpark is not expected to have any material financial impact on the consolidated liabilities, net tangible asset per share and the consolidated earnings per share of the Group for the financial year ending 30 September 2020.

## FINANCIAL ASSISTANCE AND GUARANTEES

As at the date of this announcement, the aggregate amount of the Group's financial assistance given to and guarantees given for facilities granted to affiliated companies (as defined under Rule 13.11(2)(a) of the Listing Rules) exceeded 8% of the asset ratio under the Listing Rules. Details are set out as follows:

Name of affiliated companies (the "Affiliated Companies")	Effective interest held S\$'000	Loans to the affiliated companies S\$'000	Committed capital injection yet to be injected S\$'000	Guarantees for facilities granted to the affiliated companies S\$'000	Unutilised guaranteed facilities granted to the affiliated companies S\$'000	Guaranteed facilities utilised by the affiliated companies S\$'000
Work Plus Store (AMK) Pte. Ltd.	50.0%	–	–	25,500	–	24,957
Four Star Industries Pte Ltd	50.0%	873 <sup>(1)</sup>	–	7,425	500	6,846
Metropolitan Parking Pte. Ltd.	50.0%	–	–	15,400	–	15,400
Work Plus Store (Kallang Bahru) Pte. Ltd.	50.0%	3,968 <sup>(1)</sup>	–	14,000	7,200	6,800
Motorway Automotive Pte. Ltd.	40.0%	606 <sup>(1)</sup>	–	2,144 <sup>(2)</sup>	2,144	–
JV Company	40.0%	–	80	– <sup>(3)</sup>	–	–

### Notes:

- (1) Interest charged at 3% per annum with no fixed terms of repayment. The loans were funded through internal sources of funding of the Group.
- (2) Being the proportionate guarantee amount expected to be provided by the Group for the banking facilities granted to Motorway Automotive Pte. Ltd. in relation to the settlement of the purchase price and renovation cost of the property located at 5 Toa Payoh West Singapore 318877, subject to the bank's final confirmation and signing of the related guarantee document(s). Please refer to the Company's announcements dated 3 and 11 June 2020.
- (3) Pending offer from the bank for the banking facilities.

## LISTING RULES IMPLICATION

As one or more than one of the applicable percentage ratios in respect of the maximum financial contribution of the Group as contemplated under the Joint Venture Agreement is more than 5% and below 25%, the entering into the Joint Venture Agreement constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirements, but exempt from shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

## CATALIST RULES IMPLICATION

As disclosed above under “Information about the Parties – Information about the Company and LHN Parking (GMT)”, the Group has three main business segments, namely: (i) space optimisation business; (ii) facilities management business; and (iii) logistics services business, which are fully integrated and complement one another. The acquisition of the Carpark is part of the Group’s strategy and plan to expand its portfolio of car parks managed by the Group. Profits generated from the Carpark would be accounted under the Facilities Management Business. Accordingly, the entry into the Option to Purchase for the purposes of acquiring and operating the Carpark is in the Group’s ordinary course of business.

The disclosure requirements of this announcement in respect of the entry into the Joint Venture Agreement are referenced from Chapter 7 of the Catalist Rules. Being dual-primary listed on both the Catalist of the SGX-ST and the Stock Exchange, the Company has undertaken to comply with the more onerous set of listing rules. Accordingly, this announcement had been prepared in accordance to the disclosure requirements of Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“ <b>Agreed Proportions</b> ”	the proportion of shareholding interests of the Holders in the JV Company, namely, 40% by LHN Parking (GMT), 40% by GMTTC and 20% by SM Venture
“ <b>Board</b> ”	the board of Directors
“ <b>Carpark</b> ”	the carpark of Bukit Timah Shopping Centre at 170 Upper Bukit Timah Road, Singapore, which has a total of 381 car parking spaces and an estimated tenure of 862 years remaining
“ <b>Carpark Purchase Price</b> ”	the purchase price stated in the Option to Purchase for the Carpark, being S\$16,200,000
“ <b>Catalist Rules</b> ”	Section B: Rules of Catalist of the Listing Manual of the SGX-ST as amended, supplemented or modified from time to time
“ <b>Company</b> ”	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)
“ <b>Competent Authority(ies)</b> ”	the relevant competent authority(ies) appointed under the Planning Act (Chapter 232 of Singapore)
“ <b>Director(s)</b> ”	director(s) of the Company
“ <b>Group</b> ”	the Company and its subsidiaries
“ <b>GMTTC</b> ”	GMTTC Private Limited, a company incorporated in Singapore with limited liability on 24 May 2016, which is ultimately owned by Mr. Low, and is also the shareholder of Metropolitan Parking Pte. Ltd., a joint venture of the Group, which is interested in 50% of Metropolitan Parking Pte. Ltd.
“ <b>Holder(s)</b> ”	the holder(s) of the share(s) of the JV Company
“ <b>Joint Venture Agreement</b> ”	the joint venture agreement entered into between LHN Parking (GMT), GMTTC, SM Venture, Mr. Low, Mr. Andrew Lim, Mr. Shawn Lim and the JV Company dated 23 September 2020 in relation to, among others, the joint venture arrangements for the JV Company
“ <b>JV Board</b> ”	the board of directors of the JV Company

<b>“JV Business”</b>	the business of the JV Company, namely, running and operation of the carpark business of the Carpark
<b>“JV Company”</b>	Metropolitan Parking (BTSC) Pte. Ltd., a company incorporated in Singapore with limited liability on 15 September 2020, which is owned as to 40% by LHN Parking (GMT), 40% by GMTC and 20% by SM Venture with a total share capital of S\$5.00
<b>“JV Parties”</b>	LHN Parking (GMT), GMTC and SM Venture
<b>“JV Share(s)”</b>	the issued share(s) in the share capital of the JV Company
<b>“LHN Parking (GMT)”</b>	LHN Parking (GMT) Pte. Ltd., a limited liability company incorporated in Singapore on 24 June 2016 and an indirect wholly-owned subsidiary of the Company
<b>“Listing Rules”</b>	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
<b>“Mr. Andrew Lim”</b>	Mr. Lim Peng Joo, a shareholder of SM Venture and an independent third party
<b>“Mr. Low”</b>	Mr. Low See Ching (Liu Shijin), an independent third party and the ultimate sole shareholder of GMTC
<b>“Mr. Shawn Lim”</b>	Mr. Shawn Lim Yao Yang, a shareholder of SM Venture and an independent third party
<b>“Option to Purchase”</b>	the option to purchase dated 3 September 2020 issued by the seller of the Carpark, an independent third party, as grantor to Metropolitan Parking Pte. Ltd. (a joint venture between LHN Parking (GMT) and GMTC) and/or its nominees to purchase the Carparks
<b>“Party(ies)”</b>	party(ies) to the Joint Venture Agreement
<b>“Permitted Transferee”</b>	in relation to any Holder, any other corporation which wholly-owns, is wholly-owned by or is wholly-owned by the corporation which is wholly owned by such Holder, and which remains so during the term of the Joint Venture Agreement
<b>“Prohibited Person”</b>	(a) any direct competitor of the other Holder; (b) any person with whom an association would be unlawful or impractical for the JV Company or other Holder (including, without limitation, by virtue of sanctions issued by the European Union, the United States of America, Singapore, or another jurisdiction material to the business of the JV Company or the other Holder); or (c) any person with whom an association would be materially reputationally harmful to the JV Company or the other Holder (including, without limitation, by virtue of a publicised history of criminal conduct of such person, its affiliates, or management), considered relative to the public reputation of the existing Holders and the JV Company.
<b>“Regulatory Authority”</b>	The Stock Exchange or any regulatory authorities including the SGX-ST
<b>“SGX-ST”</b>	Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	shareholders of the Company
<b>“SM Venture”</b>	SM Venture Pte Ltd, a company incorporated in Singapore with limited liability on 20 September 2020, which is owned as to 50% by Mr. Andrew Lim and 50% by Mr. Shawn Lim
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited

“S\$”	Singapore dollars, the lawful currency of Singapore
“Third Party Financing”	financing from external sources by way of loans and other credit facilities from banks or other credit providing institutions obtained by the JV Company, on terms reasonably acceptable to the Holders
“Undertakings”	bonds, undertakings, guarantees, indemnities, warranties or other form of security provided for Third Party Financing
“%”	per cent.

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

Singapore, 23 September 2020

*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*