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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)

MAJOR TRANSACTION

ESTABLISHMENT OF JOINT VENTURE

INTRODUCTION

The Board is pleased to announced that on 19 November 2019, WPS KB, an indirect wholly-owned subsidiary of the Company, and the JV Partner established a new joint venture, and that the Joint Venture Agreement was entered into on the same date among WPS KB, the JV Partner, Mr. Low and the JV Company which sets out the joint venture arrangements for the JV Company.

The joint venture has been set up for the intention to acquire a Property, namely, a JTC industrial property which has a gross floor area of 20,465.3 square meters and an estimated tenure of 20 years or more. As at the date of this announcement, negotiation is still ongoing with the potential seller of the Property and no agreement has been entered into for the Property.

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 25% and below 100%, the entering into the Joint Venture Agreement constitutes a major transaction for the Company, and is therefore subject to the notification, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

INTRODUCTION

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Under the Joint Venture Agreement, the Property is intended to be used as one of the Work+Store branded properties offering self-storage with automated retrieval cum logistics activities, and ancillary office to corporate and individual customers.

THE JOINT VENTURE AGREEMENT

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

Date : 19 November 2019

Parties : (1) WPS KB
(2) the JV Partner
(3) Mr. Low
(4) 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:
– WPS KB (50%)
– JV Partner (50%)

Share capital : WPS KB and the JV Partner initially each hold one share of S\$1.00 in the JV Company.

On or before the date of completion of the sale and purchase of the Property in accordance with the terms of the Letter of Intent and the Sale and Purchase Agreement, or such other date as Parties may mutually agree, the Holders shall be progressively allotted the following number of Shares, such Shares having been paid in full against the subscription consideration correspondingly set out in the table below:

Party	Number of Shares	Aggregated Subscription Consideration
WPS KB	499,999	S\$499,999
JV Partner	499,999	S\$499,999

WPS KB will satisfy the aggregated subscription consideration of S\$499,999 through internal sources of funding.

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

- (a) the acquisition and ownership of the Property pursuant to the terms of the Letter of Intent and the Sale and Purchase Agreement to be entered into, and to the terms of the JTC's assignment letter and to any terms and conditions to be imposed by JTC; and
- (b) the running and operation of the Property as one of the work+store brands property offering self-storage with automated retrieval cum logistics activities and ancillary office of providing short and long term self-storage facilities to corporate and individual customers.

Property management : Subject to the JV Company obtaining the necessary approvals from JTC and/or other Competent Authorities, the Parties agree that the JV Company shall enter into such agreement as appropriate to appoint WPS KB or its appointed nominee to manage the Property in accordance with such terms and conditions as may be imposed by JTC and/or other Competent Authorities, and the by-laws and regulations for the time being in force and applicable. The property management agreement to be entered into shall include:

- (i) the JV Company to pay WPS KB or its appointed nominee monthly charges of 10% of the JV Company's monthly revenue;
- (ii) WPS KB or its appointed nominee shall provide the overall management of the running and operation of the JV Business;

- (iii) WPS KB or its appointed nominee shall run and operate the Property as the JV Business. In doing so, the JV Company shall bear costs related to the day-to-day running and operation of the Property, such as paying for the manpower required (including cleaners, security guards, store men and forklift drivers);
- (iv) the JV Company shall hire and pay for the sales and marketing services required to run and operate the Property as a JV Business; and
- (v) the JV Company shall pay for the outgoings, expenses (including capital expenditures) and costs arising from the management of the Property (including cost overruns).

Use of WPS KB intellectual property : WPS KB shall procure the rights to use the “WPS brand” from its legal owner, Work Plus Store. Such right shall not be in conflict with any obligation that Work Plus Store may owe to any third party, a non-exclusive royalty-free licence to use Work Plus Store’s Intellectual Property in relation to any sales and marketing services.

In the event that, for any reason whatsoever, WPS KB no longer remains a holder of any share or shares in the JV Company, the JV Company’s licence to use Work Plus Store’s intellectual property shall terminate and the remaining Holder shall by special resolution resolve to change the JV Company’s name pursuant to Section 28 of the Singapore Companies Act (Chapter 50 of Singapore).

Board composition : The JV Board shall comprise of two directors, one to be appointed by WPS KB and one to be appointed by the JV Partner. The chairman of the meetings of the JV Board shall rotate between the director appointed by WPS KB and the director appointed by the JV Partner 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 unanimous 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 WPS KB and the JV Partner, or their representatives or proxies.

First right of refusal : Mr. Low shall not transfer or dispose all or any of his shares in the JV Partner unless Mr. Low gives to WPS KB notice in writing of a desire to transfer or dispose all or any of his shares in the JV Partner in accordance with the terms of the JV Agreement.

The notice in writing shall constitute an offer to WPS KB to acquire Mr. Low’s shares in the JV Partner on the terms and conditions stipulated therein. If WPS KB 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 the JV Partner not taken up by WPS KB, 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 sales 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 Tag Along Sale 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 JTC’s prior written consent, 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).

JTC approvals and consents

: The JV Company shall observe and comply with such terms and conditions as may be imposed by JTC in the grant of its consent to the sale and purchase of the Property, and in particular, shall seek JTC's prior written consent for (i) the transfer of shares, change of mode of business and change or inclusion of trade/use; (ii) the demise, transfer, assign or part with the possession of the Property or any part thereof in whatsoever manner; and (iii) any form of reconstruction howsoever brought about including any form of amalgamation or merger with or takeover by another company, firm or body or party.

WPS KB and the JV Partner, being individually a corporate entity, shall ensure that JTC's prior written consent is obtained prior to any transfer, allotment or acquisition of its shares.

Funding and financing of the JV Company

: The Property Purchase Price shall first 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 Property, JTC or such other party as may be required by the Vendor's solicitors or JTC in accordance with the Sale and Purchase Agreement;

(ii) the amount of the ad valorem duty chargeable on the Sale and Purchase Agreement paid to the Commissioner of Stamp Duties, the Inland Revenue Authority of Singapore;

(iii) other costs associated with the purchase of the Property; and

(iv) all sums payable by the JV Company to the relevant authorities.

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

: WPS KB and the JV Partner 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 Property Purchase Price (plus GST), if the Holders so agree, and the Initial Payment;
- (b) outgoings and expenses (including capital expenditures) in respect of the Property not covered by third party financing;
- (c) costs arising from the management of the Property (including cost overruns) not covered by third party financing;
- (d) the fees to be included in the property 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 Sale and Purchase Agreement 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 each Holder (including the subscription consideration for additional shares of the JV Company, the Property Purchase Price, the guarantees to be provided for Third Party Financing, and the shareholders' loans under the Joint Venture Agreement) shall not exceed S\$35,000,000.

WPS KB 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 two per cent (2%) + 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 two per cent (2%) + 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 (6) 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 (6) 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 the chief executive officer for the time being of the respective WPS KB and the JV Partner, 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, without limit in point of time and shall cease and determine upon the dissolution of the JV Company.

As at the date of this announcement, the JV Company has not been granted any Letter of Intent or entered into any Sale and Purchase Agreement for any Property.

INFORMATION ABOUT THE PARTIES

Information about the Company and WPS KB

The Company is a real estate management services group, with the ability 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, Malaysia and Hong Kong.

WPS KB is an indirect wholly-owned subsidiary of our Company, which is an investment holding company.

Information about the JV Partner and Mr. Low

The JV Partner and its ultimate sole shareholder, Mr. Low See Ching, are independent third parties. The JV Partner is the shareholder of two joint ventures of the Group, namely, Four Star Industries Pte. Ltd. and Work Plus Store (AMK) Pte. Ltd. Mr. Low, through another of his wholly-owned holding company, is also the ultimate shareholder of another joint venture of the Group, namely, Metropolitan Parking Pte. Ltd. In addition to the above, Mr. Low is an executive director of a company listed on SGX-ST and the ultimate holding company of the landlord of one of our leased properties. Save as disclosed, the JV Partner and Mr. Low are third parties independent of the Company and connected persons of the Company.

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 a property currently under negotiation with the landlord. The JV Company is expected to engage in space optimisation business, in particular, to operate the JV Business.

The entry into the Joint Venture Agreement is not expected to have any material financial impact on the consolidated net tangible asset per share and the consolidated earnings per share of the Group for the financial year ending 30 September 2020.

REASONS FOR ESTABLISHING THE JOINT VENTURE

The Group currently has three joint ventures with Mr. Low, namely, for the car park at Golden Mile Tower, Singapore, and two industrial properties, namely, 38 Ang Mo Kio, Singapore and 44 Kallang Place, Singapore.

To date, the joint ventures with Mr. Low are running very smoothly, providing the Company opportunities to own, manage and operate larger properties than otherwise possible as to funding the investment unilaterally by the Company.

Furthermore, to the best of the information, knowledge and belief of the Directors, Mr. Low is knowledgeable and experienced in the real estate business in Singapore and is desirous to form joint ventures with us as he believes in our capacity and business vision. From the Group's perspective, Mr. Low is a respected and reputable professional in the real estate industry in Singapore and it will bring synergies to us and our business for having him as our joint venture partner.

The terms and conditions of the Joint Venture Agreement were arrived at after arm's length negotiations between the 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 Parties and are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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 25% and below 100%, the entering into the Joint Venture Agreement constitutes a major transaction for the Company, and is therefore subject to the notification, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, no Director is required to abstain from voting on the board resolutions in relation to the approval of the transactions contemplated under the Joint Venture Agreement.

WRITTEN CONTROLLING SHAREHOLDER'S APPROVAL

Fragrance Ltd. is a controlling Shareholder of the Company who directly holds 216,930,000 shares (representing 53.90% of the share capital) of the Company as at the date of this announcement. In accordance with Rule 14.44 of the Listing Rules, to the best of the information, knowledge and belief of the Directors, as no Shareholder is required to abstain from voting if the Company is to convene a general meeting for the approval of the transaction as contemplated under the Joint Venture Agreement, and that no accountants' report will be prepared for the establishment of the joint venture under the Joint Venture Agreement. As at the date of this announcement, Fragrance Ltd. has provided a written approval to approve the Joint Venture Agreement and the all transactions contemplated under the Joint Venture Agreement (including the purchase of the Property).

As such, no extraordinary general meeting will be held as the Company has obtained the written approval from Fragrance Ltd. in lieu of holding a general meeting for the Joint Venture Agreement and the transactions contemplated under the Joint Venture Agreement.

CATALIST RULES IMPLICATION

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 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.

GENERAL

A circular containing, among other things, further details of the transactions contemplated under the Joint Venture Agreement is expected to be circulated to the Shareholders in accordance with the Listing Rules for information purposes as soon as practicable within 15 business days after the date of this announcement.

FINANCIAL ASSISTANCE AND GUARANTEES

As at the date of this announcement, with the establishment of the joint venture as contemplated under the Joint Venture Agreement, 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	Effective interest held	Loans to the affiliated companies S\$ Million	Unutilised facilities granted to the affiliated companies S\$ Million	Committed capital injection by internal sources of funding S\$ Million	Guarantees for facilities granted to the affiliated companies S\$ Million	Guaranteed facilities utilised by the affiliated companies S\$ Million
Work Plus Store (AMK) Pte. Ltd.	50.0%	0.530 ⁽¹⁾	–	0.500	24.000	23.457
Four Star Industries Pte. Ltd.	50.0%	0.850 ⁽¹⁾	–	0.450	6.900	6.821
Metropolitan Parking Pte. Ltd.	50.0%	0.732 ⁽¹⁾	–	0.100	12.860	12.860
HLA Logistics Pte. Ltd.	29.4%	–	–	0.012	–	–
The JV Company	50.0%	–	–	0.500	– ⁽²⁾	–

Notes:

(1) Interest charged at 3% per annum with no fixed terms of repayment.

(2) Pending offer from the bank for the banking facilities.

DEFINITIONS

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

“Agreed Proportions”	the proportion of shareholding interests of the Holders in the JV Company, namely, 50% by WPS KB and 50% by the JV Partner
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore
“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: 410)
“Competent Authority(ies)”	the relevant competent authority(ies) appointed under the Planning Act (Chapter 232 of Singapore)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Holder(s)”	the holder(s) of the share(s) of the JV Company
“Joint Venture Agreement”	the joint venture agreement entered into between WPS KB, the JV Partner and Mr. Low in relation to, among others, the joint venture arrangements for the JV Company
“JTC”	JTC Corporation
“JV Board”	the board of directors of the JV Company

“JV Business”	the business of the JV Company, namely, to operate a self storage with automated retrieval cum logistics activities and ancillary office on the Property
“JV Company”	Work Plus Store (Kallang Bahru) Pte. Ltd., a company incorporated in Singapore with limited liability on 6 March 2019, which is owned as to 50% by the Subsidiary and 50% by the JV Company with a total share capital of S\$2.00
“JV Partner”	W&S Flexi Pte. Ltd., a company incorporated in Singapore with limited liability on 24 November 2015, which is ultimately owned by Mr. Low, and is also the shareholder certain joint ventures of the Group, including, Four Star Industries Pte. Ltd. and Work Plus Store (AMK) Pte. Ltd.
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Letter of Intent”	the letter of intent granted by the seller of the Property to the JV Company in respect of the sale and purchase of the Property
“Mr. Low”	Mr. Low See Ching (Liu Shijin), an independent third party and the ultimate sole shareholder of the JV Partner
“Party(ies)”	party(ies) to the Joint Venture Agreement
“Permitted Transferee”	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
“Prohibited Person”	(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
“Prospectus”	the prospectus of the Company published in Hong Kong dated 15 December 2017 in relation to the global offering of the Company
“Property”	a JTC industrial property which has a gross floor area of 20,465.3 square meters and an estimated tenure of 20 years or more
“Property Purchase Price”	the purchase price stated in the Letter of Intent and Sale and Purchase Agreement for the Property
“Regulatory Authority”	The Stock Exchange or any regulatory authorities including the SGX-ST
“Sale and Purchase Agreement”	the sale and purchase agreement to be entered into between the seller of the Property as the seller and the JV Company as the purchaser in respect of the sale and purchase of the Property
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholders”	shareholders of the Company
“Stock Exchange”	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
“Work Plus Store”	Work Plus Store Pte. Ltd. (formerly known as Hean Nerng Land Lease Pte. Ltd.), a limited liability company incorporated in Singapore on 21 September 2004 and an indirect wholly-owned subsidiary of the Company
“WPS KB”	WPS KB Pte. Ltd., a company incorporated in Singapore with limited liability on 6 March 2019, which is an indirect wholly-owned subsidiary of the Company
“%”	per cent.

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

Singapore, 19 November 2019

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**