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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  
ACQUISITION OF RIGHT-OF-USE ASSETS  
PARLIAMENT HOUSE CARPARK IN SINGAPORE**

**ACQUISITION OF RIGHT-OF-USE ASSETS**

The Board is pleased to announce that the Group had successfully re-tendered for the operation and management of public carpark at the Parliament House Carpark through an open tender, which allows LHN Parking to continue its carpark management service at the Parliament House Carpark upon expiration of the current licence. LHN Parking, an indirect wholly-owned subsidiary of the Company, has entered into the Letter of Acceptance on 18 November 2019 for the Parliament House Carpark as the supplier and the Parliament of Singapore as the buyer, pursuant to which LHN Parking will operate and manage the public carpark at the Parliament House of Singapore. On the same day, LHN Parking also entered into the Temporary Occupation Licence as the licensee and the Government of the Republic of Singapore as the grantor in order for LHN Parking to occupy and manage the Parliament House Carpark.

**LISTING RULES IMPLICATIONS**

Pursuant to IFRS16, as the Group will be paying a fixed fee per month to the Government of the Republic of Singapore for the operation and management of the Parliament House Carpark, the transactions contemplated under the Letter of Acceptance and the Temporary Occupation Licence by the Group will require the Group to recognise the Parliament House Carpark as the right-of-use assets, thus by entering into the Letter of Acceptance and obtaining the Temporary Occupation Licence, and the transactions contemplated thereunder will be regarded as acquisition of assets by the Group according to the Listing Rules.

As one or more than one of the applicable percentage ratios for the acquisition of right-of-use assets in respect of the transactions contemplated under the Letter of Acceptance and the Temporary Occupation Licence is more than 5% and below 25%, such transaction constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

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### Letter of Acceptance

The major terms of the Letter of Acceptance are set out below:

<b>Date</b>	: 18 November 2019
<b>Parties</b>	: (1) LHN Parking, an indirect wholly-owned subsidiary of the Company as the supplier (2) Parliament of Singapore, an independent third party, as the buyer
<b>Contract description for service</b>	: Operation and management of public carpark at Parliament House for a period of three years from 1 November 2019 to 31 October 2022
<b>Consideration</b>	: Total contract sum is S\$2,520,000 (equivalent to S\$70,000 per month for 36 months)
<b>Payment terms</b>	: 30 days

For details of the payment of the contract sum (being the licence fees under the Temporary Occupation Licence) and terms, please refer to "Temporary Occupation Licence" below.

### Temporary Occupation Licence

The major terms of the Temporary Occupation Licence are set out below:

<b>Date</b>	: 18 November 2019
<b>Parties</b>	: (1) LHN Parking, an indirect wholly-owned subsidiary of the Company as the licensee (2) Government of the Republic of Singapore, an independent third party, as the grantor
<b>Particulars of State land</b>	: Land area (approx.): 21,427.3 sq.m Building GFA: 19,765 sq.m Address: the car park designated by the Singapore Government for use by the public within the Parliament House at 1 Parliament Place, Singapore 178880
<b>Purpose</b>	: Public car park for motor cars and light commercial vehicles not exceeding 1.5 tonnes of un-laden weight
<b>Licence ending period</b>	: From 1 November 2019 to 31 October 2022
<b>Licence fees</b>	: S\$70,000 (exclusive of GST) per month payable in advance on first day of every month  The licence fees will be paid by internal sources of funding.
<b>Security deposit</b>	: S\$126,000 provided by way of insurance performance bond on the date of the licence.
<b>Licensee's obligations</b>	: The licensee shall, among others, install, operate and manage the public car park in accordance with the Temporary Occupation Licence

### RIGHT-OF-USE ASSETS

Pursuant to IFRS16, the operation and management of the Parliament House Carpark under the Letter of Acceptance and the Temporary Occupation Licence will be recognised as right-of-use assets for an amount of approximately S\$2.41 million, which is calculated with reference to the present value of the aggregated payments to be made under the Letter of Acceptance and the Temporary Occupation Licence.

## **REASONS FOR TRANSACTION**

The entering into the Letter of Acceptance and the Temporary Occupation Licence from the successful re-tendering of the Parliament House Carpark allows the Group to continue its operations and management of the carpark as part of its ordinary course of business, in particular under its carpark management service of the facilities management segment.

The Board is of the view that the acquisition of right-of-use asset of the Parliament House Carpark allows the Company to continue to provide car park management business at the said location and to generate revenue. The Parliament House Carpark is located at 1 Parliament Place, which caters to the needs of nearby office users from Raffles Place as well as visitors to nearby National Monuments and landmarks like the National Gallery, the Asian Civilisations Museum and the Supreme Court of Singapore.

With the Parliament House Carpark, the number of carparks under the Group's management total up to 55, with 52 in Singapore and three in Hong Kong.

Taking into account of the above factors, the Directors consider that the terms of the Letter of Acceptance, are fair and reasonable, on normal commercial terms, in the interests of the Shareholders and the Company as a whole.

## **INFORMATION OF THE PARTIES**

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 (3) 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 and Malaysia.

LHN Parking is an indirect wholly-owned subsidiary of the Company, which primarily engages in carpark management and operation services.

The buyer is the Parliament of Singapore, being the legislative body of Singapore. The Parliament of Singapore is unicameral and together with the President of Singapore is known as the Legislature. The buyer, the President of Singapore and the Government of the Republic of Singapore are third parties independent of the Group and its connected persons to the best of the Directors' knowledge.

## **LISTING RULES IMPLICATIONS**

Pursuant to IFRS16, as the Group will be paying a fixed fee per month to the Government of the Republic of Singapore for the operation and management of the Parliament House Carpark, the transactions contemplated under the Letter of Acceptance and the Temporary Occupation Licence by the Group will require the Group to recognise the Parliament House Carpark as the right-of-use assets, thus by entering into the Letter of Acceptance and the Temporary Occupation Licence, and the transactions contemplated thereunder will be regarded as acquisition of assets by the Group in accordance to the Listing Rules.

As one or more than one of the applicable percentage ratios for the acquisition of right-of-use assets in respect of the transactions contemplated under the Letter of Acceptance and the Temporary Occupation Licence is more than 5% and below 25%, such acquisition of right-of-use assets of the Parliament House Carpark constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

## **CATALIST RULES IMPLICATIONS**

As the entry into the Letter of Acceptance for the operation and management of the Parliament House Carpark is in the ordinary course of business of the Group, the disclosure requirements of this announcement are referenced from Chapter 7 of the Catalist Rules. As the Company has undertaken to comply with the more onerous set of listing rules, this announcement was prepared in accordance to the disclosure requirements of Chapter 14 of the Listing Rules.

The abovementioned 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.

## DEFINITIONS

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

“Board”	the board of Directors
“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)
“Director(s)”	director(s) of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“GST”	the Singapore Goods and Service Tax, and the prevailing rate as at the date of the announcement is 7%
“IFRS”	the International Financial Reporting Standard(s)
“Letter of Acceptance”	the letter of acceptance entered into between the Parliament House of Singapore as buyer and LHN Parking as the supplier dated 18 November 2019
“LHN Parking”	LHN Parking Pte. Ltd. (formerly known as LHN Vehicle Parking Management Pte. Ltd.), a limited liability company incorporated in Singapore on 5 September 2007 and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Parliament House Carpark”	Public Carpark at Parliament House, 1 Parliament Place, Singapore 178880
“Prospectus”	the prospectus of the Company published in Hong Kong dated 15 December 2017 in relation to the global offering of the Company
“SGX-ST”	Singapore Exchange Securities Trading Limited
“sq.m”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S\$”	Singapore dollars, the lawful currency of Singapore
“Temporary Occupation Licence”	the temporary occupation licence that LHN Parking entered into as the licensee and the Government of the Republic of Singapore as the grantor in order for LHN Parking to occupy and manage the Parliament House Carpark
“%”	per cent.

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

Singapore, 18 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 of the Company; and Ms. Ch'ng Li-Ling, Mr. Yong Chee Hiong and Mr. Chan Ka Leung Gary as independent non-executive directors of the Company.*

**\* For identification purpose only**