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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

COMPLETION OF THE ACQUISITION OF THE GUL AVENUE PROPERTY

UPDATE ON THE PROGRESS OF THE USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

Completion of Acquisition of Gul Avenue Property

Reference is made to the announcements of LHN Limited (the “**Company**”) dated 2 December 2019 and 3 December 2019 in relation to the Gul Avenue Acquisition (the “**Announcements**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless otherwise defined.

The board of directors of the Company (the “**Board**”) is pleased to announce that all the conditions precedent to the Gul Avenue Acquisition, including obtaining the approval from JTC Corporation that no decontamination work is required on 6 December 2019, have been fulfilled and the Gul Avenue Acquisition was completed on 27 December 2019 in accordance with the terms and conditions as set out in the Gul Avenue SPA (“**Completion**”).

The total consideration for the Gul Avenue Acquisition of S\$13.0 million excluding GST has been settled as of 27 December 2019, of which, approximately S\$1.8 million (equivalent to approximately HK\$10.6 million) has been funded by the net proceeds of S\$1,782,000 allocated for acquisition of logistics property from the global offering of the Company’s shares on the Main Board of the Stock Exchange, and the balance has been settled through a combination of internal sources of funding and bank borrowings.

Update on the Progress of the Use of Net Proceeds from the Global Offering

Following the Completion, an updated breakdown for the use of net proceeds from the global offering of the Company is as follows:

S/N	Purpose of Net Proceeds	Amount Allocated	Amount Utilised	Balance
		HK\$’000	HK\$’000	HK\$’000
1	Expansion of our space optimisation business by acquiring a new property in Singapore	26,815	26,815	–
2	Acquiring a property in Singapore for our logistics services management business	10,611	10,611	–
3	Set out our first operation in the PRC	1,776	–	1,776
4	General working capital	4,439	4,439	–
5	Acquiring transportation equipment for our logistics services business	755	562	193
	Total	44,396	42,427	1,969

Amount utilised for general working capital of approximately HK\$4.4 million (equivalent to S\$0.7 million) consisted of payment for renovation cost in relation to master lease secured under our Space Optimisation Business.

Approximately HK\$26.8 million (equivalent to S\$4.5 million) allocated for the acquisition of property in Singapore for the Space Optimisation Business had been utilised as the partial payment for the Geylang Property acquisition, as announced by the Company on 7 January 2019.

The above utilisations are in accordance with the intended use of the net proceeds and percentage allocated, as stated in the Company's prospectus for the global offering dated 15 December 2017. The Company expects to utilise the remaining balance of the net proceeds of approximately HK\$2.0 million (equivalent to S\$0.3 million) by the end of year 2020.

The Board will continue to update in periodic announcements on the utilisation of the balance of the proceeds from the global offering as and when the proceeds are materially disbursed and provide a status report on such use in its annual report and its quarterly, interim and full year financial results announcements.

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

Singapore, 27 December 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*