
**UPDATE ON THE
PRE-CONDITIONAL VOLUNTARY GENERAL OFFER BY
RHT CAPITAL PTE. LTD. FOR AND ON BEHALF OF MILKYWAY INTERNATIONAL CHEMICAL
SUPPLY CHAIN PTE. LTD.**

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**” or the “**Directors**”) of LHN Logistics Limited (the “**Company**”) wishes to refer shareholders of the Company (the “**Shareholders**”) to the announcement (the “**Pre-Conditional Offer Announcement**”) issued on 4 June 2023 by RHT Capital Pte. Ltd. (“**RHTC**”), for and on behalf of Milkyway International Chemical Supply Chain Pte. Ltd. (the “**Offeror**”), stating, *inter alia*, that subject to and contingent upon the satisfaction of the Pre-Conditions (as defined herein) by the Cut-Off Date (as defined herein) and the terms and conditions of the Offer to be set out in the formal offer document issued by RHTC, for and on behalf of the Offeror, the Offeror intends to make a voluntary conditional general offer (the “**Offer**”) for all the issued and paid-up ordinary shares (the “**Shares**”) in the capital of the Company, in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore, and Rule 15 of the Singapore Code on Take-overs and Mergers.
- 1.2 Further details of the Offer (if and when made) are set out in the Pre-Conditional Offer Announcement, a copy of which is available on the website of the Singapore Exchange Securities Trading Limited at <http://www.sgx.com>. Shareholders are advised to refer to the full text of the Pre-Conditional Offer Announcement for, *inter alia*, the principal terms of the Offer.
- 1.3 **Shareholders should note that, as stated in the Pre-Conditional Offer Announcement, the Offer will not be made unless and until the Pre-Conditions have been satisfied on or before 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 Securities Industry Council of Singapore) (the “Cut-Off Date”). Accordingly, all references to the Offer in this Pre-Conditional Offer Announcement refer to the possible Offer which will only be made if and when the Pre-Conditions are satisfied.**
- 1.4 This announcement should be read in conjunction with the Company’s announcement issued on 4 June 2023 (“**4 June Announcement**”) as well as the Pre-Conditional Offer Announcement.

2. UPDATE ON THE PRE-CONDITIONS

- 2.1 As previously noted in the Company’s 4 June Announcement, the making of the Offer will be subject to the satisfaction of the following conditions on or before 5.00 p.m. on the Cut-Off Date:

- (a) approval from shareholders of LHN Limited, the indirect controlling shareholder of the Company which is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the Main Board of the Stock Exchange of Hong Kong Limited (“**SEHK**”), required for the disposal of the Shares under the listing rules of SGX-ST and SEHK (“**LHN Shareholders’ Approval**”); and
- (b) written consent from JTC Corporation for the change in LHN Limited’s indirect percentage ownership in Hean Nerng Logistics Pte Ltd (“**HN Logistics**”), the Company’s wholly owned subsidiary, in connection with its holding of the property located at 7 Gul Avenue, Singapore 629651 (“**JTC Consent**”),

(the “**Pre-Conditions**”, and each, a “**Pre-Condition**”).

2.2 Pre-Condition (re: JTC Consent).

- (a) On the Pre-Condition relating to the JTC Consent, the Board wishes to inform Shareholders that the Company has received an update from HN Logistics that it has received firm indication by way of an email from JTC that JTC has no objection to (and is prepared to grant its written consent for) the change in LHN Limited’s indirect percentage ownership in HN Logistics in connection with its holding of the above-mentioned property located at Gul Avenue, subject to, among others, the payment of a fee by HN Logistics of S\$4,115,133.88 (excluding goods and services tax) to JTC (the “**JTC Fee**”).
- (b) The Board wishes to further inform Shareholders that in respect of the JTC Fee, LHN Limited has proposed the following:
 - i. LHN Limited will bear S\$3,115,133.88 out of the S\$4,115,133.88 payable as the JTC Fee; and
 - ii. the balance S\$1,000,000.00 to be borne by HN Logistics, but always subject to HN Logistics’ and Company’s compliance with applicable laws and regulations. In this regard, LHN Limited has also proposed to extend a loan to HN Logistics for the settlement of the said balance S\$1,000,000.00 of the JTC Fee, with such loan to be repaid as soon as practicable and in any event no later than five days immediately following the first closing date of the voluntary general offer for the shares of the Company.

The management representatives of LHN Limited are currently still in negotiations with the management representatives of HN Logistics on the aforesaid proposal. The Board is also seeking legal advice in relation to the proposal.

2.3 Financial Effects of the Payment of the JTC Fee (“Payment”)

The net tangible asset per share and earnings per share effects of the Payment on the Group as set out below are purely for illustrative purposes only and are neither indicative nor do they represent any projection of the financial performance or position of the Group after Payment.

The financial effects have been prepared on a pro forma basis using the latest audited financial statements of the Group for the financial year ended 30 September 2022 and, for illustrative purposes, assumes that HN Logistics is bearing S\$1,000,000.00 of the JTC Fee. The Board is currently seeking legal advice in relation to the proposal.

Net Tangible Asset per Share

	Before the Payment	After the Payment
Net tangible asset of the Group attributable to shareholders of the Company (S\$'000)	14,774	13,774
Number of issued shares ('000)	167,679	167,679
Net tangible asset per share (Singapore cents)	8.81	8.21

Loss per Share

	Before the Payment	After the Payment
Net loss of the Group attributable to shareholders of the Company (S\$'000)	(4,284)	(5,284)
Weighted average number of shares ('000)	159,072	159,072
Loss per share (Singapore cents)	(2.69)	(3.32)

2.4 Pre-Condition (re: LHN Shareholders' Approval).

On the Pre-Condition relating to the LHN Shareholders' Approval, the Board wishes to inform Shareholders that LHN Limited will be holding its extraordinary general meeting on 31 July 2023 at 9.30 a.m. to obtain such approval from its shareholders.

2.5 Further updates will be provided by way of further announcements as and when appropriate. **Meanwhile, Shareholders are advised to exercise caution and seek appropriate independent advice when dealing in the Shares.**

3. 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.

BY ORDER OF THE BOARD

Lim Lung Tieng
Executive Chairman

31 July 2023

*LHN Logistics Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 29 April 2022. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").*

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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