
**VOLUNTARY CONDITIONAL GENERAL OFFER
MADE BY RHT CAPITAL PTE. LTD. FOR AND ON BEHALF OF
MILKYWAY INTERNATIONAL CHEMICAL SUPPLY CHAIN PTE. LTD.
TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF
LHN LOGISTICS LIMITED**

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 “**Formal Offer Announcement**”) issued on 2 August 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 the terms and conditions of the Offer to be set out in the formal offer document (the “**Offer Document**”) issued by RHTC, for and on behalf of the Offeror, the Offeror will make a voluntary conditional general offer (the “**Offer**”) to acquire all the issued and paid-up ordinary shares (the “**Shares**”) in the capital of the Company (the “**Offer Shares**”), 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 (“**Code**”). Unless otherwise defined, capitalised terms used herein shall have the meanings ascribed to them in the Formal Offer Announcement.
- 1.2 Further details of the Offer are set out in the Formal Offer Announcement, a copy of which is attached to this announcement and 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 Formal Offer Announcement for, *inter alia*, the principal terms of the Offer.

2. THE OFFER

The Formal Offer Announcement states, *inter alia*, that subject to the terms and conditions of the Offer to be set out in the Offer Document, the Offeror will make the Offer for all the Offer Shares on the following basis:

- (a) **Offer Price.** The offer price for each Offer Share will be S\$0.2266 in cash (the “**Offer Price**”).

The Offer Price is final and the Offeror does not intend to revise the Offer Price.

- (b) **Shares.** The Offer, when made, will be extended to all Offer Shares at the Offer Price.
- (c) **No Encumbrance.** The Offer Shares are to be acquired (i) fully paid, (ii) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an

agreement, arrangement or obligation to create any of the foregoing, and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and hereafter attaching thereto, including but not limited to, the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares (collectively, the “**Distributions**” and each, a “**Distribution**”) on or after the Pre-Conditional Offer Announcement Date.

- (d) **Adjustment for Distributions.** Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be announced, declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date.

Accordingly, in the event any Distribution is or has been announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Pre-Conditional Offer Announcement Date, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer (the “**Accepting Shareholder**”) shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such Accepting Shareholder falls, as follows:

- (i) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the Accepting Shareholder the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; and
- (ii) if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Offer Price after such reduction, the “**Adjusted Offer Price**”) and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for each Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.
- (e) **Minimum Acceptance Condition.** The Offer will be conditional on the Offeror having received, by the close of the Offer, valid acceptances pursuant to the Offer (which have not been validly withdrawn) in respect of such number of Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the issued share capital of the Company as at the close of the Offer (the “**Minimum Acceptance Condition**”).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of

Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the issued share capital of the Company as at the close of the Offer.

Pursuant to the Irrevocable Undertakings (as defined below), the Offer will become unconditional as to acceptance upon LHN Group Pte. Ltd. ("**LHNGPL**"), the direct shareholder of the Company and a wholly owned subsidiary of LHN Limited tendering its Shares in acceptance of the Offer. Details of the Irrevocable Undertakings and the Undertaking Parties (as defined below) are set out in Section 3 below.

- (f) **Further Information.** Further information on the Offer and the terms and conditions upon which the Offer will be made will be set out in the Offer Document to be issued.

3. IRREVOCABLE UNDERTAKING

3.1 **Irrevocable Undertaking.** As at the Offer Announcement Date, the Offeror has received irrevocable undertakings from Fragrance Ltd ("**Fragrance**") and LHNGPL (collectively, the "**Undertaking Parties**"), pursuant to

- (a) Fragrance has, amongst other things, unconditionally and irrevocably undertaken, represented and warranted to the Offeror that it will (i) procure that there shall be no disposal of any of the Relevant Shares by LHNGPL prior to the Offer, (ii) vote in favour of the resolution(s) granting the Shareholders' Approval in relation to the disposal of the Relevant Shares by LHNGPL, (iii) procure the acceptance by LHNGPL of the Offer for all the Relevant Shares; and
- (b) LHNGPL has, amongst other things, unconditionally and irrevocably undertaken, represented and warranted to the Offeror that it will (i) not dispose of any of the Relevant Shares prior to the Offer, (ii) accept the Offer for all the Relevant Shares,

(collectively, the "**Irrevocable Undertakings**"). As at the Offer Announcement Date, the Undertaking Parties hold in aggregate 140,940,800 Shares, representing 84.05% of the total number of Shares.

3.2 **Further Details.** The Irrevocable Undertakings shall lapse as stated in paragraph 5.3 of the Formal Offer Announcement.

4. INDEPENDENT FINANCIAL ADVISER

4.1 In light of the making of the Formal Offer Announcement by the Offeror:

- (a) the Board will appoint an independent financial adviser (the "**IFA**") to advise the Directors who are considered to be independent for the purposes of the Offer (the "**Independent Directors**"), in respect of the Offer. An announcement relating to the same will be made by the Company in due course; and

- (b) a circular containing, *inter alia*, the advice of the IFA and the recommendation of the Independent Directors in respect of the Offer (the “**Offeree Circular**”) will be sent to Shareholders within 14 days from the date of the despatch of the Offer Document.

4.2 **In the meantime, Shareholders are advised to exercise caution when dealing in their Shares or otherwise refrain from taking any action in relation to their Shares, which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Independent Directors as well as the advice of the IFA which will be set out in the Offeree Circular.**

5. **UPDATE ON THE JTC CONSENT AND THE JTC FEE**

The Board also wishes to refer the Shareholders to the announcement dated 31 July 2023 in respect of the Pre-Condition relating to the JTC Consent (the “**31 July Announcement**”) and capitalised terms used in this paragraph shall have the meanings ascribed to them in the 31 July Announcement.

As announced in the 31 July Announcement, the grant of the JTC Consent is subject to, among others, the payment of the JTC Fee. LHN Limited has proposed the following:

- (a) LHN Limited will bear S\$3,115,133.88 out of the S\$4,115,133.88 payable as the JTC Fee; and
- (b) the balance S\$1,000,000.00 will be borne by HN Logistics, but always subject to HN Logistics’ and the 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 amounts stated above exclude goods and services tax which is payable.

The Board wishes to update the Shareholders that LHN Limited and HN Logistics are still in discussions regarding LHN Limited’s proposal as described above.

6. **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.



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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

2 August 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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