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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

### COMPLETION OF DISPOSAL OF THE ICS SECURITY SERVICES BUSINESS

Reference is made to the announcement of LHN Limited (the **"Company"**) dated 1 March 2019 in relation to the disposal of the ICS Security Services Business under the Group's facilities management business (the **"Announcement"**). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise defined.

#### THE COMPLETION AND THE COMPLETION PAYMENT

The Board is pleased to announce that all the conditions precedent to the Business Purchase Agreement have been fulfilled and the disposal of the ICS Security Services Business was completed on 31 May 2019 (the **"Completion Date"**) in accordance with the terms and conditions as set out in the Business Purchase Agreement. The Novated Contracts payable as at the Completion Date amounted to a total of approximately 94.2% of the annualised revenues of all the client contracts of the ICS Security Services Business. According to the formula as set out in the Business Purchase Agreement and as disclosed in the Announcement, the completion payment for the Disposal was approximately S\$1.427 million, being equivalent to the aggregate value of each Novated Contract novated on the Completion Date. The value of each Novated Contract is derived from its agreed Valuation Pro-Forma EBIT for each Novated Contract as agreed among the parties, multiplied by 0.95 and the valuation multiple of each Novated Contract. The valuation multiple of each Novated Contract is determined based on the remaining duration of the Novated Contracts, which was a valuation multiple of 3.

As disclosed in the Announcement, as there may be additional client contracts to be novated to the Purchaser, additional adjustments to the completion payment may be payable by the Purchaser to the Seller on the date falling eight months after the Completion Date (the **"Adjustment"**).

#### THE LISTING RULES IMPLICATIONS

##### HKEx Listing Rules

Furthermore, based on the total consideration for the Disposal of S\$1.427 million, the transaction continues to be categorised as a discloseable transaction for the Company subject to the notification and announcement requirements but exempt from Shareholders' approval requirement pursuant to Chapter 14 of the HKEx Listing Rules. The Company does not expect any change in the categorisation of the transaction as a discloseable transaction pursuant to Chapter 14 of the HKEx Listing Rules as a result of the Adjustment.

##### Catalist Rules

Based on the total consideration for the Disposal of S\$1.427 million, the Disposal would still constitute a "Non-Disclosable Transaction" under Chapter 10 of the Catalist Rules. The Company also does not expect any change to the categorisation of the transaction under the Catalist Rules as a result of the Adjustment.

#### OTHER INFORMATION

The net proceeds of approximately S\$1.415 million after deduction of associated cost of the Disposal will be used for general working capital purposes of the Group.

With the Completion of the Disposal, other than those contracts that are not novated to the Purchaser in accordance with the Business Purchase Agreement, the Group will no longer engage in ICS Security Services Business. However, the Group may continue engaging in business activities where supply, installation, and maintenance of security cameras are provided and utilised for the sole purpose of recording (without any additional direct or indirect surveillance of such recording) as part of a full suite of facilities management services at premises owned or managed by the Group. For further details, please refer to the Announcement.

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

Singapore, 31 May 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*