

LANTERN HOTEL GROUP (ASX: LTN)

20 September 2019

IN-PRINCIPLE APPROVAL FROM ASX TO DELIST

Further to the announcement of Lantern Hotel Group Limited (**LTN**) on 2 August 2019, LTN advises that it has formally requested ASX to remove LTN from the official list, subject to shareholder approval.

The delisting forms part of LTN's proposal to wind-down its operations, as announced to ASX on 2 August 2019, involving:

- a return of capital to shareholders (**Capital Return**);
- a delisting from ASX; and
- the commencement of a voluntary winding-up,

(Proposal).

LTN is seeking a delisting from ASX as:

- since 2016, LTN has been implementing a wind-down strategy, including:
 - a sell-down of the assets of the Company and the Lantern Real Estate Trust (Trust) over the course of the 2017 financial year, realising revenue of \$206 million from asset sales and, after paying down debt and costs, distributing \$132.4 million (or 15.0 cents per share) to shareholders;
 - the termination of the Trust on 21 June 2018, and its removal from the official list of ASX on 26 July 2018; and
 - a distribution to shareholders of 0.07 cents per share on 15 March 2019;
- LTN's shares have been suspended from trading since 29 September 2017 and it is unlikely that they will recommence trading; and

- the ongoing operating costs of LTN (including by its listing on ASX) are inconsistent with the level of LTN's operations and the board of LTN is eager to maximise returns to shareholders where possible.

Upon delisting, LTN will become an unlisted public company. If the Proposal is implemented, LTN will commence a voluntary winding-up immediately upon delisting.

LTN has implemented the Capital Return to enable shareholders to realise value from their LTN shares before commencement of the winding up. Any further value in LTN shares realised from the winding up (if any) will be distributed to shareholders in due course.

LTN has received in-principle advice from ASX that it would be likely to remove LTN from the official list, on a date to be determined by ASX in consultation with LTN, subject to compliance with the following conditions:

- (a) LTN's removal from the official list of ASX is approved by a special resolution of the ordinary shareholders of LTN;
- (b) the notice of meeting seeking shareholder approval for LTN's removal from the official list must include a statement, in form and substance, satisfactory to ASX, setting out:
 - (i) that the removal shall take place as soon as practicable once the resolution to approve the removal is passed;
 - (ii) the time and date at which LTN will be removed from the ASX if that approval is given;
 - (iii) that LTN gives to ASX confirmation that it has completed the return of capital (of approximately \$0.0006 per share); and
 - (iv) to ASX's satisfaction, information prescribed in section 2.11 of ASX Guidance Note 33.
- (c) LTN releases the full terms of this decision to the market upon making a formal application to ASX to remove LTN from the official list of ASX.

In accordance with the condition set out in paragraph (c) above, the full terms of ASX's in-principle decision are set out above.

In order to satisfy the condition set out in paragraph (a) above, LTN will hold a general meeting at 9:00 am (Sydney time) on 28 October 2019 (**Meeting**) to consider the Proposal. The notice for that meeting will be released shortly and will contain the statements to satisfy the condition set out in paragraph (b) above.

If the Proposal is approved by shareholders at the Meeting, it is expected that LTN will be removed from the official list on 1 November 2019.

If a shareholder considers the delisting to be contrary to the interests of the shareholders as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a shareholder or shareholders, it may apply to the court for an order under Part 2F.1 of the Corporations Act 2001 (Cth) (**Corporations Act**). Under section 233 of the Corporations Act, the court can make

any order that it considers appropriate in relation to LTN, including an order that LTN be wound up or an order regulating the conduct of the Company's affairs in the future.

If a shareholder considers that the delisting involves "unacceptable circumstances", it may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (refer also to Guidance Note 1: Unacceptable Circumstances issued by the Takeovers Panel). Under section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable, it may make any order that it thinks appropriate to protect the rights or interests of any person or group of persons, where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

For and on behalf of the Board,

Graeme Campbell

Executive Chairman

Lantern Hotel Group Limited