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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 UNDER THE HONG KONG LISTING RULES ACQUISITION OF THE PASIR PANJANG PROPERTY

ACQUISITION OF THE PASIR PANJANG PROPERTY

The Board is pleased to announce that on 16 September 2022, the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into the Option to Purchase for the sale and purchase of the Pasir Panjang Property, which forms the binding sale and purchase agreement for the Pasir Panjang Property upon the execution of the Option to Purchase, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Pasir Panjang Property at the Consideration, being S\$30,000,000 exclusive of GST.

LISTING RULES IMPLICATIONS

As at the date of the Option to Purchase, one or more than one of the applicable percentage ratios for the Acquisition as contemplated under the Option to Purchase is more than 5% and below 25% under Rule 14.07 of the Listing Rules, the Acquisition therefore constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirements but exempt from circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

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THE OPTION TO PURCHASE

The major terms for the Option to Purchase are set out below:

- Parties** :
- (1) the Purchaser, being Coliwoo PP Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as the purchaser
 - (2) the Vendor, being Pasir Panjang Inn Pte. Ltd., an Independent Third Party, as the vendor

For detailed background of the parties, please refer to "Information about the Parties" below.

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| Consideration | : | <p>The Consideration was S\$30,000,000 exclusive of GST, of which, S\$1,500,000 exclusive of GST was paid as at the date of the Option to Purchase as non-refundable deposit.</p> <p>The Parties have determined the Consideration through arm's length negotiation on normal commercial terms and taking into consideration, among others, the potential of the property, the value and the prevailing market prices of properties of similar nature available in the vicinity.</p> |
| Payment and payment schedule | : | <p>The Consideration is or will be satisfied (as the case may be) as follows:</p> <ul style="list-style-type: none"> (i) the deposit of S\$1,500,000 exclusive of GST was paid by the Purchaser to the Vendor through internal sources of funding; and (ii) the remaining balance of S\$28,500,000 exclusive of GST, being the total Consideration exclusive of GST less the sum of deposit, is to be paid on the Completion Date which is to be funded by a combination of internal sources of funding and bank borrowings. |
| Condition precedent | : | <ul style="list-style-type: none"> (i) The Option to Purchase is subject to the Purchaser not being precluded from purchasing the Pasir Panjang Property by virtue of the provisions of the Residential Property Act 1976 of Singapore or obtaining the requisite approval under the said act on or prior to the completion (ii) The sale and purchase of the Pasir Panjang Property shall be subject to the Purchaser receiving satisfactory replies to the legal requisitions sent by the Purchaser's solicitors insofar as such legal requisitions relate to the Pasir Panjang Property. |
| Rescinding rights | : | <p>If any of the replies to the legal requisitions are unsatisfactory, the Option to Purchase may be rescinded at the option of the Purchaser by giving notice in writing thereof to the Vendor's Solicitors within fourteen days of the receipt of such unsatisfactory reply, and in this respect time shall be of the essence, whereupon the Vendor shall refund to the Purchaser the deposit and all other monies paid by the Purchaser to the Vendor under the Option to Purchase without deduction or interest, and thereafter the sale and purchase shall become null and void and of no further effect whatsoever and neither the Purchaser nor the Vendor shall thereafter make any claim or demand against each other, subject to certain conditions.</p> |
| Property | : | <p>The Pasir Panjang Property is sold in such state and condition as regards access, repair, physical state, light, air drainage, sewerage, utility services, encroachment (if any) and in all other respects whatsoever on an "as is where is" basis as at the date of the Option to Purchase.</p> |
| Possession | : | <p>The Pasir Panjang Property is sold with vacant possession to be delivered on completion.</p> |
| Completion | : | <p>Completion shall take place on the Completion Date.</p> |

INFORMATION ABOUT THE PASIR PANJANG PROPERTY, AND REASONS AND BENEFITS FOR THE ACQUISITION

The Pasir Panjang Property is located at 404 Pasir Panjang Road Singapore 118741 (comprised in Lot 99380L of Mukim 3), which has a total land area of 1,544.6 sq.m and is an estate in fee simple property.

The Pasir Panjang Property is currently operated as the “Pasir Panjang Inn” by the Vendor and that a certificate of registration under the Hotels Act 1954 of Singapore is issued. No information on the net profits (both before and after taxation and extraordinary items) attributable to the Pasir Panjang Property is made available by the Vendor as the Purchaser is acquiring the property and not the business (including the business of Pasir Panjang Inn) of the Vendor. The Pasir Panjang Property is sold with vacant possession.

The Group intends to operate the Pasir Panjang Property as a co-living space. Once the Pasir Panjang Property commence operations, it will expand the Group’s portfolio of properties under the co-living business in Singapore, increase brand value of COLIWOO, provide potential capital appreciation to the Group and provide additional opportunities to generate revenue.

For reasons above, the Board considers that the Acquisition and the transactions contemplated under the Option to Purchase (including the Consideration) are fair and reasonable, on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

Information about the Company and the Purchaser

The Company is a real estate management services group, with the expertise and experience to generate value for its landlords and tenants through its expertise in space optimisation, and logistics service provider headquartered in Singapore. The Group currently has three main business segments, namely: (i) space optimisation business; (ii) facilities management business; and (iii) logistics services business (through the Company’s indirect non-wholly owned subsidiary, LHN Logistics Limited (SGX stock code: GIH)), which complements one another. The Group currently operates mainly in Singapore, Indonesia, Thailand, Myanmar, Hong Kong, Malaysia and Cambodia.

The Purchaser is an indirect wholly-owned subsidiary of the Company in Singapore, which primarily engages in space optimisation.

Information about the Vendor

The Vendor, Pasir Panjang Inn Pte. Ltd., is a private company engaged in guest house service, hotel accommodation and property investment.

Save as disclosed above, the Vendor, its substantial shareholders, controlling shareholders and ultimate beneficial owners are Independent Third Parties to the Group to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries.

LISTING RULES IMPLICATIONS

As at the date of the Option to Purchase, one or more than one of the applicable percentage ratios for the Acquisition as contemplated under the Option to Purchase is more than 5% and below 25% under Rule 14.07 of the Listing Rules, the Acquisition therefore constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirements but exempt from circular and shareholders’ approval requirements pursuant to Chapter 14 of the Listing Rules.

CATALIST RULES IMPLICATIONS

As disclosed above under “Information of the Parties”, the Company is primarily in the business of real estate management services and the Acquisition is part of the Group’s strategy and plan to expand its portfolio of properties managed under the space optimisation business. Profits generated from the Pasir Panjang Property would be accounted for under the space optimisation business. Accordingly, the entry into the Option to Purchase for the purposes of acquiring and operating the Pasir Panjang Property is in the Group’s ordinary course of business.

The disclosure requirements of this announcement in respect of the Acquisition are referenced from Chapter 7 of the Catalist Rules. The Acquisition is not expected to have any material financial impact on the consolidated net tangible asset per share and the consolidated earnings per share of the Group for the financial year ending 30 September 2022. Being dual-primary listed on both Catalist of the SGX-ST and the Stock Exchange, the Company has undertaken to comply with the more onerous set of listing rules. Accordingly, this announcement had been prepared in accordance to the disclosure requirements of Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

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| “Acquisition” | the acquisition of the Pasir Panjang Property as contemplated under the Option to Purchase |
| “Board” | the board of Directors |
| “Catalist Rules” | Section B of the listing manual of the SGX-ST as amended, supplemented or modified from time to time |
| “Company” | LHN Limited (formerly known as LHN Pte. Ltd.) a company incorporated with limited liability on 10 July 2014 under the laws of Singapore, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1730) and Catalist of the SGX-ST (SGX symbol: 410) |
| “Completion Date” | the date of completion of the Acquisition, which shall be: <ul style="list-style-type: none"> (i) two months after the date of the Option to Purchase, that is 16 September 2022, provided that if such date falls earlier than the date falling four months from the date of this Option to Purchase, then the Vendor, at its sole and absolute discretion elect to fix the completion on the date falling four months after the date of the Option to Purchase; or (ii) such other date as may be mutually agreed between the Purchaser and the Vendor in writing |
| “Consideration” | S\$30,000,000, exclusive of GST |
| “Director(s)” | director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “GST” | Goods and services tax in Singapore |
| “Independent Third Party(ies)” | third party(ies) independent from the Company and its connected persons, as well as the Company’s Directors, chief executive officer (or equivalent), substantial shareholders and their respective associates (as defined under the Listing Rules and the Catalist Rules) |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time |
| “Option to Purchase” | the option to purchase issued by the Vendor and duly exercised by the Purchaser as the purchaser in respect of the sale and purchase of the Pasir Panjang Property on 16 September 2022 |
| “Pasir Panjang Property” | 404 Pasir Panjang Road Singapore 118741 (comprised in Lot 99380L of Mukim 3) |
| “Purchaser” | Coliwoo PP Pte. Ltd., a company incorporated in the Republic of Singapore on 8 January 2021 with limited liability, and an indirect wholly-owned subsidiary of the Company |
| “SGX-ST” | Singapore Exchange Securities Trading Limited |
| “Shareholders” | shareholders of the Company |

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| “ Stock Exchange ” | The Stock Exchange of Hong Kong Limited |
| “ sq.m ” | square meter(s) |
| “ S\$ ” | Singapore dollars, the lawful currency of Singapore |
| “ Vendor ” | Pasir Panjang Inn Pte. Ltd., a company incorporated in the Republic of Singapore on 15 December 1978 with limited liability, who is the vendor of the Pasir Panjang Property. The ultimate shareholders of Pasir Panjang Inn Pte. Ltd. are Ang Poh Seow, Estate of Ang Poh Chong, Tan Li Lian Annie, Ang Beng Hean, Ang Beng See, Brian Beng Kean Ang and Giam Lay Kee, Independent Third Parties. |
| “ % ” | per cent. |

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

Singapore, 16 September 2022

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*