

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Singapore Exchange Securities Trading Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 ARAB STREET PROPERTY

ACQUISITION OF THE ARAB STREET PROPERTY

The Board is pleased to announce that on 23 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 Arab Street Property, which forms the binding sale and purchase agreement for the Arab Street Property upon the execution of the Option to Purchase, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Arab Street Property at the Consideration, being S\$6,388,000 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.

ACQUISITION OF THE ARAB STREET PROPERTY

The Board is pleased to announce that on 23 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 Arab Street Property, which forms the binding sale and purchase agreement for the Arab Street Property upon the execution of the Option to Purchase, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Arab Street Property at the Consideration, being S\$6,388,000 exclusive of GST.

THE OPTION TO PURCHASE

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

- Parties** : (1) the Purchaser, being Coliwoo West Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as the purchaser
- (2) the Vendor, being Chamber Investment Holdings Pte. Ltd., an Independent Third Party, as the vendor

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

Consideration : The Consideration was S\$6,388,000 exclusive of GST, of which, S\$319,400 exclusive of GST was paid as at the date of the Option to Purchase as deposit.

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 and an indicative valuation of S\$6,388,000.

Payment and payment schedule : The Consideration is or will be satisfied (as the case may be) as follows:

- (i) the deposit of S\$319,400 exclusive of GST was paid by the Purchaser to the Vendor through internal sources of funding; and
- (ii) the remaining balance of S\$6,068,600 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.

Rescinding rights : The Arab Street Property is sold subject to satisfactory replies to the legal requisitions of the Purchaser (including road and drainage interpretation plans) to the various government and relevant competent authorities. If any of the said replies are unsatisfactory, then, the Option to Purchase may be rescinded at the Purchaser's option. Upon rescission, the Vendor shall refund to the Purchaser the deposit made and all other monies (if any) paid by the Purchaser to the Vendor (or its solicitors) but without any interest compensation or deduction whatsoever. Thereafter, neither party shall have any claim or demand against the other for damages, costs, compensation or otherwise.

Property : The Arab Street Property is sold on an "as is where is" basis.

Possession : The Arab Street Property is sold with vacant possession.

Completion : Completion shall take place on the Completion Date.

INFORMATION ABOUT THE ARAB STREET PROPERTY, AND REASONS AND BENEFITS FOR THE ACQUISITION

The Arab Street Property is located at 48 Arab Street Singapore 199745, which has a total land area of 122.9 sq.m with a remaining lease of approximately 29 years. The Arab Street Property is currently used by the Vendor as a backpacker hostel.

No information on the book value nor the net profits (both before and after taxation and extraordinary items) attributable to the Arab Street Property is made available by the Vendor as the Purchaser is acquiring the property and not the business of the Vendor nor the holding company of the Arab Street Property. The Arab Street Property is sold with vacant possession.

The Group intends to operate the Arab Street Property as a co-living space. Once the Arab Street 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, Chamber Investment Holdings Pte. Ltd., is a private company engaged in short term accommodation activities and food and beverage business.

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 Arab Street 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 Arab Street 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:

"Acquisition"	the acquisition of the Arab Street Property as contemplated under the Option to Purchase
"Arab Street Property"	48 Arab Street Singapore 199745
"Board"	the board of Directors
"Catalist Rules"	Section B of the listing manual of the SGX-ST: Rules of Catalist, 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”	16 December 2022, or such other date as may be agreed between the Purchaser and the Vendor
“Consideration”	S\$6,388,000, 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 in respect of the sale and purchase of the Arab Street Property on 23 September 2022
“Purchaser”	Coliwoo West Pte. Ltd., a company incorporated in the Republic of Singapore on 13 January 2022 with limited liability, and an indirect wholly-owned subsidiary of the Company
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m”	square meter(s)
“S\$”	Singapore dollars, the lawful currency of Singapore
“Vendor”	Chamber Investment Holdings Pte. Ltd., a company incorporated in the Republic of Singapore on 11 October 2010 with limited liability, who is the vendor of the Arab Street Property. The ultimate shareholders are Hong Heng Chye, Hong Kwai Chun and Hong Heng Yan, Independent Third Parties.
“%”	per cent.

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

Singapore, 23 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*