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**LHN  
GROUP**  
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 UNDER THE HONG KONG LISTING RULES ACQUISITION OF THE RIVER VALLEY PROPERTIES**

### **ACQUISITIONS OF THE RIVER VALLEY PROPERTIES**

The Board is pleased to announce that on 26 July 2023, the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into the 286 Option to Purchase and 288 Option to Purchase for the sale and purchase of the River Valley Properties for an aggregate consideration of S\$23,250,000, which forms the binding sale and purchase agreements for the River Valley Properties upon the respective execution.

### **LISTING RULES IMPLICATIONS**

As (i) the exercise of the option under the 286 Option to Purchase and the 288 Option to Purchase, respectively, are inter-conditional; (ii) the two properties are conjoining with one another; and (iii) the Company is intending to convert the two properties to a serviced residence and/or hotel under the COLIWOO brand, the Company therefore aggregated the 286 RV Acquisition and the 288 RV Acquisition for calculating the size test.

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

### **ACQUISITIONS OF THE RIVER VALLEY PROPERTIES**

The Board is pleased to announce that on 26 July 2023, the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into the 286 Option to Purchase and 288 Option to Purchase for the sale and purchase of the River Valley Properties for an aggregate consideration of S\$23,250,000, which forms the binding sale and purchase agreements for the River Valley Properties upon the respective execution.

## THE 286 OPTION TO PURCHASE

The major terms for the 286 Option to Purchase are set out below:

- Parties** : (1) the Purchaser, being Coliwoo RV2 Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as the purchaser;
- (2) the 286 RV Vendor, an Independent Third Party

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

- Consideration** : The Consideration is an aggregate of S\$11,500,000, of which, an aggregate of S\$575,000 (being equivalent to 5% of the 286 RV Consideration), was paid by the Purchaser as at the date of the 286 Option to Purchase.

The Parties have determined the 286 RV 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\$11,500,000 which is not expected to have a material variance between the indicative valuation and the value to be obtained from the final valuation report.

- Payment and payment schedule** : The Consideration is or will be satisfied (as the case may be) as follows:
- (1) an aggregate of S\$575,000 as deposit was paid by the Purchaser to the 286 RV Vendor through internal sources of funding; and
- (2) the remaining balance of S\$10,925,000, being the total 286 RV Consideration less the sum of deposit, is to be paid on the Completion Date, which is to be funded by internal sources of funding and bank borrowings.

- 286 Tenancy Agreements** : The 286 RV Property is sold with the 286 Tenancy Agreements:
- (1) The Purchaser shall be deemed to have inspected and have full notice and knowledge of the 286 Tenancy Agreements and the Purchaser shall not be entitled to make any requisition or objective whatsoever with reference thereto.
- (2) The 286 RV Vendor shall on completion transfer to the Purchaser the security deposit paid by the tenants under the 286 Tenancy Agreements in full without any deduction or claim thereon whatsoever.
- (3) The 286 RV Vendor shall deliver to the Purchaser on the Completion Date, the original 286 Tenancy Agreements together with the certificates of (ad valorem) stamp duty thereon.
- (4) In the event that any tenancies, for reasons of expiry, determination or any other reason, shall fall vacant on or before completion, the 286 RV Vendor shall obtain the Purchaser's written approval or consent prior to any renewal of the tenancies or entry into fresh tenancy agreements and the expiry date(s) of such renewal or fresh tenancies shall be prior to the Completion Date.

The 286 RV Vendor shall one month prior to the Completion Date, serve upon the respective tenants of the 286 RV Property, a notice to terminate the relevant tenancy within three months from the date of the delivery of the 286 RV Vendor's notices of termination. A copy of the notice of termination shall be furnished to the Purchaser thereafter.

- Conditions precedent** : The 286 Option to Purchase is conditional upon the following conditions precedent to be obtained, at the Purchaser's own cost and expense:
- (1) the 286 RV Vendor shall engage a surveyor or qualified person to assist the 286 RV Vendor to terminate or reverse the strata subdivision of the 286 RV Property. The 286 RV Vendor shall seek the Purchaser's approval on the costs to be incurred before engaging a surveyor or qualified person for this exercise. The costs of engaging a surveyor or qualified person shall be fully borne by the Purchaser irregardless of the outcome of the applications referred to in sub-clauses (2), (3) and (4) below;
  - (2) a Permanent Change of Use Approval from the URA and/or such other relevant authority for the 286 RV Property;
  - (3) an IRAS Confirmation; and
  - (4) a LDAU Approval.

If the above conditions precedent are not fulfilled within five months after the date of the 286 Option to Purchase for any reason whatsoever, the Purchaser may seek the 286 RV Vendor's approval to extend the period or both parties shall be entitled to rescind the 286 Option to Purchase by giving the solicitors acting for the other party written notice to that effect, whereupon the 286 RV Vendor shall within five business days after the said written notice refund in full to the Purchaser the deposit without any interest, setoff, withholding, deduction or compensation whatsoever.

Thereafter, the 286 Option to Purchase shall be deemed cancelled and rescinded and the sale and purchase of the 286 RV Property shall be abortive and deemed null and void and of no further effect whatsoever and neither party shall have any claim, demand or action against the other whether for damages, compensation, costs or otherwise.

- Completion** : the sale and purchase of the 286 RV Property shall be completed and the balance of the 286 RV Consideration shall be paid ten (10) weeks after the date of the 286 Option to Purchase (being 4 October 2023).

## THE 288 OPTION TO PURCHASE

The major terms for the 288 Option to Purchase are set out below:

- Parties** : (1) the Purchaser, being Coliwoo RV2 Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as the purchaser;
- (2) the 288 RV Vendors, Independent Third Parties

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

- Consideration** : The Consideration is an aggregate of S\$11,750,000, of which, an aggregate of S\$587,500 (being equivalent to 5% of the 288 RV Consideration), was paid by the Purchaser as at the date of the 288 Option to Purchase.

The Parties have determined the 288 RV 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\$11,750,000 which is not expected to have a material variance between the indicative valuation and the value to be obtained from the final valuation report.

- Payment and payment schedule** : The Consideration is or will be satisfied (as the case may be) as follows:
- (1) an aggregate of S\$587,500 as deposit was paid by the Purchaser to the 288 RV Vendors through internal sources of funding; and
  - (2) the remaining balance of S\$11,162,500, being the total 288 RV Consideration less the sum of deposit, is to be paid on the Completion Date, which is to be funded by internal sources of funding and bank borrowings.

**288 Tenancy Agreements**

- : The 288 RV Property is sold with the 288 Tenancy Agreements:
- (1) The Purchaser shall be deemed to have inspected and have full notice and knowledge of the 288 Tenancy Agreements and the Purchaser shall not be entitled to make any requisition or objection whatsoever with reference thereto.
  - (2) The 288 RV Vendors shall on completion transfer to the Purchaser the security deposit paid by the tenants under the 288 Tenancy Agreements in full without any deduction or claim thereon whatsoever.
  - (3) The 288 RV Vendors shall deliver to the Purchaser on the Completion Date, the original 288 Tenancy Agreements together with the certificates of (ad valorem) stamp duty thereon.
  - (4) In the event that any tenancies, for reasons of expiry, determination or any other reason, shall fall vacant on or before completion, the 288 RV Vendors shall obtain the Purchaser's written approval or consent prior to any renewal of the tenancies or entry into fresh tenancy agreements and the expiry date(s) of such renewal or fresh tenancies shall be prior to the Completion Date.

The 288 RV Vendors shall one month prior to the Completion Date, serve upon the respective tenants of the 288 RV Property, a notice to terminate the relevant tenancy within three months from the date of the delivery of the 288 RV Vendors' notices of termination. A copy of the notice of termination shall be furnished to the Purchaser thereafter.

**Conditions precedent**

- : The 288 Option to Purchase is conditional upon the following conditions precedent to be obtained, at the Purchaser's own cost and expense:
- (1) the 288 RV Vendors shall engage a surveyor or qualified person to assist the 288 RV Vendors to terminate or reverse the strata subdivision of the 288 RV Property. The 288 RV Vendors shall seek the Purchaser's approval on the costs to be incurred before engaging a surveyor or qualified person for this exercise. The costs of engaging a surveyor or qualified person shall be fully borne by the Purchaser regardless of the outcome of the applications referred to in sub-clauses (2), (3) and (4) below;
  - (2) a Permanent Change of Use Approval from the URA and/or such other relevant authority for the 288 RV Property;
  - (3) an IRAS Confirmation; and
  - (4) a LDAU Approval.

If the above conditions precedent are not fulfilled within five months after the date of the 288 Option to Purchase for any reason whatsoever, the Purchaser may seek the 288 RV Vendors' approval to extend the period or both parties shall be entitled to rescind the 288 Option to Purchase by giving the solicitors acting for the other party written notice to that effect, whereupon the 288 RV Vendors shall within five business days after the said written notice refund in full to the Purchaser the deposit without any interest, setoff, withholding, deduction or compensation whatsoever.

Thereafter, the 288 Option to Purchase shall be deemed cancelled and rescinded and the sale and purchase of the 288 RV Property shall be abortive and deemed null and void and of no further effect whatsoever and neither party shall have any claim, demand or action against the other whether for damages, compensation, costs or otherwise.

**Completion**

- : the sale and purchase of the 288 RV Property shall be completed and the balance of the 288 RV Consideration shall be paid ten (10) weeks after the date of the 288 Option to Purchase (being 4 October 2023).

**INFORMATION ABOUT THE RIVER VALLEY PROPERTIES, AND REASONS AND BENEFITS FOR THE ACQUISITIONS**

The 286 RV Property is located at 286 River Valley Road #01-01, #02-01, #03-01 and #04-01/02/03 Singapore 238327 comprised in Land Lot 99782X of Townsubdivision 20, and the 288 RV Property is located at 288 River Valley Road #01-01, #02-01, #03-01, #04-01 and #04-03 Singapore 238329 comprised in Land Lot 99781N of Townsubdivision 20, and has a total land area of 388.4 sq.m. and are estate in fee simple properties.

The 286 RV Vendor and the 288 RV Vendors are leasing out the respective units in the properties. As the vendors are private individuals, no information on the book value nor the net profits (both before and after taxation and extraordinary items) attributable to the River Valley Properties is made available by the 286 RV Vendor and the 288 RV Vendors to the Purchaser. The following table summarises the 286 Tenancy Agreements and the 288 Tenancy Agreements and the existing occupancy of the River Valley Properties as at the date of this announcement:

No.	Unit Number	Lease term	Monthly rental	Others	Deposit
<b>286 Tenancy Agreements</b>					
1.	#01-01	1 October 2021 to 30 September 2023	S\$6,800	–	S\$13,600
2.	#02-01	6 April 2023 to 21 September 2023	S\$3,500	–	S\$3,500
3.	#03-01	24 February 2022 to 23 February 2024	S\$2,900	Fixed utilities and Wi-Fi S\$200 per month	S\$3,100
4.	#04-01 – Master Bedroom	9 June 2023 to 24 September 2023	S\$1,600	Fixed utilities and Wi-Fi S\$200 per month	S\$1,800
5.	#04-01 – 2 <sup>nd</sup> Room	Vacant	–	–	–
6.	#04-02	15 May 2023 to 14 September 2023	S\$2,400	Fixed utilities and Wi-Fi S\$200 per month from 15 May 2023 to 14 July 2023 and S\$300 per month from 15 July 2023 to 14 September 2023	S\$2,700
7.	#04-03	15 May 2023 to 15 September 2023	S\$1,700	Fixed utilities and Wi-Fi S\$200 per month	S\$1,900
<b>288 Tenancy Agreements</b>					
1.	#01-01	1 July 2023 to 25 September 2023	S\$8,300	–	S\$24,900
2.	#02-01	15 December 2022 to 14 December 2023	S\$4,200	–	S\$4,200
3.	#03-01	16 January 2023 to 15 January 2024	S\$4,000	Fixed utilities S\$400 per month	S\$4,400
4.	#04-01	4 October 2022 to 3 October 2023	S\$4,000	–	S\$4,000
5.	#04-03	1 October 2022 to 30 September 2023	S\$2,000	Fixed utilities S\$300 per month	S\$2,300

The Group intends to convert the River Valley Properties into serviced residence and/or hotel, pursuant to which the Purchaser shall submit an application for the change of use of the River Valley Properties to the Urban Redevelopment Authority and/or other relevant authority(ies).

The River Valley Acquisitions will expand the Group's portfolio of properties under its residential business in Singapore, increase the brand value of COLIWOO, provide potential capital appreciation to the Group, and provide additional opportunities to generate revenue. For the reasons above, the Board considers that the River Valley Acquisitions and the transactions contemplated under the 286 Option to Purchase and 288 Option to Purchase (including the 286 RV Consideration and the 288 RV Consideration, respectively) 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 five main business segments, namely: (i) the space optimisation business; (ii) property development business; (iii) energy business; (iv) facilities management business; and (v) logistics services business (through the Company's indirect non-wholly owned subsidiary, LHN Logistics Limited (SGX stock code: GIH)). 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 286 RV Vendor and 288 RV Vendors**

The 286 RV Vendor, Yoon Chin Yee, and the 288 RV Vendors, Rosy Wang Eang Wah and Lim Siew Yin Rona, are private individuals and 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 (i) the exercise of the option under the 286 Option to Purchase and the 288 Option to Purchase, respectively, are inter-conditional; (ii) the two properties are conjoining with one another; and (iii) the Company is intending to convert the two properties to a serviced residence and/or hotel under the COLIWOO brand, the Company therefore aggregated the 286 RV Acquisition and the 288 RV Acquisition for calculating the size test.

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

## **CATALIST RULES IMPLICATIONS**

As disclosed above under "Information about the Parties", the Company is primarily in the business of real estate management services and the River Valley Acquisitions 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 River Valley Acquisitions would be accounted for under the space optimisation business. Accordingly, the entry into the 286 Option to Purchase and the 288 Option to Purchase for the purposes of acquiring and operating the River Valley Properties is in the Group's ordinary course of business.

The disclosure requirements of this announcement in respect of the River Valley Acquisitions are referenced from Chapter 7 of the Catalist Rules. The River Valley Acquisitions are 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 2023. 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 with 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:

<b>“286 Option to Purchase”</b>	the option to purchase entered into between the 286 RV Vendor as the seller and the Purchaser as the purchaser in respect of the sale and purchase of the 286 RV Property on 26 July 2023
<b>“286 RV Acquisition”</b>	acquisition of the 286 RV Property as contemplated under the 286 Option to Purchase
<b>“286 RV Consideration”</b>	S\$11,500,000, exclusive of GST
<b>“286 RV Property”</b>	property known as 286 River Valley Road #01-01, #02-01, #03-01, #04-01/02/03 Singapore 238327 comprised in Land Lot 99782X of Townsubdivision 20
<b>“286 RV Vendor”</b>	Yoon Chin Yee, an Independent Third Party
<b>“286 Tenancy Agreements”</b>	the existing tenancy agreements of the 286 RV Property, the details of which are set out in “Information about the River Valley Properties, and Reasons and Benefits for the Acquisitions” of this announcement
<b>“288 Option to Purchase”</b>	the option to purchase entered into between the 288 RV Vendors as the sellers and the Purchaser as the purchaser in respect of the sale and purchase of the 288 RV Property on 26 July 2023
<b>“288 RV Acquisition”</b>	acquisition of the 288 RV Property as contemplated under the 288 Option to Purchase
<b>“288 RV Consideration”</b>	S\$11,750,000, exclusive of GST
<b>“288 RV Property”</b>	property known as 288 River Valley Road #01-01, #02-01, #03-01, #04-01 and #04-03 Singapore 238329 comprised in Land Lot 99781N of Townsubdivision 20
<b>“288 RV Vendors”</b>	Rosy Wang Eang Wah and Lim Siew Yin Rona, Independent Third Parties
<b>“288 Tenancy Agreements”</b>	the existing tenancy agreements of the 288 RV Property, the details of which are set out in “Information about the River Valley Properties, and Reasons and Benefits for the Acquisitions” of this announcement
<b>“Board”</b>	the board of Directors
<b>“Catalist Rules”</b>	Section B of the Listing Manual of the SGX-ST, as amended, supplemented or modified from time to time
<b>“Company”</b>	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)
<b>“Completion Date”</b>	Subject to the terms and conditions of the respective 286 Option to Purchase and the 288 Option to Purchase, ten weeks from the date of the exercise of the said options to purchase, being 4 October 2023
<b>“Director(s)”</b>	director(s) of the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“GST”</b>	Goods and services tax in Singapore (based on the prevailing rate as at the date of the 286 Option to Purchase and 288 Option to Purchase)

<b>“Independent Third Party(ies)”</b>	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)
<b>“IRAS Confirmation”</b>	a written confirmation from the Inland Revenue Authority of Singapore confirming that based on the Permanent Change of Use Approval for the 286 RV Property and the 288 RV Property, respectively, the purchase of the 286 RV Property and the 288 RV Property, respectively, shall not be subject to any additional buyers’ stamp duty, without any conditions imposed by Inland Revenue Authority of Singapore in connection thereto
<b>“LDAU Approval”</b>	written approval from the Land Dealings Approval Unit (to purchase the 286 RV Property and the 288 RV Property, respectively, based on the respective Permanent Change of Use Approval)
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
<b>“Permanent Change of Use Approval”</b>	the grant of written permission from URA for the change of use of the 286 RV Property and the 288 RV Property, respectively, to permanent (and not temporary) service apartment use of more than 10 years or permanent (and not temporary) hotel use of more than 10 years
<b>“Purchaser”</b>	Coliwoo RV2 Pte. Ltd., a company incorporated in the Republic of Singapore on 29 December 2022 with limited liability, and an indirect wholly-owned subsidiary of the Company
<b>“River Valley Acquisitions”</b>	the 286 RV Acquisition and the 288 RV Acquisition
<b>“River Valley Properties”</b>	the 286 RV Property and the 288 RV Property
<b>“SGX-ST”</b>	Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	shareholders of the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“sq.m”</b>	square meter(s)
<b>“S\$”</b>	Singapore dollars, the lawful currency of Singapore
<b>“URA”</b>	the Urban Redevelopment Authority of Singapore, being the national urban planning authority of Singapore and a statutory board under the Ministry of National Development of the Government of Singapore
<b>“%”</b>	per cent.

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

Singapore, 26 July 2023

*As at the date of this announcement, the Board 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**