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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 RANGOON ROAD PROPERTY

ACQUISITION OF THE RANGOON ROAD PROPERTY

The Board is pleased to announce that on 7 August 2023, the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into the Option to Purchase for the sale and purchase of the Rangoon Road Property, which forms the binding sale and purchase agreement for the Rangoon Road Property upon the execution of the Option to Purchase, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Rangoon Road Property at the Consideration, being S\$14,500,000 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 (Sin Ming) Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as the purchaser
- (2) the Vendor, being Rangoon 99 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\$14,500,000 exclusive of GST, of which, S\$725,000 (being equivalent to 5% of the Consideration) 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\$14,500,000, 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:
- (i) the deposit of S\$725,000 exclusive of GST was paid by the Purchaser to the Vendor as at the date of the Option to Purchase; and
 - (ii) the remaining balance of S\$13,775,000 exclusive of GST, being the total Consideration exclusive of GST less the sum of deposit, is to be paid on the Completion Date.
- Rescinding rights** : The Rangoon Road Property is sold subject to satisfactory replies to the Purchaser's solicitors' requisitions to the various government and relevant competent authorities. If any of the aforesaid replies are unsatisfactory, then, provided notice is served on the Vendor's solicitors no later than four weeks after the Purchaser's exercise of the option, the Option to Purchase may be rescinded at the Purchaser's option. Upon rescission, the Vendor shall refund to the Purchaser the deposit and all other monies (if any) paid by the Purchaser to the Vendor or the Vendor's solicitors but without any interest compensation or deduction whatsoever. Thereafter, neither party shall have any claim or demand against the other party for damages, costs, compensation or otherwise.
- Property** : The Rangoon Road Property is sold in its present state and condition on an "as is, where is" basis.
- Possession** : The Rangoon Road Property shall be sold subject to the Tenancy Agreement dated 26 January 2023. The Vendor shall apportion to the Purchaser any rent relating to the tenancy, received for the period after the actual date of Completion, if the Vendor has actually received such rental relating to such apportionment prior to the actual Completion Date. The Vendor shall transfer the full amount of the security deposit relating to the Tenancy Agreement on Completion to the Purchaser. In the event that the Tenancy Agreement is terminated for any reason prior to Completion, the Rangoon Road Property shall be sold with vacant possession and the Purchaser shall not be entitled to raise any objection or refuse to complete the sale and purchase or use this as a ground to rescind the Option to Purchase. The Vendor shall not extend the Tenancy Agreement unless with the written consent of the Purchaser.
- Completion** : Completion shall take place on the Completion Date.

INFORMATION ABOUT THE RANGOON ROAD PROPERTY, AND REASONS AND BENEFITS FOR THE ACQUISITION

The Rangoon Road Property is located at 99 Rangoon Road Singapore 218384, which has a total land area of 242.6 sq.m and is an estate in fee simple property. The Rangoon Road Property is currently leased out by the Vendor under the Tenancy Agreement. Pursuant to the Tenancy Agreement, the terms of the tenancy is from 15 March 2023 to 14 February 2024 for a monthly rental of S\$34,000 (excluding GST) and a security deposit of S\$66,000. The Rangoon Road Property is sold subject to the Tenancy Agreement dated 26 January 2023.

No information on the book value nor the net profits (both before and after taxation and extraordinary items) attributable to the Rangoon Road 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 Rangoon Road Property.

The Group intends to operate the Rangoon Road Property as a student hostel with retail/food and beverage on the first level. Once the Rangoon Road Property commences operations, it will expand the Group's portfolio of properties under the residential segment in Singapore, 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 five main business segments, namely: (i) 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 Vendor

The Vendor, Rangoon 99 Pte. Ltd., is a private company principally engaged in investment holding. The Vendor is wholly owned by Goh Lik Tuan, an Independent Third Party.

The Vendor and its sole shareholder 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 Rangoon Road 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 Rangoon Road 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 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 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 Rangoon Road 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: 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: 41O)
"Completion"	the completion of the Acquisition

“Completion Date”	the date of completion of the Acquisition, which shall be within ten weeks from the date of the Option to Purchase (i.e., 16 October 2023). If such date is a Saturday, Sunday or public holiday, the completion date shall be on the working day which immediately follows such date.
“Consideration”	S\$14,500,000, 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 Rangoon Road Property on 7 August 2023
“Purchaser”	Coliwoo (Sin Ming) Pte. Ltd., a company incorporated in the Republic of Singapore on 26 May 2022 with limited liability, and an indirect wholly-owned subsidiary of the Company
“Rangoon Road Property”	99 Rangoon Road Singapore 218384
“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
“Tenancy Agreement”	the existing tenancy agreement of the Rangoon Road Property dated 26 January 2023
“Vendor”	Rangoon 99 Pte. Ltd., a company incorporated in the Republic of Singapore on 12 May 2010 with limited liability, who is the vendor of the Rangoon Road Property. The ultimate shareholder is Goh Lik Tuan, an Independent Third Party
“%”	per cent.

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

Singapore, 7 August 2023

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**