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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)

MAJOR TRANSACTION UNDER THE HONG KONG LISTING RULES ACQUISITIONS OF THE BEACH ROAD PROPERTIES

ACQUISITIONS OF THE BEACH ROAD PROPERTIES

The Board is pleased to announce that on 12 April 2021, the HQ Units Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into the HQ Option to Purchase for the sale and purchase of the HQ Units, which forms the binding sale and purchase agreement for the HQ Units upon the execution of the HQ Option to Purchase, pursuant to which the HQ Units Purchaser agreed to purchase and the HQ Units Vendors agreed to sell the HQ Units at an aggregate consideration of S\$8,400,000.

On the same day, the Coliwoo Units Purchaser, another indirect wholly-owned subsidiary of the Company also entered into the Coliwoo Option to Purchase for the sale and purchase of the Coliwoo Units, which forms the binding sale and purchase agreement for the Coliwoo Units upon the execution of the Coliwoo Option to Purchase, pursuant to which the Coliwoo Units Purchaser agreed to purchase and the Coliwoo Units Vendors agreed to sell the Coliwoo Units at an aggregate consideration of S\$8,400,000.

LISTING RULES IMPLICATIONS

As at the date of the HQ Option to Purchase and the Coliwoo Option to Purchase, one or more than one of the applicable percentage ratios for the Acquisitions as contemplated under the HQ Option to Purchase and the Coliwoo Option to Purchase in aggregate, together with the development charge paid to the URA, is more than 25% and below 100% under Rule 14.07 of the Listing Rules, the Acquisitions (after aggregation) therefore constitutes a major transaction for the Company, and is therefore subject to the announcement, circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

ACQUISITIONS OF THE BEACH ROAD PROPERTIES

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On the same day, the Coliwoo Units Purchaser, another indirect wholly-owned subsidiary of the Company also entered into the Coliwoo Option to Purchase for the sale and purchase of the Coliwoo Units, which forms the binding sale and purchase agreement for the Coliwoo Units upon the execution of the Coliwoo Option to Purchase, pursuant to which the Coliwoo Units Purchaser agreed to purchase and the Coliwoo Units Vendors agreed to sell the Coliwoo Units at an aggregate consideration of S\$8,400,000.

THE HQ OPTION TO PURCHASE

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

- Parties** : (1) the HQ Units Purchaser, being LHN SB 2 Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as the purchaser
- (2) the HQ Units Vendors, whom are Independent Third Parties, as vendors of the respective HQ Units as follows:
- (i) Lim Bee Heor, the sole Administratrix of the Estate of Lim Bock Lai the deceased registered proprietor of 75 Beach Road, #03-01 ("Unit #03-01") and #04-02 ("Unit #04-02"), Singapore 189689;
- (ii) Lim Bee Yong, the registered proprietor of 75 Beach Road, #03-02, Singapore 189689 ("Unit #03-02"); and
- (iii) Tan Bin Seng and Loo Puay Choo, the registered proprietors of 75 Beach Road, #04-01, Singapore 189689 ("Unit #04-01")

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

- Consideration** : The HQ Units Consideration is an aggregate of S\$8,400,000, of which, S\$420,000 was paid as at the date of the HQ Option to Purchase as deposit.

The Parties have determined the total HQ Units Consideration through arm's length negotiation on normal commercial terms and taking into consideration, among others, the indicative valuation performed by an independent valuer, Colliers International Consultancy & Valuation (Singapore) Pte Ltd, on 9 April 2021 of S\$8,400,000, the potential of the properties, the value and the prevailing market prices of properties of similar nature available in the vicinity. No adjustment would be made to the HQ Units Consideration following the exercise of the HQ Option to Purchase as it does not provide for any adjustments to the consideration based on the formal valuation to be included in the property valuation report to the circular of the Company to be published for the Acquisitions, and it is not expected that there would be a material variance between indicative valuation and the value obtained following the finalisation of the valuation report.

The HQ Units Consideration was apportioned based on the strata area as follows:

Unit number	Strata area	Apportioned sale price
Unit #03-01	128.0 sq.m	S\$2,124,901.19
Unit #03-02	125.0 sq.m	S\$2,075,098.81
Unit #04-01	128.0 sq.m	S\$2,124,901.19
Unit #04-02	125.0 sq.m	S\$2,075,098.81

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

- (i) the deposit of S\$420,000 was paid by the HQ Units Purchaser to the HQ Units Vendors through internal sources of funding; and
- (ii) the remaining balance of S\$7,980,000, being the total HQ Units 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.

- Possession** : The HQ Units are sold with vacant possession to be delivered on completion.

- Conditions precedent** : The sale and purchase of the HQ Units is subject to, among others:

1. The HQ Units Vendors obtaining the following:—
- (a) The final registration of a Transmission Application on Death ("HQ TAD") instrument by the Singapore Land Authority to vest both Unit #03-01 and Unit #04-02 in Lim Bee Heor as the sole Administratrix of the Estate of Lim Bock Lai; and

- (b) Order(s) of court pursuant to Section 35(2) of the Act certified true by the HQ Units Vendors' solicitors in respect of the death in relation to any vendor(s) of the HQ Units for which Section 35(2) of the Act applies, including but not limited to that for the Estate of Lim Bock Lai in respect of both Unit #03-01 and Unit #04-02. (collectively the **"HQ TADs and S35(2) CLPA Order"**)

In the event that the HQ TADs and S35(2) CLPA Order are not obtained by the expiry of 11 weeks after the date of the exercise of the HQ Option to Purchase (or such other extended time as the parties may mutually agree), then the HQ Option to Purchase (being the binding sale and purchaser agreement for the HQ Units) may be rescinded at the discretion of the HQ Units Purchaser by giving notice in writing to the HQ Units Vendors' solicitors.

2. The HQ Units Purchaser obtaining the approval from the Board and the Shareholders for purchase of the HQ Units (the **"HQ Units Purchaser's Internal Approvals"**). In the event that the HQ Units Purchaser's Internal Approvals are not obtained by the expiry of six weeks after the date of the exercise of the HQ Option to Purchase (or such other extended time as the parties may mutually agree), then the HQ Option to Purchase (being the binding sale and purchaser agreement for the HQ Units) may be rescinded at the discretion of either party.

Please refer to "Written Controlling Shareholder's Approval" below of the authorisation obtained from Fragrance Ltd., the controlling shareholder of the Company, as at the date of this announcement.

Completion

- : Subject to the terms of the HQ Option to Purchase, the sale and purchase shall be completed and the balance of the HQ Units Consideration shall be paid three months after the date of exercise of the HQ Option to Purchase.

Upon payment of the balance of the HQ Units Consideration, the HQ Units Vendors shall execute and deliver to the HQ Units Purchaser a proper and registrable assurances of the HQ Units, such assurance to be prepared by and at the expense of the HQ Units Purchaser.

Notwithstanding anything in the HQ Option to Purchase, the sale and purchase of the HQ Units shall be subject to the simultaneous legal completion of (i) all the HQ Units and (ii) the Coliwoo Units pursuant to the term of the Coliwoo Units Option to Purchaser. The HQ Units Purchaser shall not be obliged to complete the purchase of any of the HQ Units without the other HQ Units and the Coliwoo units on a simultaneous basis. For the avoidance of doubt and without prejudice to the terms of the HQ Option to Purchase, in the event that any of the HQ Units Vendors are not able to complete the sale and purchase of the HQ Units, or the Coliwoo Units Vendors are not able to complete the sale and purchase of the Coliwoo Unit on a simultaneous basis on the Completion Date and completion is delayed, (i) all the HQ Units Vendors and the Coliwoo Units Vendors shall be liable to the HQ Units Purchaser for late completion interest of 8% per annum but (ii) the HQ Units Purchaser shall not be liable to any of the HQ Units Vendors for late completion interest.

Termination

- : In the event the HQ Option to Purchase is rescinded or null and void, then:
- (a) the HQ Units Vendors shall forthwith refund to the HQ Units Purchaser the deposit paid, without interest, compensation or deduction whatsoever;
 - (b) the HQ Units Purchaser shall forthwith return or procure the return of all title deeds and documents in respect of the HQ Units which had been delivered to the HQ Units Purchaser or its solicitors by the HQ Units Vendors or the HQ Units Vendors' solicitors without any claim or lien whatsoever;
 - (c) the HQ Units Purchaser shall at the HQ Units Purchaser's cost and expense forthwith withdraw or procure the withdrawal of all applications with all relevant authorities relating to the HQ Units, caveats and cancel all entries relating to the HQ Units in the Singapore Land Authority lodged by the HQ Units Purchaser or any person claiming under the HQ Units Purchaser;
 - (d) each party to the HQ Option to Purchase shall bear their own solicitors' costs in the matter; and
 - (e) neither party shall have any claim or demand against the other for damages, costs, compensation or otherwise arising out of or in connection with the HQ Option to Purchase.

THE COLIWOO OPTION TO PURCHASE

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

Parties

- : (1) the Coliwoo Units Purchaser, being Coliwoo (BR) Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as the purchaser
- (2) the Coliwoo Units Vendors, who are Independent Third Parties, as vendors of the respective Coliwoo Units as follows:
- (i) Ang Hock Chuan and Ang Hock Soon, the registered proprietors of 75 Beach Road, #05-01, Singapore 189689 ("**Unit #05-01**") ("**Vendors 1**");
 - (ii) Lim Siew Kheng, the registered proprietor of 75 Beach Road, #05-02, Singapore 189689 ("**Unit #05-02**");
 - (iii) Tan Wang Seng, the sole Administrator of the Estate of Tan Bian Chye, the deceased registered proprietor of 75 Beach Road, #06-01, Singapore 189689 ("**Unit #06-01**"); and
 - (iv) Tay Leong Kwee, the registered proprietor of 75 Beach Road, #06-02, Singapore 189689 ("**Unit #06-02**").

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

Consideration

- : The Coliwoo Units Consideration is an aggregate of S\$8,400,000, of which, S\$420,000 was paid as at the date of the Coliwoo Option to Purchase as deposit.

The Parties have determined the total Coliwoo Units Consideration through arm's length negotiation on normal commercial terms and taking into consideration, among others, the indicative valuation performed by an independent valuer, Colliers International Consultancy & Valuation (Singapore) Pte Ltd, of S\$8,400,000, the potential of the Coliwoo Units, the value and the prevailing market prices of properties of similar nature available in the vicinity. No adjustment would be made to the Coliwoo Units Consideration following the exercise of the Coliwoo Option to Purchase as it does not provide for any adjustments to the consideration based on the formal valuation to be included in the property valuation report to the circular of the Company to be published for the Acquisitions, and it is not expected that there would be a material variance between indicative valuation and the value obtained following the finalisation of the valuation report.

The Coliwoo Units Consideration was apportioned based on the strata area as follows:

Unit number	Strata area	Apportioned sale price
Unit #05-01	128.0 sq.m	S\$2,124,901.19
Unit #05-02	125.0 sq.m	S\$2,075,098.81
Unit #06-01	128.0 sq.m	S\$2,124,901.19
Unit #06-02	125.0 sq.m	S\$2,075,098.81

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

- (i) the deposit of S\$420,000 was paid by the Coliwoo Units Purchaser to the Coliwoo Units Vendors through internal source of funding; and
- (ii) the remaining balance of S\$7,980,000, being the total Coliwoo Units 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.

Possession

- : The Coliwoo Units are sold with vacant possession to be delivered on completion.

Without prejudice to the foregoing, the Coliwoo Units Purchaser shall offer to rent to Vendors 1 an alternative premises owned by the Coliwoo Units Purchaser or its group of companies at a monthly rent of S\$1,500 per month for a period of four months commencing after the date of completion and subject to such other terms to be mutually agreed between Vendors 1 and the Coliwoo Units Purchaser.

Conditions precedent

: The sale and purchase of the Coliwoo Units is subject to, among others:

1. The Coliwoo Units Vendors obtaining the following:—

- (a) The final registration of a Transmission Application on Death ("**Coliwoo TAD**") instrument by the Singapore Land Authority to vest Unit #06-01 in Tan Wang Seng as the sole administrator of the estate of Tan Bian Chye; and
- (b) Order(s) of court pursuant to Section 35(2) of the Act certified true by the Coliwoo Units Vendors' solicitors in respect of the death in relation to any vendor(s) of the Coliwoo Units for which Section 35(2) of the Act applies. (collectively the "**Coliwoo TAD and S35(2) CLPA Order**")

In the event that the Coliwoo TAD and S35(2) CLPA Order are not obtained by the expiry of 11 weeks after the date of the Coliwoo Option to Purchase (or such other extended time as the parties may mutually agree), then the Coliwoo Option to Purchase (being the binding sale and purchaser agreement for the Coliwoo Units) may be rescinded at the discretion of the Coliwoo Units Purchaser by giving notice in writing to the Coliwoo Units Vendors' solicitors.

2. The Coliwoo Units Purchaser obtaining the approval from the Board and the Shareholders for purchase of the Coliwoo Units (the "**Coliwoo Units Purchaser's Internal Approvals**"). In the event that the Coliwoo Units Purchaser's Internal Approvals are not obtained by the expiry of six weeks after the date of the Coliwoo Option to Purchase (or such other extended time as the parties may mutually agree), then the Coliwoo Option to Purchase (being the binding sale and purchaser agreement for the Coliwoo Units) may be rescinded at the discretion of either party.

Completion

: Subject to the terms of the Coliwoo Option to Purchase, the sale and purchase shall be completed and the balance of the Coliwoo Units Consideration shall be paid three months after the date of exercise of the Coliwoo Option to Purchase.

Upon payment of the balance of the Coliwoo Units Consideration, the Coliwoo Units Vendors shall execute and deliver to the Coliwoo Units Purchaser a proper and registrable assurances of the Coliwoo Units, such assurance to be prepared by and at the expense of the Coliwoo Units Purchaser.

Notwithstanding anything in the Coliwoo Option to Purchase, the sale and purchase of the Coliwoo Units shall be subject to the simultaneous legal completion of (i) all the Coliwoo Units; and (ii) the HQ Units pursuant to the term of the HQ Units Option to Purchase. The Coliwoo Units Purchaser shall not be obliged to complete the purchase of any of the Coliwoo Units without the other Coliwoo Units and the HQ Units on a simultaneous basis. For the avoidance of doubt and without prejudice to the terms of the Coliwoo Option to Purchase, in the event that any of the Coliwoo Units Vendors are not able to complete the sale and purchase of the Coliwoo Units, or the HQ Units Vendors are not able to complete the sale and purchase of the HQ Unit on a simultaneous basis on the Completion Date and completion is delayed, (i) all the Coliwoo Units Vendors and the HQ Units Vendors shall be liable to the Coliwoo Units Purchaser for late completion interest but (ii) the Coliwoo Units Purchaser shall not be liable to any of the Coliwoo Units Vendors for late completion interest.

Termination

: In the event the Coliwoo Option to Purchase is rescinded or null and void, then:

- (a) the Coliwoo Units Vendors shall forthwith refund to the Coliwoo Units Purchaser the deposit paid, without interest, compensation or deduction whatsoever;
- (b) the Coliwoo Units Purchaser shall forthwith return or procure the return of all title deeds and documents in respect of the Coliwoo Units which had been delivered to the Coliwoo Units Purchaser or its solicitors by the Coliwoo Units Vendors or the Coliwoo Units Vendors' solicitors without any claim or lien whatsoever;
- (c) the Coliwoo Units Purchaser shall at the Coliwoo Units Purchaser's cost and expense forthwith withdraw or procure the withdrawal of all applications with all relevant authorities relating to the Coliwoo Units, caveats and cancel all entries relating to the Coliwoo Units in the Singapore Land Authority lodged by the Coliwoo Units Purchaser or any person claiming under the Coliwoo Units Purchaser;
- (d) each party to the Coliwoo Option to Purchase shall bear their own solicitors' costs in the matter; and
- (e) neither party shall have any claim or demand against the other for damages, costs, compensation or otherwise arising out of or in connection with the Coliwoo Option to Purchase.

INFORMATION ABOUT THE HQ UNITS AND THE COLIWOO UNITS

All of the HQ Units and Coliwoo Units are located at 75 Beach Road, Singapore 189689. The whole development comprises two units located on each storey from the third storey onwards to the sixth-storey, which were used as residential flats by the HQ Units Vendors and the Coliwoo Units Vendors with a tenure of 999 years less ten days commencing from 25 January 1827.

The HQ Units and Coliwoo Units are purchased for owner-occupation and commercial use respectively. As at the date of this announcement, the HQ Units Purchaser and Coliwoo Units Purchaser have paid a total of S\$2,792,748 of development charge to the URA and obtained the grant of written permission for change of use from the URA to change the permitted use of third, fourth, fifth and sixth storey of 75 Beach Road, Singapore 189689 (i.e. the HQ Units and Coliwoo Units) from residential flats to office.

As the Coliwoo Units are planned for commercial use (as further detailed below), the Coliwoo Units would be considered revenue generating assets. Of the Coliwoo Units, one of the units is self-occupied while the rest are rented out. All the Coliwoo units will be delivered with vacant possession on completion.

As disclosed above, the Company has received the indicative valuation of the HQ Units and the Coliwoo Units for a total of S\$16,800,000 from an independent property valuer when negotiating the HQ Units Consideration and the Coliwoo Units Consideration, respectively. The finalised property valuation report on the HQ Units and the Coliwoo Units will be included in the circular to be published for the Acquisitions.

REASONS AND BENEFITS FOR THE ACQUISITIONS OF THE HQ UNITS AND COLIWOO UNITS

The Group intends to convert the HQ Units as the headquarter of the Group, and if the purchase of the HQ Units is successful, the headquarter of the Group will be moved from the current location at 10 Raeburn Park to third and fourth floors of 75 Beach Road. It is intended as at the date of this announcement, for the Group to lease out the space at 10 Raeburn Park subsequent to the relocation of the Group's headquarter.

As for the Coliwoo Units, the Group intends to operate the fifth and sixth floors of 75 Beach Road as a co-work co-live space. As such, the acquisition of the Coliwoo Units will expand the Group's portfolio of properties under the co-work co-live business in Singapore, increase the 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 acquisitions of the HQ Units and the Coliwoo Units, and the respective transactions contemplated under the respective HQ Option to Purchase (including the HQ Units Consideration) and Coliwoo Option to Purchase (including the Coliwoo Units 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, the HQ Units Purchaser and the Coliwoo Units 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, which are fully integrated and complement one another. The Group currently operates mainly in Singapore, Indonesia, Thailand, Myanmar, Hong Kong, Malaysia and Cambodia.

The HQ Units Purchaser and Coliwoo Units Purchaser are indirect wholly-owned subsidiaries of the Company in Singapore, both of which primarily engages in space optimisation.

Information about the HQ Units Vendors and Coliwoo Units Vendors

The following are the background and information of each of the HQ Units Vendors and Coliwoo Units Vendors:

Unit number	Name of vendor	Background	Relationship with other vendors
#03-01 and #04-02	Lim Bee Heor, the sole Administratrix of the Estate of Lim Bock Lai	Individual owner	Independent third parties
#03-02	Lim Bee Yong	Individual owner	Independent third parties
#04-01	Tan Bin Seng and Loo Puay Choo	Individual owner	Independent third parties
#05-01	Ang Hock Chuan and Ang Hock Soon	Individual owner	Independent third parties
#05-02	Lim Siew Kheng	Individual owner	Independent third parties
#06-01	Tan Wang Seng, the sole Administrator of the Estate of Tan Bian Chye	Individual owner	Independent third parties
#06-02	Tay Leong Kwee	Individual owner	Independent third parties

Other than the HQ Units Option to Purchase and the Coliwoo Units Option to Purchase entered into between the respective purchasers and vendors as disclosed in this announcement, there is no relationship among the HQ Units Vendors and the Coliwoo Units Vendors.

Each of the HQ Units Vendors and Coliwoo Units Vendors 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 HQ Option to Purchase and the Coliwoo Option to Purchase, one or more than one of the applicable percentage ratios for the Acquisitions as contemplated under the HQ Option to Purchase and the Coliwoo Option to Purchase in aggregate, together with the development charge paid to the URA, is more than 25% and below 100% under Rule 14.07 of the Listing Rules, the Acquisitions (after aggregation) therefore constitutes a major transaction for the Company, and is therefore subject to the announcement, circular and shareholders' approval 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 acquisition of the Coliwoo Units 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 acquisition of the Coliwoo Units would be accounted for under the space optimisation business. Accordingly, the entry into the Coliwoo Option to Purchase for the purposes of acquiring and operating the Coliwoo Units of the Beach Road Properties is in the Group's ordinary course of business.

The disclosure requirements of this announcement in respect of the acquisition of the Coliwoo Units 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 2021. 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 in respect of the acquisition of the Coliwoo Units had been prepared in accordance to the disclosure requirements of Chapter 14 of the Listing Rules.

As the acquisition of the HQ units is intended to be used as the Group's headquarters, the acquisition is not considered as part of the Group's ordinary course of business and is assessed as a transaction under Chapter 10 of the Catalist Rules, details of which are as set out below.

The combined financial effects from the completion of both acquisitions are as set out below under "Financial Effects".

Relative Bases Computed on the Bases set out in Catalist Rule 1006

Based on latest audited financial statements of the Group for the full year ended 30 September 2020 ("FY2020"), the relative figures of the acquisition of the HQ Units computed on the bases set out in Rule 1006 (a) to (e) of the Catalist Rules are as follows:

(a) Rule 1006(a)	
Net asset value of the asset to be disposed of (S\$'000)	Not applicable ¹
Net asset value of the Group as at FY2020 (S\$'000)	
Size of relative figure	

(b) Rule 1006(b)	
Net profits attributable to the assets to be acquired (S\$'000)	Not applicable ²
Net profits of the Group (S\$'000)	
Size of relative figure	

(c) Rule 1006(c)	
Aggregate value of the consideration given (S\$'000)	8,400
The Company's market capitalisation as at 9 April 2021 based on the total number of issued shares, excluding treasury shares (S\$'000) ³	80,087
Size of relative figure	10.49%

(d) Rule 1006(d)	
Number of equity securities issued by the Company as consideration	Not applicable ⁴
Number of equity securities of the Company previously in issue	
Size of relative figure	

(e) Rule 1006(e)	
The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves. This basis is not applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable ⁵

Notes:

- ⁽¹⁾ Not applicable, as the transactions relate to acquisitions of properties.
- ⁽²⁾ Not applicable, as there is no net profits attributable to the properties to be acquired as the transactions relate to acquisitions of properties.
- ⁽³⁾ The Company's market capitalisation of approximately S\$80.087 million is based on its total number of Shares of 402,445,400 Shares and the weighted average price of S\$0.199 per Share on 9 April 2021 on the SGX-ST, being the last trading day for the Shares preceding the signing of the HQ Option to Purchase.
- ⁽⁴⁾ Not applicable, as no equity securities will be issued as part of the consideration.
- ⁽⁵⁾ Not applicable, as the transaction is not a disposal of mineral, oil and gas assets.

As the relative figure computed under Catalist Rule 1006(c) exceed 5% but is less than 75%, accordingly, the acquisition of the HQ Units constitutes a "Discloseable Transaction" as defined under Chapter 10 of the Catalist Rules.

Financial Effects**Net Tangible Asset ("NTA") per Share**

For illustrative purposes only and assuming that the acquisition of the HQ Units and the Coliwoo Units had been completed at the end of the financial year ended 30 September 2020, the pro forma financial effects of the acquisition(s) on the consolidated NTA of the Group as at 30 September 2020 will be as follows:

	Before Completion of the Acquisition of the HQ Units and Coliwoo Units ¹	After Completion of the Acquisition of the HQ Units ²	After Completion of the Acquisition of the HQ Units and Coliwoo Units ³
Consolidated NTA attributable to the shareholders of the Company (S\$'000)	121,601	121,601	121,601
Number of Shares	402,445,400	402,445,400	402,445,400
Consolidated NTA per Share attributable to the shareholders of the Company (Singapore Cents)	30.22	30.22	30.22

Notes:

1. "Before Completion of the Acquisition of the HQ Units and Coliwoo Units" is based on the Group's audited consolidated statement of financial position at 30 September 2020.
2. "After Completion of the Acquisition of the HQ Units" includes the book value cost of the HQ Units in the Group's audited consolidated statement of financial position as at 30 September 2020.
3. "After Completion of the Acquisition of the HQ Units and Coliwoo Units" includes the book value cost of the HQ Units and Coliwoo Units based on the Group's audited consolidated statement of financial position as at 30 September 2020.

Earnings per Share ("EPS")

For illustrative purposes only and assuming that the Acquisition had been completed on 1 October 2019, the pro forma financial effects of the acquisition of the HQ Units and the Coliwoo Units on the consolidated EPS of the Group will be as follows:

	Before Completion of the Acquisition of the HQ Units and Coliwoo Units ¹	After Completion of the Acquisition of the HQ Units	After Completion of the Acquisition of the HQ Units and Coliwoo Units
Net profit attributable to the shareholders of the Company (S\$'000)	24,144	24,144	24,144
Weighted average number of Shares	402,445,400	402,445,400	402,445,400
Consolidated EPS (Singapore Cents)	6.00	6.00	6.00

Note:

1. "Before Completion of the Acquisition of the HQ Units and Coliwoo Units" is based on the period from 1 October 2019 to 30 September 2020.

Interest of Directors and Controlling Shareholders

Based on definitions under the Catalist Rules, none of the Directors or controlling shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the abovementioned transactions other than through their respective interests in the shares of the Company.

Directors' Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Acquisitions. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

Documents for Inspection

Copies of the HQ Option to Purchase and Coliwoo Option to Purchase in respect of the HQ Units and Coliwoo Units are available for inspection during normal business hours at the Company's registered office at 10 Raeburn Park, #02-18, Singapore 088702, for a period of three months from the date of this announcement. The finalised valuation report would also be available for inspection during normal business hours at the Company's registered office for a period of three months from the date of the valuation report.

WRITTEN CONTROLLING SHAREHOLDER'S APPROVAL

Fragrance Ltd. is a controlling shareholder of the Company who directly holds 220,982,600 shares of the Company (representing 54.91% of the share capital of the Company) as at the date of this announcement. In accordance with Rule 14.44 of the Listing Rules, to the best of the information, knowledge and belief of the Directors, no Shareholder is required to abstain from voting if the Company is to convene a general meeting for the approval of the Acquisitions as contemplated under the HQ Option to Purchase and the Coliwoo Option to Purchase. The Company has obtained the written approval from Fragrance Ltd. in lieu of holding a general meeting for the Acquisitions. Accordingly, no shareholders' meeting will be convened by the Company to approve the Acquisitions.

GENERAL

A circular containing, among other things, further details of the Acquisitions is expected to be despatched to the Shareholders in accordance with the Listing Rules for information purposes as soon as practicable within 15 business days after the date of this announcement.

DEFINITIONS

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

"Act"	Conveyancing and Law of Property Act in Singapore (Cap. 61)
"Acquisitions"	the acquisition of HQ Units and the Coliwoo Units as contemplated under the HQ Option to Purchase and the Coliwoo Option to Purchase, respectively
"Beach Road Properties"	the HQ Units and the Coliwoo Units
"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
"Coliwoo Option to Purchase"	the option to purchase entered into between the Coliwoo Units Vendors as the sellers and the Coliwoo Units Purchaser as the purchaser in respect of the sale and purchase of the Coliwoo Units on 12 April 2021
"Coliwoo Units"	Unit #05-01, Unit #05-02, Unit #06-01 and, Unit #06-02 at 75 Beach Road, Singapore 189689
"Coliwoo Units Consideration"	an aggregate of S\$8,400,000
"Coliwoo Units Purchaser"	Coliwoo (BR) Pte. Ltd., a company incorporated in the Republic of Singapore on 24 October 2019 with limited liability, and an indirect wholly-owned subsidiary of the Company
"Coliwoo Units Vendors"	the vendors for the HQ Units, namely, (1) Ang Hock Chuan and Ang Hock Soon, the registered proprietors of 75 Beach Road, #05-01, Singapore 189689; (2) Lim Siew Kheng, the registered proprietor of 75 Beach Road, #05-02, Singapore 189689; (3) Tan Wang Seng, the sole Administrator of the Estate of Tan Bian Chye, the deceased registered proprietor of 75 Beach Road, #06-01, Singapore 189689; and (4) Tay Leong Kwee, the registered proprietor of 75 Beach Road, #06-02, Singapore 189689
"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"	subject to the terms of the HQ Option to Purchase and the Coliwoo Option to Purchase, three months after the date of the HQ Option to Purchase and the Coliwoo Option to Purchase
"Director(s)"	director(s) of the Company

“Group”	the Company and its subsidiaries
“GST”	Goods and services tax in Singapore (based on the prevailing rate as at the date of the Coliwoo Option to Purchase and the HQ Option to Purchase)
“HQ Option to Purchase”	the option to purchase entered into between the HQ Units Vendors as the sellers and HQ Units Purchaser as the purchaser in respect of the sale and purchase of the HQ Units on 12 April 2021
“HQ Units”	Unit #03-01, Unit #03-02, Unit #04-01 and, Unit #04-02 at 75 Beach Road, Singapore 189689
“HQ Units Consideration”	an aggregate of S\$8,400,000
“HQ Units Purchaser”	LHN SB 2 Pte. Ltd., a company incorporated in the Republic of Singapore on 4 March 2021 with limited liability, and an indirect wholly-owned subsidiary of the Company
“HQ Units Vendors”	the vendors for the HQ Units, namely, (1) Lim Bee Heor, the sole Administratrix of the Estate of Lim Bock Lai the deceased registered proprietor of 75 Beach Road, #03-01 and #04-02, Singapore 189689; (2) Lim Bee Yong, the registered proprietor of 75 Beach Road, #03-02, Singapore 189689; and (3) Tan Bin Seng and Loo Puay Choo, the registered proprietors of 75 Beach Road, #04-01, Singapore 189689
“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, as amended from time to time
“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
“URA”	the Urban Redevelopment Authority of Singapore, is the national urban planning authority of Singapore and a statutory board under the Ministry of National Development of the Singapore Government
“%”	per cent.

By order of the Board

LHN Limited

Lim Lung Tieng

Executive Chairman and Group Managing Director

Singapore, 12 April 2021

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**