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(Incorporated in the Republic of Singapore with limited liability)
(Hong Kong stock code: 1730)
(Singapore stock code: 410)

**UPDATE ANNOUNCEMENT ON DISCLOSEABLE TRANSACTION
ENTERING INTO ADDENDUM OF THE JOINT VENTURE AGREEMENT
AND
COMPLETION OF THE ACQUISITION OF 471 BALESTIER PROPERTY
BY THE JV COMPANY.**

ENTERING INTO ADDENDUM OF THE JOINT VENTURE AGREEMENT

On 5 November 2021, Coliwoo Holdings and Four Star, the parties to the Joint Venture Agreement, entered into the Addendum to revise certain terms in the Joint Venture Agreement.

COMPLETION OF THE ACQUISITION OF 471 BALESTIER PROPERTY BY THE JV COMPANY

On 5 November 2021, the JV Company completed the acquisition of the 471 Balestier Property pursuant to the terms and conditions of the Option to Purchase at the Purchase Price of S\$15,000,000 (excluding GST).

INTRODUCTION

Reference is made to the announcement (the "**Announcement**") of LHN Limited (the "**Company**") made on 23 September 2021 regarding the establishment of the JV Company for the acquisition of the 471 Balestier Property. Capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement unless otherwise defined.

AMENDMENT OF THE JOINT VENTURE AGREEMENT

On 5 November 2021, the Parties entered into the addendum to the Joint Venture Agreement (the "**Addendum**"), pursuant to which the Parties have revised certain terms in the Joint Venture Agreement.

The principal terms of the Addendum are summarized as follows:

- Date** : 5 November 2021
- Parties** : (1) Coliwoo Holdings, an indirect wholly-owned subsidiary of the Company
(2) Four Star, a joint venture of the Group, which is held as to 50% by Singapore Handicrafts Pte. Ltd., a wholly-owned subsidiary of the Group, and 50% by W&S Star Pte. Ltd.
- Board composition** : The clause relating to the composition of the JV Board was replaced as follows:
Original clause pursuant to the Joint Venture Agreement:
The JV Board shall comprise of three directors, two appointed by Coliwoo Holdings and one appointed by Four Star.
Amended clause pursuant to the Addendum:
The JV Board shall comprise of **two** directors, **one** appointed by Coliwoo Holdings and one appointed by Four Star.
- Management of the JV Company** : The clause relating to managerial and financial policies of the JV Company was replaced as follows:
Original clause pursuant to the Joint Venture Agreement:
The majority decision of the JV Board shall determine the managerial and financial policies of JV Company including (but not limited to) the scope of its activities and operations.
Amended clause pursuant to the Addendum:
The **unanimous** decision of the JV Board shall determine the managerial and financial policies of the JV Company, including (but not limited to) the scope of its activities and operations.
- Effective date and effect** : The Addendum is effective upon signing and all other terms of the Joint Venture Agreement remain in full force and effect.

The terms of the Addendum were negotiated on arm's length basis and on normal commercial terms among the Parties. The Parties entered into the Addendum to revise the management structure of the JV Company to reflect the joint venture nature of the JV Company. By entering into the Addendum, a unanimous decision of the JV Board is required to determine the managerial and financial policies of the JV Company, and that the JV Board will comprise of two directors, one to be appointed by Coliwoo Holdings and one to be appointed by Four Star. As a result, upon entering into the Addendum, the JV Company will be equity-accounted as a joint venture of the Group and will no longer be consolidated into the financial statements of the Group. The Group will continue to derive monetary benefits from the JV Company proportional to its shareholdings. Immediately prior to entering into the Addendum, the JV Company has only entered into the Option to Purchase and has not commenced operation otherwise. As such, the JV Company has yet to generate any revenue or profit, and does not own any assets.

The Directors are of the view that terms of the Addendum are on normal commercial terms, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

COMPLETION OF THE ACQUISITION OF THE 471 BALESTIER PROPERTY

The Board wishes to announce that, on 5 November 2021, subsequent to entering into the Addendum, the acquisition of 471 Balestier Property was completed pursuant to the terms and conditions of the Option to Purchase for the acquisition of the property located at 471/A/B/C Balestier Road, Singapore 329842 and 473/A/B/C Balestier Road, Singapore 329843, at the Purchase Price of S\$15,000,000 (excluding GST).

As disclosed in the Announcement, the JV Company had paid a sum of S\$750,000 excluding GST, being 5% of the Purchase Price to the seller of the 471 Balestier Property as deposit. The remaining balance of S\$14,250,000 excluding GST, being the total Purchase Price less the sum of deposit, was paid to the seller on 5 November 2021, which was funded through a combination of the JV Company's internal source of funding (funded by the parties in Agreed Proportion) and Third Party Financing.

None of the Directors or controlling shareholders of the Company, as well as their respective associates, have any interest, direct or indirect, in the abovementioned transactions (other than through their respective interests in the shares of the Company).

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

Singapore, 5 November 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*