

LHN LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 201420225D

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER
ENDED 31 DECEMBER 2015**

LHN Limited (the “**Company**”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 13 April 2015. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**” or “**PPCF**”).

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

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PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENT

1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER (“1Q2016”) ENDED 31 DECEMBER 2015

	Group		
	3 months ended 31 December		Change
	2015 (unaudited)	2014 (unaudited)	
	S\$'000	S\$'000	%
Revenue	25,947	22,592	14.9
Cost of sales	(19,527)	(17,199)	13.5
Gross profit	6,420	5,393	19.0
Other operating income	571	460	24.1
Selling and distribution expenses	(581)	(425)	36.7
Administrative expenses	(4,405)	(4,027)	9.4
Finance costs	(151)	(95)	58.9
Share of associated companies' results, net of tax	6	6	0.0
Profit from operations	1,860	1,312	41.8
IPO listing expenses	-	(247)	(100.0)
Profit before taxation	1,860	1,065	74.6
Taxation	(335)	(327)	2.4
Profit after taxation for the period	1,525	738	106.6
Other comprehensive (expenses)/income after tax			
<u>Item that will be reclassified subsequently to profit or loss</u>			
Currency translation differences arising from consolidation	173	41	322.0
Other comprehensive income after tax	173	41	322.0
Total comprehensive income for the period, net of tax	1,698	779	118.0
Profit attributable to:			
Equity owners of the Company	1,534	726	111.3
Non-controlling interests	(9)	12	NM
Profit for the period	1,525	738	106.6
Total comprehensive income attributable to:			
Equity owners of the Company	1,706	767	122.4
Non-controlling interests	(8)	12	NM
Total comprehensive income for the period	1,698	779	118.0
<i>NM – Not Meaningful</i>			

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1(a) (ii) Profit before income tax is arrived at after charging / (crediting) the following:

	Group	
	3 months ended	
	31 December	
	2015	2014
	(unaudited)	(unaudited)
	S\$'000	S\$'000
Depreciation of property, plant and equipment	1,661	1,282
Interest income	(42)	(16)
Finance costs	151	95
Foreign exchange gain, net	(282)	(45)
Gain on disposal of property, plant and equipment, net	(10)	(26)
Property, plant and equipment written off	-	3

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1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	Group		Company	
	As At 31/12/15 (unaudited) S\$'000	As At 30/09/15 (audited) S\$'000	As At 31/12/15 (unaudited) S\$'000	As At 30/09/15 (audited) S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	27,382	26,635	-	-
Investment properties	31,679	31,305	-	-
Investment in subsidiaries	-	-	32,727	32,727
Investment in associated companies	95	88	-	-
Deferred tax assets	334	334	-	-
Long-term prepayments	274	285	-	-
	59,764	58,647	32,727	32,727
Current assets				
Inventories	60	163	-	-
Trade and other receivables	15,163	14,346	14,842	11,445
Prepayments	3,615	3,212	5	13
Cash and bank balances	17,764	15,604	1,500	1,180
Fixed deposits	10,683	14,680	5,027	9,028
	47,285	48,005	21,374	21,666
TOTAL ASSETS	107,049	106,652	54,101	54,393
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	51,243	51,243	51,243	51,243
Reserves	5,897	4,191	2,146	2,128
	57,140	55,434	53,389	53,371
Non-controlling interests	(135)	(127)	-	-
TOTAL EQUITY	57,005	55,307	53,389	53,371
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	230	230	-	-
Obligations under finance lease	2,092	2,294	-	-
Bank borrowings	17,698	18,054	-	-
	20,020	20,578	-	-
Current liabilities				
Trade and other payables	25,432	26,466	708	1,022
Obligations under finance lease	1,558	1,533	-	-
Bank borrowings	1,422	1,421	-	-
Current tax payable	1,612	1,347	4	-
	30,024	30,767	712	1,022
TOTAL LIABILITIES	50,044	51,345	712	1,022
TOTAL EQUITY AND LIABILITIES	107,049	106,652	54,101	54,393

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1(b) (ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

	Group	
	As At 31/12/15 (unaudited)	As At 30/09/15 (audited)
	S\$'000	S\$'000
Amount repayable in one year or less (secured and guaranteed)		
- Bank borrowings	1,422	1,421
- Obligations under finance lease	1,558	1,533
	2,980	2,954
Amount repayable after one year (secured and guaranteed)		
- Bank borrowings	17,698	18,054
- Obligations under finance lease	2,092	2,294
	19,790	20,348
Total borrowings	22,770	23,302

The Group does not have any unsecured borrowings and debt securities as at 31 December 2015 and 30 September 2015.

Details of any collaterals:

- (a) Bank borrowings of approximately S\$19.1 million (30 September 2015 – S\$19.5 million) obtained by subsidiaries are secured by legal mortgage of leasehold property at 72 Eunos Avenue 7 and 100 Eunos Avenue 7 and a corporate guarantee by the Group.
- (b) Finance lease liabilities of the Group are secured by the underlying assets of certain plant and machinery, logistics equipment and motor vehicles, personal guarantees provided by certain directors of the Group and a corporate guarantee provided by the Group.

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows for First Quarter Ended 31 December 2015

	Group	
	3 months ended 31 December	
	2015 (unaudited) S\$'000	2014 (unaudited) S\$'000
Cash flows from operating activities:		
Profit before income tax	1,860	1,065
Share of associated companies' results	(6)	(6)
Adjustments for:		
Depreciation of property, plant and equipment	1,661	1,282
Gain on disposal of property, plant and equipment	(10)	(26)
Property, plant and equipment written off	-	3
Interest income	(42)	(16)
Interest expenses	151	95
Operating profit before working capital changes	3,614	2,397
Decrease/(increase) in inventories	103	(102)
Increase in work-in-progress	-	(16)
(Increase)/decrease in operating receivables	(1,207)	321
Decrease in operating payables	(1,361)	(53)
Cash generated from operations	1,149	2,547
Interest expense paid	(151)	(95)
Income tax paid	(74)	(65)
Net cash generated from operating activities	924	2,387
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(2,160)	(383)
Acquisition of subsidiary, net of cash acquired	-	591
Purchase of investment properties	-	(500)
Proceeds from disposals of property, plant and equipment	253	22
Interest received	42	16
Net cash used in investing activities	(1,865)	(254)
Cash flows from financing activities:		
Repayment of obligations under hire-purchase contracts	(397)	(367)
Placements/Uplift of deposits pledged - current	(10)	(12)
Proceeds from issuance of shares to a non-controlling interest of a subsidiary	-	100
Bank borrowings repaid	(355)	(207)
Repayment amount owing to a director of subsidiaries	(166)	(227)
Dividend paid	-	(2,000)
Net cash used in financing activities	(928)	(2,713)
Net decrease in cash and cash equivalents	(1,869)	(580)
Cash and cash equivalents at beginning of period	24,638	14,425
Effect of currency translation on cash and cash equivalents	22	4
Cash and cash equivalents at end of period	22,791	13,849
Consolidated cash and cash equivalents are represented by:		
Cash and bank balances	17,764	13,849
Fixed deposits	10,683	5,588
	28,447	19,437
Less: Pledged fixed deposits	(5,656)	(5,588)
Cash and cash equivalents as per consolidated statement of cash flows	22,791	13,849

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Changes in Equity

GROUP (unaudited)	Share capital	Retained profits	Merger reserves	Reserve on disposal of non- controlling interests	Asset revaluation reserves	Currency translation reserves	Total attributable to equity holders of the Company	Non- controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 01/10/14	2,000	28,999	-	269	2,189	(730)	32,727	(131)	32,596
Effect on non-controlling interest on the newly acquired subsidiary	-	-	-	-	-	-	-	32	32
Effect on issuance of shares to a non controlling interest of a subsidiary	-	-	-	-	-	-	-	100	100
Profit for the period	-	726	-	-	-	-	726	12	738
Other comprehensive income	-	-	-	-	-	41	41	-	41
Total comprehensive income for the period	-	726	-	-	-	41	767	12	779
Balance at 31/12/14	2,000	29,725	-	269	2,189	(689)	33,494	13	33,507
Balance at 01/10/15	51,243	33,222	(30,727)	269	2,443	(1,016)	55,434	(127)	55,307
Profit for the period	-	1,534	-	-	-	-	1,534	(9)	1,525
Other comprehensive income	-	-	-	-	-	172	172	1	173
Total comprehensive income for the period	-	1,534	-	-	-	172	1,706	(8)	1,698
Balance at 31/12/15	51,243	34,756	(30,727)	269	2,443	(844)	57,140	(135)	57,005

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Statements of Changes in Equity (Cont'd)

COMPANY (unaudited)	Share capital	Retained profits	Total
	S\$'000	S\$'000	S\$'000
Balance at 01/10/14	*	-	*
Issue of new share			
Total comprehensive expense for the period	-	(1)	(1)
Balance at 31/12/14	*	(1)	(1)
Balance at 01/10/15	51,243	2,128	53,371
Total comprehensive income for the period	-	18	18
Balance at 31/12/15	51,243	2,146	53,389

*Represents amounts less than S\$1,000.

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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The share capital of the Company was S\$51,243,056 comprising 361,524,300 shares, as at 31 December 2015. There was no change in the Company's share capital since 30 September 2015.

LHN Performance Share Plan

The Company had on 10 March 2015, adopted the LHN Performance Share Plan ("PSP"). The Company has not granted any awards under the PSP as at the date of this announcement.

Save as disclosed above, the Company did not have any outstanding options, convertibles or treasury shares as at 31 December 2015 and 31 December 2014.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued ordinary shares (excluding treasury shares) as at 31 December 2015 was 361,524,300 (As at 30 September 2015: 361,524,300).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in paragraph 5 below, the Group and the Company have applied the same accounting policies and methods of computation in preparation of the financial statements for the current reporting period compared with the audited financial statements as at 30 September 2015.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

In the current financial period, the Group has adopted all the new revised Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 October 2015. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior period.

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6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	3 months Ended 31 December	
	2015 (unaudited)	2014 (unaudited)
<u>Earnings per ordinary share</u>		
(i) Based on weighted average number of ordinary shares in issue (Singapore Cents)	0.42	0.26
(ii) On a fully diluted basis (Singapore Cents)	0.42	0.26
Weighted average number of shares (in '000)	361,524	275,000

The basic and fully diluted earnings per share are the same since there were no potentially dilutive ordinary securities in issue as at 31 December 2015 and 31 December 2014.

For comparative and illustrative purposes, the earnings per ordinary share for the financial period ended 31 December 2014 was computed based on 275,000,000 ordinary shares issued after share split of one ordinary share into 275 ordinary shares, which was completed on 10 March 2015.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 31/12/15 (unaudited)	As at 30/09/15 (audited)	As at 31/12/15 (unaudited)	As at 30/09/15 (audited)
Net asset value (S\$'000)	57,140	55,434	53,389	53,371
Number of ordinary shares in issue (in '000)	361,524	361,524	361,524	361,524
Net asset value per ordinary share (Singapore Cents)	15.81	15.33	14.77	14.76

The net asset value per ordinary share of the Group and the Company as at 31 December 2015 and 30 September 2015 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 361,524,300.

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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affect the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review on Group's Financial Results

Revenue

S\$ (in million)	1Q2016	1Q2015	Variance	
			S\$	%
Industrial Properties	13.3	10.6	2.7	25.5
Commercial Properties	6.0	5.5	0.5	9.1
Residential Properties	0.2	0.6	(0.4)	(66.7)
Space Optimisation Business	19.5	16.7	2.8	16.8
Facilities Management Business	2.8	2.3	0.5	21.7
Logistics Services Business	3.6	3.6	0.0	0.0
Total	25.9	22.6	3.3	14.9

For the period 3 months ended 31 December 2015 ("1Q2016") vs 3 months ended 31 December 2014 ("1Q2015")

Revenue

The Group's revenue increased by approximately S\$3.3 million or 14.9% from approximately S\$22.6 million in 1Q2015 to approximately S\$25.9 million in 1Q2016. The increase of 14.9% in the Group's revenue was mainly due to the increase in rental income from our Industrial and Commercial Properties, as well as increased revenue from our facilities management business, partially offset by the decrease in revenue from the Residential Properties sector.

(a) Space Optimisation Business

Industrial Properties

Revenue derived from industrial properties increased by approximately S\$2.7 million or 25.5% from approximately S\$10.6 million in 1Q2015 to approximately S\$13.3 million in 1Q2016. The increase in revenue was mainly due to an increase in rental income as a result of new master leases secured by the Group and increase in rental income from our existing industrial properties.

The average occupancy rate of industrial properties managed by the Group in 1Q2016 was approximately 90%.

Commercial Properties

Revenue derived from commercial properties increased by approximately S\$0.5 million or 9.1% from approximately S\$5.5 million in 1Q2015 to approximately S\$6.0 million in 1Q2016. The increase in revenue was mainly due to an increase in rental income from existing commercial properties resulting from the increase in rental rate.

The average occupancy rate of the Group's commercial properties was approximately 95% in 1Q2016.

Residential Properties

Revenue derived from residential properties decreased by approximately S\$0.4 million or 66.7% from approximately S\$0.6 million in 1Q2015 to approximately S\$0.2 million in 1Q2016. The decrease was mainly due to the expiry of a managing agent contract in October 2015.

(b) Facilities Management Business

Revenue derived from our facilities management business increased by approximately S\$0.5 million or 21.7% from approximately S\$2.3 million in 1Q2015 to approximately S\$2.8 million in 1Q2016. The increase was mainly due to an increase in revenue from security services and car parking management services.

(c) Logistics Services Business

Revenue derived from our logistics services business remained unchanged at S\$3.6 million in 1Q2015 and 1Q2016.

Cost of Sales

Cost of sales increased by approximately S\$2.3 million or 13.5% from approximately S\$17.2 million in 1Q2015 to approximately S\$19.5 million in 1Q2016. Our cost of sales comprises mainly rental costs, direct labour costs, upkeep and maintenance costs, transportation costs, sub-contracting costs and others. The increase in cost of sales was mainly due to an increase in rental costs (which includes warehousing service charges and free fittings period adjustment of S\$0.2 million) relating to the new sites secured and managed by our Group.

Gross Profit

In view of the above mentioned, gross profit increased by approximately S\$1.0 million from approximately S\$5.4 million in 1Q2015 to approximately S\$6.4 million in 1Q2016. The increase was mainly due to rental income relating to the new sites secured by our Group and increase in rental income from our existing properties.

Other Operating Income

Other operating income increased by approximately S\$0.1 million or 24.1%, from approximately S\$0.5 million in 1Q2015 to approximately S\$0.6 million in 1Q2016, mainly due to higher income from administrative income from administrative fees for contracts from existing sites or new contract from new sites and interest income generated from the Company's fixed deposits.

Expenses

Selling and distribution expenses increased by approximately S\$0.2 million or 36.7% from approximately S\$0.4 million in 1Q2015 to approximately S\$0.6 million in 1Q2016, mainly due to an increase in advertising expenses of approximately S\$0.1 million and agent commission of approximately S\$0.1 million arising from new master leases secured by our Group.

Administrative expenses increased by approximately S\$0.4 million or 9.4% from approximately S\$4.0 million in 1Q2015 to approximately S\$4.4 million in 1Q2016, mainly due to increase in depreciation of approximately S\$0.4 million arising from the increase in property plant and equipment.

Finance costs increased by approximately S\$0.1 million or 58.9% from approximately S\$0.1 million in 1Q2015 to approximately S\$0.2 million in 1Q2016, mainly due to increase in interest expense as a result of higher borrowings as compared to the previous corresponding period.

There were no IPO expenses incurred for 1Q2016 as compared to approximately S\$0.2 million incurred for 1Q2015.

As a result of the aforementioned, the Group's profit before income tax increased by approximately S\$0.8 million or 74.6% from approximately S\$1.1 million in 1Q2015 to approximately S\$1.9 million in 1Q2016.

Taxation remained relatively unchanged at approximately S\$0.3 million in 1Q2016 and 1Q2015.

Review of Statement of Financial Position

Group

Non-current assets

Non-current assets increased by approximately S\$1.2 million from approximately S\$58.6 million as at 30 September 2015 to approximately S\$59.8 million as at 31 December 2015. The increase was mainly due to increase in property, plant and equipment, largely attributable to the capitalisation of renovation costs of new leased sites and increase in investment properties.

Current assets

Current assets decreased by approximately S\$0.7 million from approximately S\$48.0 million as at 30 September 2015 to approximately S\$47.3 million as at 31 December 2015. The decrease was mainly due to the decrease in fixed deposits of approximately S\$4.0 million, partially utilised for expansion of our operations. This was partially offset by increase in trade and other receivables of approximately S\$0.8 million, prepayment of approximately S\$0.4 million and cash and balances of approximately S\$2.1 million.

Non-current liabilities

Non-current liabilities decreased by approximately S\$0.6 million from approximately S\$20.6 million as at 30 September 2015 to approximately S\$20.0 million as at 31 December 2015. The decrease was mainly due to repayment of loan of approximately S\$0.4 million and decrease of obligations under hire-purchase contracts of approximately S\$0.2 million.

Current liabilities

Current liabilities decreased by approximately S\$0.8 million from approximately S\$30.8 million as at 30 September 2015 to approximately S\$30.0 million as at 31 December 2015. The decrease was mainly due to decrease in trade payables of approximately S\$0.2 million, other payables of approximately S\$0.8 million which consisted mainly of rental in advance. This was partially offset by increase in current tax payable of approximately S\$0.2 million.

Review of Statement of Cash Flows

In 1Q2016, we recorded net cash from operating activities of approximately S\$0.9 million, was a result of operating cash flows before changes in working capital of S\$3.6 million, adjusted for net working capital outflow of approximately S\$2.5 million, income tax paid of approximately S\$0.1 million and net interest expense paid of approximately S\$0.1 million. Our working capital outflows were mainly due to an increase in operating receivables of approximately S\$1.2 million and decrease in operating payables approximately S\$1.4 million. This was partially offset by a decrease in inventories of approximately S\$0.1 million.

Net cash used in investing activities amounted to approximately S\$1.9 million, which was mainly due to the acquisition of property, plant and equipment of approximately S\$2.2 million. This was partially offset by proceeds from disposal of property, plant and equipment of approximately S\$0.3 million.

Net cash generated used in financing activities amounted to approximately S\$0.9 million which was mainly due to repayment of obligations under hire-purchase contracts of approximately S\$0.4 million, repayment of bank borrowings of approximately S\$0.4 million and repayment amount owing to a director of subsidiaries of approximately S\$0.1 million.

As a result of the above, there was a net decrease of approximately S\$1.8 million in our cash and cash equivalents, from approximately S\$24.6 million as at 30 September 2015 to approximately S\$22.8 million as at 31 December 2015.

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9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There was no forecast or prospect statements previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects the next 12 months to be challenging as global and domestic business conditions turn cautious. Since the start of 2016, leasing activities in Singapore's office market continue to show signs of weakening and the expected increase in supply of industrial space over the next 24 months will also put further downward rental price pressure for such space.

However the Group remains cautiously optimistic that growth industries such as self-storage spaces, data centres and those involved in the manufacture of high tech products will continue to drive demand for industrial space, while increased cost consciousness will fuel the move of offices from prime CBD areas to the city fringe areas that many of the Group's commercial properties are located.

The Group has also launched a new concept called "Work plus Store" ("W+S") to take advantage of the increasing popularity for work and self-storage spaces. The target audience for this concept is small businesses particularly those operating in the online retail space. The Group has piloted this concept in three locations namely 680 Upper Thomson Road, 18 New Industrial Road and 18 Tampines Industrial Crescent, while 100 Eunos Ave 7 is currently undergoing renovations to also house a W+S space. The Group will monitor the response during the year and introduce the concept in more locations should there be high demand.

LHN has successfully renewed its master lease for 27 West Coast Highway for a further tenure of 3+3+1 years. In addition, the Group expects 18 Tampines Industrial Crescent to be revenue accretive in this financial year.

The Group will continue to selectively source for master leases of properties, which are strategically located and have good leasing potential and yield to the Group in the Singapore market, where it mainly operates. It will continue to further expand its businesses in the ASEAN region and will be on a lookout for acquisitions, joint ventures and/or strategic alliances which give it access to new markets and customers as well as new businesses.

11. Dividend

(a) Whether an interim (final) dividend has been declared (recommended); and

None.

(b) (i) Amount per share (cents)

Not applicable.

(b) (ii) Previous corresponding period (cents)

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for 1Q2016.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Other than the restructuring exercise and interested person transactions as disclosed on pages 82 to 84, 235 to 236 and 239 to 240 of the Offer Document dated 1 April 2015, there were additional interested person transactions of S\$100,000 and above during the financial period under review. Details of the additional interested person transactions of S\$100,000 and above are as follows:

Name of Interested Persons and Transactions	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	3 months ended 31 December 2015 S\$'000	3 months ended 31 December 2015 S\$'000
<u>Payments received by our Group</u> PJS Companies*		
- Property leases or sub-leases	-	147
- Facilities management services	-	7
	-	154
<u>Payments paid by our Group</u> PJS Companies*		
-Purchase of food and beverage products and services	-	1
	-	1
Total	-	155

* PJS Companies comprises Café @ Phoenix Pte. Ltd. and DJ Culinary Concepts Pte. Ltd. as disclosed on page 241 of the Offer Document dated 1 April 2015.

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14. Utilisation of Proceeds from the Initial Public Offering

The following table sets out the breakdown of the use of proceeds from the IPO as at the date of announcement:

S/N	Purpose of IPO Proceeds	Amount Allocated S\$'000	Amount Utilised S\$'000	Balance S\$'000
1	To grow our property portfolio and acquire our own properties	5,000	4,941	59
2	Expansion of our Logistics Services Business and Facilities Management Business	3,000	-	3,000
3	Expansion of our operations in existing markets and into new markets	3,000	2,100	900
4	Development of technological capability	500	136	364
5	General working capital	2,931	2,103	828
6	Listing expenses	2,569	2,569	-
	Total	17,000	11,849	5,151

The above utilisation is in accordance with the intended use of proceeds of IPO as stated in the Offer Document dated 1 April 2015.

Amount utilised for general working capital of approximately S\$2.1 million consists of payment for (i) partial rental cost and security deposit of approximately S\$0.4 million in relation to the master lease secured for our second GreenHub Suited Offices in Jakarta and (ii) renovation cost of approximately S\$1.7 million in relation to master leases secured for our Space Optimisation Business.

The Company will continue to make periodic announcements via SGXNET on the utilisation of the balance of the gross proceeds from the IPO as and when such proceeds are materially disbursed.

15. Negative Confirmation of Interim Financial Results Pursuant to Rule 705(5) of the Catalist Listing Manual

The Board of Directors of the Company confirm that that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for the three months ended 31 December 2015 to be false or misleading in any material aspect.

By Order of the Board
Kelvin Lim
Executive Chairman and Group Managing Director
04 February 2016