

**LHN LIMITED**

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

**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 FOURTH QUARTER ("4Q2019") AND FULL YEAR ENDED 30 SEPTEMBER 2019**

	Group					
	3 Months Ended 30 September		Change	Full Year Ended 30 September		Change
	2019 (unaudited)	2018 (unaudited)		2019 (unaudited)	2018 (audited)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	29,671	26,742	10.9	111,094	109,285	1.7
Cost of sales	(21,049)	(19,938)	5.6	(83,680)	(80,395)	4.1
<b>Gross profit</b>	8,622	6,804	26.7	27,414	28,890	(5.1)
Other income	1,231	1,057	16.5	5,012	3,658	37.0
Other operating expenses	(1,485)	(854)	73.9	(1,687)	(1,289)	30.9
Selling and distribution expenses	(847)	(375)	>100	(1,820)	(1,613)	12.8
Administrative expenses	(6,561)	(5,844)	12.3	(23,668)	(24,571)	(3.7)
Finance cost	(340)	(217)	56.7	(1,332)	(827)	61.1
Share of results of associates and joint ventures, net of tax	2,229	1,154	93.2	4,527	1,954	>100
Fair value gain on investment properties	480	4	>100	480	4	>100
<b>Profit before income tax</b>	3,329	1,729	92.5	8,926	6,206	43.8
Income tax credit/(expenses)	33	318	(89.6)	(203)	(436)	(53.4)
<b>Profit for the period/year</b>	3,362	2,047	64.2	8,723	5,770	51.2
<b>Other comprehensive income/(loss)</b>						
<u>Item that will be reclassified subsequently to profit or loss</u>						
Currency translation differences arising from consolidation	17	(12)	NM	52	(92)	NM
<u>Item that will not be reclassified subsequently to profit or loss</u>						
Revaluation gains on leasehold building	-	-	NM	-	12	NM
Share of other comprehensive income of joint venture	17	48	(64.6)	31	92	(66.3)
Other comprehensive income	34	36	(5.6)	83	12	>100
Total comprehensive income for the period/year	3,396	2,083	63.0	8,806	5,782	52.3
<b>Profit attributable to:</b>						
Equity holders of the Company	3,225	1,853	74.0	8,186	5,407	51.4
Non-controlling interests	137	194	(29.4)	537	363	47.9
Profit for the period/year	3,362	2,047	64.2	8,723	5,770	51.2
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	3,246	1,885	72.2	8,243	5,417	52.2
Non-controlling interests	150	198	(24.2)	563	365	54.2
Total comprehensive income for the period/year	3,396	2,083	63.0	8,806	5,782	52.3
<i>NM – Not Meaningful</i>						

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

	<b>Group</b>			
	<b>3 Months Ended 30 September</b>		<b>Full Year Ended 30 September</b>	
	<b>2019 (unaudited)</b>	<b>2018 (unaudited)</b>	<b>2019 (unaudited)</b>	<b>2018 (audited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Depreciation of property, plant and equipment	2,022	1,470	6,605	5,851
Amortisation of intangible assets	17	29	68	29
Interest income	(43)	(130)	(289)	(447)
Finance costs	340	217	1,332	827
Allowance for impairment of trade and other receivables	37	726	220	726
Bad debts written off	19	1	19	29
Provision for losses from onerous contract	1,430	-	1,430	-
Foreign exchange (gain)/loss, net	(478)	126	(660)	534
Gain on disposal of property, plant and equipment, net	-	(5)	(83)	(378)
Property, plant and equipment written off	2	11	14	14
Dual Listing expenses	-	-	-	1,842

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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 30 September 2019 (unaudited)	As At 30 September 2018 (audited)	As At 30 September 2019 (unaudited)	As At 30 September 2018 (audited)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	37,435	20,854	-	-
Investment properties	67,309	46,054	-	-
Intangible assets	108	176	-	-
Financial assets, available-for-sale	-	138	-	-
Financial assets, at FVOCI	492	-	-	-
Investment in subsidiaries	-	-	32,727	32,727
Investment in associates	306	277	-	-
Investment in joint ventures	17,215	13,165	-	-
Deferred tax assets	341	476	-	-
Long-term prepayments	322	396	9	10
Other asset	12,709	7,690	-	-
	136,237	89,226	32,736	32,737
<b>Current assets</b>				
Inventories	3	46	-	-
Trade and other receivables	17,581	18,506	30,076	25,195
Loans to joint ventures	2,432	12,557	-	-
Prepayments	3,338	2,468	53	32
Cash and bank balances	18,218	15,319	1,745	1,658
Fixed deposits	9,135	10,029	2,515	5,334
	50,707	58,925	34,389	32,219
<b>TOTAL ASSETS</b>	186,944	148,151	67,125	64,956
<b>EQUITY</b>				
<b>Capital and Reserves</b>				
Share capital	63,407	63,407	63,407	63,407
Reserves	31,936	24,127	2,953	887
	95,343	87,534	66,360	64,294
Non-controlling interests	1,537	972	-	-
<b>TOTAL EQUITY</b>	96,880	88,506	66,360	64,294
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities	533	362	-	-
Other payables	34	33	-	-
Provisions	1,091	52	-	-
Finance lease liabilities	3,476	2,934	-	-
Bank borrowings	41,134	16,520	-	-
	46,268	19,901	-	-
<b>Current liabilities</b>				
Trade and other payables	32,701	32,165	665	568
Provisions	1,466	398	-	-
Finance lease liabilities	2,157	1,652	-	-
Bank borrowings	7,009	4,854	-	-
Current income tax liabilities	463	675	100	94
	43,796	39,744	765	662
<b>TOTAL LIABILITIES</b>	90,064	59,645	765	662
<b>TOTAL EQUITY AND LIABILITIES</b>	186,944	148,151	67,125	64,956

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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 30 September 2019 (unaudited) S\$'000	As At 30 September 2018 (audited) S\$'000
<b>Amount repayable in one year or less (secured and guaranteed)</b>		
- Bank borrowings	7,009	4,854
- Finance lease liabilities	2,157	1,652
	9,166	6,506
<b>Amount repayable after one year (secured and guaranteed)</b>		
- Bank borrowings	41,134	16,520
- Finance lease liabilities	3,476	2,934
	44,610	19,454
<b>Total borrowings</b>	<b>53,776</b>	<b>25,960</b>

The Group does not have any unsecured borrowings and debt securities as at 30 September 2019 and 30 September 2018.

**Details of any collaterals:**

- (a) Bank borrowings of approximately S\$48.1 million as at 30 September 2019 (30 September 2018 – S\$21.4 million) obtained by our subsidiaries are secured by (i) legal mortgage of leasehold properties at 72 Eunos Avenue 7, 100 Eunos Avenue 7 and 71 Lorong 23 Geylang (the "**Geylang Property**"); (ii) corporate guarantees provided by the Group; (iii) personal guarantees provided by a director and shareholder of a non-wholly owned subsidiary, who is not a controlling shareholder of the Company (the "**Subsidiary Director**"); and (iv) assignment of rental proceeds of the mortgaged properties.
- (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 the Subsidiary Director that is proportional to his shareholdings in the non-wholly owned subsidiary and corporate guarantees 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 Fourth Quarter and Full Year Ended 30 September 2019**

	<b>Group</b>			
	<b>3 Months Ended 30 September</b>		<b>Full Year Ended 30 September</b>	
	<b>2019 (unaudited)</b>	<b>2018 (unaudited)</b>	<b>2019 (unaudited)</b>	<b>2018 (audited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities:</b>				
Profit before income tax	3,329	1,729	8,926	6,206
Share of results of associates and joint ventures, net of tax	(2,229)	(1,154)	(4,527)	(1,954)
Adjustments for:				
Amortisation of intangible assets	17	29	68	29
Depreciation of property, plant and equipment	2,022	1,470	6,605	5,851
Gain on disposal of property, plant and equipment	-	(5)	(83)	(378)
Property, plant and equipment written off	2	11	14	14
Fair value gain on investment properties	(480)	(4)	(480)	(4)
Bad and doubtful debts	56	727	239	755
Waiver of debt from a director of subsidiaries	-	(24)	-	(73)
Provision for losses from onerous contract	1,430	-	1,430	-
Dual Listing expenses	-	-	-	1,842
Finance income	(43)	(130)	(289)	(447)
Finance cost	340	217	1,332	827
	<b>4,444</b>	<b>2,866</b>	<b>13,235</b>	<b>12,668</b>
<b>Operating profit before working capital changes</b>				
Changes in working capital:				
- Inventories	1	(31)	43	(13)
- Trade and other receivables	526	1,083	(30)	(5,097)
- Trade and other payables	734	1,922	4,297	3,635
	<b>5,705</b>	<b>5,840</b>	<b>17,545</b>	<b>11,193</b>
<b>Cash generated from operations</b>				
Interest expense paid	-	(4)	(3)	(9)
Income tax paid	(50)	(51)	(1,534)	(1,406)
Income tax refunded	-	-	906	542
	<b>5,655</b>	<b>5,785</b>	<b>16,914</b>	<b>10,320</b>
<b>Net cash generated from operating activities</b>				
<b>Cash flows from investing activities:</b>				
Additions to property, plant and equipment	(5,445)	(3,997)	(19,585)	(6,896)
Purchase of investment properties	(631)	-	(20,336)	-
Purchase of financial assets, available-for-sale	-	(31)	-	(31)
Purchase of financial assets, at FVOCI	(175)	-	(354)	-
Additions to intangible assets	-	(205)	-	(205)
Additions to other asset	-	(1,433)	(8,997)	(3,418)
(Loans to)/Repayment from joint ventures, net	(621)	-	10,299	(1,725)
Proceeds from disposals of property, plant and equipment	-	5	96	503
Cash outflow on incorporation of associate	-	-	-	(20)
Cash inflow on distribution from associate	38	-	38	-
Dividend from associate	343	-	441	100
Interest received	31	51	105	112
	<b>(6,460)</b>	<b>(5,610)</b>	<b>(38,293)</b>	<b>(11,580)</b>
<b>Net cash used in investing activities</b>				
<b>Cash flows from financing activities:</b>				
Repayment of finance lease	(547)	(422)	(2,112)	(1,875)
Increase in fixed deposit - pledged	(16)	(14)	(1,372)	(34)
Proceeds from bank borrowings	4,435	1,255	42,376	5,701
Repayment of bank borrowings	(786)	(1,559)	(15,643)	(5,601)
Proceeds from issuance of ordinary shares	-	-	-	13,638
Share issue expense	-	-	-	(1,332)
Dual Listing expenses paid	-	-	-	(2,067)
Capital contribution from non-controlling shareholders	2	188	2	274
Interest expense paid	(307)	(218)	(1,299)	(817)
Dividends paid	-	-	-	(798)
	<b>2,781</b>	<b>(770)</b>	<b>21,952</b>	<b>7,089</b>
<b>Net cash generated from/(used in) financing activities</b>				

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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 Fourth Quarter and Full Year Ended 30 September 2019 (Cont'd)**

	Group			
	3 Months Ended 30 September		Full Year Ended 30 September	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Net increase/(decrease) in cash and cash equivalents	1,976	(595)	573	5,829
Cash and cash equivalents at beginning of the period/year	19,293	21,279	20,667	14,885
Exchange gains/(losses) on cash and cash equivalents	31	(17)	60	(47)
<b>Cash and cash equivalents at end of the period/year</b>	<b>21,300</b>	<b>20,667</b>	<b>21,300</b>	<b>20,667</b>
Consolidated cash and cash equivalents are represented by:				
Cash and bank balances	18,218	15,319	18,218	15,319
Fixed deposits	9,135	10,029	9,135	10,029
	<b>27,353</b>	<b>25,348</b>	<b>27,353</b>	<b>25,348</b>
Less: Pledged fixed deposits	(6,053)	(4,681)	(6,053)	(4,681)
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>	<b>21,300</b>	<b>20,667</b>	<b>21,300</b>	<b>20,667</b>

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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**

<b>GROUP (audited)</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Retained profits</b>	<b>Merger reserve</b>	<b>Other reserve</b>	<b>Asset revaluation reserve</b>	<b>Exchange translation reserve</b>	<b>Total attributable to equity holders of the Company</b>	<b>Non- controlling interests</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance at 1 October 2017</b>	51,287	(186)	47,197	(30,727)	298	3,576	(836)	70,609	333	70,942
New Shares issued pursuant to										
Dual Listing	13,638	-	-	-	-	-	-	13,638	-	13,638
Share issue expense	(1,332)	-	-	-	-	-	-	(1,332)	-	(1,332)
Cancellation of treasury shares	(186)	186	-	-	-	-	-	-	-	-
Termination of LHN Performance										
Share Plan	-	-	29	-	(29)	-	-	-	-	-
Dividend paid for FY2017	-	-	(798)	-	-	-	-	(798)	-	(798)
Capital contribution from non-controlling shareholder	-	-	-	-	-	-	-	-	274	274
Profit for the year	-	-	5,407	-	-	-	-	5,407	363	5,770
Other comprehensive income /(loss)	-	-	-	-	-	104	(94)	10	2	12
Total comprehensive income for the year	-	-	5,407	-	-	104	(94)	5,417	365	5,782
<b>Balance at 30 September 2018</b>	<b>63,407</b>	<b>-</b>	<b>51,835</b>	<b>(30,727)</b>	<b>269</b>	<b>3,680</b>	<b>(930)</b>	<b>87,534</b>	<b>972</b>	<b>88,506</b>

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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 (Cont'd)**

GROUP (unaudited)	Share capital	Treasury shares	Retained profits	Merger reserve	Other reserve	Asset revaluation reserve	Exchange translation reserve	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	S\$'000
<b>Balance at 30 September 2018</b>	63,407	-	51,835	(30,727)	269	3,680	(930)	87,534	972	88,506
Adoption of IFRS 9	-	-	(434)	-	-	-	-	(434)	-	(434)
<b>Balance at 1 October 2018</b>	63,407	-	51,401	(30,727)	269	3,680	(930)	87,100	972	88,072
Capital contribution from non-controlling shareholder	-	-	-	-	-	-	-	-	2	2
Profit for the year	-	-	8,186	-	-	-	-	8,186	537	8,723
Other comprehensive income	-	-	-	-	-	31	26	57	26	83
Total comprehensive income for the year	-	-	8,186	-	-	31	26	8,243	563	8,806
<b>Balance at 30 September 2019</b>	63,407	-	59,587	(30,727)	269	3,711	(904)	95,343	1,537	96,880

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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 (Cont'd)**

<b>COMPANY (unaudited)</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Other reserve</b>	<b>Retained profits</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance at 1 October 2017</b>	51,287	(186)	29	2,495	53,625
New Shares issued pursuant to Dual Listing	13,638	-	-	-	13,638
Share issue expense	(1,332)	-	-	-	(1,332)
Cancellation of treasury shares	(186)	186	-	-	-
Termination of LHN Performance Share Plan	-	-	(29)	29	-
Dividend paid for FY2017	-	-	-	(798)	(798)
Total comprehensive loss for the year	-	-	-	(839)	(839)
<b>Balance at 30 September 2018</b>	<b>63,407</b>	<b>-</b>	<b>-</b>	<b>887</b>	<b>64,294</b>
<b>Balance at 30 September 2018</b>	63,407	-	-	887	64,294
Adoption of IFRS 9	-	-	-	-	-
<b>Balance at 1 October 2018</b>	<b>63,407</b>	<b>-</b>	<b>-</b>	<b>887</b>	<b>64,294</b>
Total comprehensive income for the year	-	-	-	2,066	2,066
<b>Balance at 30 September 2019</b>	<b>63,407</b>	<b>-</b>	<b>-</b>	<b>2,953</b>	<b>66,360</b>

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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 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 and subsidiary holdings, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

As at 30 September 2019 and 30 June 2019, the share capital of the Company amounted to S\$63,406,836 comprising 402,445,400 issued ordinary shares.

The Company did not have any outstanding options, treasury shares, convertibles or subsidiary holdings as at 30 September 2019 and 30 September 2018.

- 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 30 September 2019 and 30 September 2018 was 402,445,400.

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

Not applicable as the Company did not hold any treasury shares during and as at the end of the current financial year reported on.

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

Not applicable as the Company did not hold any subsidiary holdings during and as at the end of the current financial year reported on.

- 2. Where 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 financial year ended 30 September 2019 compared with the audited financial statements for the financial year ended 30 September 2018.

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**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.**

As at 1 October 2018, the Company and the Group applied new accounting standards (i) IFRS 9 Financial Instrument; and (ii) IFRS 15 Revenue from Contracts with Customers.

IFRS 9 replaces the “incurred loss” model with the “expected credit loss” model for assessing impairment of financial assets. As a result of adopting the new model, an additional impairment allowance of S\$648,000 against trade receivables was recognised. As allowed under the transition rules of the new standard, S\$434,000 was adjusted against the retained earnings as at 1 October 2018, and the remaining S\$214,000 was recognised in the 12-month period ended 30 September 2019. The effects on adoption of IFRS 9 would have resulted in a similar increase of S\$434,000 on impairment allowance on trade receivable and a corresponding decrease in the retained earnings and the reclassification of available for sale financial assets to financial assets, at FVOCI at 30 September 2019.

Management has assessed that there is no significant impact on the adoption of IFRS 15.

**IFRS Taking Effect in FY2020**

IFRS 16 Leases (effective for annual periods beginning on or after 1 January 2019) will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Group will apply the standard from its mandatory adoption date of 1 October 2019. As at 1 October 2019, the Group expects to recognise right-of-use assets and lease liabilities for the leases previously classified as operating leases.

The effects of adoption of IFRS 16 on the Group’s financial statements as at 1 October 2019 are as follows:

	<b>As at 30 September 2019 S\$'000</b>	<b>Effects of adoption of IFRS 16 S\$'000</b>	<b>As at 1 October 2019 S\$'000</b>
Investment properties (right-of-use assets)	-	105,081	105,081
Lease liabilities - current	-	31,041	31,041
Lease liabilities - non-current	-	78,537	78,537

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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			
	Three months Ended 30 September		Full Year Ended 30 September	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (audited)
<b><u>Earnings per ordinary share</u></b>				
(i) Based on weighted average number of ordinary shares in issue (Singapore Cents)	0.80	0.46	2.03	1.38
(ii) On a fully diluted basis (Singapore Cents)	0.80	0.46	2.03	1.38
Weighted average number of shares (in '000)	402,445	402,445	402,445	392,204

The basic and diluted earnings per share are the same as there were no potentially dilutive securities in issue as at 30 September 2019 and 30 September 2018.

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 30 September 2019 (unaudited)	As at 30 September 2018 (audited)	As at 30 September 2019 (unaudited)	As at 30 September 2018 (audited)
Net asset attributable to Shareholders (S\$ '000)	95,343	87,534	66,360	64,294
Number of ordinary shares in issue (in '000)	402,445	402,445	402,445	402,445
Net asset value per ordinary share (Singapore Cents)	23.69	21.75	16.49	15.98

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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 the Group's Financial Results**

For the year ended 30 September 2019 ("FY2019") vs year ended 30 September 2018 ("FY2018")

**Revenue**

	FY2019 S\$'000 (unaudited)	FY2018 S\$'000 (audited)	Variance	
			S\$'000	%
Industrial Properties	39,239	40,498	(1,259)	(3.1)
Commercial Properties	21,232	24,970	(3,738)	(15.0)
Residential Properties	5,319	2,133	3,186	149.4
<b>Space Optimisation Business</b>	65,790	67,601	(1,811)	(2.7)
<b>Facilities Management Business</b>	20,367	19,480	887	4.6
<b>Logistics Services Business</b>	24,937	22,204	2,733	12.3
Total	111,094	109,285	1,809	1.7

The Group's revenue increased by approximately S\$1.8 million or 1.7% from approximately S\$109.3 million in FY2018 to approximately S\$111.1 million in FY2019 primarily due to an increase in revenue from (i) the Residential Properties under the Space Optimisation Business; (ii) the Facilities Management Business; and (iii) the Logistics Services Business. The increase was partially offset by the decrease in revenue from the Industrial Properties and Commercial Properties under the Space Optimisation Business.

**(a) Space Optimisation Business**

**Industrial Properties**

Revenue derived from Industrial Properties decreased by approximately S\$1.3 million or 3.1% from approximately S\$40.5 million in FY2018 to approximately S\$39.2 million in FY2019 mainly due to (i) movement of tenants due to expiry of sub-leases; and (ii) renewal of sub-leases at lower rental rates.

The average occupancy rate of the Group's Industrial Properties decreased slightly by 0.9 percentage points to approximately 87.9% in FY2019 as compared to 88.8% in FY2018.

**Commercial Properties**

Revenue derived from Commercial Properties decreased by approximately S\$3.7 million or 15.0% from approximately S\$24.9 million in FY2018 to approximately S\$21.2 million in FY2019 mainly due to the absence of the one-time revenue contribution of approximately S\$3.8 million from the rights to use the 85SOHO brand in Cambodia recognised in FY2018. This was partially offset by a net increase in revenue of approximately S\$0.1 million in FY2019 mainly due to increase in rental income as a result of higher occupancy rates.

The average occupancy rate of the Group's Commercial Properties increased by 4.6 percentage points to approximately 90.8% in FY2019 as compared to 86.2% in FY2018.

### **Residential Properties**

Revenue derived from Residential Properties increased by approximately S\$3.2 million or 149.4% from approximately S\$2.1 million in FY2018 to approximately S\$5.3 million in FY2019 mainly due to increase in revenue of approximately S\$3.9 million from the co-work co-live business at 31 Boon Lay Drive and 150 Cantonment Road in Singapore which started to generate revenue from the second quarter and fourth quarter of FY2019 respectively. This was partially offset by the decrease in design consultancy fees of approximately S\$0.7 million.

### **(b) Facilities Management Business**

Revenue derived from our Facilities Management Business increased by approximately S\$0.9 million or 4.6% from approximately S\$19.5 million in FY2018 to approximately S\$20.4 million in FY2019 mainly due to increase in revenue of approximately S\$3.1 million from the management of new carparks in Singapore and Hong Kong and full-year revenue contribution in FY2019 from some carparks secured in the second and fourth quarter of FY2018. This was partially offset by the decrease in revenue of approximately S\$2.2 million from the security services business as a result of the completion of the disposal of the business as disclosed in the announcement dated 31 May 2019.

### **(c) Logistics Services Business**

Revenue derived from our Logistics Services Business increased by approximately S\$2.7 million or 12.3% from approximately S\$22.2 million in FY2018 to approximately S\$24.9 million in FY2019 mainly due to increase in transportation services provided from the trucking business and an increase in demand for storage and repairs of leasing containers in Thailand.

Assuming the one-time revenue contribution of approximately S\$3.8 million from the rights to use 85 SOHO brand in Cambodia recognised in FY2018 is excluded, the Group's revenue would be approximately S\$105.5 million in FY2018 as compared to approximately S\$111.1 million in FY2019, representing an increase of approximately S\$5.6 million or 5.3%.

### **Cost of Sales**

Cost of sales increased by approximately S\$3.3 million or 4.1% from approximately S\$80.4 million in FY2018 to approximately S\$83.7 million in FY2019 mainly due to an increase in (i) rental costs of approximately S\$3.4 million relating to the new co-work co-live business at 31 Boon Lay Drive and 150 Cantonment Road; (ii) upkeep and maintenance costs of approximately S\$1.5 million mainly due to the Space Optimisation Business and Logistics Services Business; (iii) container depot management charges of approximately S\$0.2 million from our Logistics Services Business in line with the increase in logistics services rendered; and (iv) miscellaneous expenses relating to transportation and trucking related costs of approximately S\$0.3 million. The increase was partially offset by the decrease in direct labour costs of approximately S\$2.1 million as a result of decrease in manpower cost under the Facilities Management Business as the disposal of the security services business was completed in May 2019.

### **Gross Profit**

In view of the above mentioned, gross profit decreased by approximately S\$1.5 million from approximately S\$28.9 million in FY2018 to approximately S\$27.4 million in FY2019.

### **Other Income**

Other income increased by approximately S\$1.4 million or 37.0% from approximately S\$3.6 million in FY2018 to approximately S\$5.0 million in FY2019 mainly due to the non-recurring gain on disposal of our security services business of approximately S\$1.4 million which was completed in May 2019.

### **Other Operating Expenses**

Other operating expenses increased by approximately S\$0.4 million from approximately S\$1.3 million in FY2018 to approximately S\$1.7 million in FY2019 mainly due to the provision of losses from onerous contract of approximately S\$1.4 million under the Industrial Properties for which the costs to meet the obligations are expected to exceed the economic benefits to be received under them. This was partially offset by the decrease in (i) allowance for impairment of trade and other receivables of approximately S\$0.5 million from the Space Optimisation Business; and (ii) the absence of foreign exchange loss of approximately S\$0.5 million recognised in FY2018 mainly due to unrealised exchange loss from revaluation of SGD denominated loan in Indonesian subsidiaries.

### **Selling and Distribution Expenses**

Selling and distribution expenses increased by approximately S\$0.2 million or 12.8% from approximately S\$1.6 million in FY2018 to approximately S\$1.8 million in FY2019 mainly due to increase in agent commission of approximately S\$0.3 million incurred under our Space Optimisation Business to secure sub-leases for the co-work co-live business. This was partially offset by the decrease in advertising and marketing expenses of approximately S\$0.1 million.

### **Administrative Expenses**

Administrative expenses decreased by approximately S\$0.9 million or 3.7% from approximately S\$24.6 million in FY2018 to approximately S\$23.7 million in FY2019 mainly due to the absence of expenses of approximately S\$1.8 million relating to the dual primary listing on the Main Board of SEHK (the “Dual Listing”) incurred in FY2018. This was partially offset by an increase in depreciation of property, plant and equipment of approximately S\$0.8 million and miscellaneous expenses of approximately S\$0.1 million.

### **Finance Cost**

Finance cost increased by approximately S\$0.5 million or 61.1% from approximately S\$0.8 million in FY2018 to approximately S\$1.3 million in FY2019 mainly due to increased interest expenses from the increase in bank borrowings.

### **Share of Results of Associates and Joint Ventures**

Share of results of associates and joint ventures increased by S\$2.5 million or 131.7% from approximately S\$2.0 million in FY2018 to approximately S\$4.5 million in FY2019 mainly due to an increase in share of operating profits of approximately S\$1.5 million in FY2019 as a result of an increase in occupancy in the industrial property and increase in business for the mattress and container depot businesses.

In addition, there was a net increase in fair value gain on investment properties held by our joint venture companies of approximately S\$1.0 million in FY2019 due to an increase in fair value gain of approximately S\$2.3 million from a carpark property offset by (i) a fair value loss of approximately S\$0.4 million from one industrial property in FY2019; and (ii) an absence of a fair value gain of approximately S\$0.9 million from another industrial property that was recognised in FY2018.

### **Fair Value Gain on Investment Properties**

Fair value gain on investment properties increased from approximately S\$4,000 in FY2018 to approximately S\$0.5 million in FY2019 mainly due to a net increase in valuation of our industrial properties in Singapore in FY2019.

### **Profit before Income Tax**

As a result of the aforementioned, the Group’s profit before income tax was approximately S\$8.9 million in FY2019 as compared to approximately S\$6.2 million in FY2018.

### **Income Tax Expense**

Income tax expense decreased by approximately S\$0.2 million or 53.4% from approximately S\$0.4 million in FY2018 to approximately S\$0.2 million in FY2019 mainly due to higher utilisation of group relief in FY2019.

### **Profit for the Year**

As a result of the above, the Group’s net profit was approximately S\$8.7 million in FY2019 as compared to approximately S\$5.8 million in FY2018, representing an increase of 51.2%.

## Review of Statement of Financial Position

### Non-current assets

Non-current assets increased by approximately S\$47.0 million from approximately S\$89.2 million as at 30 September 2018 to approximately S\$136.2 million as at 30 September 2019 mainly due to increase in (i) property, plant and equipment (“PPE”) of approximately S\$16.5 million due to additions amounting to approximately S\$23.1 million mainly for renovation costs for our new co-work co-live business at 31 Boon Lay Drive and 150 Cantonment Road and serviced residence property in Myanmar under the Space Optimisation Business, renovation costs for our container depot and purchase of logistics equipment under the Logistics Services Business, offset by depreciation of approximately S\$6.6 million; (ii) investment properties of approximately S\$21.3 million mainly for the purchase of the Geylang Property as announced on 7 January 2019; (iii) investment in associates and joint ventures of approximately S\$4.1 million mainly arising from the share of profit of associates and joint ventures recognised for FY2019; (iv) other assets of approximately S\$5.0 million due to the progress billing of the property under construction in Cambodia under the Space Optimisation Business (“Axis Residences”) and (v) increase in financial assets, at fair value through other comprehensive income (“FVOCI”) of approximately S\$0.4 million mainly from (a) an increase in investment in WeOffices ApS, a company incorporated in Denmark and principally engaged in the business of rental of serviced office space in Denmark, of approximately S\$0.2 million; and (b) an investment of approximately S\$0.2 million in a company principally engaged in the provision of storage solutions.

Approximately S\$0.1 million of investment in WeOffices ApS has been reclassified in FY2019 from financial assets, available-for-sale to financial assets, at FVOCI, due to the adoption of IFRS 9 as explained in Paragraph 5 above.

The increase in non-current assets was partially offset by a decrease in deferred tax assets of approximately S\$0.1 million and long-term prepayments of approximately S\$0.1 million.

### Current assets

Current assets decreased by approximately S\$8.2 million from approximately S\$58.9 million as at 30 September 2018 to approximately S\$50.7 million as at 30 September 2019 mainly due to the factors as set out below.

Loans to joint ventures decreased by approximately S\$10.1 million mainly due to the repayment of shareholders’ loan by our joint venture companies.

Trade and other receivables decreased by approximately S\$0.9 million mainly due to (i) a decrease in trade receivables of approximately S\$2.6 million due to receipt of balance payment from the billing of rights to use 85 SOHO brand in Cambodia; and (ii) an increase in allowance for impairment of approximately S\$0.6 million due to the adoption of IFRS 9 as explained in Paragraph 5 above. These were offset by an increase in other receivables of approximately S\$2.3 million which consist largely of deposits paid to the landlord in Hong Kong for the new carpark site secured.

The decrease in current assets was partially offset by an increase in (i) prepayments of approximately S\$0.8 million for prepaid rental; and (iii) cash and bank balances and fixed deposits of approximately S\$2.0 million.

### Non-current liabilities

Non-current liabilities increased by approximately S\$26.4 million from approximately S\$19.9 million as at 30 September 2018 to approximately S\$46.3 million as at 30 September 2019 mainly due to the factors as set out below.

Provisions increased by approximately S\$1.0 million due to (i) additional provision of reinstatement costs for our Space Optimisation Business of approximately S\$0.2 million and a reclassification of reinstatement costs of approximately S\$0.4 million from current liabilities due to the renewal of our master leases; and (ii) additional provision of losses from onerous contract of approximately S\$0.4 million under the Industrial Properties for which the costs to meet the obligations are expected to exceed the economic benefits to be received under them.

Bank borrowings increased by approximately S\$24.6 million mainly for the purchase of the Geylang Property of approximately S\$14.2 million, the purchase of Axis Residences in Cambodia of approximately S\$5.0 million and renovation loans for our new co-work co-live business of approximately S\$5.1 million.

In addition, there was an increase in finance lease liabilities of approximately S\$0.6 million and deferred tax liabilities of approximately S\$0.2 million.

### **Current liabilities**

Current liabilities increased by approximately S\$4.1 million from approximately S\$39.7 million as at 30 September 2018 to approximately S\$43.8 million as at 30 September 2019 mainly due to the factors as set out below.

Trade and other payables increased by approximately S\$0.5 million mainly from rental deposits received from customers for the new co-work co-live business.

Finance lease liabilities increased by approximately S\$0.5 million due to the purchase of logistics equipment.

Bank borrowings increased by approximately S\$2.2 million for the purchase of the Geylang Property, the purchase of Axis Residences in Cambodia and renovation loans for our new co-work co-live business.

Provisions increased by approximately S\$1.1 million arising from (i) additional provision of losses from onerous contract of approximately S\$1.0 million under the Industrial Properties for which the costs to meet the obligations are expected to exceed the economic benefits to be received under them; and (ii) additional provision of reinstatement costs for our Space Optimisation Business of approximately S\$0.5 million and a reclassification of reinstatement costs of approximately S\$0.4 million to non-current liabilities as mentioned above.

The increase in current liabilities was partially offset by a decrease in current tax payable of approximately S\$0.2 million.

### **Review of Statement of Cash Flows**

In FY2019, the Group recorded net cash generated from operating activities of approximately S\$16.9 million, which was a result of operating profit before changes in working capital of approximately S\$13.2 million and increase in trade and other payables of approximately S\$4.3 million, adjusted for net income tax paid of approximately S\$0.6 million.

Net cash used in investing activities amounted to approximately S\$38.3 million, which was mainly due to (i) additions to PPE for renovation costs paid for our new co-work co-live business and serviced residence property under the Space Optimisation Business, renovation costs for our container depot and purchase of logistics equipment under the Logistics Services Business of approximately S\$19.6 million; (ii) additions to investment property, being the Geylang Property, of approximately S\$20.3 million; (iii) purchase of financial assets, at FVOCI of approximately S\$0.3 million; and (iv) additions to other asset of approximately S\$9.0 million for Axis Residences. These were partially offset by (i) the repayment of loans from joint ventures of approximately S\$10.3 million; (ii) dividend received from associate of approximately S\$0.4 million; (iii) proceeds received from disposal of PPE of approximately S\$0.1 million; and (iv) interest received of approximately S\$0.1 million.

Net cash generated from financing activities amounted to approximately S\$22.0 million, which was due to proceeds from bank borrowings of approximately S\$42.4 million. This was partially offset by (i) interest expense paid of approximately S\$1.3 million; (ii) repayment of finance lease of approximately S\$2.1 million for logistics and carpark equipment; (iii) repayment of bank borrowings of approximately S\$15.6 million; and (iv) increase in pledged fixed deposits of approximately S\$1.3 million.

As a result of the above, cash and cash equivalents increased by approximately S\$0.6 million, amounting to approximately S\$21.3 million as at 30 September 2019.

### **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 statement 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.**

Under the JTC Market Report for the industrial property market (3Q2019)<sup>1</sup>, the occupancy rate of the overall industrial property market in Singapore remained unchanged at 89.3%. However, compared to a year ago, occupancy rate of the overall industrial property market rose by 0.2 percentage points. The prices and rentals of the industrial spaces remained stable, with the price index of overall industrial space increased marginally by 0.1% as compared to the previous quarter while the rental index remained unchanged during the same period. In view of the abovementioned, the Group will continue to focus on tenant retention to maintain a stable occupancy rate for its industrial properties.

Based on the latest statistics from the Urban Redevelopment Authority<sup>2</sup>, the rental index of office space decreased by 0.6% in 3Q2019, compared with the 1.3% increase in the previous quarter. Our Space Optimisation Business which involves leasing out commercial properties, is expected to remain cautious in view of the uncertainties in the business outlook.

Looking ahead, the Singapore economy is expected to remain volatile and the Group is cautiously exploring new opportunities in Singapore and also other growth markets in the ASEAN region to expand its current business offerings.

In China, the Group had entered into a 15-year lease agreement to set up the co-living and co-working space business in Nanan City, Quanzhou, Fujian Province, the People's Republic of China (the "**Nanan Project**"). The leased property of the Nanan Project is a 10-storey building with a total gross floor area of approximately 7,400 square metres. It is expected that the renovation will be completed in the first quarter of our financial year ending 30 September 2020 with operation commencing in the following quarter. As at the date of this announcement, the Group has injected capital of RMB9.9 million (equivalent to approximately S\$2.0 million) into its wholly-owned subsidiary in Nanan to fund part of the renovation costs of the building of the Nanan Project. For further details, please refer to the Company's announcement dated 22 March 2019.

In Cambodia, the construction of the serviced apartments, Axis Residences at Street Duong Ngeap III, Phum Teuk Thla, Sangkat Teuk Thla, Khan Sen Sok, Phnom Penh City, Kingdom of Cambodia is also expected to be completed in the second quarter of our financial year ending 30 September 2020.

Besides focusing on growing the co-living space business under the Space Optimisation Business, we will continue to look for new properties and opportunities to grow and expand our Space Optimisation Business in Singapore and in China, in other regions that we currently have a presence in as well as into other countries in Asia.

In Singapore, our carpark management under the Facilities Management Business had successfully re-tendered for a 3-year carpark lease for the second time by the Parliamentary Secretariat on behalf of the Government of Singapore.

With respect to the Facilities Management Business, the Group will continue to seek more external facilities management contracts by providing integrated facilities management services covering repair, maintenance and cleaning of buildings and offices, pest control and fumigation. In addition, the Group will continue to look for more locations for its car park management business in both Singapore and Hong Kong and also intends to expand the car park management business to Cambodia.

According to the Singapore Economic Development Board monthly manufacturing performance for September 2019, the manufacturing output of chemicals decreased 3.9% year-on-year in September 2019<sup>3</sup>. Despite the slowdown, the Group's trucking business performed relatively well in FY2019, attributable to our competitive pricing, on-time delivery and good relationships with our customers.

The Port of Singapore maintained a stable performance in 2018 with an 8.7% increase in container throughput from 2017<sup>4</sup>. In Thailand, Hutchison Ports Thailand opened Terminal D, a state-of-the-art facility, at Laem Chabang Port this year. Laem Chabang, already Thailand's biggest port, is also in line for an 88 billion baht infusion from the Thai government, which is keen to make the berthing spot a core piece of a grand economic project known as the Eastern Economic Corridor. Besides the Thai government's infusion, Hutchison Ports Thailand has announced that it will invest US\$600 million to further develop Terminal D. This will help the port as a whole increase its cargo handling capacity by 37%, to 13 million twenty-foot equivalent units<sup>5</sup>. Looking ahead, our container depot business is expected to benefit and expand from this positive outlook.

<sup>1</sup> <https://stats.jtc.gov.sg/content/static/Documents/JTC%20Quarterly%20Market%20Report%20for%203Q2019.pdf>

<sup>2</sup> <https://www.ura.gov.sg/Corporate/Media-Room/Media-Releases/pr19-47>

<sup>3</sup> [https://www.edb.gov.sg/content/dam/edb/website/downloads/resources/Monthly%20Manufacturing%20Performance%20-Sep%202019\\_Final.pdf](https://www.edb.gov.sg/content/dam/edb/website/downloads/resources/Monthly%20Manufacturing%20Performance%20-Sep%202019_Final.pdf)

<sup>4</sup> <https://www.mpa.gov.sg/web/portal/home/media-centre/news-releases/detail/2f020aa2-cb44-4496-bab6-a73df5a5d619>

<sup>5</sup> <https://asia.nikkei.com/Economy/Thailand-doubles-down-on-biggest-port-as-free-trade-hub>

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With respect to the Logistics Services Business, the Group is optimistic on the demand for container storage and repair services and transportation services. As part of the expansion plan in ASEAN countries, the Group has incorporated a subsidiary in Myanmar and intends to set up a new container depot there. In addition, the Group intends to set up a joint venture in Thailand to provide logistics services there.

As announced on 17 May 2019, the Group has received an option to purchase a property at 7 Gul Avenue, Singapore 629651, where the property will be used to operate a parking yard for our logistics vehicles, ISO tank depot and provide logistics services. The property has a total land area of approximately 22,479.7 square meters, gross floor area of approximately 8,284 square meters with a remaining leasehold life of approximately 13 years. The consideration of the property is S\$13.0 million and a 5% deposit has been paid. In the event that our Group accepts the offer to purchase the property, the consideration will be funded from net proceeds of approximately S\$1.8 million from the global offering of the Company in Hong Kong and the balance will be funded by internal sources of funding and bank borrowings. The sale and purchase of the property is conditional upon, among others, the Group obtaining approval from JTC Corporation (“**JTC**”) for the sale and purchase of the property within 12 weeks from the date of the option to purchase (being 9 August 2019) which has been extended to 27 December 2019. All other terms of the option to purchase remain the same. Please refer to the announcements of the Company dated 17 May 2019, 8 August 2019 and 26 September 2019 for further details. As at the date of this announcement, the option to purchase has yet to be counter-signed by the Group and still remains non-binding on the Group. The Company will make further announcement(s) as and when there are material development(s) to the proposed acquisition.

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**11. Dividend**

- (a) **Current Financial Period Reported On:** Any dividend declared for the current financial period reported on?

Name of Dividend	Proposed Final
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount	S\$0.005 per ordinary share
Tax rate	Exempt (1-tier)

- (b) **Corresponding Period of the Immediately Preceding Financial Year:** Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

- (c) **The date the dividend is payable.**

Subject to shareholders' approval at the upcoming annual general meeting, the proposed final dividend will be paid on 21 February 2020 to shareholders whose names shall appear on the register of members of the Company on 11 February 2020.

- (d) **Books closure date.**

*For Shareholders in Singapore*

The Share Transfer Books and Register of Members of the Company will be closed at **5:00 p.m. on Tuesday, 11 February 2020** for the purpose of determining shareholders' entitlements to the proposed final dividend. Duly completed registrable transfers in respect of the Shares received by the Company's Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 up to **5:00 p.m. on Friday, 7 February 2020** will be registered to determine shareholders' entitlements to the proposed final dividend.

*For Shareholders in Hong Kong*

The branch register of members of the Company in Hong Kong will be closed between **Monday, 10 February 2020 and Tuesday, 11 February 2020** (both days inclusive), during which period no transfer of Shares of the Company will be registered in Hong Kong. In order to determine shareholders' entitlements to the proposed final dividend, all share transfers in Hong Kong, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than **4:30 p.m. on Friday, 7 February 2020**.

For the purpose of determination of shareholders registered under the Singapore principal register of members and the Hong Kong branch register of members of the Company, all necessary documents, remittances accompanied by the relevant share certificates in respect of removal of Shares between the two (2) register of members, must be submitted no later than **5:00 p.m. and 4:30 p.m. on Friday, 31 January 2020** to the Company's Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Singapore shareholders) and the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong shareholders), respectively.

- 12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

Not applicable.

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13. If the group has obtained 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.

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. Details are set out in the Renewal of the Shareholders' Mandate for Interested Person Transactions.

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)
	Full Year ended 30 September 2019 S\$'000	Full Year ended 30 September 2019 S\$'000
<u>Payments received by our Group</u>		
PJS Companies* - Property leases or sub-leases	-	238
	-	238
<b>Total</b>	-	<b>238</b>

\* PJS Companies include Cafe @ Phoenix Pte. Ltd. and DJ Culinary Concepts Pte. Ltd., are each wholly owned by Pang Joo Siang, the sole director of each company, who is the spouse of the Company's Executive Director and Group Deputy Managing Director, Jess Lim.

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**14. Utilisation of Proceeds from the Listing in Hong Kong**

Under the global offering in Hong Kong which was completed on 29 December 2017, the Company had allotted and issued 42,000,000 ordinary shares at a price of HK\$1.90 per share and raised HK\$79.8 million (equivalent to S\$13.6 million) in total gross proceeds. The net proceeds from the Dual Listing amounted to approximately HK\$44.4 million (equivalent to S\$7.4 million) after deduction of related expenses of approximately HK\$35.4 million (equivalent to S\$6.2 million) (the "Net Proceeds").

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

S/N	Purpose of Net Proceeds	Amount Allocated HK\$'000	Amount Utilised HK\$'000	Balance HK\$'000
1	Expansion of our space optimisation business by acquiring a new property in Singapore	26,815	26,815	-
2	Acquiring a property in Singapore for our logistics services management business	10,611	-	10,611
3	Set up our first operation in the PRC	1,776	-	1,776
4	General working capital	4,439	4,439	-
5	Acquiring transportation equipment for our logistics services business	755	562	193
	<b>Total</b>	44,396	31,816	12,580

Amount utilised for general working capital of approximately HK\$4.4 million (equivalent to S\$0.7 million) consisted of payment for renovation cost in relation to master lease secured under our Space Optimisation Business.

Approximately HK\$26.8 million (equivalent to S\$4.5 million) allocated for the acquisition of property in Singapore for the Space Optimisation Business had been utilised as the partial payment for the Geylang Property acquisition, as announced by the Company on 7 January 2019.

The above utilisations are in accordance with the intended use of the Net Proceeds and percentage allocated, as stated in the Company's prospectus for the global offering dated 15 December 2017. The Company expects to utilise the remaining balance of the Net Proceeds of approximately HK\$12.6 million (equivalent to S\$2.1 million) by the end of year 2020.

The Company will continue to update in periodic announcements on the utilisation of the balance of the proceeds from the Dual Listing as and when the proceeds are materially disbursed and provide a status report on such use in its annual report and its quarterly, interim and full year financial results announcements.

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**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuers most recently audited manual financial statements, with comparative information for the immediately preceding year.**

**(a) Business segments**

	Industrial		Commercial		Residential		Logistics		Facilities Management		Corporate and Eliminations		Consolidated	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
<b>REVENUE</b>														
Total sales	41,842	41,839	22,298	26,115	5,319	2,133	27,498	25,477	22,165	21,636	12,871	13,611	131,993	130,811
Inter-segment sales	(2,603)	(1,341)	(1,066)	(1,145)	-	-	(2,561)	(3,273)	(1,798)	(2,156)	(12,871)	(13,611)	(20,899)	(21,526)
External sales	39,239	40,498	21,232	24,970	5,319	2,133	24,937	22,204	20,367	19,480	-	-	111,094	109,285
<b>RESULTS</b>														
Segment results	(2,208)	(211)	1,564	1,773	(1,879)	978	4,701	3,902	2,525	(67)	548	(1,300)	5,251	5,075
Fair value gain on investment properties	473	-	7	4	-	-	-	-	-	-	-	-	480	4
Finance cost	(808)	(612)	(43)	(27)	(205)	(2)	(171)	(146)	(36)	(21)	(69)	(19)	(1,332)	(827)
	(2,543)	(823)	1,528	1,750	(2,084)	976	4,530	3,756	2,489	(88)	479	(1,319)	4,399	4,252
Share of results of associates and joint ventures	601	599	-	-	-	-	508	219	3,418	1,136	-	-	4,527	1,954
Profit before taxation	(1,942)	(224)	1,528	1,750	(2,084)	976	5,038	3,975	5,907	1,048	479	(1,319)	8,926	6,206
Income tax expense													(203)	(436)
Non-controlling interests													(537)	(363)
Net profit attributable to equity holders of the Company													8,186	5,407

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**(b) Geographical segment**

	30 September 2019		30 September 2018	
	Revenue S\$'000	Non-current Assets * S\$'000	Revenue S\$'000	Non-current Assets * S\$'000
Singapore	103,221	106,663	99,148	70,582
Hong Kong	1,026	76	363	19
Indonesia	1,209	6,787	1,359	6,677
Thailand	4,039	1,330	2,763	143
Cambodia	-	12,771	4,472	7,690
Myanmar	815	5,268	873	3,214
Other countries	784	3,001	307	425
Consolidated total	111,094	135,896	109,285	88,750

\* Non-current assets excludes deferred tax assets.

**16. In the review of the performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to Paragraph 8 above for details.

**17. Breakdown of Group's revenue and profit/(loss) after tax for first half year and second half year.**

	FY2019 S\$'000	FY2018 S\$'000	Increase/(Decrease) %
(a) Sales reported for first half year	53,599	56,204	(4.6)
(b) Operating profit after tax before deducting minority interests reported for first half year	2,815	2,368	18.9
(c) Sales reported for second half year	57,495	53,081	8.3
(d) Operating profit after tax before deducting minority interest reported for second half year	5,371	3,039	76.7

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	FY2019 S\$'000	FY2018 S\$'000
Ordinary shares (tax exempt 1- tier) - Final (Proposed)	2,012	-
<b>Total Annual Dividend</b>	<b>2,012</b>	<b>-</b>

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19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Detail of changes in duties and position held, if any, during the year
Ong Siang Lim Jeremy	40	Brother-in-law of Kelvin Lim and Jess Lim	Senior manager car park management, responsible to oversee the car park management services / 2016	N.A.

20. Confirmation that the issuer has procured undertakings from all its directors and executive Officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual.

**By Order of the Board**  
**LHN Limited**  
**Lim Lung Tieng**  
**Executive Chairman and Group Managing Director**  
**27 November 2019**