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If you have sold or transferred all of your shares in the capital of Company held through The Central Depository (Pte) Limited in Singapore (“**CDP**”), you need not forward this circular to the purchaser or transferee as arrangements will be made by CDP for a separate circular to be sent to the purchaser or transferee.

If you have sold or transferred all of your shares in the capital of the Company represented by physical share certificate(s) or otherwise (including on the Stock Exchange), you should immediately forward this circular to the purchaser or transferee or to the bank, the stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser or transferee.

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The contact person for the Sponsor is Ms Gillian Goh, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.

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This circular is for information only. No extraordinary general meeting will be held as the Company has obtained the written approval from Fragrance Ltd., the controlling shareholder of the Company, in lieu of holding a general meeting for the Balestier Acquisition and the transactions contemplated under the Option to Purchase.

**LHN
GROUP**

SPACE OPTIMISED

LHN LIMITED

贤能集团有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong stock code: 1730)

(Singapore stock code: 410)

**MAJOR TRANSACTION PURSUANT TO CHAPTER 14 OF THE RULES GOVERNING
THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED**

ACQUISITION OF THE BALESTIER PROPERTY

* *for identification purpose only*

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DEFINITIONS

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

“associate(s)”	has the meaning as ascribed to it under the Listing Rules and/or the Catalist Rules as the context requires, and as modified from time to time
“Balestier Acquisition”	the acquisition of the Balestier Property as contemplated under the Option to Purchase
“Balestier Property”	the property located at 320 Balestier Road, Singapore 329924, comprising of a four-storey corner building
“Board”	the board of Directors
“Catalist Rules”	Section B of the listing manual of the SGX-ST as amended, supplemented or modified from time to time
“Company”	LHN Limited, a company incorporated with limited liability on 10 July 2014 under the laws of Singapore, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1730) and Catalist of the SGX-ST (SGX symbol: 41O)
“Completion Date”	three months after the date of the Option to Purchase, being 16 December 2020
“Consideration”	the consideration for the Balestier Acquisition for a total of S\$18,100,000 plus GST
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“GST”	Goods and services tax in Singapore (based on the prevailing rate as at the date of the Option to Purchase)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	16 December 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time

DEFINITIONS

“Option to Purchase”	the option to purchase entered into between the Vendor as the seller and Purchaser as the purchaser in respect of the sale and purchase of the Balestier Property on 16 September 2020
“Party(ies)”	party(ies) to the Option to Purchase
“Purchaser”	Coliwoo Balestier Pte Ltd (formerly known as LHN SB Pte Ltd), a company incorporated in the Republic of Singapore on 12 August 2020 with limited liability, and an indirect wholly-owned subsidiary of the Company
“Regulatory Authority”	the Stock Exchange or any regulatory authorities including the SGX-ST
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S\$”	Singapore dollars, the lawful currency of Singapore
“Vendor”	Crescent Developments Private Limited, the seller of the Balestier Property
“%”	per cent.

In this circular, unless the context otherwise requires, the terms “core connected person(s)”, “connected person(s)”, “connected transaction(s)”, “controlling shareholder(s)” and “substantial shareholder(s)”, if used, shall have the meanings given to such terms in the Listing Rules and/or the Catalist Rules as the context requires, as modified from time to time.

Certain amounts and percentage figures set out in this circular have been subject to rounding adjustments. Accordingly, figures shown as total in certain tables and the currency conversion or percentage equivalents may not be an arithmetic sum of such figures.

Reference to the singular number includes references to the plural and vice versa and references to one gender include every gender.

LETTER FROM THE BOARD

LHN GROUP

SPACE OPTIMISED

LHN LIMITED

贤能集团有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong stock code: 1730)

(Singapore stock code: 410)

Executive Directors:

Mr. Lim Lung Tieng (Executive Chairman)
Ms. Lim Bee Choo

Independent Non-executive Directors:

Ms. Ch'ng Li-Ling
Mr. Yong Chee Hiong
Mr. Chan Ka Leung Gary

**Registered Office, and Principal Place of
Business in Singapore:**

10 Raeburn Park #02-18
Singapore 088702

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24-30 Kin Wing Street
Tuen Mun, New Territories
Hong Kong

23 December 2020

To the Shareholders,

Dear Sir or Madam,

**MAJOR TRANSACTION PURSUANT TO CHAPTER 14 OF THE RULES GOVERNING
THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED**

ACQUISITION OF THE BALESTIER PROPERTY

I. INTRODUCTION

Reference is made to the announcement of the Company dated 16 September 2020 in relation to the acquisition of the Balestier Property. On 16 September 2020, the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into the Option to Purchase for the Balestier Property, which forms the binding sale and purchase agreement for the Balestier Property upon execution of the Option to Purchase, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Balestier Property at a Consideration of S\$18,100,000 plus GST. The acquisition of the Balestier Property was completed on 16 December 2020 and the issuance of this circular is for shareholders' information only. Please refer to the Company's announcement dated 16 December 2020 in relation to the completion of the acquisition for the Balestier Property for details.

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II. THE OPTION TO PURCHASE

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

- Date** : 16 September 2020
- Parties** : (1) The Purchaser, Coliwoo Balestier Pte Ltd (formerly known as LHN SB Pte Ltd), an indirect wholly-owned subsidiary of the Company, as the purchaser
- (2) the Vendor, an independent third party, as the seller
- Information about the Balestier Property** : The Balestier Property is located at 320 Balestier Road, Singapore 329924, comprising of a four-storey corner building, of which, the first floor is tenanted, and the second, third and fourth floors are vacant. The Balestier Property is purchased subject to the tenancy agreement for the first floor ("**1/F TA**"), for which all Vendor's rights and benefits will be assigned to the Purchaser on the Completion Date.
- The Balestier Property will be sold on an "as is where is" basis as at the date of the Option to Purchase.
- Consideration** : The total Consideration for the Balestier Acquisition shall be S\$18,100,000 plus GST, of which, S\$905,000 was paid as at the date of the Option to Purchase as deposit, and remaining balance of S\$17,195,000 plus GST, was paid to the Vendor on the Completion Date.
- The Parties have determined the total Consideration through arm's length negotiation on normal commercial terms and taking into consideration, among others, the potential of the property, the market value and the prevailing market prices of properties of similar nature available in the vicinity.
- See also the valuation of the Balestier Property as at 31 October 2020 as set out in the text of the property valuation report prepared by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, the independent property valuer, as set out in Appendix IV to this circular.
- Payment and payment schedule** : The Consideration was satisfied (as the case may be) as follows:
- (i) the deposit of S\$905,000 was paid by Purchaser to the Vendor through internal source of funding; and

LETTER FROM THE BOARD

- (ii) the remaining balance of S\$17,195,000 plus GST, being the total Consideration less the sum of deposit, was paid on the Completion Date which was funded by internal source of funding and bank borrowings.

Condition precedent : The sale and purchase of the Balestier Property is subject to Purchaser obtaining the internal approval from the Board and the Shareholders.

Rescinding rights : Upon any of the following events taking place, the Purchaser has the right to rescind the Option to Purchase:

- (i) the Purchaser's solicitors failed to obtain the satisfactory replies to its legal requisitions from the various governmental authorities such as the land transport authority and the satisfactory drainage plans and road line plans;
- (ii) there being physical encroachment onto the property by any neighbouring property or properties that affects more than 3% of the land area of the property and that the Vendor cannot remedy the encroachment within three weeks after written notice is given to the Vendor's solicitors; and
- (iii) the property or any part of the property is found to be affected by any government acquisition and/or notice, order or gazette notification of intended or actual acquisition by the relevant competent authority on or before the Completion Date which affects more than 3% of the landed area of the property.

Upon rescinding the Option to Purchase, the Vendor shall refund to Purchaser all monies paid by Purchaser towards the total Consideration free of interest or compensation within seven business days after such written notice and Purchaser shall forthwith return to the Vendor all the documents of title, plans and all other documents whatsoever delivered to it.

Completion : The sale and purchase of the Balestier Property shall be completed by the Completion Date.

On 16 December 2020, the Balestier Acquisition was completed and the payment of the remaining balance of S\$17,195,000 plus GST was made to the Vendor pursuant to the terms and conditions of the Option to Purchase.

LETTER FROM THE BOARD

III. INFORMATION ABOUT THE BALESTIER PROPERTY

The Balestier Property is located at 320 Balestier Road, Singapore 329924, comprising of a four-storey corner building, with a total land area of approximately 406.7 square meters. The first floor of the Balestier Property has been leased to a tenant by the Vendor with a tenancy term of two years from 10 July 2020 to 9 July 2022, for which all Vendor's rights and benefits will be assigned to the Purchaser on the Completion Date. The second, third and fourth floors will be delivered with vacant possession.

IV. REASONS FOR AND BENEFITS OF ACQUISITION OF THE BALESTIER PROPERTY

The Group intends to operate the Balestier Property as a co-living space under the space optimisation business segment of the Group. As such, the Balestier Acquisition will expand the Group's portfolio of properties under the co-living business in Singapore, increase the brand value of COLIWOO, provide potential capital appreciation to the Group and provide additional opportunities to generate revenue.

The Balestier Property is located at the junction of Balestier Road and Kim Keat Road, easily accessible via nearby Novena, Toa Payoh and Boon Keng MRT Stations. It is surrounded by major international schools and universities, and near to Health City Novena, an integrated community of healthcare hub, which makes it more attractive to individuals studying or working in these areas.

The Parties have determined the total Consideration through arm's length negotiation on normal commercial terms and taking into consideration, among others, the potential of the property, the market value and the prevailing market prices of properties of similar nature available in the vicinity. See also the valuation of the Balestier Property as at 31 October 2020 as set out in the text of the property valuation report prepared by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, the independent property valuer, as set out in Appendix IV to this circular.

For reasons above, the Board considers that the Balestier Acquisition and the transactions contemplated under the Option to Purchase (including the Consideration) are fair and reasonable, on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

V. INFORMATION OF THE PARTIES

a. Information about the Company and the Purchaser

The Company is a real estate management services group, with the expertise and experience to generate value for its landlords and tenants through its expertise in space optimisation, and logistics service provider headquartered in Singapore. The Group currently has three (3) main business segments, namely: (i) space optimisation business; (ii) facilities management business; and (iii) logistics services business, which are fully integrated and complement one another. The Group currently operates mainly in Singapore, Indonesia, Thailand, Myanmar, Hong Kong, Malaysia and Cambodia.

The Purchaser is an indirect wholly-owned subsidiary of the Company, which was incorporated on 12 August 2020 and primarily engages in space resource management. The Purchaser has an issued and paid-up share capital of S\$1.

LETTER FROM THE BOARD

b. Information about the Vendor

The Vendor is Crescent Developments Private Limited, a private company engaged in wholesale trade and real estate development. The Vendor is owned by individuals namely, Harpal Singh Bajaj s/o Sangat Singh, Satpal Singh Sangat Singh, Hardip Singh Bajaj s/o Mahn Singh Bajaj, Jasvinder Singh Bajaj s/o Mahn Singh Bajaj, Kulvinder Singh Bajaj, Paramjit Singh Bajaj, Mahn Singh Bajaj, Paviter Kaur w/o Sangat Singh Bajaj, Suhinder Kaur d/o Labh Singh and Estate of Harbaksh Singh @ Rajindra Singh. The Vendor and its ultimate beneficial owners are independent third parties to the Group and its connected persons (which includes a director, chief executive or a substantial shareholder and their associates as defined under the Listing Rules) to the best of the Directors' knowledge, information and belief having made all reasonable enquiry. Based on definitions under the Catalist Rules, none of the Directors or controlling shareholders (as defined under the Catalist Rules) of the Company, as well as their respective associates (as defined under the Catalist Rules), has any interest, direct or indirect, in the abovementioned transactions other than through their respective interests in the shares of the Company.

VI. FINANCIAL EFFECT OF THE TRANSACTION

The Balestier Property will be held as an investment property in the Group after completion of the Balestier Acquisition. The investment properties of the Group following completion of the Balestier Acquisition is expected to increase by approximately S\$19.9 million which consists of the Consideration, stamp duty and legal fee. Total assets of the Group is expected to increase by approximately S\$13.8 million and net asset value of the Group is expected to remain unchanged as the increase in investment property will be offset by the decrease of approximately S\$6.1 million in cash and deposits in trade and other receivables of the Group and the remaining of approximately S\$13.8 million will be financed by bank borrowings, which is expected to increase total liabilities by the same amount.

Saved as disclosed above, the Balestier Acquisition is not expected to have any material financial impact on the consolidated net tangible asset per share and the consolidated earnings per share of the Group for the financial year ending 30 September 2021.

VII. LISTING RULES IMPLICATIONS

As at the date of the Option to Purchase, one or more than one of the applicable percentage ratios for the Balestier Acquisition is more than 25% and below 100% under Rule 14.07 of the Listing Rules, the Balestier Acquisition therefore constitutes a major transaction for the Company, and is therefore subject to the announcement, circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

VIII. CATALIST RULES IMPLICATION

As disclosed above under "Information of the Parties", the Company is primarily in the business of real estate management services and the Balestier Acquisition is part of the Group's strategy and plan to expand its portfolio of properties managed under the commercial and residential segment of its space optimisation business. Profits generated from the Balestier Property would be accounted for under the commercial and residential segment of the space optimisation business. Accordingly, the entry into the Option to Purchase for the purposes of acquiring and operating the Balestier Property is in the Group's ordinary course of business.

LETTER FROM THE BOARD

In view of the above, the disclosure requirements of this circular in respect of the Balestier Acquisition are referenced from Chapter 7 of the Catalist Rules. Being dual-primary listed on both Catalist of the SGX-ST and the Stock Exchange, the Company has undertaken to comply with the more onerous set of listing rules. Accordingly, this announcement had been prepared in accordance to the disclosure requirements of Chapter 14 of the Listing Rules.

IX. WRITTEN CONTROLLING SHAREHOLDER'S APPROVAL

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

X. RECOMMENDATIONS

Having considered the reasons and benefits of the Balestier Acquisition as set out under Section IV above, the Board considers that the Balestier Acquisition and Option to Purchase and the transactions contemplated under the Option to Purchase are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Notwithstanding that no general meeting will be convened by the Company to approve the Option to Purchase and the transactions contemplated under the Option to Purchase, if such a general meeting were to be convened by the Company, the Board would recommend the Shareholders to vote in favour of the resolutions to approve the said matters.

XI. FURTHER INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out in this circular the financial information for the last three financial years with respect to the profits and losses, financial record and position, as a comparative table and the latest published statement of financial position together with the notes on the annual accounts for the last financial year for the Group.

The financial information of the Group for the year ended 30 September 2018 has been set out in the 2018 annual report of the Company, which was posted on 31 December 2018 on the Stock Exchange's website (<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/1231/ltn20181231067.pdf>) and SGXNET website (<https://links.sgx.com/FileOpen/LHN%20Limited%20-%20Annual%20Report%202018%20-%2031Dec2018.ashx?App=Announcement&FileID=539003>).

The financial information of the Group for the year ended 30 September 2019 has been set out in the 2019 annual report of the Company, which was posted on 26 December 2019 on the Stock Exchange's website (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/1226/2019122600001.pdf>) and SGXNET website (<https://links.sgx.com/FileOpen/E%20LHN%20Limited%20-%20Annual%20Report%20FY19.ashx?App=Announcement&FileID=591682>).

The financial information of the Group for the year ended 30 September 2020 has been set out in the 2020 annual results announcement of the Company, which was posted on 27 November 2020 on the Stock Exchange's website (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1127/2020112701011.pdf>) and SGXNET website (<https://links.sgx.com/1.0.0/corporate-announcements/7T7XXPOT66OG91SJ/a6e965276e2950a1e488bd2b6f33de5cb691f340cf6185971571ce2ce439afb7>).

INDEBTEDNESS STATEMENT**Bank Borrowings**

The Group primarily obtained bank borrowings to finance our acquisition of properties and logistics equipment. We also have a revolving loan for our short-term finance needs. As at 31 October 2020, being for the purpose of the indebtedness statement, the Group had outstanding bank borrowings of S\$65.1 million. These borrowings were secured by (i) legal mortgage of the Group's leasehold properties at 72 Eunost Avenue 7, 100 Eunost Avenue 7, Geylang Property, 7 Gul Avenue and Cambodia Property; (ii) corporate guarantees provided by the Group; (iii) personal guarantees provided by directors and shareholders of certain non-wholly owned subsidiaries, who are not controlling shareholders of the Company (the "**Subsidiaries Directors**"), where applicable; and (iv) assignment of rental proceeds of the mortgaged properties.

As at 31 October 2020, the Group had undrawn bank facilities of S\$27.2 million.

Lease Liabilities

As at 31 October 2020, the Group had lease liabilities of S\$96.2 million in respect of the Group's leased properties, plant and machinery, logistics equipment and motor vehicles.

Mortgages and Charges

Save as disclosed, the Group did not have any other mortgages and charges as at 31 October 2020.

Contingent Liabilities

The Group has provided corporate guarantees in favour of financial institutions in respect of facilities granted to certain subsidiaries and joint ventures. As at 31 October 2020, the outstanding amount of guaranteed facilities drawn down by certain subsidiaries and joint ventures amounted to approximately S\$70.3 million and S\$46.4 million, respectively. Save as disclosed, the Group did not have any material contingent liabilities.

Other Information

Foreign currency amounts have been, for the purposes of this indebtedness statement, translated into Singapore dollars at the approximate rates of exchange applicable at the close of business on 31 October 2020.

Save as aforesaid and apart from intra-group liabilities and normal trade and bills payables in the ordinary course of the business, as at the close of business on 31 October 2020, the Group did not have other debt securities issued and outstanding, and authorized or otherwise created but unissued, outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans or other similar indebtedness, lease liabilities or hire purchase commitments, liabilities under acceptances or acceptance credits, guarantees or material contingent liabilities.

As at the Latest Practicable Date, the Directors were not aware of any or any material adverse change in the indebtedness position of the Group since 31 October 2020.

WORKING CAPITAL

As at the Latest Practicable Date, having made careful enquiries and taking into account of the internal resources of and existing banking facilities available to the Group as well as the transactions contemplated under the Option to Purchase, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this circular.

FINANCIAL AND OPERATING PROSPECTS

The Group currently has three (3) main business segments, namely: (i) space optimisation business; (ii) facilities management business; and (iii) logistics services business, which are fully integrated and complement one another. The Group currently operates mainly in Singapore, Indonesia, Thailand, Myanmar, Hong Kong, Malaysia and Cambodia.

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

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.

For the Logistics Services Business, the Group plans to expand the container depot and transportation services in Asia.

Following the Group's acceptance of the offer to purchase the Balestier Property as announced on 16 September 2020, the Group looks forward to the completion of the Balestier Acquisition as this will expand the Group's offering of co-living space for its residential properties under the Space Optimisation Business.

Looking ahead, the Singapore economy is expected to remain volatile as the COVID-19 pandemic has led to a severe contraction in economic activity both in Singapore and globally due to the combination of supply chain disruptions, travel restrictions imposed in many countries and a sudden decline in demand. The Group will cautiously explore new opportunities in Singapore and also other growth markets in the ASEAN region to expand its current business offerings.

Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, on an acquisition of revenue generating assets (other than a business or company) with identifiable income stream or assets valuation, the Company is required to include in this circular a profit and loss statement and valuation (where available) for the three preceding financial years ended 30 September 2018, 2019 and 2020 (the “**Relevant Period**”) on the identifiable net income stream and valuation in relation to such assets which must be reviewed by the auditors or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records.

The Balestier Property consists of four floors with a total of nine units. To the best knowledge, information and belief of the Directors having made reasonable enquiries, the first floor of the Balestier Property has been leased to a tenant by the Vendor with a tenancy term of two years from 10 July 2020 to 9 July 2022, for which all Vendor’s rights and benefits will be assigned to the Purchaser on the Completion Date. Whereas, the second to fourth floors of the Balestier Property were subject to residential tenancies but would be delivered vacant on completion of the Balestier Acquisition.

For the preparation of the profit and loss statement on the identifiable income stream of the Property in strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, access to the underlying books and records of the Vendor covering the Relevant Period is required. The Company has requested the Vendor to provide the underlying books and records for the Balestier Property, but except the tenancy agreements for the units in the Balestier Property, no other information has been provided. Based on the tenancy agreements provided by the Vendor (the “**Tenancy Agreements**”), the following are the information on the number of units per floor of the Balestier Property and the lease information for the Relevant Period:

Floor	Unit Numbers	Tenancy	Status as at the Latest Practicable Date
First Floor (#01)	01 and 02	Lease Period: 10 July 2017 to 9 July 2020 10 July 2020 to 9 July 2022 Tenant: Lights Zone Pte. Ltd.	Tenanted
Second Floor (#02)	01	Lease Period: 1 January 2018 to 30 June 2020 Tenant: Greedygaze Pte. Ltd.	Vacant
Third Floor (#03)	01, 02 and 03		Vacant
Fourth Floor (#04)	01, 02 and 03		Vacant

In order to comply with such requirements, access to the underlying books and records of the Vendor covering the Relevant Period is required. However, the Vendor indicated that they will not agree to grant permission to the Company and/or its auditors to gain access to the underlying books and records of the Vendor, on the basis that these underlying books and records may possess other financial information which is confidential and not relevant to the Balestier Acquisition. Furthermore, the Vendor is a private company and its financial information regarding the Balestier Property is not available in the public domain. Accordingly, the Company is unable to obtain any of such information regarding Relevant Period from public sources, except that it is able to obtain a copy of the Tenancy Agreements. However, the Company is unable to ascertain without access to the underlying books and records, whether the Vendor incurred any expenses such as depreciation, finance costs and tax incurred for the Relevant Period relating to the Balestier Property. As such, the Group is not able to comply with the disclosure requirement under Rule 14.67(6)(b)(i) of the Listing Rules.

Also, the second to fourth floors of the Balestier Property will be delivered vacant on completion of the Balestier Acquisition and it is the intention of the Company that these floors will be renovated into a co-living space (“**Co-living**”). In particular, the second floor will be renovated as co-living space for students to comply with the written permissions obtained from the Urban Redevelopment Authority of Singapore dated 29 June 2020 whereby the second floor is permitted to be used for student hostels for 3 years from 30 June 2020. Co-living has a different revenue model compared to the then residential tenancies for these floors (being student hostels and apartment units) that is similar to the traditional rental model.

Co-living is a modern form of housing that focuses on a genuine sense of community where residents share living space such as communal dining and pantry areas and facilities and set of interests, values and/or intentions. The Co-living concept is based on 3Cs principles, “Convenience, Community and Collaboration”.

Unlike traditional rental model where it is designed for long term duration stay and catered for more privacy, Co-living model is ideal for anyone looking for more lease flexibility, community bonding, networking opportunities and living space that is fully furnished, serviced and managed.

In Co-living model, the monthly rent usually includes a host of facilities and utilities like television, housekeeping, Wi-Fi, cable, common kitchen and laundry spaces, maintenance and all the furnishings. Co-living model also allows residents to connect and interact with likeminded people in a “turbo-charged” atmosphere that fosters co-creation, improves productivity and sparks off innovation. In a traditional rental model, residents are expected to pay for their own utilities and maintenance of the units and they are fully independent.

Hence, the amount of gross income generated and expenses incurred by the Vendor in relation to the residential tenancies for the Relevant Period, even if obtained by the Company, is not useful or relevant for shareholders and readers of this circular. On these bases, the Company has therefore applied to the Stock Exchange for a waiver, which had been granted by the Stock Exchange on 9 November 2020, from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, such that the following unaudited financial information of the Balestier Property be disclosed instead.

It is noted that although the Tenancy Agreements set out the responsibilities of the tenants in the respective leases, including service, maintenance charges and/or sinking fund contributions, GST on the lease, charges for water electricity, gas supplies, charges relating to telephones and other equipment installed, minor repairs and routine maintenance, and stamp duty, the Directors are unable to ascertain the exact expenses incurred and whether there were any other expenses which were incurred for the Relevant Period. These expenses include depreciation, finance costs and taxation costs and other unidentified ad-hoc outgoings. Due to the incompleteness of the financial information as not all of the expenses in respect of the Balestier Property can be identified, the said expenses cannot be included in the unaudited financial information of the Property set out in this circular. Further, the Directors are of the view that the said expenses are irrelevant in the Company’s assessment in connection with the Balestier Acquisition or in the determination of the Consideration for reasons provided in the preceding paragraphs.

As an alternative measure, the Company proposes to prepare this unaudited financial information of the Balestier Property for the Relevant Period to be included in this circular based on the gross rental income information extracted from the Tenancy Agreements as reviewed by the Directors. Further, the Company would also include in this circular, an estimate of the monthly expenses for

the Balestier Property payable by the Vendor as landlord based on the terms of the Tenancy Agreements and the experience of the Company’s management in the property industry for reference only. Since estimate of the monthly expenses for the Balestier Property payable by the Vendor was incomplete and was not substantial compared with the gross rental income information, such an estimate was not included in the unaudited financial information of the Balestier Property set out in this circular. In this regard, the Directors are of the view that with the above proposed arrangement, the Company has taken reasonable steps to provide alternative disclosures in this circular that would contain all the material information necessary to allow its shareholders to consider the impact of the Balestier Acquisition and would not result in an omission of material information in this circular.

Based on the summary of Tenancy Agreements (the “Summary of Tenancy Agreements”), which sets out the address, name of tenant and landlord, rental period, monthly rent and gross rental income in respect of each Tenancy Agreement, the gross rental income of the Balestier Property during the Relevant Period is set out below:

	For the year ended 30 September		
	2018	2019	2020
	S\$’000	S\$’000	S\$’000
Gross rental income	709	869	706

Notes:

1. The gross rental income for the Relevant Period is derived from the Tenancy Agreements, which is provided by the Vendor. It may not give a true picture of the profit attributable to the Balestier Property for the Relevant Period as no underlying books and records of the Vendor are available for inspection to ensure that the rental income has been received.

As a standard market practice, the tenants are responsible for all government rates, duties, charges and outgoings, and all charges for gas, water, electricity and telephone rental and other outgoings while the Vendor is responsible for property tax and outgoings of a capital nature. Based on the payment records of the Group relating to the Company’s existing property portfolio in Singapore, the Directors estimate the government property tax of the Balestier Property paid and payable for the years ended 30 September 2018, 2019 and 2020 is approximately S\$56,000, S\$67,000 and S\$67,000, respectively.

2. Save for the Tenancy Agreements and other publicly available information such as the applicable tax rates, the Directors do not have access to other financial information in relation to the Property. Due to the limited information available to them, the Directors are unable to ascertain the amount of any other expenses, if any, in relation to the Balestier Property. Accordingly, no other expenses, such as land lease paid and payable, depreciation, repair and maintenance expenses and finance costs (if any) were included in the above financial information.

3. The above financial information is prepared using accounting policies which are materially consistent with those of the Group as set out in the published annual report of the Company for the year ended 30 September 2019 except for the accounting policies for leases due to the adoption of IFRS 16.

4. The Directors engaged PricewaterhouseCoopers LLP, the auditor of the Company, to conduct certain agreed upon procedures on the compilation of the gross rental income for the Relevant Period in accordance with International Standard on Related Services 4400 “Engagements to Perform Agreed Upon Procedures Regarding Financial Information” issued by the International Auditing and Assurance Standards Board (the “IAASB”). The procedures have been determined by and are the responsibility of the Directors. The auditor of the Company performed the procedures as summarised below:

- (i) The auditor obtained the Summary of Tenancy Agreements from the Directors.
- (ii) The auditor obtained the schedule setting out the monthly rent and gross rental income in respect of each Tenancy Agreement for the Relevant Period from the Directors (the “Statement of Gross Rental Income”) and compared the amounts as shown in the Summary of Tenancy Agreements with the corresponding amounts shown in the Statement of Gross Rental Income.

APPENDIX II**UNAUDITED FINANCIAL INFORMATION
OF THE BALESTIER PROPERTY**

- (iii) The auditor recalculated the amounts of gross rental income for the Relevant Period presented on the Statement of Gross Rental Income based on the information set out in the Summary of Tenancy Agreements and the formula stated in the Statement of Gross Rental Income.
- (iv) The auditor compared the gross rental income for the Relevant Period shown in the Statement of Gross Rental Income with the corresponding amount shown in the Unaudited Financial Information of the Balestier Property.

The auditor has performed the above agreed-upon procedures set out in the relevant engagement letter between the Company and reported its factual findings based on the agreed-upon procedures to the Directors. Pursuant to the terms of the relevant engagement letter between the Company and the auditor, the reported factual findings should not be used or relied upon by any other parties for any purpose. In the opinion of the Directors, the Statement of Gross Rental Income has been properly compiled based on the Summary of Tenancy Agreements.

The above procedures do not constitute an assurance engagement performed in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the IAASB. Consequently, no assurance is provided by the auditor of the Company on the unaudited financial information of the Balestier Property disclosed in this circular and the gross rental income for the Relevant Period.

Based on the Tenancy Agreements, the monthly rental income of the Balestier Property for the first floor, and the second to the fourth floors during the Relevant Period is set out below:

	First Floor (S\$)	Second to the Fourth Floors (S\$)
<i>For the year ended 30 September 2018</i>		
October 2017	19,000	–
November 2017	19,000	–
December 2017	19,000	–
January 2018	19,000	53,404
February 2018	19,000	53,404
March 2018	19,000	53,404
April 2018	19,000	53,404
May 2018	19,000	53,404
June 2018	19,000	53,404
July 2018	19,000	53,404
August 2018	19,000	53,404
September 2018	19,000	53,404
<i>For the year ended 30 September 2019</i>		
October 2018	19,000	53,404
November 2018	19,000	53,404
December 2018	19,000	53,404
January 2019	19,000	53,404
February 2019	19,000	53,404
March 2019	19,000	53,404
April 2019	19,000	53,404
May 2019	19,000	53,404
June 2019	19,000	53,404
July 2019	19,000	53,404
August 2019	19,000	53,404
September 2019	19,000	53,404

APPENDIX II**UNAUDITED FINANCIAL INFORMATION
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	First Floor (S\$)	Second to the Fourth Floors (S\$)
<i>For the year ended 30 September 2020</i>		
October 2019	19,000	53,404
November 2019	19,000	53,404
December 2019	19,000	53,404
January 2020	19,000	53,404
February 2020	19,000	53,404
March 2020	19,000	53,404
April 2020	19,000	53,404
May 2020	19,000	53,404
June 2020	19,000	53,404
July 2020	18,290	–
August 2020	18,000	–
September 2020	18,000	–

Having taken into account the above disclosure of the unaudited financial information of the Property, the Directors consider the omission of the profit and loss statement for the Balestier Property's net income stream for the Relevant Period would not render this circular materially incomplete, misleading or deceptive.

The Balestier Property will be classified as investment property in its financial statements after completion of the Balestier Acquisition and stated at fair value. Accordingly, there would be no depreciation to be recorded for the Balestier Property. The Purchaser is subject to the Singapore corporation tax in relation to the net profit arising from the leasing of the Property at the prevailing tax rate of 17%.

VALUATION OF THE PROPERTY

No valuation of the Balestier Property for each of the financial year end and the period end within the Relevant Period has been disclosed herein as the Company has not been able to obtain the valuation reports in respect of the Balestier Property from the Vendors. Instead a valuation of the Property as at 31 October 2020 as appraised by the Independent Valuer is prepared and set out in the Appendix IV of this circular.

A. INTRODUCTION

The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) of LHN Limited (the “**Company**”) and its subsidiaries (together referred to as the “**Group**”) presented below is prepared to illustrate the financial position of the Group as if the proposed acquisition (the “**Acquisition**”) of the Balestier Property, Singapore (the “**Property**”) had been completed on 30 September 2020. The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for illustrative purposes only and because of its hypothetical nature, it may not purport to represent the true picture of the financial position of the Group at 30 September 2020 or at any future date had the Acquisition been completed on 30 September 2020.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated statement of assets and liabilities of the Group at 30 September 2020 extracted from the consolidated financial statements of the Group for the year ended 30 September 2020 as set out in the annual results announcement of the Company, and adjusted for the effects of the Acquisition to illustrate how the Acquisition might have affected the financial position of the Group as if the Acquisition took place on 30 September 2020. The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in the annual results announcement of the Company for the year ended 30 September 2020 and other financial information included elsewhere in this circular.

The Unaudited Pro Forma Financial Information had been prepared using the accounting policies consistent with those of the Group as set out in the published annual report of the Group for the financial year ended 30 September 2019 except for the accounting policies for leases as set out in the annual results announcement of the Company for the year ended 30 September 2020.

B. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

	Consolidated statement of assets and liabilities of the Group as at 30 September 2020 S\$'000 (Note 1)	Pro forma adjustments S\$'000 (Note 2)	Unaudited pro forma consolidated statement of assets and liabilities of the Group after the Acquisition S\$'000
Non-current assets			
Property, plant and equipment	47,183		47,183
Right-of-use assets	28,364		28,364
Investment properties	115,578	19,965	135,543
Intangible assets	40		40
Investment in associates	178		178
Investment in joint ventures	17,186		17,186
Deferred tax assets	77		77
Long-term prepayments	116		116
Lease receivables	26,149		26,149
	234,871		254,836
Current assets			
Inventories	75		75
Trade and other receivables	43,366	(2,727)	40,639
Grant receivables	1,058		1,058
Loans to joint ventures	4,959		4,959
Prepayments	1,823		1,823
Lease receivables	17,104		17,104
Cash and bank balances	38,446	(3,388)	35,058
Fixed deposits	2,046		2,046
	108,877		102,762
Current liabilities			
Trade and other payables	43,701		43,701
Deferred grant income	927		927
Provisions	1,106		1,106
Bank borrowings	10,725	277	11,002
Lease liabilities	33,193		33,193
Current income tax liabilities	4,531		4,531
	94,183		94,460
Net current assets	14,694		8,302
Total assets less current liabilities	249,565		263,138

APPENDIX III

**UNAUDITED PRO FORMA
FINANCIAL INFORMATION OF THE GROUP**

	Consolidated statement of assets and liabilities of the Group as at 30 September 2020 S\$'000 (Note 1)	Pro forma adjustments S\$'000 (Note 2)	Unaudited pro forma consolidated statement of assets and liabilities of the Group after the Acquisition S\$'000
Non-current liabilities			
Deferred tax liabilities	3,573		3,573
Other payables	21		21
Provisions	212		212
Bank borrowings	55,997	13,573	69,570
Lease liabilities	66,182		66,182
	125,985		139,558
Net assets	123,580		123,580

Notes:

- The amounts are extracted from the unaudited consolidated statement of financial position of the Group as at 30 September 2020 as set out in the annual results announcement of the Company for the financial year ended 30 September 2020.
- The adjustment reflects the recognition and settlement of the cost of the Property of approximately S\$19,965,000 arising from the Acquisition, as if the Acquisition had been completed on 30 September 2020. The cost of the Property comprises (i) the purchase price of the Property of S\$18,100,000 for the Acquisition; (ii) the stamp duty of approximately S\$1,822,000 in respect of the Acquisition; and (iii) estimated legal and professional fee of approximately S\$43,000 attributable to the Acquisition capitalised.

As at 30 September 2020, approximately S\$2,727,000 comprising 5% of the purchase price of Property and stamp duty has been paid and included in the deposits in trade and other receivables. For the purpose of the unaudited pro forma financial information, the amount was reclassified to investment properties assuming the acquisition had been completed as at 30 September 2020.

Approximately 77% of the Consideration (being S\$13,850,000) will be financed by secured mortgage loan. The secured mortgage loan will be secured by the respective assets and corporate guarantee provided by the Group.

- No other adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2020.

**C. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of the independent reporting accountants' assurance report received from PricewaterhouseCoopers LLP, Public Accountants and Chartered Accountants, Singapore, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION
OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the Directors of LHN Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of LHN Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 30 September 2020, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages III-1 to III-3 of the Company's circular dated 23 December 2020, in connection with the proposed acquisition of the Balestier Property (the "Transaction") by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages III-1 to III-3 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Transaction on the Group's financial position as at 30 September 2020 as if the Transaction had taken place at 30 September 2020. As part of this process, information about the Group's financial position has been extracted by the Directors from the annual results announcement of the Group for the year ended 30 September 2020, which has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 30 September 2020 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants
Singapore, 23 December 2020

The following is the text of a letter, summary of values and valuation certificate, prepared for the purpose of incorporation in this circular received from Colliers International Consultancy & Valuation (Singapore) Pte Ltd, an independent valuer, in connection with its valuation as at 31 October 2020 of the property held by the Group.

23 December 2020

The Board of Directors
LHN Limited (the “Company” and its subsidiaries, together the “Group”)
10 Raeburn Park
#02-18
Singapore 088702

Dear Sirs,

In accordance with your instructions to value the property interests held by Coliwoo Balestier Pte. Ltd. in Singapore, we confirm that we have made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the property interests as at 31 October 2020 (the “**valuation date**”).

Our valuation is done on a market value basis. Market value is defined as “the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We have valued the property interest which is for proposed acquisition by the Group by using direct comparison method assuming sale of the property interests in their existing state, subject to the existing tenancies and occupancy arrangement. We have made reference to comparable sales transactions as available in the relevant market to carry out our assessment.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

In view of the current COVID-19 situation and Government’s safe management requirements, we are not able to carry out a physical inspection of the property. We have relied on photographs provided by the client, conducted title searches and made relevant inquiries and investigations as we deem necessary to provide you with the assessment of its market value.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors; the SISV Valuation Standards published by the Singapore Institute of Surveyors and Valuers; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as the existing leases and occupancy arrangements, projected revenues and expenses, formal planning approval and other relevant matters.

We have carried out the title searches relating to the Properties with the Land Title Registry. We have reported the information with regards to the ownership, tenure, strata floor area and all encumbrances, if any, in our reports. However, we do not interpret nor ascertain the security of the ownership or legal interest in the Properties belonging to the client. In carrying out our valuation, we assumed that the client owned the assets as at the date of our valuation.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and floor plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are surveyed. No on-site measurement has been taken.

We have inspected the exterior and where possible, the interior of the properties. However, we have not carried out investigations on site to determine the suitability of the ground conditions and the services etc for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any items of disrepair which we regard as serious, we are not, however, able to give any assurance that the Properties are free of rot, infestation or any other structural defect.

The Property was valued by Mr. Tan Keng Chiam. He is a Singapore Licensed Appraiser and member of Singapore Institute of Surveyor and Valuer who has 30 years' experience in the valuation of properties in Singapore.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive at an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Singapore Dollar (S\$). Our valuation is summarised below and the valuation certificates are attached.

Yours faithfully,
for and on behalf of

Colliers International Consultancy & Valuation (Singapore) Pte Ltd

Tan Keng Chiam
B.Sc. (Est. Mgt.) MSISV, MRICS
Appraiser Licence No: AD041-2004796D
Executive Director

Note: Tan Keng Chiam is a Singapore Licensed Appraiser and member of Singapore Institute of Surveyor and Valuer who has 30 years' experience in the valuation of properties in Singapore.

SUMMARY OF VALUE

No.	Property	Market Value in existing state as at 31 October 2020
		S\$
1	320 Balestier Road #01-01/02	8,000,000
2	320 Balestier Road #02-01	5,100,000
3	320 Balestier Road #03-01/02/03 & #04-01/02/03	5,000,000
	Sub-Total:	18,100,000

VALUATION CERTIFICATE

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value as at 31 October 2020	
				S\$	
				Unit No	Market Value
1	320 Balestier Road #01-01/02, #02-01, #03-01/02/03 and #04-01/02/03 Crescent Building Singapore 329924 (collectively known as the "Property")	<p>The Property is a 4-storey commercial-cum-residential building with basement carpark known as "Crescent Building". It comprises 2 shops units which have been amalgamated into a unit on the 1st storey, a shop on the 2nd storey which have been converted into a hostel and 2 typical floors on 3rd and 4th storeys with 3 apartments (2 units of 2-bedrooms and 1 unit of 3-bedroom) on each level.</p> <p>The building is situated on an almost quadrant shaped plot of land that sloped downward from Balestier Road to Kim Keat Road.</p> <p>The development is approximately 25 years old.</p> <p>The property is an estate in fee simple. It is situated on land known as Lot 7540X Mukim 17 with a site area of 406.7 sq.m..</p> <p>According to the architecture floor plans provided, the building has an approximately total gross floor area of 1,700.96 sq.m. and net floor area of 1,343 sq.m..</p>	<p>We were informed that the 1st storey is tenanted at S\$19,260 pm inclusive of 7% GST for a term of 2 years commencing from 10th July 2020. The rest of the premises are vacant.</p>	<p>#01-01/02</p> <p>#02-01</p> <p>#03-01/02/03 & #04-01/02/03</p> <p>Total</p>	<p>8,000,000</p> <p>5,100,000</p> <p>5,000,000</p> <p>18,100,000</p>

Notes:

1. The Property is located on the northern side of Balestier Road, at its junction with Kim Keat Road. It is some 7.7 km away from the City Centre. It is within an area gazetted as the "Balestier Conservation Area" on 1st December 2003 by the Urban Redevelopment Authority.

The immediate locality is mixed in character comprising a mixture of shophouses, commercial-cum-residential developments, commercial developments, hotels, apartment/condominium developments and HDB flats around Whampoa and Jalan Rajah.

Accessibility to other parts of the island is enhanced by its proximity to the Central/Pan Island Expressways, with the nearest MRT station at Novena, a short drive away.

2. The registered proprietor of the Property is Crescent Developments Private Limited.
3. The site of the properties is zoned as "Commercial and Residential with a plot ratio of 3.0" according to the Master Plan Zoning (2019 Edition).
4. Written permission has been granted on 29th June 2020 by the Urban Redevelopment Authority of Singapore for the continued use of the existing 2nd storey shop units #02-01, #02-02 & #02-03 as students' hostel for 3 years commencing from 30th June 2020.
5. Pursuant to the title search record, the Property is mortgaged to United Overseas Bank Limited.
6. Our valuation has been made on Direct Comparison Method.

Direct Comparison Method

In arriving at our opinion of the market value of the Properties, our valuation is based on transactions of comparable properties within the vicinity and elsewhere. The selected comparables are located within Singapore Chinatown.

In arriving at our valuation figure, we have identified and analysed various relevant sales evidence in the locality which have similar characteristic as the Properties. These selected comparables are strata titled shop units located around the Balestier Road vicinity and elsewhere which were transacted between 2019 and 2020. The comparables are commercial shop/offices and apartments corresponding to the respective uses within the development. The unit rate of the comparables range from S\$2,100/-sq.ft. to S\$3,000/-sq.ft. on NLA for shops on the 1st storey, between S\$1,356/-psf to S\$1,701/-psf and between S\$696/-psf to S\$751/-psf for the apartments on the 3rd and 4th storeys. We have taken into consideration of the prevailing market conditions and making due adjustments for differences between the Properties and the comparables in terms of location, tenure, size, shape, design and layout, age and condition of buildings, dates of transactions and other factors affecting their values to arrive at an aggregate unit rate of S\$1,252/-sq.ft on NLA.

The aggregate unit rate of the Properties which is in line with the unit rate of these comparables is within a reasonable range.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

In accordance with the Rule 1202 of the Catalist Rules, the Directors collectively and individually accept full responsibility for the accuracy of the information given in this circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this circular constitutes full and true disclosure of all material facts about the Option to Purchase and the transactions contemplated under the agreement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this circular misleading. Where information in the circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the circular in its proper form and context.

2. DISCLOSURE OF INTERESTS

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares or Debentures of the Company or Its Associated Corporations

As at the Latest Practicable Date, the interest or short position in the shares, underlying shares or debentures of the Company and/or its associated corporations (within the meaning of Part XV of the SFO) that Directors and chief executive of the Company as recorded in the register required to be kept under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Long positions in the shares and underlying shares of the Company:

Name	Capacity	Number of Shares	Approximate percentage of issued share capital of the Company
Lim Lung Tieng ⁽¹⁾⁽²⁾	Founder of discretionary trusts, beneficiary of a trust	220,982,600	54.91%

Notes:

- (1) Lim Lung Tieng is one of the founders of The LHN Capital Trust and The Land Banking Trust. Trident Trust Company (B.V.I.) Limited, in its capacity as the trustee of The Land Banking Trust, holds the entire issued share capital of LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd., in its capacity as the trustee of The LHN Capital Trust, holds the entire issued share capital of HN Capital Ltd., which in turn holds 85% of the total issued share capital of Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. holds the entire issued share capital of Fragrance Ltd.. Fragrance Ltd. is the beneficial owner of 220,982,600 Shares. Lim Lung Tieng is deemed under the SFO to be interested in the Shares held by Trident Trust Company (B.V.I.) Limited and LHN Capital Pte. Ltd.. Trident Trust Company (B.V.I.) Limited is deemed under the SFO to be interested in the interests held by LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd. is deemed under the SFO to be interested in the interests held by HN Capital Ltd.. HN Capital Ltd. is deemed under the SFO to be interested in the interests held by Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. is deemed under the SFO to be interested in the interests held by Fragrance Ltd..
- (2) Lim Lung Tieng is one of the beneficiaries of The LHN Capital Trust of which LHN Capital Pte. Ltd. is the trustee. LHN Capital Pte. Ltd., in its capacity as the trustee, holds the entire issued share capital of HN Capital Ltd., which in turn holds 85% of the total issued share capital of Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. holds the entire issued share capital of Fragrance Ltd.. Fragrance Ltd. is the beneficial owner of 220,982,600 Shares. Lim Lung Tieng is deemed under the SFO to be interested in the Shares held by LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd. is deemed under the SFO to be interested in the interests held by HN Capital Ltd.. HN Capital Ltd. is deemed under the SFO to be interested in the interests held by Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. is deemed under the SFO to be interested in the interests held by Fragrance Ltd..

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at the Latest Practicable Date, as far as is known to the Directors, the following persons/entities (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the shares and underlying shares of the Company:

Name	Capacity	Number of Shares	Approximate percentage of issued share capital of the Company
Fragrance Ltd. ⁽¹⁾⁽²⁾	Beneficial owner	220,982,600	54.91%
Wang Jialu ⁽¹⁾⁽³⁾	Deemed interest by virtue of interest held by spouse	220,982,600	54.91%
Hean Nerng Group Pte. Ltd. ⁽¹⁾⁽²⁾	Interest in a controlled corporation	220,982,600	54.91%
HN Capital Ltd. ⁽¹⁾⁽²⁾	Interest in a controlled corporation	220,982,600	54.91%

Name	Capacity	Number of Shares	Approximate percentage of issued share capital of the Company
LHN Capital Pte. Ltd. ⁽¹⁾⁽²⁾	Trustee	220,982,600	54.91%
Trident Trust Company (B.V.I.) Limited ⁽¹⁾⁽²⁾	Trustee	220,982,600	54.91%
Lim Hean Nerng ⁽¹⁾⁽²⁾	Founder of discretionary trusts	220,982,600	54.91%
Foo Siau Foon ⁽¹⁾⁽²⁾	Founder of discretionary trusts	220,982,600	54.91%

Notes:

- (1) Fragrance Ltd., which is wholly-owned by Hean Nerng Group Pte. Ltd., which in turn is owned as to 5% by Lim Lung Tieng, 10% by Lim Bee Choo and 85% by HN Capital Ltd., is the beneficial owner of 220,982,600 Shares. By virtue of the SFO, Lim Lung Tieng, Wang Jialu, Hean Nerng Group Pte. Ltd., HN Capital Ltd., LHN Capital Pte. Ltd., Trident Trust Company (B.V.I.) Limited, Lim Hean Nerng and Foo Siau Foon are deemed to be interested in all of the Shares held by Fragrance Ltd..
- (2) Lim Hean Nerng, Foo Siau Foon and Lim Lung Tieng are the founders of The LHN Capital Trust and The Land Banking Trust. Trident Trust Company (B.V.I.) Limited, in its capacity as the trustee of The Land Banking Trust, holds the entire issued share capital of LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd., in its capacity as the trustee of The LHN Capital Trust, holds the entire issued share capital of HN Capital Ltd., which in turn holds 85% of the total issued share capital of Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. holds the entire issued share capital of Fragrance Ltd.. Lim Hean Nerng, Foo Siau Foon and Lim Lung Tieng are deemed under the SFO to be interested in the Shares held by Trident Trust Company (B.V.I.) Limited and LHN Capital Pte. Ltd.. Trident Trust Company (B.V.I.) Limited is deemed under the SFO to be interested in the interests held by LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd. is deemed under the SFO to be interested in the interests held by HN Capital Ltd.. HN Capital Ltd. is deemed under the SFO to be interested in the interests held by Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. is deemed under the SFO to be interested in the interests held by Fragrance Ltd..
- (3) Wang Jialu, the spouse of Lim Lung Tieng, is deemed under the SFO to be interested in the interests held by Lim Lung Tieng.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other person who had an interest or a short position in any shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO.

3. COMPETING INTERESTS

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors or their respective close associates had any interest in any business which competes or is likely to compete with the businesses of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

5. INTEREST IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any assets which have been, since 30 September 2020 (being the date to which the latest published accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors or their respective associates was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular and which is significant in relation to the businesses of the Group.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or trading position of the Group since 30 September 2019, being the date to which the latest audited consolidated financial statements of the Group were made up.

7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business of the Company under the Listing Rules) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (a) the business purchase agreement dated 1 March 2019 entered into among Industrial & Commercial Security Pte. Ltd. (“**ICS**”) as the seller, LHN Group and Prosegur Singapore Pte Ltd as the purchaser, relating to the sale and purchase of the ICS security services business and assets for an estimated maximum consideration (net) of approximately S\$1.497 million;
- (b) the joint venture agreement dated 19 November 2019 entered into between WPS KB Pte. Ltd., W&S Flexi Pte. Ltd. and Mr. Low See Ching for the establishment of joint venture for, among others, the acquisition and ownership of the property at 202 Kallang Bahru Singapore 339339;
- (c) the option to purchase which Hean Nerng Logistics Pte Ltd has accepted the offer to purchase the property located at 7 Gul Avenue, Singapore 629651 (the “**Gul Avenue Property**”) on 2 December 2019, and became the binding sale and purchase agreement for the acquisition of the Gul Avenue Property on 2 December 2019;
- (d) the joint venture agreement dated 3 June 2020 entered into between Lion City Rentals Pte. Ltd., WPS (TPY) Pte. Ltd. and Motorway Automotive Pte. Ltd., for the establishment of joint venture for, among others, the acquisition and ownership of the property at 5 Toa Payoh West Singapore 318877;

- (e) the joint venture agreement dated 23 September 2020 entered into between LHN Parking (GMT) Pte. Ltd., GMTC Private Limited, SM Venture Pte Ltd, Mr. Low See Ching, Mr. Lim Peng Joo, Mr. Shawn Lim Yao Yang and Metropolitan Parking (BTSC) Pte. Ltd. for establishment of joint venture for, among others, the acquisition and ownership of the carpark at Bukit Timah Shopping Centre at 170 Upper Bukit Timah Road, Singapore;
- (f) the Option to Purchase; and
- (g) the joint venture agreement dated 26 November 2020 entered into between Coliwoo Holdings Pte. Ltd., Amber42 Pte. Ltd., Dr. Low Bee Lan, Audrey and Coliwoo East Pte. Ltd. for the establishment of joint venture for, among others, the acquisition and ownership of the property at 40 and 42 Amber Road, Singapore.

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any member of the Group.

9. EXPERT

The following is the qualification of the expert who has given an opinion or advice contained in this circular:

Name	Qualification
PricewaterhouseCoopers LLP	Public Accountants and Chartered Accountants
Colliers International Consultancy & Valuation (Singapore) Pte Ltd	Independent property valuer

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report or letter or opinion as set out in this circular and reference to its name in the form and context in which it appears in this circular.

As at the Latest Practicable Date, the expert above did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the expert above did not have any interest, direct or indirect, in any asset which since 30 September 2019, being the date to which the latest published audited consolidated financial statements of the Group were made up, has been acquired or disposed of by or leased to any member of the Group, or is proposed to be acquired or disposed of by or leased to any member of the Group.

10. MISCELLANEOUS

- (a) The joint company secretaries of the Company are Mr. Ng Chit Sing, who is an associate member of the Hong Kong Institute of Chartered Secretaries, and Mr. Chong Eng Wee, who is an advocate and solicitor of the Supreme Court of Singapore, a solicitor of the High Court of Hong Kong, a legal practitioner of the Supreme Court of New South Wales in Australia and a barrister and solicitor of the High Court of New Zealand. Mr. Chong Eng Wee is a resident residing in Singapore to satisfy the requirements under the Singapore Companies Act.
- (b) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at (i) the registered office of the Company at 10 Raeburn Park, #02-18, Singapore 088702 during normal business hours during any business day in Singapore (excluding gazetted holidays); and (ii) the office of Morgan, Lewis & Bockius, Suites 1902-09, 19/F., Edinburgh Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong during normal business hours during any business day in Hong Kong (excluding public holidays in Hong Kong) from the date of this circular up to and including 6 January 2021:

- (a) the Constitution of the Company;
- (b) the annual reports of the Company for the financial years ended 30 September 2017, 2018 and 2019 and the unaudited annual results announcement for the year ended 30 September 2020;
- (c) the material contracts referred to in "7. Material Contracts" above in this appendix;
- (d) the report from PricewaterhouseCoopers LLP on the unaudited pro-forma financial information of the Group, the text of which is set out in Appendix III to this circular;
- (e) the property valuation report prepared by Colliers International Consultancy & Valuation (Singapore) Pte Ltd dated 23 December 2020 in relation to the Balestier Property, the text of which is set out in Appendix IV to this circular;
- (f) the written consent from PricewaterhouseCoopers LLP referred to in "9. Expert" in this section to the circular;
- (g) the written consent from Colliers International Consultancy & Valuation (Singapore) Pte Ltd referred to in "9. Expert" in this section to the circular;

- (h) the circular of the Company dated 24 January 2020 in relation to (i) the establishment of joint venture between WPS KB Pte. Ltd., W&S Flexi Pte. Ltd. and Mr. Low See Ching for the acquisition and ownership of the property at 202 Kallang Bahru Singapore 339339; and (ii) the acquisition of the Gul Avenue Property; and
- (i) this circular.

