

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 ("4Q2017") AND FULL YEAR ENDED 30 SEPTEMBER 2017 ("FY2017")

	Group					
	3 Months Ended 30 September		Change	Full Year Ended 30 September		Change
	2017 (unaudited)	2016 (unaudited)		2017 (unaudited)	2016 (audited)	
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	26,485	25,980	1.9	106,253	104,705	1.5
Cost of sales	(19,945)	(19,464)	2.5	(80,502)	(77,208)	4.3
Gross profit	6,540	6,516	0.4	25,751	27,497	(6.3)
Other income	729	876	(16.8)	2,544	3,017	(15.7)
Other losses - net	(63)	(277)	(77.3)	(224)	(318)	(29.6)
Selling and distribution expenses	(478)	(355)	34.6	(1,298)	(1,804)	(28.0)
Administrative expenses	(5,033)	(5,985)	(15.9)	(24,438)	(20,351)	20.1
Finance cost - net	(180)	(145)	24.1	(636)	(600)	6.0
Share of results of associates and joint ventures, net of tax	(46)	6,804	NM	3,384	6,716	(49.6)
Fair value gain/(loss) on investment properties	-	2,071	(100.0)	(1,939)	2,071	NM
Profit before income tax	1,469	9,505	(84.5)	3,144	16,228	(80.6)
Income tax expense	(36)	(316)	(88.6)	(377)	(1,127)	(66.5)
Profit after taxation for the period/year	1,433	9,189	(84.4)	2,767	15,101	(81.7)
Other comprehensive (loss)/income						
<u>Item that will be reclassified subsequently to profit or loss</u>						
Currency translation differences arising from consolidation	(43)	55	NM	(94)	271	NM
<u>Item that will not be reclassified subsequently to profit or loss</u>						
Revaluation gains on leasehold building	-	759	(100.0)	137	759	(81.9)
Share of other comprehensive income of joint venture	95	-	NM	237	-	NM
Other comprehensive income	52	814	(93.6)	280	1,030	(72.8)
Total comprehensive income for the year	1,485	10,003	(85.2)	3,047	16,131	(81.1)
Profit attributable to:						
Equity holders of the Company	1,274	9,218	(86.2)	2,312	15,094	(84.7)
Non-controlling interests	159	(29)	NM	455	7	>100
Profit for the period/year	1,433	9,189	(84.4)	2,767	15,101	(81.7)
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	1,326	10,033	(86.8)	2,594	16,124	(83.9)
Non-controlling interests	159	(30)	NM	453	7	>100
Total comprehensive income for the period/year	1,485	10,003	(85.2)	3,047	16,131	(81.1)
NM – Not Meaningful						

LHN LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 201420225D

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

	Group			
	3 Months Ended 30 September		Full Year Ended 30 September	
	2017 (unaudited)	2016 (unaudited)	2017 (unaudited)	2016 (audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	1,476	1,700	6,009	6,546
Interest income	(87)	(104)	(315)	(225)
Finance costs	180	145	636	600
Allowance for impairment of trade and other receivables	63	277	224	318
Foreign exchange loss/(gain), net	181	(168)	272	(342)
Gain on disposal of property, plant and equipment, net	(2)	(10)	(93)	(27)
Property, plant and equipment written off	5	7	40	52
Dual Listing expenses	69	-	3,007	-

LHN LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 201420225D

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 30/09/17 (unaudited) S\$'000	As At 30/09/16 (audited) S\$'000	As At 30/09/17 (unaudited) S\$'000	As At 30/09/16 (audited) S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	21,794	26,453	-	-
Investment properties	43,352	37,472	-	-
Available for sale financial assets	107	-	-	-
Investment in subsidiaries	-	-	32,727	32,727
Investment in associates	132	111	-	-
Investment in joint ventures	11,344	7,294	-	-
Deferred tax assets	651	441	-	-
Long-term prepayments	536	658	-	-
	77,916	72,429	32,727	32,727
Current assets				
Inventories	33	18	-	-
Trade and other receivables	13,212	12,829	20,377	19,824
Loans to joint ventures	10,492	7,002	-	-
Prepayments	3,131	3,652	33	19
Cash and bank balances	13,262	19,926	1,035	2,872
Fixed deposits	6,270	5,706	-	-
	46,400	49,133	21,445	22,715
TOTAL ASSETS	124,316	121,562	54,172	55,442
EQUITY				
Capital and Reserves				
Share capital	51,287	51,287	51,287	51,287
Treasury shares	(186)	(245)	(186)	(245)
Reserves	19,508	18,507	2,524	3,070
	70,609	69,549	53,625	54,112
Non-controlling interests	333	(120)	-	-
TOTAL EQUITY	70,942	69,429	53,625	54,112
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	222	266	-	-
Provision for reinstatement costs	204	352	-	-
Other payables	18	7	-	-
Finance lease liabilities	3,417	2,401	-	-
Bank borrowings	16,380	18,187	-	-
	20,241	21,213	-	-
Current liabilities				
Trade and other payables	25,054	26,390	466	1,256
Provision for reinstatement costs	169	-	-	-
Finance lease liabilities	1,750	1,363	-	-
Bank borrowings	4,894	1,817	-	-
Current tax payable	1,266	1,350	81	74
	33,133	30,920	547	1,330
TOTAL LIABILITIES	53,374	52,133	547	1,330
TOTAL EQUITY AND LIABILITIES	124,316	121,562	54,172	55,442

LHN LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 201420225D

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 30/09/17 (unaudited)	As At 30/09/16 (audited)
	S\$'000	S\$'000
Amount repayable in one year or less (secured and guaranteed)		
- Bank borrowings	4,894	1,817
- Finance lease liabilities	1,750	1,363
	6,644	3,180
Amount repayable after one year (secured and guaranteed)		
- Bank borrowings	16,380	18,187
- Finance lease liabilities	3,417	2,401
	19,797	20,588
Total borrowings	26,441	23,768

The Group does not have any unsecured borrowings and debt securities as at 30 September 2017 and 30 September 2016.

Details of any collaterals:

- Bank borrowings of approximately S\$21.3 million (30 September 2016 – S\$20.0 million) obtained by our subsidiaries are secured by legal mortgage of leasehold property at 72 Eunos Avenue 7 and 100 Eunos Avenue 7, corporate guarantees by the Group and assignment of rental proceeds of the mortgaged properties.
- Finance lease liabilities of the Group are secured by the underlying assets of certain plant and machinery, logistics equipment and motor vehicles, personal guarantees provided by certain directors of the Group and corporate guarantees provided by the Group.

LHN LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 201420225D

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 2017

	Group			
	3 Months Ended 30 September		Full Year Ended 30 September	
	2017 (unaudited)	2016 (unaudited)	2017 (unaudited)	2016 (audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Profit before income tax	1,469	9,505	3,144	16,228
Share of results of associates and joint ventures	46	(6,804)	(3,384)	(6,716)
Adjustments for:				
Depreciation of property, plant and equipment	1,476	1,700	6,009	6,546
Gain on disposal of property, plant and equipment	(2)	(10)	(93)	(27)
Property, plant and equipment written off	5	7	40	52
Fair value (gain)/loss on investment properties	-	(2,071)	1,939	(2,071)
Waiver of debt from a director of subsidiaries	(36)	(29)	(57)	(86)
Employee performance shares expenses	-	-	88	44
Dual Listing expenses	69	-	3,007	-
Interest income	(87)	(104)	(315)	(225)
Interest expenses	180	145	636	600
Operating profit before working capital changes	3,120	2,339	11,014	14,345
Decrease/(increase) in inventories	44	13	(15)	143
(Increase)/decrease in operating receivables	(434)	889	(103)	1,018
(Decrease)/increase in operating payables	(288)	2,149	(1,535)	(597)
Cash generated from operations	2,442	5,390	9,361	14,909
Interest expense paid	(180)	(99)	(631)	(412)
Income tax paid	(57)	(35)	(712)	(1,115)
Net cash generated from operating activities	2,205	5,256	8,018	13,382
Cash flows from investing activities:				
Acquisition of property, plant and equipment	(1,419)	(927)	(4,996)	(4,812)
Addition of investment properties	(39)	(1,079)	(994)	(2,968)
Purchase of available for sale financial assets	(107)	-	(107)	-
Deposit paid for acquisition of joint venture	-	-	-	(300)
Cash outflow on incorporation of joint venture	-	(100)	(150)	(600)
Proceeds from disposals of property, plant and equipment	8	15	103	275
Interest received	15	36	57	127
Loans to joint ventures	(1,425)	(4,202)	(3,170)	(7,002)
Net cash used in investing activities	(2,967)	(6,257)	(9,257)	(15,280)
Cash flows from financing activities:				
Repayment of finance lease	(511)	(606)	(1,703)	(1,112)
Uplift/(placements) of deposits - current	930	(22)	1,059	(60)
Bank borrowings obtained	1,000	735	3,000	2,000
Bank borrowings repaid	(478)	(386)	(1,730)	(1,471)
Purchase of treasury shares	-	(245)	-	(245)
Amount owing to/(repayment to) a director of subsidiaries	-	21	-	(146)
Dual Listing expenses paid	(1,106)	-	(2,783)	-
Dividend paid	-	-	(1,622)	(1,808)
Net cash used in financing activities	(165)	(503)	(3,779)	(2,842)
Net decrease in cash and cash equivalents	(927)	(1,504)	(5,018)	(4,740)
Cash and cash equivalents at beginning of period	15,818	21,418	19,926	24,637
Effect of currency translation on cash and cash equivalents	(6)	12	(23)	29
Cash and cash equivalents at end of period/year	14,885	19,926	14,885	19,926
Consolidated cash and cash equivalents are represented by:				
Cash and bank balances	13,262	19,926	13,262	19,926
Fixed deposits	6,270	5,706	6,270	5,706
Less: Pledged fixed deposits	(4,647)	(5,706)	(4,647)	(5,706)
Cash and cash equivalents as per consolidated statement of cash flows	14,885	19,926	14,885	19,926

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(Incorporated in the Republic of Singapore)

Company Registration No. 201420225D

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

Statements of Changes in Equity

GROUP (audited)	Share capital	Treasury shares	Retained profits	Merger reserves	Capital reserves	Other reserve	Asset revaluation reserves	Exchange translation reserves	Total attributable to equity holders of the Company	Non- controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 01/10/15	51,243	-	33,221	(30,727)	-	269	2,443	(1,015)	55,434	(127)	55,307
Shares issued under LHN Performance Share Plan	44	-	-	-	-	-	-	-	44	-	44
Purchase of treasury shares	-	(245)	-	-	-	-	-	-	(245)	-	(245)
Dividends paid in respect of financial year ended 30 September 2015	-	-	(1,084)	-	-	-	-	-	(1,084)	-	(1,084)
Dividends paid in respect of financial year ended 30 September 2016	-	-	(724)	-	-	-	-	-	(724)	-	(724)
Profit for the period	-	-	15,094	-	-	-	-	-	15,094	7	15,101
Other comprehensive income	-	-	-	-	-	-	759	271	1,030	-	1,030
Total comprehensive income for the year	-	-	15,094	-	-	-	759	271	16,124	7	16,131
Balance at 30/09/16	51,287	(245)	46,507	(30,727)	-	269	3,202	(744)	69,549	(120)	69,429

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(Incorporated in the Republic of Singapore)

Company Registration No. 201420225D

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 reserves	Capital reserves	Other reserve	Asset revaluation reserves	Exchange translation reserves	Total attributable to equity holders of the Company	Non- controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 01/10/16	51,287	(245)	46,507	(30,727)	-	269	3,202	(744)	69,549	(120)	69,429
Shares issued under LHN Performance Share Plan	-	59	-	-	29	-	-	-	88	-	88
Dividends paid in respect of financial year ended 30 September 2016	-	-	(1,622)	-	-	-	-	-	(1,622)	-	(1,622)
Profit for the period	-	-	2,312	-	-	-	-	-	2,312	455	2,767
Other comprehensive income/(loss)	-	-	-	-	-	-	374	(92)	282	(2)	280
Total comprehensive income/(loss) for the year	-	-	2,312	-	-	-	374	(92)	2,594	453	3,047
Balance at 30/09/17	51,287	(186)	47,197	(30,727)	29	269	3,576	(836)	70,609	333	70,942

LHN LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 201420225D

- 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)

COMPANY (unaudited)	Share capital	Treasury shares	Capital reserve	Retained profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 01/10/15	51,243	-	-	2,128	53,371
Shares issued under LHN Performance Share Plan	44	-	-	-	44
Purchase of treasury shares	-	(245)	-	-	(245)
Dividends paid in respect of financial year ended 30 September 2015	-	-	-	(1,084)	(1,084)
Dividends paid in respect of financial year ended 30 September 2016	-	-	-	(724)	(724)
Total comprehensive income for the year	-	-	-	2,750	2,750
Balance at 30/09/16	51,287	(245)	-	3,070	54,112
Balance at 01/10/16	51,287	(245)	-	3,070	54,112
Shares issued under LHN Performance Share Plan	-	59	29	-	88
Dividends paid in respect of financial year ended 30 September 2016	-	-	-	(1,622)	(1,622)
Total comprehensive income for the year	-	-	-	1,047	1,047
Balance at 30/09/17	51,287	(186)	29	2,495	53,625

LHN LIMITED

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

- 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 2017 and 30 June 2017, the share capital of the Company amounted to S\$51,286,998 comprising 360,445,400 issued ordinary shares excluding treasury shares.

The Company had 1,411,800 treasury shares as at 30 September 2017 (30 September 2016: 1,853,000).

Save as disclosed, the Company did not have any outstanding options, convertibles or subsidiary holdings as at 30 September 2017 and 30 September 2016.

- 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 2017 was 360,445,400 (as at 30 September 2016: 360,004,200).

- 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.**

	Number of Shares	Treasury Shares S\$'000
Balance at 1 October 2016	1,853,000	245
Treasury shares transferred	(441,200)	(59)
Balance at 30 September 2017	1,411,800	186

During the financial year ended 30 September 2017, 441,200 treasury shares were transferred to participants of the LHN Performance Share Plan. After the transfer, the balance of treasury shares as at 30 September 2017 was 1,411,800 shares, representing approximately 0.392% of the total issued shares of the Company.

- 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 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.

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(Incorporated in the Republic of Singapore)

Company Registration No. 201420225D

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 2017 compared with the audited financial statements for the financial year ended 30 September 2016.

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

In the financial year ended 30 September 2017, the Group and the Company have adopted all the new revised Financial Reporting Standards (FRSs) and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 October 2016. The adoption of these new/revised FRSs and INT FRSs did not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

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

	Group			
	3 Months Ended 30 September		Full Year Ended 30 September	
	2017 (unaudited)	2016 (unaudited)	2017 (unaudited)	2016 (audited)
<u>Earnings per ordinary share</u>				
(i) Based on weighted average number of ordinary shares in issue (Singapore Cents)	0.35	2.56	0.64	4.18
(ii) On a fully diluted basis (Singapore Cents)	0.35	2.56	0.64	4.18
Weighted average number of shares (in '000)	360,445	360,365	360,314	361,335

The basic and diluted earnings per share are the same as there were no potentially dilutive ordinary shares in issue as at 30 September 2017 and 30 September 2016.

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 30/09/17 (unaudited)	As at 30/09/16 (audited)	As at 30/09/17 (unaudited)	As at 30/09/16 (audited)
Net asset attributable to Shareholders (S\$ '000)	70,609	69,549	53,625	54,112
Number of ordinary shares in issue (in '000)	360,445	360,004	360,445	360,004
Net asset value per ordinary share (Singapore Cents)	19.59	19.32	14.88	15.03

LHN LIMITED

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

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

Review on Group's Financial Results

Revenue

S\$ (in million)	FY2017	FY2016	Variance	
			S\$	%
Industrial Properties	43.2	52.0	(8.8)	(16.9)
Commercial Properties	23.2	23.7	(0.5)	(2.1)
Residential Properties	1.4	0.9	0.5	55.6
Space Optimisation Business	67.8	76.6	(8.8)	(11.5)
Facilities Management Business	17.3	12.5	4.8	38.4
Logistics Services Business	21.2	15.6	5.6	35.9
Total	106.3	104.7	1.6	1.5

Full Year ended 30 September 2017 (FY2017) vs Full Year ended 30 September 2016 (FY2016)

The Group's revenue increased by approximately S\$1.6 million to approximately S\$106.3 million in FY2017 due to increase in revenue from our Facilities Management Business and Logistics Services Business partially offset by the decrease in revenue from the Industrial Properties and Commercial Properties.

(a) Space Optimisation Business

Industrial Properties

Revenue derived from Industrial Properties decreased by 16.9% to approximately S\$43.2 million in FY2017 mainly due to the expiry of some head leases, movement of tenants and lower rental rates arising from expiry and renewal of sub-leases.

The average occupancy rate of industrial properties managed by the Group in FY2017 was approximately 88%.

Commercial Properties

Revenue derived from Commercial Properties decreased by 2.1% to approximately S\$23.2 million in FY2017 mainly due to the movement of tenants and lower rental rates arising from expiry and renewal of sub-leases.

The average occupancy rate of the Group's commercial properties was approximately 91% in FY2017.

Residential Properties

Revenue derived from Residential Properties increased by 55.6% to approximately S\$1.4 million in FY2017 mainly due to increase in rental income from our residential property in Myanmar.

(b) Facilities Management Business

Revenue derived from our Facilities Management Business increased by 38.4% to approximately S\$17.3 million in FY2017, mainly due to an increase in demand from security services and car park management services (in the form of management of new car parks), and increase in car park rate of existing car parks managed by our Group.

(c) Logistics Services Business

Revenue derived from our Logistics Services Business increased by 35.9% to approximately S\$21.2 million in FY2017, mainly from the increase in transportation services and increase in demand of storage and repairs of leasing containers which in turn was the result of the slow-down of shipments worldwide.

Cost of sales increased by 4.3% to approximately S\$80.5 million in FY2017, mainly due to an increase in upkeep and maintenance costs of approximately S\$1.3 million, rental costs of approximately S\$0.4 million, transportation cost of approximately S\$0.9 million and direct labour costs of approximately S\$0.6 million.

In view of the above mentioned, gross profit decreased by approximately S\$1.7 million from approximately S\$27.5 million in FY2016 to approximately S\$25.8 million in FY2017.

Other income decreased by 15.7% to approximately S\$2.5 million in FY2017 mainly due to a decrease in foreign exchange gain of approximately S\$0.3 million and miscellaneous income of approximately S\$0.2 million.

Other losses decreased by 29.6% to approximately S\$0.2 million in FY2017 mainly due to decrease in impairment loss on trade and other receivables of approximately S\$0.2 million.

Selling and distribution expenses decreased by 28.0% to approximately S\$1.3 million in FY2017 mainly due to decrease in agent commission of approximately S\$0.4 million and marketing expenses of approximately S\$0.1 million.

Administrative expenses increased by 20.1% to approximately S\$24.4 million in FY2017 mainly due to (i) expenses of approximately S\$3.0 million in relation to dual primary listing on the Main Board of The Stock Exchange of Hong Kong Limited incurred in FY2017; (ii) increase in employee benefit cost of approximately S\$0.7 million; (iii) increase in insurance fees of approximately S\$0.1 million; (iv) increase in professional fees of approximately S\$0.2 million; (v) increase in miscellaneous expenses of approximately S\$0.2 million; and (vi) foreign exchange loss of approximately S\$0.3 million. These were partially offset by a decrease in depreciation of approximately S\$0.5 million.

Finance cost remained relatively unchanged at approximately S\$0.6 million in FY2016 and FY2017.

Share of results of associates and joint ventures decreased by approximately S\$3.3 million from approximately S\$6.7 million in FY2016 to approximately S\$3.4 million in FY2017 mainly due to fair value gain on investment properties of approximately S\$7.1 million recognised in FY2016. In FY2017, the Group recognised a non-recurring gain of approximately S\$3.8 million representing our proportionate share of the excess net fair value of the joint venture's identifiable assets and liabilities over the cost of investment following the finalisation of the purchase price allocation exercise.

Fair value loss on investment properties of approximately S\$1.9 million in FY2017 was mainly due to the decrease in valuation of industrial properties in Singapore and a commercial property in Indonesia. The fair value gain of approximately S\$2.1 million recognised in FY2016 was due to the increase in valuation of industrial properties in Singapore.

As a result of the aforementioned, the Group's profit before income tax decreased by approximately S\$13.1 million or 80.6% from approximately S\$16.2 million in FY2016 to approximately S\$3.1 million in FY2017.

Income tax expense decreased by approximately S\$0.7 million or 66.5% from approximately S\$1.1 million in FY2016 to approximately S\$0.4 million in FY2017. The decrease was mainly due to lower taxable profits, higher utilisation of the Group's tax relief and lower deferred tax expense as compared to FY2016.

Review of Statements of Financial Position**Non-current assets**

Non-current assets increased by approximately S\$5.5 million to approximately S\$77.9 million as at 30 September 2017, mainly due an increase in investment in joint ventures of approximately S\$4.0 million and increase in investment properties and property, plant and equipment of approximately S\$3.1 million. These were partially offset by a decrease in valuation of the Group's properties of approximately S\$1.9 million.

Current assets

Current assets decreased by approximately S\$2.7 million to approximately S\$46.4 million as at 30 September 2017, mainly due to decrease in prepayments of approximately S\$0.5 million and cash and bank balances of approximately S\$6.7 million largely due to the payment of dividend of approximately S\$1.6 million and expenses for the Company's dual primary listing of approximately S\$3.0 million. These were partially offset by an increase in trade and other receivables of approximately S\$0.4 million, loans to joint ventures of approximately S\$3.5 million and increase in fixed deposits of approximately S\$0.6 million.

Non-current liabilities

Non-current liabilities decreased by approximately S\$1.0 million to approximately S\$20.2 million as at 30 September 2017, mainly due to repayment of bank borrowings of approximately S\$1.7 million and reduction of provision for reinstatement costs of approximately S\$0.2 million partially offset by an increase in finance lease liabilities of approximately S\$1.0 million.

Current liabilities

Current liabilities increased by approximately S\$2.2 million to approximately S\$33.1 million as at 30 September 2017, mainly due to proceeds received from bank borrowings of approximately S\$3.0 million, increase in finance lease liabilities of approximately S\$0.4 million and increase in provision for reinstatement costs of approximately S\$0.2 million partially offset by decrease in trade and other payables of approximately S\$1.4 million.

Review of Statement of Cash Flows

In FY2017, the Group recorded net cash generated from operating activities of approximately S\$8.0 million, which was a result of operating profit before changes in working capital of S\$11.0 million, increase in operating receivables of approximately S\$0.1 million and decrease in operating payables of approximately S\$1.6 million, adjusted for income tax paid of approximately S\$0.7 million and net interest expense paid of approximately S\$0.6 million.

Net cash used in investing activities amounted to approximately S\$9.3 million, which was mainly due to the acquisition of property, plant and equipment of approximately S\$5.0 million, addition of investment properties of approximately S\$1.0 million, advances to joint ventures of approximately S\$3.2 million and purchase of available for sale financial assets of approximately S\$0.1 million.

Net cash used in financing activities amounted to approximately S\$3.8 million, which was due to repayment of finance lease of approximately S\$1.7 million, repayment of bank borrowings of approximately S\$1.7 million, Dual Listing expenses payment of approximately S\$2.8 million and dividend payment of approximately S\$1.6 million. These were partially offset by uplift of deposits of approximately S\$1.0 million and proceeds received from bank borrowings of approximately S\$3.0 million.

As a result of the above, cash and cash equivalents decreased by approximately S\$5.0 million, amounting to S\$14.9 million as at 30 September 2017.

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.

Singapore's economy grew by 4.6% in the third quarter of 2017 based on advance estimates of gross domestic product (GDP) growth by the Ministry of Trade and Industry (MTI) as reported on 13 October 2017¹.

Statistics from the Urban Redevelopment Authority (URA) also revealed that average office rents rose by 2.4% in the third quarter of 2017 but cited an increase in net amount of leasable office space by 91,000 sqm². Cushman & Wakefield's (C&W) consultants predicts rentals to further appreciate a further 3 – 5% in the fourth quarter of 2017 as tenants seek early renewals and more relocations². This situation bodes well for our Space Optimisation business which leases out commercial properties.

Based on International Monetary Fund (IMF) estimates, GDP growth in Myanmar for 2017 is now expected to come in at 6.3%, citing an unfinished political transformation, overall manufacturing slowdown and delays in construction permitting³. Our Group expects the demand for our GreenHub branded SOHO-style serviced residence in Myanmar to remain healthy as its economy continues to develop.

Our Group will continue to look for new properties and opportunities to grow and expand our Space Optimisation business in the countries and regions that we currently have presence in and into other countries and regions with particular focus in Asian countries including the PRC and Cambodia.

Our Group expects the Facilities Management businesses to expand further as we seek to secure more carparks under management and to increase the car park rate of existing car parks. In addition, our Group believes the demand for integrated facility management and security services would grow further as companies and agencies seek to outsource such services to save costs and increase efficiency.

Our Logistics Services business has proven resilient in a tough shipping and transportation market as our Group focuses on shorter turnaround times to help customers save costs. Our Group is optimistic on the demand for container storage and container repair services and transportation services.

Our Group has signed a non-legal binding letter of intent to acquire a property in Singapore to operate our own ISO tank depot. We are also in discussion with a global shipping group to establish a joint venture to offer container depot services in Singapore.

In Thailand, we also intend to operate a second container depot in the vicinity of Bangkok.

Shareholders should note that upon successful dual listing on the Main Board of The Stock Exchange of Hong Kong Limited, there will be a further listing expenses of approximately S\$2.4 million to be paid.

¹ Singapore economy grows 4.6% in Q3; beats expectations, Business Times, 13 October 2017

² Q3 office rents back in growth mode, reversing long downtrend, Business Times, 28 October 2017

³ IMF Visits Myanmar for Annual Economic Checkup, Reuters, 4 November 2017

LHN LIMITED

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

11. Dividend

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

A final dividend of S\$0.002 per ordinary share of the Company will be proposed, subject to approval by shareholders at the forthcoming annual general meeting to be convened ("**AGM**").

Name of Dividend	Proposed Final
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount	S\$0.002 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?

Name of Dividend	Proposed Final
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount	S\$0.0045 per ordinary share
Tax rate	Exempt (1-tier)

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

Subject to shareholders' approval of the proposed final dividend at the AGM, the date payable for the proposed dividend will be announced in due course.

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

The book closure date will be announced in due course.

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

Not applicable.

LHN LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 201420225D

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.

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

Name of Interested Persons and Transactions	Aggregate value of all interested person transactions during the period/year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	3 months ended 30 September 2017	Full Year ended 30 September 2017	3 months ended 30 September 2017	Full Year ended 30 September 2017
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Payments received by our Group</u>				
PJS Companies*				
- Property leases or sub-leases	-	-	62	396
- Facilities management services	-	-	1	8
	-	-	63	404
<u>Payments paid by our Group</u>				
PJS Companies*				
- Purchase of food and beverage products and services	-	-	-	2
	-	-	-	2
Total	-	-	63	406

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

LHN LIMITED

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

14. Utilisation of Proceeds from the Initial Public Offering (“IPO”)

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

S/N	Purpose of IPO Proceeds	Amount Allocated S\$'000	Amount Utilised S\$'000	Balance S\$'000
1	To grow our property portfolio and acquire our own properties	5,000	5,000	-
2	Expansion of our Logistics Services Business and Facilities Management Business	3,000	3,000	-
3	Expansion of our operations in existing markets and into new markets	3,000	3,000	-
4	Development of technological capability	500	447	53
5	General working capital	2,931	2,931	-
6	Listing expenses	2,569	2,569	-
	Total	17,000	16,947	53

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

Amount utilised for general working capital of approximately S\$2.9 million consisted of payment for:

- (i) partial rental cost and security deposit of approximately S\$0.4 million in relation to master lease secured for our second GreenHub Suited Offices in Jakarta; and
- (ii) renovation cost of approximately S\$2.5 million in relation to master leases secured for our Space Optimisation Business.

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

LHN LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 201420225D

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 Services		Facilities Management		Others and Eliminations		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
REVENUE														
Total sales	43,796	52,286	24,897	25,197	11,117	11,278	26,722	19,070	20,356	15,829	2,334	2,672	129,222	126,332
Inter-segment sales	(626)	(246)	(1,714)	(1,457)	(9,683)	(10,394)	(5,555)	(3,488)	(3,057)	(3,370)	(2,334)	(2,672)	(22,969)	(21,627)
External sales	43,170	52,040	23,183	23,740	1,434	884	21,167	15,582	17,299	12,459	-	-	106,253	104,705
RESULTS														
Segment results	679	3,876	619	2,273	401	(610)	4,242	2,146	611	(98)	(4,217)	454	2,335	8,041
Fair value (loss)/gain on investment properties	(973)	2,071	(966)	-	-	-	-	-	-	-	-	-	(1,939)	2,071
Finance cost	(501)	(492)	(1)	-	-	-	(105)	(75)	(27)	(33)	(2)	-	(636)	(600)
	(795)	5,455	(348)	2,273	401	(610)	4,137	2,071	584	(131)	(4,219)	454	(240)	9,512
Share of results of associates and joint ventures, net of tax	3,400	6,613	-	-	-	-	-	-	(16)	103	-	-	3,384	6,716
Profit before taxation	2,605	12,068	(348)	2,273	401	(610)	4,137	2,071	568	(28)	(4,219)	454	3,144	16,228
Income tax expense													(377)	(1,127)
Non-controlling interests													(455)	(7)
Net profit attributable to equity holders of the Company													2,312	15,094

LHN LIMITED

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

(b) Geographical segment

	30 September 2017		30 September 2016	
	Revenue S\$'000	Non-current Assets * S\$'000	Revenue S\$'000	Non-current Assets * S\$'000
Singapore	102,250	68,140	102,861	61,449
Indonesia	1,432	7,646	1,101	9,253
Thailand	1,661	144	508	104
Myanmar	868	1,235	235	1,182
Other countries	42	100	-	-
Consolidated total	106,253	77,265	104,705	71,988

* 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.

	FY2017 S\$'000	FY2016 S\$'000	Increase %
(a) Sales reported for first half year	53,584	51,967	3.1
(b) Operating profit after tax before deducting minority interests reported for first half year	4,707	4,011	17.4
(c) Sales reported for second half year	52,669	52,738	(0.1)
(d) Operating (loss)/profit after tax before deducting minority interest reported for second half year	(2,395)	11,083	NM

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

	FY2017 S\$'000	FY2016 S\$'000
Ordinary shares (tax exempt 1- tier)		
- Interim	-	724
- Final (Proposed)	721 *	1,622
Total Annual Dividend	721	2,346

* based on 360,445,400 ordinary shares in issue as of 27 November 2017.

LHN LIMITED

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

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	38	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
Kelvin Lim
Executive Chairman and Group Managing Director
27 November 2017

LHN LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 201420225D

This announcement has been prepared by LHN Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

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

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).