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LHN LIMITED
賢能集團有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong Stock Code: 1730)

(Singapore Stock Code: 410)

UPDATE ON THE GROUP'S BUSINESS DUE TO COVID-19

The board (the "**Board**") of directors (the "**Directors**") of LHN Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to the Singapore Government's announcement on 3 April 2020 in relation to the implementation of a month-long campaign ("**Circuit Breaker Measures**") to curb the further spread of the coronavirus disease 2019 ("**COVID-19**"). Under the Circuit Breaker Measures, all workplaces except for those providing essential services and those able to operate remotely will be suspended from 7 April 2020 to 4 May 2020 in order to stem the spread of COVID-19.

On 21 April 2020, the Singapore Government had further announced that tighter Circuit Breaker Measures will be implemented to further reduce the transmission of COVID-19. The tighter measures include, among others, further tightening of the list of companies permitted to operate during the circuit breaker period, to reduce the number of onsite workers, minimise movement and the closure of workplaces for a further period of 4 weeks until 1 June 2020 ("**Circuit Breaker Period**").

To comply with the above Circuit Breaker Measures, the Group has closed its headquarters office in Singapore but has implemented work from home arrangements since 7 April 2020, while the Group continues its business operations that provide essential services such as the Group's residential business under the Space Optimisation Business, Facilities Management Business and Logistics Services Business. For these business operations providing essential services, the Group has applied to the relevant government authority seeking an exemption for the suspension of business activities and has since obtained the approval to continue these operations subject to the strict observance of safe distancing requirements and the implementation of work from home arrangements wherever possible. The Group continues to manage its industrial and commercial properties to allow those tenants that provide essential services to continue their operations at the Group's premises.

The Group is assessing the potential impact of the Singapore COVID-19 (Temporary Measures) Act 2020 (the "**Act**"), which was passed on 7 April 2020. The provisions in the Act provide temporary relief for a period of six months from legal action for those who are unable to perform certain types of contracts which include leases or licences of non-residential property because of COVID-19 and apply to contractual obligations that are to be performed on or after 1 February 2020 and only for contracts that were entered into before 25 March 2020. As such, the Group expects that rental collections under its Space Optimisation Business are likely to be affected, in particular, for rental collections for subleases of the Group's commercial and industrial properties.

The renovations of our current projects in Singapore and overseas are also expected to be delayed due to the COVID-19 pandemic.

The Group expects the COVID-19 pandemic to bring about adverse economic outcomes to the Singapore economy as well as the markets where it has business operations in the near term. However, at this stage, the Group is still assessing the full extent of the business, operational and financial impacts of the Circuit Breaker Measures and the temporary relief measures introduced by the Singapore Government to support the local businesses affected by the COVID-19 pandemic on the earnings per share and net asset value per share of the Group for the financial year ending 30 September 2020. The Board will continue to monitor the evolving situation and will make the appropriate announcement(s) as and when there are material developments on this matter.

Shareholders and potential investors are reminded to exercise caution when dealing or trading in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

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

Singapore, 29 April 2020

As at the date of this announcement, the executive Directors are Mr. Lim Lung Tieng and Ms. Lim Bee Choo; and the independent non-executive Directors are Ms. Ch'ng Li-Ling, Mr. Yong Chee Hiong and Mr. Chan Ka Leung Gary.

* For identification purpose only