

LHN LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 201420225D

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER
ENDED 31 DECEMBER 2016**

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

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

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

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

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

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ("1Q2017") ENDED 31 DECEMBER 2016

	Group		
	3 months ended 31 December		Change
	2016 (unaudited)	2015 (unaudited)	
	S\$'000	S\$'000	
Revenue	26,440	25,947	1.9
Cost of sales	(20,094)	(19,527)	2.9
Gross profit	6,346	6,420	(1.2)
Other operating income	541	571	(5.3)
Selling and distribution expenses	(285)	(581)	(50.9)
Administrative expenses	(5,061)	(4,405)	14.9
Finance costs	(150)	(151)	(0.7)
Share of results of associates and joint ventures, net of tax	3,886	6	NM
Profit before taxation	5,277	1,860	183.7
Taxation	(230)	(335)	(31.3)
Profit after taxation for the period	5,047	1,525	231.0
Other comprehensive income after tax			
Item that will be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation	50	173	(71.1)
Other comprehensive income after tax	50	173	(71.1)
Total comprehensive income for the period, net of tax	5,097	1,698	200.2
Profit attributable to:			
Equity holders of the Company	4,884	1,534	218.4
Non-controlling interests	163	(9)	NM
Profit for the period	5,047	1,525	231.0
Total comprehensive income attributable to:			
Equity holders of the Company	4,935	1,706	189.3
Non-controlling interests	162	(8)	NM
Total comprehensive income for the period	5,097	1,698	200.2
NM – Not Meaningful			

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

	Group	
	3 months ended	
	31 December	
	2016 (unaudited) S\$'000	2015 (unaudited) S\$'000
Depreciation of property, plant and equipment	1,547	1,661
Interest income	(21)	(42)
Finance costs	150	151
Foreign exchange gain, net	(326)	(282)
Gain on disposal of property, plant and equipment, net	(8)	(10)
Property, plant and equipment written off	1	-

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

Statements of Financial Position

	Group		Company	
	As At 31/12/16 (unaudited) S\$'000	As At 30/09/16 (audited) S\$'000	As At 31/12/16 (unaudited) S\$'000	As At 30/09/16 (audited) S\$'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	27,294	26,453	-	-
Investment properties	37,622	37,472	-	-
Subsidiaries	-	-	32,727	32,727
Associates	115	111	-	-
Joint ventures	11,626	7,294	-	-
Deferred tax assets	441	441	-	-
Long-term prepayments	507	658	-	-
	77,605	72,429	32,727	32,727
Current Assets				
Inventories	21	18	-	-
Trade and other receivables	20,371	19,831	19,718	19,824
Prepayments	3,619	3,652	4	19
Cash and bank balances	20,989	19,926	2,561	2,872
Fixed deposits	5,711	5,706	-	-
	50,711	49,133	22,283	22,715
TOTAL ASSETS	128,316	121,562	55,010	55,442
EQUITY				
Capital and Reserves				
Share capital	51,287	51,287	51,287	51,287
Treasury shares	(245)	(245)	(245)	(245)
Reserves	23,441	18,506	3,097	3,070
	74,483	69,548	54,139	54,112
Non-controlling interests	43	(119)	-	-
TOTAL EQUITY	74,526	69,429	54,139	54,112
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	266	267	-	-
Provision for reinstatement cost	353	351	-	-
Other payables	7	7	-	-
Obligations under finance lease	2,336	2,401	-	-
Bank borrowings	17,718	18,187	-	-
	20,680	21,213	-	-
Current liabilities				
Trade and other payables	28,298	26,390	797	1,256
Obligations under finance lease	1,356	1,363	-	-
Bank borrowings	1,901	1,817	-	-
Current tax payable	1,555	1,350	74	74
	33,110	30,920	871	1,330
TOTAL LIABILITIES	53,790	52,133	871	1,330
TOTAL EQUITY AND LIABILITIES	128,316	121,562	55,010	55,442

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

	Group	
	As At 31/12/16 (unaudited)	As At 30/09/16 (audited)
	S\$'000	S\$'000
Amount repayable in one year or less (secured and guaranteed)		
- Bank borrowings	1,901	1,817
- Obligations under finance lease	1,356	1,363
	3,257	3,180
Amount repayable after one year (secured and guaranteed)		
- Bank borrowings	17,718	18,187
- Obligations under finance lease	2,336	2,401
	20,054	20,588
Total borrowings	23,311	23,768

The Group does not have any unsecured borrowings and debt securities as at 31 December 2016 and 30 September 2016.

Details of any collaterals:

- Bank borrowings of approximately S\$19.6 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 property.
- 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.

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

Consolidated Statement of Cash Flows for First Quarter Ended 31 December 2016

	Group	
	3 months ended 31 December	
	2016 (unaudited) S\$'000	2015 (unaudited) S\$'000
Cash flows from operating activities:		
Profit before income tax	5,277	1,860
Share of results associates and joint ventures	(3,886)	(6)
Adjustments for:		
Depreciation of property, plant and equipment	1,547	1,661
Gain on disposal of property, plant and equipment	(8)	(10)
Property, plant and equipment written off	1	-
Waiver of debt from a director of subsidiaries	(21)	-
Interest income	(21)	(42)
Interest expenses	150	151
Operating profit before working capital changes	3,039	3,614
(Increase)/decrease in inventories	(3)	103
Increase in operating receivables	(722)	(1,207)
Increase/(decrease) in operating payables	1,202	(1,361)
Cash generated from operations	3,516	1,149
Interest expense paid	(100)	(151)
Income tax paid	(27)	(74)
Net cash generated from operating activities	3,389	924
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(1,497)	(2,160)
Proceeds from disposals of property, plant and equipment	8	253
Acquisition of a joint venture	(150)	-
Repayment from joint ventures, net	80	-
Interest received	8	42
Net cash used in investing activities	(1,551)	(1,865)
Cash flows from financing activities:		
Repayment of obligations under hire-purchase contracts	(406)	(397)
Placements of deposits pledged	(5)	(10)
Bank borrowings repaid	(385)	(355)
Repayment amount owing to a director of subsidiaries	(19)	(166)
Net cash used in financing activities	(815)	(928)
Net increase/(decrease) in cash and cash equivalents	1,023	(1,869)
Cash and cash equivalents at beginning of period	19,926	24,638
Effect of currency translation on cash and cash equivalents	40	22
Cash and cash equivalents at end of period	20,989	22,791
Consolidated cash and cash equivalents are represented by:		
Cash and bank balances	20,989	17,764
Fixed deposits	5,711	10,683
	26,700	28,447
Less: Pledged fixed deposits	(5,711)	(5,656)
Cash and cash equivalents as per consolidated statement of cash flows	20,989	22,791

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

Statements of Changes in Equity

GROUP (unaudited)	Share capital	Treasury shares	Retained profits	Merger reserves	Reserve on disposal of non- controlling interests	Asset revaluation reserves	Currency translation reserves	Total attributable to equity holders of the Company	Non- controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 01/10/15	51,243	-	33,222	(30,727)	269	2,443	(1,016)	55,434	(127)	55,307
Profit for the period	-	-	1,534	-	-	-	-	1,534	(9)	1,525
Other comprehensive income	-	-	-	-	-	-	172	172	1	173
Total comprehensive income for the period	-	-	1,534	-	-	-	172	1,706	(8)	1,698
Balance at 31/12/15	51,243	-	34,756	(30,727)	269	2,443	(844)	57,140	(135)	57,005
Balance at 01/10/16	51,287	(245)	46,507	(30,727)	269	3,202	(745)	69,548	(119)	69,429
Profit for the period	-	-	4,884	-	-	-	-	4,884	163	5,047
Other comprehensive income	-	-	-	-	-	-	51	51	(1)	50
Total comprehensive income for the period	-	-	4,884	-	-	-	51	4,935	162	5,097
Balance at 31/12/16	51,287	(245)	51,391	(30,727)	269	3,202	(694)	74,483	43	74,526

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

Statements of Changes in Equity (Cont'd)

COMPANY (unaudited)	Share capital S\$'000	Treasury shares S\$'000	Retained profits S\$'000	Total S\$'000
Balance at 01/10/15	51,243	-	2,128	53,371
Total comprehensive expense for the period	-	-	18	18
Balance at 31/12/15	51,243	-	2,146	53,389
Balance at 01/10/16	51,287	(245)	3,070	54,112
Total comprehensive income for the period	-	-	27	27
Balance at 31/12/16	51,287	(245)	3,097	54,139

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

As at 31 December 2016, the share capital of the Company amounted to \$51,286,998 comprising 360,004,200 issued ordinary shares excluding treasury shares (as at 31 December 2015: \$51,243,056 comprising 361,524,300 issued ordinary shares excluding treasury shares).

During the first quarter ended 31 December 2016, there was no issuance of new ordinary shares.

The Company has 1,853,000 treasury shares as at 31 December 2016 (31 December 2015: no treasury shares held).

Save as disclosed above, the Company did not have any outstanding convertibles as at 31 December 2016 and 31 December 2015.

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

The total number of issued ordinary shares (excluding treasury shares) as at 31 December 2016 was 360,004,200 (As at 30 September 2016: 360,004,200).

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the financial period ended 31 December 2016.

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

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

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

Not applicable.

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

Save as disclosed in paragraph 5 below, the Group and the Company have applied the same accounting policies and methods of computation in preparation of the financial statements for the current reporting period compared with the audited financial statements for the last report 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 current financial period, the Group and the Company have adopted all the new revised Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRSs") 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 does not result in changes to the Group's and the Company's accounting policies and has no material effect on the financial statements reported for the current or prior reporting periods.

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

	Group	
	3 months Ended 31 December	
	2016 (unaudited)	2015 (unaudited)
<u>Earnings per ordinary share</u>		
(i) Based on weighted average number of ordinary shares in issue (Singapore Cents)	1.36	0.42
(ii) On a fully diluted basis (Singapore Cents)	1.36	0.42
Weighted average number of shares (in '000)	360,004	361,524

The basic and fully diluted earnings per share are the same as there were no potentially dilutive ordinary securities in issue as at 31 December 2016 and 31 December 2015.

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

	Group		Company	
	As at 31/12/16 (unaudited)	As at 30/09/16 (audited)	As at 31/12/16 (unaudited)	As at 30/09/16 (audited)
Net asset value attributable to Shareholders (S\$'000)	74,483	69,548	54,139	54,112
Number of ordinary shares in issue (in '000)	360,004	360,004	360,004	360,004
Net asset value per ordinary share (Singapore Cents)	20.69	19.32	15.04	15.03

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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 (b) any material factors that affect the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review on Group's Financial Results

Revenue

S\$ (in million)	1Q2017	1Q2016	Variance	
			S\$	%
Industrial Properties	10.9	13.3	(2.4)	(18.0)
Commercial Properties	6.0	6.0	-	-
Residential Properties	0.3	0.2	0.1	50.0
Space Optimisation Business	17.2	19.5	(2.3)	(11.8)
Facilities Management Business	3.8	2.8	1.0	35.7
Logistics Services Business	5.4	3.6	1.8	50.0
Total	26.4	25.9	0.5	1.9

For the period 3 months ended 31 December 2016 ("1Q2017") vs 3 months ended 31 December 2015 ("1Q2016")

Revenue

The Group's revenue increased by approximately S\$0.5 million or 1.9% from approximately S\$25.9 million in 1Q2016 to approximately S\$26.4 million in 1Q2017. The increase was mainly due to the increase in revenue from our Facilities Management Business and Logistics Services Business, partially offset by the decrease in revenue from the Space Optimisation Business in the Industrial Properties.

(a) Space Optimisation Business

Industrial Properties

Revenue derived from Industrial Properties decreased by approximately S\$2.4 million or 18.0% from approximately S\$13.3 million in 1Q2016 to approximately S\$10.9 million in 1Q2017. The decrease in revenue was mainly due to the expiry of some head leases and movement of tenants arising from renewal of sub-leases.

The average occupancy rate of industrial properties managed by the Group in 1Q2017 was approximately 89%.

Commercial Properties

Revenue derived from Commercial Properties remained unchanged at S\$6.0 million in 1Q2016 and 1Q2017.

The average occupancy rate of the Group's commercial properties was approximately 92% in 1Q2017.

Residential Properties

Revenue derived from Residential Properties increased by approximately S\$0.1 million or 50.0% from approximately S\$0.2 million in 1Q2016 to approximately S\$0.3 million in 1Q2017. The increase was 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 approximately S\$1.0 million or 35.7% from approximately S\$2.8 million in 1Q2016 to approximately S\$3.8 million in 1Q2017. The increase was mainly due to an increase in revenue from security services and car parking management services. The increase in car parking management services was due to increase in car park rate of its existing sites and new car parks managed by our Group.

(c) Logistics Services Business

Revenue derived from our Logistics Services Business increased by approximately S\$1.8 million or 50.0% from approximately S\$3.6 million in 1Q2016 to S\$5.4 million in 1Q2017. The increase was mainly due to increase in revenue from our container depot business arising from more storage and repairs of leasing containers contributed by the slow down of shipments worldwide.

Cost of sales increased by approximately S\$0.6 million or 2.9% from approximately S\$19.5 million in 1Q2016 to approximately S\$20.1 million in 1Q2017. The increase in cost of sales was mainly due to an increase in transportation costs of approximately S\$0.5 million and upkeep and maintenance costs of approximately S\$0.3 million. The increase was offset by a decrease in rental costs of approximately S\$0.2 million.

In view of the above mentioned, gross profit decreased by approximately S\$0.1 million from approximately S\$6.4 million in 1Q2016 to approximately S\$6.3 million in 1Q2017.

Other operating income remained relatively unchanged at approximately S\$0.6 million in 1Q2016 and 1Q2017.

Selling and distribution expenses decreased by approximately S\$0.3 million or 50.9% from approximately S\$0.6 million in 1Q2016 to approximately S\$0.3 million in 1Q2017. The decrease was mainly due to decrease in agent commission of approximately S\$0.3 million.

Administrative expenses increased by approximately S\$0.7 million or 14.9% from approximately S\$4.4 million in 1Q2016 to approximately S\$5.1 million in 1Q2017. The increase was mainly due to increase in employee benefit cost of approximately S\$0.6 million and increase in miscellaneous expenses of approximately S\$0.1 million.

Finance costs remained relatively unchanged at approximately S\$0.2 million in 1Q2016 and 1Q2017.

Share of results of associates and joint ventures increased by approximately S\$3.9 million from approximately S\$6,000 profit in 1Q2016 to S\$3.9 million profit in 1Q2017. The increase was mainly due to a non-recurring gain of approximately S\$4.3 million on acquisition of Four Star Industries Pte. Ltd. which was a result of the excess of our proportionate share of the net fair value of the joint venture identifiable assets and liabilities over the cost of investment. This was partially offset by an increase in operating loss of approximately S\$0.4 million.

As a result of the aforementioned, the Group's profit before income tax increased by approximately S\$3.4 million or 183.7% from approximately S\$1.9 million in 1Q2016 to approximately S\$5.3 million in 1Q2017.

Taxation decreased by approximately S\$0.1 million or 31.3% from approximately S\$0.3 million in 1Q2016 to approximately S\$0.2 million in 1Q2017. The decrease was mainly due to lower taxable profits.

Review of Statement of Financial Position

Group

Non-current assets

Non-current assets increased by approximately S\$5.2 million from approximately S\$72.4 million as at 30 September 2016 to approximately S\$77.6 million as at 31 December 2016. The increase was mainly due to gain on acquisition of a joint venture of approximately S\$4.3 million, increase in investment properties of approximately S\$0.1 million and increase in property, plant and equipment of approximately S\$0.8 million, largely attributable to the capitalisation of renovation costs of leased sites.

Current assets

Current assets increased by approximately S\$1.6 million from approximately S\$49.1 million as at 30 September 2016 to approximately S\$50.7 million as at 31 December 2016. The increase was mainly due to the increase in cash and bank balances of approximately S\$1.1 million largely generated from operations and increase in trade and other receivables of approximately S\$0.5 million mainly due to increase in trade receivables of approximately S\$1.0 million and partially offset by decrease in other receivables of approximately S\$0.5 million.

Non-current liabilities

Non-current liabilities decreased by approximately S\$0.5 million from approximately S\$21.2 million as at 30 September 2016 to approximately S\$20.7 million as at 31 December 2016. The decrease was mainly due to repayment of bank borrowings of approximately S\$0.4 million and decrease of obligations under hire-purchase contracts of approximately S\$0.1 million.

Current liabilities

Current liabilities increased by approximately S\$2.2 million from approximately S\$30.9 million as at 30 September 2016 to approximately S\$33.1 million as at 31 December 2016. The increase was mainly due to increase in trade payables of approximately S\$0.6 million and other payables of approximately S\$1.3 million. The increase in other payables mainly consists of accrued rental expense of approximately S\$1.0 million and current tax payable of approximately S\$0.2 million and bank borrowings of approximately S\$0.1 million.

Review of Statement of Cash Flows

In 1Q2017, we recorded net cash from operating activities of approximately S\$3.4 million, which was a result of operating cash flows before changes in working capital of S\$3.0 million, adjusted for net working capital inflow of approximately S\$0.5 million, and interest expense paid of approximately S\$0.1 million. Our working capital inflows were mainly due to an increase in operating payables of approximately S\$1.2 million and partially offset by an increase in operating receivables of approximately S\$0.7 million.

Net cash used in investing activities amounted to approximately S\$1.5 million, which was mainly due to the acquisition of property, plant and equipment of approximately S\$1.5 million and acquisition of a joint venture of approximately S\$0.1 million. These were partially offset by repayment by joint venture of approximately S\$0.1 million.

Net cash generated used in financing activities amounted to approximately S\$0.8 million which was mainly due to repayment of obligations under hire-purchase of approximately S\$0.4 million and repayment of bank borrowings of approximately S\$0.4 million.

As a result of the above, there was a net increase of approximately S\$1.1 million in our cash and cash equivalents, from approximately S\$19.9 million as at 30 September 2016 to approximately S\$21.0 million as at 31 December 2016.

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

The gain arising from the acquisition of Four Star Industries Pte Ltd as reflected in the current reporting period is in line with the Company's announcement dated 10 October 2016.

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.

Rising global economic uncertainties, weak manufacturing and trading conditions, poor consumer sentiment and oversupply of commercial and industrial space has dampened demand and caused intense price pressures on rents.

LHN expects the next 12 months to remain challenging because of ongoing economic uncertainties and poor overall sentiments leading to a fall in leasing activities. However, we also observed a trend of businesses scaling down the size of their operations leading to a demand for smaller business space and an increase in requirement for value-add services. To capitalise on this trend, LHN has reviewed its marketing strategy and service offerings.

In mid Jan 2017, the Group obtained Temporary Occupation Permit for its property at 100 Eunos Avenue 7 which has been purposed for the Work + Store concept. We have also completed the first phase renovation at 38 Ang Mo Kio. We expect to build up the occupancy rate of these two properties over the next few months.

The Group has recently launched PickJunction, which is an innovative and experiential concept to support small, independent entrepreneurs of furnishing and lifestyle products.

Both the Work + Store and PickJunction newest concepts are expected to widen the Group's tenant mix to include those from these target sectors.

11. Dividend

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

None.

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

None.

(c) The date the dividend is payable.

Not applicable.

(d) Books closure date.

Not applicable.

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

No dividend has been declared or recommended for 1Q2017.

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

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

Name of Interested Persons and Transactions	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	3 months ended 31 December 2016 S\$'000	3 months ended 31 December 2016 S\$'000
<u>Payments received by our Group</u>		
PJS Companies*		
- Property leases or sub-leases	-	131
- Facilities management services	-	2
Total	-	133

- * 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.

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	192	308
5	General working capital	2,931	2,931	-
6	Listing expenses	2,569	2,569	-
	Total	17,000	16,692	308

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 consists of payment for:

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

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

The Board of Directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for the three months ended 31 December 2016 to be false or misleading in any material aspect.

16. 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 Catalyst 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 Catalyst Listing Manual.

By Order of the Board

Kelvin Lim

Executive Chairman and Group Managing Director

13 February 2017