

LHN LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 201420225D

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER
AND NINE MONTHS ENDED 30 JUNE 2015**

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 relevant rules of the SGX-ST Listing Manual Section B: Rules of the 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 THIRD QUARTER ("3Q2015") AND NINE MONTHS ENDED 30 JUNE 2015 ("9M2015")

	Group					
	3 Months Ended 30 June		Change	9 Months Ended 30 June		Change
	2015	2014		2015	2014	
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	23,919	23,458	2.0	70,680	67,161	5.2
Cost of sales	(17,646)	(15,519)	13.7	(52,200)	(47,838)	9.1
Gross profit	6,273	7,939	(21.0)	18,480	19,323	(4.4)
Other operating income	614	560	9.6	1,960	1,604	22.2
Selling and distribution expenses	(579)	(254)	128.0	(1,355)	(710)	90.8
Administrative expenses	(4,851)	(4,661)	4.1	(13,054)	(12,998)	0.4
Finance costs	(127)	(157)	(19.1)	(322)	(477)	(32.5)
Share of associated companies' results, net of tax	7	5	40.0	22	20	10.0
Profit from operations	1,337	3,432	(61.0)	5,731	6,762	(15.2)
IPO listing expenses	(136)	-	NM	(1,558)	-	NM
Profit before taxation	1,201	3,432	(65.0)	4,173	6,762	(38.3)
Taxation	(588)	(458)	28.4	(774)	(809)	(4.3)
Profit after taxation for the period	613	2,974	(79.4)	3,399	5,953	(42.9)
Other comprehensive (expenses)/income after tax						
Item that will be reclassified subsequently to profit or loss						
Currency translation differences arising from consolidation	(151)	(184)	(17.9)	(148)	(130)	13.8
Other comprehensive (expense)/income after tax	(151)	(184)	(17.9)	(148)	(130)	13.8
Total comprehensive income for the year, net of tax	462	2,790	(83.4)	3,251	5,823	(44.2)
Profit attributable to:						
Equity owners of the Company	649	2,973	(78.2)	3,435	6,006	(42.8)
Non-controlling interests	(36)	1	NM	(36)	(53)	(32.1)
Profit for the period	613	2,974	(79.4)	3,399	5,953	(42.9)
Total comprehensive income attributable to:						
Equity owners of the Company	502	2,790	(82.0)	3,292	5,882	(44.0)
Non-controlling interests	(40)	-	NM	(41)	(59)	(30.5)
Total comprehensive income for the period	462	2,790	(83.4)	3,251	5,823	(44.2)
<i>NM – Not Meaningful</i>						

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

	Group			
	3 Months Ended 30 June		9 Months Ended 30 June	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	1,350	1,289	3,976	3,871
Interest income	(39)	(20)	(69)	(53)
Finance costs	127	157	322	477
Foreign exchange loss, net	253	86	258	54
Loss/(gain) on disposal of property, plant and equipment, net	-	85	(13)	87
Property, plant and equipment written off	-	-	3	-

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

Statements of Financial Position

	Group		Company	
	As At 30/06/15 S\$'000	As At 30/09/14 S\$'000	As At 30/06/15 S\$'000	As At 30/09/14 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	19,259	19,869	-	-
Investment properties	20,853	20,631	-	-
Investment in subsidiaries	-	-	32,727	-
Investment in associated companies	84	62	-	-
Long-term prepayment	297	333	-	-
	40,493	40,895	32,727	-
Current assets				
Inventories	293	256	-	-
Work-in-progress	164	58	-	-
Trade and other receivables	15,221	10,222	5,051	-
Prepayments	3,465	985	8	-
Cash and bank balances	17,583	14,417	2,726	*
Fixed deposits	14,616	5,584	9,007	-
	51,342	31,522	16,792	-
TOTAL ASSETS	91,835	72,417	49,519	*
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	51,243	2,000	51,243	*
Reserves	3,292	30,727	(1,750)	(1)
	54,535	32,727	49,493	(1)
Non-controlling interests	6	(131)	-	-
TOTAL EQUITY	54,541	32,596	49,493	(1)
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	223	223	-	-
Other payables	-	166	-	-
Obligations under finance lease	2,240	2,870	-	-
Bank borrowings	8,644	9,246	-	-
	11,107	12,505	-	-
Current liabilities				
Trade and other payables	22,248	23,596	26	1
Obligations under finance lease	1,428	1,331	-	-
Bank borrowings	808	824	-	-
Current tax payable	1,703	1,565	-	-
	26,187	27,316	26	1
TOTAL LIABILITIES	37,294	39,821	26	1
TOTAL EQUITY AND LIABILITIES	91,835	72,417	49,519	-

*Represents amounts less than S\$1,000.

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

	Group	
	As At 30/06/15 S\$'000	As At 30/09/14 S\$'000
Amount repayable in one year or less (secured and guaranteed)		
- Bank borrowings	808	824
- Obligations under finance lease	1,428	1,331
	2,236	2,155
Amount repayable after one year (secured and guaranteed)		
- Bank borrowings	8,644	9,246
- Obligations under finance lease	2,240	2,870
	10,884	12,116
Total borrowings	13,120	14,271

The Group does not have any unsecured borrowings and debt securities as at 30 June 2015 and 30 September 2014.

Details of any collaterals:

- Bank borrowings of approximately S\$9.5 million (30 September 2014 – S\$10.1 million) obtained by a subsidiary is secured by legal mortgage of leasehold property at 72 Eunos Avenue 7, a corporate guarantee by the Group and joint and several guarantee provided by certain directors of the Company.
- 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 a corporate guarantee 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 Third Quarter and Nine Months Ended 30 June 2015

	Group			
	3 Months Ended 30 June		9 Months Ended 30 June	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Profit before income tax	1,201	3,432	4,173	6,762
Share of associated companies' results	(7)	(5)	(22)	(20)
Adjustments for:				
Depreciation of property, plant and equipment	1,350	1,289	3,976	3,871
Loss/(gain) on disposal of property, plant and equipment	-	85	(13)	87
Property, plant and equipment written off	-	-	3	-
Interest income	(39)	(20)	(69)	(53)
Interest expenses	127	157	322	477
Operating profit before working capital changes	2,632	4,938	8,370	11,124
(Increase)/decrease in inventories	(42)	62	(36)	-
(Increase)/decrease in work-in-progress	(24)	695	(106)	(523)
(Increase)/decrease in operating receivables	(1,633)	1,303	(7,335)	2,419
Increase/(decrease) in operating payables	1,371	(2,890)	520	(3,127)
Cash generated from operations	2,304	4,108	1,413	9,893
Interest expense paid	(127)	(157)	(322)	(477)
Income tax paid	(301)	(627)	(619)	(799)
Net cash generated from operating activities	1,876	3,324	472	8,617
Cash flows from investing activities:				
Acquisition of property, plant and equipment	(1,336)	(987)	(2,503)	(1,966)
Acquisition of subsidiary, net of cash acquired	-	-	592	-
Purchase of investment properties	-	-	(500)	-
Proceeds from disposals of property, plant and equipment	15	50	69	72
Net cash outflow on disposal of investment in subsidiaries	-	-	-	(620)
Interest received	39	20	69	53
Net cash used in investing activities	(1,282)	(917)	(2,273)	(2,461)
Cash flows from financing activities:				
Repayment of obligations under hire-purchase contracts	(333)	(523)	(1,029)	(953)
Placements/Uplift of deposits pledged - current	(22)	235	(34)	231
Effect on non-controlling interest on newly incorporated subsidiaries	(32)	-	45	-
Proceeds from issuance of shares to a non-controlling interest of a subsidiary	-	-	100	-
Bank borrowings repaid	(207)	(360)	(618)	(2,124)
Proceeds from Pre-IPO convertible loans	-	-	2,000	-
Proceeds from issuance of new shares	17,000	-	17,000	-
Share issuance expenses	(804)	-	(804)	-
(Repayment)/amount owing to a director of subsidiaries	(212)	429	(689)	429
Repayment to immediate holding company	-	(88)	-	(2,915)
Amount owing to related parties, net	-	-	-	3
Repayment to a director	-	(417)	-	(417)
Dividend paid	-	-	(2,000)	-
Net cash generated from/(used in) financing activities	15,390	(724)	13,971	(5,746)

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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 Third Quarter and Nine Months Ended 30 June 2015

	Group			
	3 Months Ended 30 June		9 Months Ended 30 June	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Net increase in cash and cash equivalents	15,984	1,683	12,170	410
Cash and cash equivalents at beginning of period	10,615	12,146	14,425	13,352
Effect of currency translation on cash and cash equivalents	(10)	(88)	(6)	(21)
Cash and cash equivalents at end of period	26,589	13,741	26,589	13,741
Consolidated cash and cash equivalents are represented by:				
Cash and bank balances	17,583	13,741	17,583	13,741
Fixed deposits	14,616	5,695	14,616	5,695
	32,199	19,436	32,199	19,436
Less: Pledged fixed deposits	(5,610)	(5,695)	(5,610)	(5,695)
Cash and cash equivalents as per consolidated statement of cash flows	26,589	13,741	26,589	13,741

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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	Share capital	Retained profits	Merger reserves	Reserve on disposal of non-controlling interests	Fair value 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
Balance at 1/10/13	2,000	18,243	-	269	355	(595)	20,272	(78)	20,194
Profit for the period	-	6,006	-	-	-	-	6,006	(53)	5,953
Other comprehensive expense	-	-	-	-	-	(124)	(124)	(6)	(130)
Total comprehensive income/(expense) for the period	-	6,006	-	-	-	(124)	5,882	(59)	5,823
Balance at 30/6/14	2,000	24,249	-	269	355	(719)	26,154	(137)	26,017

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Statements of Changes in Equity (Cont'd)

GROUP	Share capital	Retained profits	Merger reserves	Reserve on disposal of non-controlling interests	Fair value 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
Balance at 1/10/14	2,000	28,999	-	269	2,189	(730)	32,727	(131)	32,596
Effect on non-controlling interest on the newly incorporated subsidiaries	-	-	-	-	-	-	-	178	178
Adjustment arising from the restructuring exercise	(2,000)	-	(30,727)	-	-	-	(32,727)	-	(32,727)
New shares issued pursuant to restructuring exercise	35,047	-	-	-	-	-	35,047	-	35,047
Issue of new placement Shares	17,000	-	-	-	-	-	17,000	-	17,000
Less: Share issue expenses	(804)	-	-	-	-	-	(804)	-	(804)
Profit for the period	-	3,435	-	-	-	-	3,435	(36)	3,399
Other comprehensive expense	-	-	-	-	-	(143)	(143)	(5)	(148)
Total comprehensive income/(expense) for the period	-	3,435	-	-	-	(143)	3,292	(41)	3,251
Balance at 30/6/15	51,243	32,434	(30,727)	269	2,189	(873)	54,535	6	54,541

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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	Share capital S\$'000	Retained profits S\$'000	Total S\$'000
Balance at 1/10/13	-	-	-
Total comprehensive loss for the period	-	-	-
Balance at 30/6/14	-	-	-
Balance at 1/10/14	*	(1)	(1)
New shares issued pursuant to restructuring exercise	35,047	-	35,047
Issue of new placement Shares	17,000	-	17,000
Less: Share issuance expenses	(804)	-	(804)
Total comprehensive loss for the period	-	(1,749)	(1,749)
Balance at 30/6/15	51,243	(1,750)	49,493

*Represents amounts less than S\$1,000.

Note: There are no comparative figures for the Company as at 30 June 2014 as the Company was incorporated on 10 July 2014.

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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.**

	Number of Issued Shares	Issued and paid-up share capital (S\$)
Issued and fully paid Shares at 10 July 2014	1	1
Issue of new Shares pursuant to the Restructuring Exercise on 10 March 2015	999,999	32,726,559
Post-Restructuring Exercise issued and paid- up share capital as at 10 March 2015	1,000,000	32,726,560
Issued and paid-up share capital after Share Split on 10 March 2015	275,000,000	32,726,560
Issue of Pre-IPO New Shares on 30 March 2015	11,220,000	2,000,000
Issue of PPCF Shares on 30 March 2015	1,391,300	320,000
Pre-Placement issued and paid-up share capital as at 31 March 2015	287,611,300	35,046,560
Placement Shares issued pursuant to the Placement on 13 April 2015	73,913,000	16,999,990
Less: Share issuance expenses	-	(803,494)
Post-Placement issued and paid-up share capital as at 30 June 2015	361,524,300	51,243,056

Subsequent to the financial period ended 31 March 2015, 73,913,000 new shares of the Company have been issued to investors at an issue price of S\$0.23 per share in connection with its listing on Catalist of the SGX-ST on 13 April 2015.

LHN Performance Share Plan

The Company had on 10 March 2015, adopted the LHN Performance Share Plan ("PSP"). The Company has not granted any awards under the PSP as at the date of this announcement.

Save as disclosed above, the Company did not have any outstanding options, convertibles or treasury shares as at 30 June 2015 and 30 June 2014.

- 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 June 2015 was 361,524,300 (As at 30 September 2014: 1).

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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 and as at the end of the current financial period reported on.

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 accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements ended 30 September 2014 prepared for the purpose of the initial public offering ("IPO") as disclosed in the Company's offer document dated 1 April 2015 (the "Offer Document").

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 has 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 2014. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior period.

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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 30 June		9 Months Ended 30 June	
	2015	2014	2015	2014
<u>Earnings per ordinary share</u>				
(i) Based on weighted average number of ordinary shares in issue (Cents)	0.18	1.08	1.14	2.18
(ii) On a fully diluted basis (Cents)	0.18	1.08	1.14	2.18
Weighted average number of shares (in '000)	351,778	275,000	300,685	275,000

The basic and fully diluted earnings per share are the same since there were no potentially dilutive ordinary shares in issue as at 30 June 2015 and 30 June 2014.

For comparative and illustrative purposes, the earnings per ordinary share for the financial period ended 30 June 2014 was computed based on the number of ordinary shares issued after share split of 275,000,000 which was completed on 10 March 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 30/06/15	As at 30/09/14	As at 30/06/15	As at 30/09/14
Net asset value (S\$'000)	54,535	32,726	49,493	(1)
Number of ordinary shares in issue (in '000)	361,524	361,524	361,524	361,524
Net asset value per ordinary share (Cents)	15.08	9.05	13.69	NM

For comparative and illustrative purposes, the net asset value per ordinary share for the financial period ended 30 September 2014 was computed based on the number of ordinary shares in issue as at 30 June 2015.

NM – Not Meaningful

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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

	3Q2015	3Q2014	Variance		9M2015	9M2014	Variance	
			S\$	%			S\$	%
S\$ (in million)								
Industrial Properties	11.1	10.1	1.0	9.9	33.3	29.0	4.3	14.8
Commercial Properties	5.8	5.5	0.3	5.5	17.4	15.9	1.5	9.4
Residential Properties	0.6	2.4	(1.8)	(75.0)	1.9	7.4	(5.5)	(74.3)
Space Optimisation Business	17.5	18.0	(0.5)	(2.8)	52.6	52.3	0.3	0.6
Facilities Management Business	2.5	2.2	0.3	13.6	7.0	6.3	0.7	11.1
Logistics Services Business	3.9	3.3	0.6	18.2	11.1	8.6	2.5	29.1
Total	23.9	23.5	0.4	2.0	70.7	67.2	3.5	5.2

9 months ended 30 June 2015 (9M2015) vs 9 Months Ended 30 June 2014 (9M2014)

The Group's revenue increased by approximately S\$3.5 million or 5.2% from approximately S\$67.2 million in 9M2014 to approximately S\$70.7 million in 9M2015. The increase was mainly due to increase in rental income (which includes warehousing service fees) from our Industrial and Commercial Properties, as well as increased revenue from our Facilities Management Business and Logistics Services Business, offset by the decrease in revenue from Residential Properties sector.

(a) Space Optimisation Business

Industrial Properties

Revenue derived from Industrial Properties increased by approximately S\$4.3 million or 14.8% from approximately S\$29.0 million in 9M2014 to approximately S\$33.3 million in 9M2015. The increase in revenue was mainly higher rental income due to:

- (i) new master leases secured by our Group;
- (ii) new industrial property acquired by our Group; and
- (iii) increase in rental income from our existing Industrial Properties.

The average occupancy rate of industrial properties managed by the Group in 9M2015 was approximately 94%.

Commercial Properties

Revenue derived from Commercial Properties increased by approximately S\$1.5 million or 9.4% from approximately S\$15.9 million in 9M2014 to approximately S\$17.4 million in 9M2015. The increase in revenue was mainly due to a new master lease secured by our Group and higher rental income as a result of higher occupancy and rental rates from existing Commercial Properties.

The average occupancy rate of the Group's commercial properties was approximately 96% in 9M2015.

Residential Properties

Revenue derived from Residential Properties decreased by approximately S\$5.5 million or 74.3% from approximately S\$7.4 million in 9M2014 to approximately S\$1.9 million in 9M2015. The decrease was largely due to the expiry of managing agent contract with Housing Development Board ("HDB") on a residential property at Yung Kuang Road in August 2014.

(b) Facilities Management Business

Revenue derived from our Facilities Management Business increased by approximately S\$0.7 million or 11.1% from approximately S\$6.3 million in 9M2014 to approximately S\$7.0 million in 9M2015. The increase was mainly due to an increase in revenue from security services and car park management services arising from both the 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\$2.5 million or 29.1% from approximately S\$8.6 million in 9M2014 to approximately S\$11.1 million in 9M2015. The increase was mainly due to an increase in revenue from our transportation services and container depot business.

Cost of Sales

Cost of sales increased by approximately S\$4.4 million or 9.1% from approximately S\$47.8 million in 9M2014 to approximately S\$52.2 million in 9M2015. Our cost of sales comprises mainly rental costs, direct labour costs, upkeep and maintenance costs, transportation costs, sub-contracting costs and others. The increase in cost of sales was mainly due to an increase in (i) container depot management charges of approximately S\$1.9 million; (ii) rental costs (which includes warehousing service charges) of approximately S\$1.3 million relating to the new sites secured and managed by our Group; (iii) upkeep, maintenance and miscellaneous costs of approximately S\$0.7 million; and (iv) direct labour costs of approximately S\$0.5 million.

Gross Profit

Gross profit decreased by approximately S\$0.8 million from approximately S\$19.3 million in 9M2014 to approximately S\$18.5 million in 9M2015 whereas gross profit margin as a percentage of revenue decreased from 28.8% in 9M2014 to 26.1% in 9M2015. The decrease in gross profit was mainly due to higher rental cost from our Industrial Properties in 9M2015.

Other Operating Income

Other operating income increased by approximately S\$0.4 million or 22.2%, from approximately S\$1.6 million in 9M2014 to approximately S\$2.0 million in 9M2015. The increase was due to higher payouts from the Wage Credit Scheme and Government grants received.

Expenses

Selling and distribution expenses increased by approximately S\$0.7 million or 90.8% from approximately S\$0.7 million in 9M2014 to approximately S\$1.4 million in 9M2015. The increase was mainly due to an increase in advertising expenses of approximately S\$0.4 million and agent commission of approximately S\$0.3 million.

Administrative expenses was approximately S\$13.0 million for both 9M2015 and 9M2014.

Finance costs decreased by approximately S\$0.2 million or 32.5% from approximately S\$0.5 million in 9M2014 to approximately S\$0.3 million in 9M2015. The decrease in finance costs was mainly due to lower bank borrowings.

IPO expenses for 9M2015 were approximately S\$1.6 million.

As a result of the aforementioned, the Group's profit before income tax decreased by approximately S\$2.6 million or 38.3% from approximately S\$6.8 million in 9M2014 to approximately S\$4.2 million in 9M2015.

Taxation was approximately S\$0.8 million for both 9M2015 and 9M2014.

3 months ended 30 June 2015 (3Q2015) vs 3 Months Ended 30 June 2014 (3Q2014)**Revenue**

The Group's revenue increased by approximately S\$0.4 million or 2.0% from approximately S\$23.5 million in 3Q2014 to approximately S\$23.9 million in 3Q2015. The increase was mainly due to increase in rental income from our Industrial and Commercial Properties, as well as increased revenue from our Facilities Management Business and Logistics Services Business, offset by the decrease in revenue from the Residential Properties sector.

(a) Space Optimisation Business**Industrial Properties**

Revenue derived from Industrial Properties increased by approximately S\$1.0 million or 9.9% from approximately S\$10.1 million in 3Q2014 to approximately S\$11.1 million in 3Q2015. The increase in revenue was mainly due to an increase in rental income as a result of new master leases secured by our Group and increase in rental income from our existing Industrial Properties.

Commercial Properties

Revenue derived from Commercial Properties increased by approximately S\$0.3 million or 5.5% from approximately S\$5.5 million in 3Q2014 to approximately S\$5.8 million in 3Q2015. The increase in revenue was mainly due to a new master lease secured by our Group and higher rental income as a result of higher occupancy and rental rates from existing Commercial Properties.

Residential Properties

Revenue derived from Residential Properties decreased by approximately S\$1.8 million or 75.0% from approximately S\$2.4 million in 3Q2014 to approximately S\$0.6 million in 3Q2015. The decrease was mainly due to the expiry of managing agent contract with HDB on a residential property at Yung Kuang Road in August 2014.

(b) Facilities Management Business

Revenue derived from our Facilities Management Business increased by approximately S\$0.3 million or 13.6% from approximately S\$2.2 million in 3Q2014 to approximately S\$2.5 million in 3Q2015. The increase was mainly due to an increase in revenue from security and parking services.

(c) Logistics Services Business

Revenue derived from our Logistics Services Business increased by approximately S\$0.6 million or 18.2% from approximately S\$3.3 million in 3Q2014 to approximately S\$3.9 million in 3Q2015. The increase was mainly due to an increase in revenue from our transportation services and container depot business.

Cost of Sales

Cost of sales increased by approximately S\$2.1 million or 13.7% from approximately S\$15.5 million in 3Q2014 to approximately S\$17.6 million in 3Q2015. Our cost of sales comprises mainly rental costs, direct labour costs, upkeep and maintenance costs, transportation costs, sub-contracting costs and others. The increase in cost of sales was mainly due to an increase in (i) container depot management charges of approximately S\$0.6 million; (ii) rental costs (which includes warehousing service charges) of approximately S\$1.0 million relating to the new sites secured and managed by our Group; (iii) upkeep, maintenance and miscellaneous costs of approximately S\$0.4 million; and (iv) direct labour costs of approximately S\$0.1 million.

Gross Profit

Gross profit decreased by approximately S\$1.7 million from approximately S\$7.9 million in 3Q2014 to approximately S\$6.3 million in 3Q2015 whereas gross profit margin as a percentage of revenue increased from 33.8% in 3Q2014 to 26.2% in 3Q2015. The decrease was mainly due to higher rental cost from our Industrial Properties in 3Q2015.

Other Operating Income

Other operating income was approximately S\$0.6 million in 3Q2015 and 3Q2014.

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Expenses

Selling and distribution expenses increased by approximately S\$0.3 million or 128.0% from approximately S\$0.3 million in 3Q2014 to approximately S\$0.6 million in 3Q2015. The increase was mainly due to an increase in advertising expenses of approximately S\$0.2 million and agent commission of approximately S\$0.1 million.

Administrative expenses increased by approximately S\$0.2 million or 4.1% from approximately S\$4.7 million in 3Q2014 to approximately S\$4.9 million in 3Q2015. The increase was mainly due to increase in depreciation and miscellaneous expenses of approximately S\$0.1 million each.

Finance costs decreased by approximately S\$0.1 million or 19.1% from approximately S\$0.2 million in 3Q2014 to approximately S\$0.1 million in 3Q2015. The decrease was mainly due to lower bank borrowings.

IPO expenses for 3Q2015 were approximately S\$0.1 million.

As a result of the aforementioned, the Group's profit before income tax decreased by approximately S\$2.2 million or 65.6% from approximately S\$3.4 million in 3Q2014 to approximately S\$1.2 million in 3Q2015.

Taxation increased by approximately S\$0.1 million from approximately S\$0.5 million in 3Q2014 to approximately S\$0.6 million in 3Q2015.

Review of Statement of Financial Position**Group****Non-current assets**

As at 30 June 2015, our non-current assets amounted to approximately S\$40.5 million which accounted for approximately 44.1% of our total assets. Our non-current assets comprised primarily property, plant and equipment, investment properties, investment in associated companies and long term prepayment.

Non-current assets decreased by approximately S\$0.4 million from approximately S\$40.9 million as at 30 September 2014 to approximately S\$40.5 million as at 30 June 2015. The decrease was mainly due to increase in depreciation of property, plant and equipment which was partially offset by additions in investment property and logistics equipment.

Current assets

As at 30 June 2015, our current assets amounted to approximately S\$51.3 million which accounted for approximately 55.9% of our total assets. Our current assets comprised mainly trade and other receivables, cash and bank balances, prepayments and fixed deposits.

Current assets increased by approximately S\$19.8 million from approximately S\$31.5 million as at 30 September 2014 to approximately S\$51.3 million as at 30 June 2015. The increase was mainly due to increase in trade and other receivables, prepayments, cash and bank balances and fixed deposits.

Increase in trade and other receivables of approximately S\$5.0 million was mainly due to an increase in trade receivables of approximately S\$0.6 million and deposit paid of approximately S\$4.1 million to suppliers and landlords for new sites secured by our Group and other receivables of approximately S\$0.3 million. Increase in prepayments of approximately S\$2.5 million was mainly due to increase in advance payment for rental costs. Increase in cash and bank balances of approximately S\$3.2 million and fixed deposits of approximately S\$9.0 million was mainly due to proceeds received from the issue of new shares pursuant to the IPO.

Non-current liabilities

As at 30 June 2015, our non-current liabilities of approximately S\$11.1 million accounted for approximately 29.8% of our total liabilities. Our non-current liabilities comprised deferred tax liabilities, other payables, obligations under finance lease and bank borrowings.

Non-current liabilities decreased by approximately S\$1.4 million from approximately S\$12.5 million as at 30 September 2014 to approximately S\$11.1 million as at 30 June 2015. The decrease was mainly due to repayments of bank borrowings and finance leases.

Current liabilities

As at 30 June 2015, our current liabilities amounted to approximately S\$26.2 million which accounted for approximately 70.2% of our total liabilities. Our current liabilities comprised trade and other payables, current tax payable, bank borrowings and obligations under finance leases.

Current liabilities decreased by approximately S\$1.1 million from approximately S\$27.3 million as at 30 September 2014 to approximately S\$26.2 million as at 30 June 2015. The decrease was mainly due to decrease in trade and other payables. Decrease in trade and other payables were mainly due to dividend of S\$2.0 million paid to holding company for the dividend declared for FY2014 and payment of an amount owing to a director of a subsidiary of approximately S\$0.7 million. These were partially offset by increase in deposits received from customers of approximately S\$0.7 million and increase in trade payables of approximately S\$0.9 million.

Review of Statement of Cash Flows

In 3Q2015, we recorded net cash from operating activities of approximately S\$1.9 million, which was a result of operating cash flows before changes in working capital of S\$2.6 million, adjusted for net working capital outflow of approximately S\$0.3 million, income tax paid of approximately S\$0.3 million and net interest expense paid of approximately S\$0.1 million. Our working capital outflows were mainly due to an increase in operating receivables of approximately S\$1.6 million partially offset by an increase in operating payables of approximately S\$1.3 million.

Net cash used in investing activities amounted to approximately S\$1.3 million, which was mainly due to the acquisition of property, plant and equipment.

Net cash generated from financing activities amounted to approximately S\$15.4 million which was mainly due to the proceeds received from the issue of New Shares pursuant to the IPO of approximately S\$17.0 million. This was partially offset by share issue expenses of approximately S\$0.8 million, repayment of finance leases of approximately S\$0.3 million, repayment of bank borrowings of approximately S\$0.2 million, repayment to a certain director of our subsidiaries of approximately S\$0.2 million and other payments of approximately S\$0.1 million.

As a result of the above, there was a net increase of approximately S\$16.0 million in our cash and cash equivalents, from approximately S\$10.6 million as at 31 March 2015 to approximately S\$26.6 million as at 30 June 2015.

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 statements 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.

The Group expects the next 12 months to be challenging. Sentiment among businesses in Singapore has been affected by the uncertain global economic outlook.

The Group has undertaken new projects that will add more than 460,000 square feet of net lettable area to our property portfolio. These new projects are namely, 18 Tampines Industrial Crescent, 85 Boyar Nyunt Street in Yangon, Myanmar and Plaza Marein in Jakarta, Indonesia.

In light of the enlarged portfolio and barring unforeseen circumstances, the Group expects a slight variance to the average occupancy rate. The Group continues to look out for more master leases of properties which are strategically located and have good leasing potential.

Today, while the Group operates mainly in Singapore, it also has complementary business operations in Indonesia, Myanmar and Thailand. The Group intends to further expand its businesses in the ASEAN region and will be on a lookout for acquisitions, joint ventures and/or strategic alliances which give it access to new markets and customers as well as new businesses.

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11. Dividend

(a) Current Financial Period Reported On

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date.

Not applicable.

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

No interim dividend for the quarter ended 30 June 2015 has been recommended (30 June 2014: Nil).

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

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 30 June 2015 S\$'000	9 months ended 30 June 2015 S\$'000	3 months ended 30 June 2015 S\$'000	9 months ended 30 June 2015 S\$'000
<u>Payments received by our Group</u>				
PJS Companies*				
- Property leases or sub-leases	-	-	181	542
- Facilities management services	-	-	3	14
LHN Culinary Group and its subsidiaries**				
- Facilities management services	-	-	22	71
	-	-	206	627
<u>Payments paid by our Group</u>				
PJS Companies*				
- Purchase of food and beverage products and services	-	-	1	5
LHN Culinary Group and its subsidiaries**				
- Purchase of food and beverage products and services	-	-	22	54
	-	-	23	59
Total	-	-	229	686

* 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 Culinary Group and its subsidiaries comprises LHN Culinary Concepts Pte. Ltd. and its subsidiaries, namely, Alkaff Mansion Ristorante Pte. Ltd., Parco Caffè Holdings Pte. Ltd. and Australasian Wine Distributors Pte. Ltd. as disclosed on page 236 of the Offer Document dated 1 April 2015.

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14. Utilisation of Proceeds from the Initial Public Offering

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	1,719	3,281
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	-	500
5	General working capital	2,931	438	2,493
6	Listing expenses	2,569	2,569	-
	Total	17,000	4,726	12,274

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 S\$0.4 million consists of payment for partial rental cost and security deposit in relation to the new master lease secured for our second GreenHub Suited Offices in Jakarta.

The Company will continue to make periodic announcement 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 Catalist Listing Manual

The Board of Directors of the Company confirms 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 third quarter and nine months ended 30 June 2015 to be false or misleading in any material aspect.

By Order of the Board
Kelvin Lim
Executive Chairman and Group Managing Director
13 August 2015