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

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

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

**LHN
GROUP**
SPACE OPTIMISED

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)

MAJOR TRANSACTIONS

- (1) ACQUISITION OF THE PASIR PANJANG PROPERTY**
- (2) ACQUISITION OF THE RIGHT-OF USE ASSETS OF THE TAMPINES PROPERTY**

* for identification purpose only

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DEFINITIONS

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

“Act”	Conveyancing and Law of Property Act in Singapore (Cap. 61)
“Board”	the board of Directors
“Catalist Rules”	Section B of the listing manual of the SGX-ST: Rules of Catalist, as amended, supplemented or modified from time to time
“Company”	LHN Limited, a company incorporated with limited liability on 10 July 2014 under the laws of Singapore, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1730) and Catalist of the SGX-ST (SGX symbol: 410)
“connected person”	shall have the same meaning ascribed to it in the Listing Rules, unless the context otherwise requires
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“GST”	Goods and services tax in Singapore (based on the prevailing rate as at the date of the Pasir Panjang Option to Purchase)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Property Valuer”	Colliers International Consultancy & Valuation (Singapore) Pte Ltd, the independent property valuer who carried out (i) a valuation of the Pasir Panjang Property as at 31 October 2022, further details of which are set out in the Pasir Panjang Property Valuation Report; and (ii) a valuation of the right of use value of the Tampines Property as at 31 October 2022, further details of which are set out in the Tampines ROU Valuation Report
“Independent Third Party(ies)”	third party(ies) independent from the Company and its connected persons, as well as the Company’s Directors, chief executive officer (or equivalent), substantial shareholders and their respective associates (as defined under the Listing Rules and the Catalist Rules)
“IRAS”	the Inland Revenue Authority of Singapore
“Latest Practicable Date”	15 November 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Pasir Panjang Acquisition”	the acquisition of the Pasir Panjang Property as contemplated under the Pasir Panjang Option to Purchase
“Pasir Panjang Consideration”	S\$30,000,000, exclusive of GST
“Pasir Panjang Option to Purchase”	the option to purchase issued by the Pasir Panjang Vendor and duly exercised by the Pasir Panjang Purchaser as the purchaser in respect of the sale and purchase of the Pasir Panjang Property on 16 September 2022
“Pasir Panjang Property”	404 Pasir Panjang Road Singapore 118741 (comprised in Lot 99380L of Mukim 3)
“Pasir Panjang Purchaser”	Coliwoo PP Pte. Ltd., a company incorporated in the Republic of Singapore on 8 January 2021 with limited liability, and an indirect wholly-owned subsidiary of the Company
“Pasir Panjang Vendor”	Pasir Panjang Inn Pte. Ltd., a company incorporated in the Republic of Singapore on 15 December 1978 with limited liability, who is the vendor of the Pasir Panjang Property. The ultimate shareholders of Pasir Panjang Inn Pte. Ltd. are Ang Poh Seow, Estate of Ang Poh Chong, Tan Li Lian Annie, Ang Beng Hean, Ang Beng See, Brian Beng Kean Ang and Giam Lay Kee, Independent Third Parties
“Pasir Panjang Property Valuation Report”	the text of the property valuation report prepared by the Independent Property Valuer for the valuation of the Pasir Panjang Property as at 31 October 2022, which is set out in Appendix IV to this circular
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m”	square meter(s)
“S\$”	Singapore dollars, the lawful currency of Singapore

DEFINITIONS

“Tampines Landlord”	Oxley Bliss Pte. Ltd., a limited liability company incorporated in Singapore on 17 May 2012, the landlord of the Tampines Property. For detailed background of the Landlord, please refer to “3.4.3 Information about the Parties – The Tampines Landlord” in this circular.
“Tampines Lease Agreement”	the lease agreement dated 12 October 2022 entered into between the Tampines Tenant and the Tampines Landlord for the lease of the Tampines Property
“Tampines Property”	a total of 59 units from 2nd to 7th storey at 18 Tampines Industrial Crescent, Singapore 528605, known as Space @Tampines and inclusive of lorry lots and car park lots
“Tampines ROU Acquisition”	the acquisition of the right-of-use assets of the Tampines Property as contemplated under the Tampines Lease Agreement
“Tampines ROU Valuation Report”	the text of the valuation report prepared by the Independent Property Valuer for the valuation of the right of use of the Tampines Property as at 31 October 2022, which is set out in Appendix V to this circular
“Tampines Tenant”	LHN Space Resources Pte. Ltd., a limited liability company incorporated in Singapore on 15 July 2009 and an indirect wholly-owned subsidiary of the Company, the tenant of the Tampines Property
“Term”	the term of the lease of the Tampines Property as contemplated under the Tampines Lease Agreement, namely, three years and 11 months commencing on 13 October 2022 and expiring on 12 September 2026 (both dates inclusive)
“%”	per cent.

In this circular, unless the context otherwise requires, the terms “associate”, “close associate”, “core connected person”, “connected person”, “connected transaction”, “controlling shareholder” and “substantial shareholder”, if used where applicable, shall have the meanings given to such terms in the Listing Rules and Catalist Rules, as modified by the Stock Exchange and the SGX-ST respectively, from time to time.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules, the SFO, the HK Listing Rules or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Catalist Rules, the SFO, the HK Listing Rules or any modification thereof, as the case may be, unless otherwise provided.

DEFINITIONS

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date respectively, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancy in the figures included in this Circular, the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, express consent has not been obtained from the relevant source(s) for the inclusion of such information. Whilst reasonable care has been taken to ensure that the relevant information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context, the accuracy of such information has not been independently verified.

LETTER FROM THE BOARD

**LHN
GROUP**

SPACE OPTIMISED

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)

Executive Directors:

Mr. Lim Lung Tieng (Executive Chairman)

Ms. Lim Bee Choo

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

75 Beach Road #04-01

Singapore 189689

Independent Non-executive Directors:

Ms. Ch'ng Li-Ling

Mr. Yong Chee Hiong

Mr. Chan Ka Leung Gary

Principal Place of Business in Hong Kong:

Unit 912, 9/F

Two Harbourfront

22 Tak Fung Street

Hunghom, Kowloon

Hong Kong

24 November 2022

To the Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTIONS

(1) ACQUISITION OF THE PASIR PANJANG PROPERTY

(2) ACQUISITION OF THE RIGHT-OF USE ASSETS OF THE TAMPINES PROPERTY

1. INTRODUCTION

1.1. Background

Pasir Panjang Acquisition

Reference is made to the announcements of the Company dated 16 and 23 September 2022, and 10 October 2022 in relation to the acquisition of the Pasir Panjang Property. On 16 September 2022, the Pasir Panjang Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into the Pasir Panjang Option to Purchase for the sale and purchase of the Pasir Panjang Property, which forms the binding sale and purchase agreement for the Pasir Panjang Property upon the execution of the Pasir Panjang Option to Purchase, pursuant to which the Pasir Panjang Purchaser agreed to purchase and the Pasir Panjang Vendor agreed to sell the Pasir Panjang Property at the Pasir Panjang Consideration, being S\$30,000,000 exclusive of GST. Completion of the Pasir Panjang Acquisition took place on 16 November 2022.

LETTER FROM THE BOARD

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

Tampines ROU Acquisition

Reference is also made to the announcement of the Company dated 12 October 2022 in relation to the acquisition of the right-of-use asset of the Tampines Property. On 12 October 2022, LHN Space Resources Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as the tenant, had entered into the Tampines Lease Agreement with the Tampines Landlord on 12 October 2022 for the Tampines Property for a term of three years and 11 months commencing on 13 October 2022 and expiring on 12 September 2026 (both dates inclusive). Pursuant to IFRS16, the transactions contemplated under the Tampines Lease Agreement by the Group will require the Group to recognise the Tampines Property as the right-of-use assets, thus by entering into the Tampines Lease Agreement, the transactions contemplated under the Tampines Lease Agreement will be regarded as an acquisition of assets by the Group under Chapter 14 of the Listing Rules.

As one or more than one of the applicable percentage ratios for the acquisition of right-of-use assets in respect of the Tampines Property is more than 25% and below 100%, such acquisition of right-of-use assets of the Tampines Property constitutes a major transaction for the Company under the Listing Rules, and is therefore subject to the notification, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

1.2. Purpose of this Circular

Also, in accordance with Rule 14.44 of the Listing Rules, to the best of the information, knowledge and belief of the Directors, no shareholder of the Company is required to abstain from voting if the Company is to convene a general meeting for the approval of (i) the Pasir Panjang Acquisition as contemplated under the Pasir Panjang Option to Purchase; and (ii) the Tampines ROU Acquisition as contemplated under the Tampines Lease Agreement. The Company has obtained the written approval from Fragrance Ltd. in lieu of holding a general meeting for the Pasir Panjang Acquisition and the Tampines ROU Acquisition. Accordingly, no shareholders' meeting will be convened by the Company to approve the Pasir Panjang Acquisition and the Tampines ROU Acquisition.

This circular is to provide Shareholders with, among other things, (i) details of the Pasir Panjang Acquisition and the transaction contemplated under the Pasir Panjang Option to Purchase; (ii) details of the Tampines ROU Acquisition and the transaction contemplated under the Tampines Lease Agreement; and (iii) other information as required under the Listing Rules.

LETTER FROM THE BOARD

2. THE PASIR PANJANG ACQUISITION

2.1. The Pasir Panjang Option to Purchase

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

- Parties** :
- (1) the Pasir Panjang Purchaser, being Coliwoo PP Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as the purchaser
 - (2) the Pasir Panjang Vendor, being Pasir Panjang Inn Pte. Ltd., an Independent Third Party, as the vendor

For detailed background of the parties, please refer to “2.3 Information about the Parties” below.

- Consideration** :
- The Pasir Panjang Consideration was S\$30,000,000 exclusive of GST, of which, S\$1,500,000 exclusive of GST was paid as at the date of the Pasir Panjang Option to Purchase as non-refundable deposit.

The parties have determined the Pasir Panjang Consideration through arm’s length negotiation on normal commercial terms and taking into consideration, among others, the potential of the property, the value and the prevailing market prices of properties of similar nature available in the vicinity.

- Payment and payment schedule** :
- The Pasir Panjang Consideration is or will be satisfied (as the case may be) as follows:
- (i) the deposit of S\$1,500,000 exclusive of GST was paid by the Pasir Panjang Purchaser to the Pasir Panjang Vendor through internal sources of funding; and
 - (ii) the remaining balance of S\$28,500,000 exclusive of GST, being the total Pasir Panjang Consideration exclusive of GST less the sum of deposit, was paid on 16 November 2022 and was funded by a combination of internal sources of funding and bank borrowings.

LETTER FROM THE BOARD

- Condition precedent** : (i) The Pasir Panjang Option to Purchase is subject to the Pasir Panjang Purchaser not being precluded from purchasing the Pasir Panjang Property by virtue of the provisions of the Residential Property Act 1976 of Singapore or obtaining the requisite approval under the said act on or prior to the completion
- (ii) The sale and purchase of the Pasir Panjang Property shall be subject to the Pasir Panjang Purchaser receiving satisfactory replies to the legal requisitions sent by the Pasir Panjang Purchaser's solicitors insofar as such legal requisitions relate to the Pasir Panjang Property.
- Rescinding rights** : If any of the replies to the legal requisitions are unsatisfactory, the Pasir Panjang Option to Purchase may be rescinded at the option of the Pasir Panjang Purchaser by giving notice in writing thereof to the Pasir Panjang Vendor's solicitors within fourteen days of the receipt of such unsatisfactory reply, and in this respect time shall be of the essence, whereupon the Pasir Panjang Vendor shall refund to the Pasir Panjang Purchaser the deposit and all other monies paid by the Pasir Panjang Purchaser to the Pasir Panjang Vendor under the Pasir Panjang Option to Purchase without deduction or interest, and thereafter the sale and purchase shall become null and void and of no further effect whatsoever and neither the Pasir Panjang Purchaser nor the Pasir Panjang Vendor shall thereafter make any claim or demand against each other, subject to certain conditions.
- Property** : The Pasir Panjang Property is sold in such state and condition as regards access, repair, physical state, light, air drainage, sewerage, utility services, encroachment (if any) and in all other respects whatsoever on an "as is where is" basis as at the date of the Pasir Panjang Option to Purchase.
- Possession** : The Pasir Panjang Property is sold with vacant possession to be delivered on completion.
- Completion** : Completion took place on 16 November 2022.

LETTER FROM THE BOARD

2.2. Information about the Pasir Panjang Property and Reasons and Benefits for the Pasir Panjang Acquisition

The Pasir Panjang Property is located at 404 Pasir Panjang Road Singapore 118741 (comprised in Lot 99380L of Mukim 3), which has a total land area of 1,544.6 sq.m and is an estate in fee simple property.

The Pasir Panjang Property is currently operated as the “Pasir Panjang Inn” by the Pasir Panjang Vendor and that a certificate of registration under the Hotels Act 1954 of Singapore is issued. No information on the net profits (both before and after taxation and extraordinary items) attributable to the Pasir Panjang Property is made available by the Pasir Panjang Vendor as the Pasir Panjang Purchaser is acquiring the property and not the business (including the business of Pasir Panjang Inn) of the Pasir Panjang Vendor. The Pasir Panjang Property is sold with vacant possession.

The Group intends to operate the Pasir Panjang Property as a co-living space. Once the Pasir Panjang Property commence operations, it will expand the Group’s portfolio of properties under the co-living business in Singapore, increase brand value of COLIWOO, provide potential capital appreciation to the Group and provide additional opportunities to generate revenue.

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

According to the Pasir Panjang Property Valuation Report, the Pasir Panjang Property is valued for a total of S\$30.0 million as at 31 October 2022 using the direct comparison method and the income capitalisation method. Colliers International Consultancy & Valuation (Singapore) Pte Ltd had been commissioned by the Company as the independent property valuer.

2.3. Information about the Parties

2.3.1. The Company

The Company is a real estate management services group, with the expertise and experience to generate value for its landlords and tenants through its expertise in space optimisation, and logistics service provider headquartered in Singapore. The Group currently has three main business segments, namely: (i) space optimisation business; (ii) facilities management business; and (iii) logistics services business (through the Company’s indirect non-wholly owned subsidiary, LHN Logistics Limited (SGX stock code: GIH)), which complements one another. The Group currently operates mainly in Singapore, Indonesia, Thailand, Myanmar, Hong Kong, Malaysia and Cambodia.

2.3.2. The Pasir Panjang Purchaser

The Pasir Panjang Purchaser is an indirect wholly-owned subsidiary of the Company in Singapore, which primarily engages in space optimisation.

LETTER FROM THE BOARD

2.3.3. *The Pasir Panjang Vendor*

The Pasir Panjang Vendor, Pasir Panjang Inn Pte. Ltd., is a private company engaged in guest house service, hotel accommodation and property investment.

Save as disclosed above, the Pasir Panjang Vendor, its substantial shareholders, controlling shareholders and ultimate beneficial owners are Independent Third Parties to the Group to the best of the Directors' knowledge, information and belief having made all reasonable enquiries.

2.4. Financial Effect of the Pasir Panjang Acquisition

The Pasir Panjang Property will be held as an investment property in the Group after completion of the Pasir Panjang Acquisition. The investment properties of the Group would be expected to increase by approximately S\$30.9 million which consists of the Pasir Panjang Consideration, stamp duty and legal fee. Total assets of the Group would be expected to increase by approximately S\$24.0 million and net asset value of the Group is expected to remain unchanged as the increase in investment properties mentioned above will be offset by the decrease of approximately S\$6.9 million in cash and the remaining of approximately S\$24.0 million will be financed by bank borrowings, which is expected to therefore increase total liabilities by the same amount.

Saved as disclosed above, the Pasir Panjang Property Acquisition is not expected to have any material financial impact on the consolidated net tangible asset per share and the consolidated earnings per share of the Group for the financial year ending 30 September 2023.

2.5. Listing Rules Implications

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

2.6. Catalyst Rules Implication

As disclosed above under "2.3 Information of the Parties", the Company is primarily in the business of real estate management services and the Pasir Panjang Acquisition is part of the Group's strategy and plan to expand its portfolio of properties managed under the space optimisation business. Profits generated from the Pasir Panjang Property would be accounted for under the space optimisation business. Accordingly, the entry into the Pasir Panjang Option to Purchase for the purposes of acquiring and operating the Pasir Panjang Property is in the Group's ordinary course of business.

LETTER FROM THE BOARD

The disclosure requirements of this circular in respect of the Pasir Panjang Acquisition are referenced from Chapter 7 of the Catalist Rules. The Pasir Panjang Acquisition is not expected to have any material financial impact on the consolidated net tangible asset per share and the consolidated earnings per share of the Group for the financial year ending 30 September 2023. Being dual-primary listed on both Catalist of the SGX-ST and the Stock Exchange, the Company has undertaken to comply with the more onerous set of listing rules. Accordingly, this circular had been prepared in accordance to the disclosure requirements of Chapter 14 of the Listing Rules.

2.7. Written Controlling Shareholders' Approval

Fragrance Ltd. is a controlling shareholder of the Company who directly holds 220,982,600 shares of the Company (representing 54.04% of the share capital of the Company) as at the Latest Practicable Date. In accordance with Rule 14.44 of the Listing Rules, to the best of the information, knowledge and belief of the Directors, no Shareholder is required to abstain from voting if the Company is to convene a general meeting for the approval of the Pasir Panjang Acquisition as contemplated under the Pasir Panjang Option to Purchase. The Company has obtained the written approval from Fragrance Ltd. in lieu of holding a general meeting for the Pasir Panjang Acquisition. Accordingly, no shareholders' meeting will be convened by the Company to approve the Pasir Panjang Acquisition.

3. THE TAMPINES ROU ACQUISITION

3.1. The Tampines Lease Agreement

The major terms of the Tampines Lease Agreement are set out below:

Date	:	12 October 2022
Parties	:	(1) the Tampines Tenant, being LHN Space Resources Pte. Ltd., an indirect wholly-owned subsidiary of the Company, as the tenant (2) the Tampines Landlord, being Oxley Bliss Pte. Ltd., an Independent Third Party, as the landlord

For detailed background of the parties, please refer to "3.4 Information about the Parties" below.

The property	:	a total of 59 units from 2nd to 7th storey at 18 Tampines Industrial Crescent, Singapore 528605, known as Space @Tampines, and inclusive of lorry lots and car park lots.
Term	:	three years and 11 months commencing on 13 October 2022 and expiring on 12 September 2026 (both dates inclusive).

LETTER FROM THE BOARD

- Option to renew** : the Tampines Tenant shall be entitled to an option to renew the lease for a further term of three years commencing one day after the expiration of the Term, for a payment to be agreed between the Tampines Tenant and the Tampines Landlord which terms shall exclude any further option to renew unless the Tampines Landlord otherwise decides. When determining the revised rent, the parties will take into account the prevailing market rental rates of the Tampines Property at the time of granting the renewed term, provided always that the revised rent shall not exceed 110% of the rent. The Tampines Tenant shall provide the written notice for the renewal at least six months but not more than nine months before the expiration of the Term.
- Total consideration** : the rent and service charge payable for the Term under the Lease Agreement is approximately S\$33.4 million, which will be satisfied by internal resources of the Group.
- Payment** : payment of rent and service charges shall be payable monthly in advance. The first payment or apportioned payment thereof shall be made on or before the execution of the Tampines Lease Agreement and each subsequent payment shall be made on the first day of every succeeding first day of each and every month during the Term.
- Security deposit** : the Tampines Tenant has paid to the landlord a security deposit equivalent to approximately four months of rent and service charge by way of an insurance guarantee as at the date of the Tampines Lease Agreement and shall maintain it throughout the Term. The security deposit is held as security for the due performance and observance by the Tampines Tenant of all its covenants, conditions, stipulations and agreements under the Tampines Lease Agreement. Upon expiration of the Term or the Tampines Property being reinstated and returned to the Tampines Landlord, the Tampines Landlord shall within 30 calendar days repay the security deposit. In the case of the Tampines Landlord selling the Tampines Property, the Tampines Landlord shall be entitled to transfer the security deposit to the new purchaser.

LETTER FROM THE BOARD

Permitted use : the Tampines Tenant shall at all times use and occupy the Tampines Property strictly as may be permitted by the competent authority under the Planning Act 1998 for a Business 2 Clean and Light Industry zoning in connection with the business of the Tampines Tenant.

3.2. Right-of-Use Assets

Pursuant to IFRS16, the tenancy of the Tampines Property will be recognised as right-of-use assets for an amount of approximately S\$53.1 million, which is calculated with reference to the present value of the aggregated lease payments to be made under the Tampines Lease Agreement during the Term plus option to renew for a further term of three years.

Please refer to the Tampines ROU Valuation Report in Appendix V to this circular for further details.

3.3. Information about the Tampines Property and Reasons and Benefits for the Tampines ROU Acquisition

The Tampines Property is an industrial property under the Space Optimisation Business of the Group with an estimated floor area of approximately 42,000 sq.m. The Group subleases the Tampines Property to its tenants for Business 2 Clean and Light Industry business. Below is a summary of the terms of a standard sublease with respect to the Tampines Property typically entered into between the Group and its tenants:

Payment terms : the total rent and additional charges shall be payable monthly in advance without any deductions whatsoever on the first day of each and every month.

Security deposit : the tenant shall pay to and maintain with the landlord a security deposit throughout the term of its tenancy. If the tenant has duly performed and observed all covenants, conditions, stipulations and agreements from the date of the tenancy agreement in question up to and including the date of expiration of the term of the tenancy agreement, the landlord shall repay the security deposit to the tenant within thirty (30) calendar days from the expiration of the term of the tenancy agreement or the premises in question being reinstated to the landlord's satisfaction and the tenant's endorsement on any takeover document, whichever is later.

Permitted use : the tenant shall use and occupy the leased premises strictly for the permitted use as stipulated under the tenancy agreement.

LETTER FROM THE BOARD

- Taxes** : any goods and services tax in respect of the total rent and additional charges shall be borne by the tenant.
- Insurance** : at all times during the term of the tenancy agreement and during any period of holding over, the tenant shall at its own cost and expense take out and keep in force certain insurance policies with a reputable insurance company or companies in Singapore, commencing from the date of possession of the premises in question to the last day of the term of the tenancy in question and the period of holding over.
- Other payment obligations of the tenant** : the tenant shall pay, among others:
- (i) all charges and costs in relation to the supply of utilities to the premises in question;
 - (ii) the stamp duty on the tenancy agreement in question;
 - (iii) the legal costs of the landlord incurred in enforcing any provisions of the tenancy agreement in question in the event of a breach by the tenant; and
 - (iv) the costs and expenses of the landlord incurred in connection with every application made by the tenant that required the consent or approval by the landlord under the tenancy agreement whether or not such consent or approval shall be granted or given.

By entering into the Tampines Lease Agreement, the Tampines Tenant can continue to offer business spaces to its tenants under the Space Optimisation Business as part of its ordinary and usual course of business. The Tampines Property will be classified as an investment property.

The terms of the Tampines Lease Agreement (including the rent and service charges) were determined after arm's length negotiations between the Parties and with reference to prevailing market rates in the vicinity and the rent and service charges payment made by the Group under the previous lease. The Directors are of the opinion that the terms of the Tampines Lease Agreement are comparable to the prevailing market rates for leases of other industrial properties in the vicinity and to the terms under the previous lease entered into by the Group.

Taking into account of the above factors, the Directors consider that the terms of the Tampines Lease Agreement are fair and reasonable, on normal commercial terms, and in the interests of the Shareholders and the Company as a whole.

LETTER FROM THE BOARD

3.4. Information about the Parties

3.4.1. *The Company*

The Company is a real estate management services group, with the expertise and experience to generate value for its landlords and tenants through its expertise in space optimisation, and logistics service provider headquartered in Singapore. The Group currently has three main business segments, namely: (i) space optimisation business; (ii) facilities management business; and (iii) logistics services business (through the Company's indirect non-wholly owned subsidiary, LHN Logistics Limited (SGX stock code: GIH)), which complements one another. The Group currently operates mainly in Singapore, Indonesia, Thailand, Myanmar, Hong Kong, Malaysia and Cambodia.

3.4.2. *The Tampines Tenant*

The Tampines Tenant, LHN Space Resources Pte. Ltd., is an indirect wholly-owned subsidiary of the Company in Singapore, which primarily engages in space resource management.

3.4.3. *The Tampines Landlord*

The Tampines Landlord, Oxley Bliss Pte. Ltd., is a limited liability company incorporated in Singapore, which engages in the leasing of property. Oxley Bliss Pte. Ltd. is 70% held by Oxley Holdings Limited which is listed on the Singapore Exchange (Singapore Exchange stock code: 5UX) and 30% held by Lian Beng Bliss Pte. Ltd., a wholly-owned subsidiary of Lian Beng Group Ltd which is listed on the Singapore Exchange (Singapore Exchange stock code: L03).

The Tampines Landlord, its substantial shareholders, controlling shareholders and ultimate beneficial owners are Independent Third Parties to the Group to the best of the Directors' knowledge, information and belief having made all reasonable enquiries.

3.5. Financial Effect of the Tampines ROU Acquisition

Pursuant to IFRS16, the tenancy of the Tampines Property will be recognised as right-of-use asset under investment properties of approximately S\$53.1 million, which is calculated with reference to the present value of the aggregated lease payments to be made under the Tampines Lease Agreement during the Term plus option to renew for a further term of three years. Along with the recognition of the right-of-use asset, a lease liability amounting to approximately S\$53.1 million will be recognised. Net asset value of the Group is expected to remain unchanged as the increase in investment property will be offset by the increase in lease liability immediately after entering into the Tampines Lease Agreement. At the end of the Term including the option to renew for a further term of three years, the book value of the Tampines Property right-of-use asset will be zero.

The abovementioned is not expected to have any material financial impact on the consolidated net tangible asset per share and the consolidated earnings per share of the Group for the financial year ending 30 September 2023.

LETTER FROM THE BOARD

3.6. Listing Rules Implications

Pursuant to IFRS16, the transactions contemplated under the Tampines Lease Agreement by the Group will require the Group to recognise the Tampines Property as the right-of-use assets, thus by entering into the Tampines Lease Agreement, the transactions contemplated under the Tampines Lease Agreement will be regarded as an acquisition of assets by the Group under Chapter 14 of the Listing Rules.

As one or more than one of the applicable percentage ratios for the Tampines ROU Acquisition in respect of the Tampines Property is more than 25% and below 100%, the Tampines ROU Acquisition constitutes a major transaction for the Company under the Listing Rules, and is therefore subject to the notification, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

3.7. Catalyst Rules Implications

As the entry into the Tampines Lease Agreement of the Tampines Property is in the ordinary course of business of the Group, whereby the Group offers business spaces to its tenants under the Space Optimisation Business, the disclosure requirements of this circular are referenced from Chapter 7 of the Catalyst Rules. As the Company has undertaken to comply with the more onerous set of listing rules, this circular was prepared in accordance with the disclosure requirements of Chapter 14 of the Listing Rules.

Book value and net tangible asset value of the Tampines Property are not applicable as this is an acquisition of right-of-use assets under the Lease Agreement.

3.8. Written Controlling Shareholders' Approval

Fragrance Ltd. is a controlling shareholder of the Company who directly holds 220,982,600 shares of the Company (representing 54.04% of the share capital of the Company) as at the Latest Practicable Date. In accordance with Rule 14.44 of the Listing Rules, to the best of the information, knowledge and belief of the Directors, no Shareholder is required to abstain from voting if the Company is to convene a general meeting for the approval of the Tampines ROU Acquisition as contemplated under the Tampines Lease Agreement. The Company has obtained the written approval from Fragrance Ltd. in lieu of holding a general meeting for the Tampines ROU Acquisition. Accordingly, no shareholders' meeting will be convened by the Company to approve the Tampines ROU Acquisition.

4. RECOMMENDATIONS

Having considered the reasons and benefits of the Pasir Panjang Acquisition as set out under (i) "2.2. Information about the Pasir Panjang Property and Reasons and Benefits for the Pasir Panjang Acquisition" above; and (ii) "3.3. Information about the Tampines Property and Reasons and Benefits for the Tampines ROU Acquisition" above, the Board considers that each of (a) the Pasir Panjang Acquisition and the transactions contemplated under the Pasir Panjang Option to Purchase; and (b) the Tampines ROU Acquisition and the transactions contemplated under the Tampines Lease Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Notwithstanding that no general meeting will be convened by the Company to approve (a) the Pasir Panjang Acquisition and the transactions contemplated under the Pasir Panjang Option to Purchase; and (b) the Tampines ROU Acquisition and the transactions contemplated under the Tampines Lease Agreement, if such a general meeting were to be convened by the Company, the Board would recommend the Shareholders to vote in favour of the resolutions to approve the said matters.

5. FURTHER INFORMATION

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

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

FINANCIAL INFORMATION OF THE GROUP

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

The financial information of the Group for the year ended 30 September 2019 has been set out in the 2019 annual report of the Company from pages 70 to 144, which was posted on 26 December 2019 on:

- the Stock Exchange’s website
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/1226/2019122600001.pdf>
- SGXNET website
<https://links.sgx.com/FileOpen/E%20LHN%20Limited%20-%20Annual%20Report%20FY19.ashx?App=Announcement&FileID=591682>

The financial information of the Group for the year ended 30 September 2020 has been set out in the 2020 annual report of the Company from pages 95 to 184, which was posted on 29 December 2020 on:

- the Stock Exchange’s website
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1229/2020122900517.pdf>
- SGXNET website
<https://links.sgx.com/FileOpen/LHN%20Limited%20-%20Annual%20Report%20FY20%20e.ashx?App=Announcement&FileID=643676>

The financial information of the Group for the year ended 30 September 2021 has been set out in the 2021 annual report of the Company from pages 96 to 179, which was posted on 29 December 2021 on:

- the Stock Exchange’s website
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/1229/2021122901033.pdf>
- SGXNET website
<https://links.sgx.com/FileOpen/LHN%20Limited%20-%20Annual%20Report%20FY21%20e.ashx?App=Announcement&FileID=696039>

The interim financial information of the Group for the six months ended 31 March 2022 has been set out in the interim report of the Company from pages 3 to 30, which was posted on 23 June 2022 on:

- the Stock Exchange’s website
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0623/2022062300692.pdf>
- SGXNET website
<https://links.sgx.com/FileOpen/e%20LHN%20-%20Interim%20Report%201H22.ashx?App=Announcement&FileID=721574>

INDEBTEDNESS STATEMENT**Bank Borrowings**

The Group primarily obtained bank borrowings to finance its acquisition of properties and logistics equipment. The Group also had revolving loans for its short-term finance needs. As at 30 September 2022, being for the purpose of the indebtedness statement, the Group had outstanding bank borrowings of S\$148.2 million. These borrowings were secured by (i) legal mortgage of the Group's leasehold properties at 72 Eunos Avenue 7, 100 Eunos Avenue 7, 71 Lorong 23 Geylang, 7 Gul Avenue, 75 Beach Road, 320 Balestier Road, 115 Geylang Road, 55 Tuas South Avenue 1, 298 River Valley Road, 52 Arab Street in Singapore and Block 1A of Axis Residences in Cambodia; (ii) corporate guarantees provided by the Group; (iii) assignment of rental proceeds of the mortgaged properties; and (iv) personal guarantees provided by non-controlling interest shareholders of certain non-wholly owned subsidiaries of the Company, where applicable.

Saved as disclosed, the Group does not have any material unguaranteed and unsecured borrowings as at 30 September 2022.

As at 30 September 2022, the Group had undrawn bank facilities of S\$71.2 million.

Lease Liabilities

As at 30 September 2022, the Group had lease liabilities of S\$81.4 million in respect of the Group's leased properties, plant and machinery, logistics equipment and motor vehicles.

Mortgages and Charges

Save as disclosed, the Group did not have any other mortgages and charges as at 30 September 2022.

Contingent Liabilities

The Group has provided corporate guarantees in favour of financial institutions in respect of facilities granted to certain subsidiaries and joint ventures. As at 30 September 2022, the outstanding amount of guaranteed facilities drawn down by certain subsidiaries and joint ventures amounted to approximately S\$147.3 million and S\$67.6 million, respectively. Save as disclosed, the Group did not have any material contingent liabilities as at 30 September 2022.

Other Information

Foreign currency amounts have been, for the purposes of this indebtedness statement, translated into Singapore dollars at the approximate rates of exchange applicable at the close of business on 30 September 2022.

Save as aforesaid and apart from intra-group liabilities and normal trade and bills payables in the ordinary course of the business, as at the close of business on 30 September 2022, the Group did not have other debt securities issued and outstanding, and authorized or otherwise created but unissued, outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans or other similar indebtedness, lease liabilities or hire purchase commitments, liabilities under acceptances or acceptance credits, guarantees or material contingent liabilities.

As at the Latest Practicable Date, the Directors were not aware of any or any material adverse change in the indebtedness position of the Group since 30 September 2022.

WORKING CAPITAL

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

The Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

FINANCIAL AND OPERATING PROSPECTS

The Company is a real estate management services group, with the expertise and experience to generate value for its landlords and tenants through its expertise in space optimisation, and logistics service provider headquartered in Singapore. The Group currently has three main business segments, namely: (i) space optimisation business; (ii) facilities management business; and (iii) logistics services business (through the Company's indirect non-wholly owned subsidiary, LHN Logistics Limited (SGX stock code: GIH)), which complements one another. The Group currently operates mainly in Singapore, Indonesia, Thailand, Myanmar, Hong Kong, Malaysia and Cambodia.

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

For the Facilities Management Business, the Group will continue to seek more external facilities management contracts by providing integrated facilities management services covering estate and building management, repair, maintenance and cleaning, landscaping, pest control and fumigation of buildings and offices to its customers. In addition, the Group plans to build up its market share in the carpark business by offering smart parking solutions to optimise space utilisation.

The Group's Logistics Services Business, operated under LHN Logistics Limited (SGX stock code: GIH), plans to expand its transportation and container depot services in Singapore, Malaysia and the ASEAN region, providing more services to its customers.

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INTRODUCTION

Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, on an acquisition of revenue generating assets (other than a business or company) with identifiable income stream or assets valuation, the Company is required to include in this circular a profit and loss statement and valuation (where available) for the three preceding financial years, being the financial years ended 30 September 2019, 2020 and 2021 (the “**Relevant Period**”) on the identifiable net income stream and valuation in relation to such assets which must be reviewed by the auditors or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records.

BACKGROUND OF THE PASIR PANJANG PROPERTY

As disclosed in the “Letter from the Board – 2.2 Information about the Pasir Panjang Property and the Reasons and Benefits for the Pasir Panjang Acquisition” in this circular, the Pasir Panjang Property is located at 404 Pasir Panjang Road Singapore 118741 (comprised in Lot 99380L of Mukim 3), which has a total land area of 1,544.6 sq.m and is an estate in fee simple property.

As disclosed in the said subsection, the Group intends to operate the Pasir Panjang Property as a co-living space under its Space Optimisation Business, the Pasir Panjang Property would be considered revenue generating assets and would be subject to Rule 14.67(6)(b)(i) of the Listing Rules.

For the preparation of the profit and loss statement on the identifiable income stream of Pasir Panjang Property in strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, access to the underlying books and records of the Pasir Panjang Vendor covering the Relevant Period is required. The Pasir Panjang Property is currently operated as the “Pasir Panjang Inn” by the Pasir Panjang Vendor. However, the Pasir Panjang Vendor (through its solicitors), has rejected the request from the Pasir Panjang Purchaser to furnish the financial statements for the three preceding financial years for the Pasir Panjang Property on the basis that the transaction under the Pasir Panjang Option involves the sale of the property and not the sale of the property holding company (i.e., the Pasir Panjang Vendor), the financial statements of the property holding company are considered irrelevant to the transaction.

As such, the Group is not able to comply with the disclosure requirement under Rule 14.67(6)(b)(i) of the Listing Rules.

ANNUAL VALUE OF THE PASIR PANJANG PROPERTY

As the Company is unable to obtain the financial information of the Pasir Panjang Property during the Relevant Period, the Company has carried out searches with the Inland Revenue Authority of Singapore for the annual value (“**AV**”) of the Pasir Panjang Property for the valuation years 2019, 2020 and 2021 (the “**Search Results**”).

Since the Pasir Panjang Property is currently operated as the “Pasir Panjang Inn” by the Pasir Panjang Vendor and that a certificate of registration under the Hotels Act 1954 of Singapore is issued, the AV of the Pasir Panjang Property is presumed to be determined based on the statutory gross receipts method. Pursuant to IRAS e-Tax Guide titled “*Property Tax: Guide for Hotel Owners and Operators (Second Edition)*” published by IRAS on 2 January 2018 (the “**Guide**”) (https://www.iras.gov.sg/media/docs/default-source/e-tax/etaxguide_pt_hotel-assessments.pdf?sfv

ESTIMATE OF ANNUAL PROPERTY TAX PAID BY THE PASIR PANJANG VENDOR ON THE PASIR PANJANG PROPERTY

The Company estimates the annual property tax paid (or payable) by the Pasir Panjang Vendor on the Pasir Panjang Property for each of the valuation years of 2019, 2020, 2021, and 2022 to be S\$40,800, S\$40,800, S\$22,100, and S\$22,100, respectively. The aforementioned figures are based on an estimated tax rate of 10% of the AV of the Pasir Panjang Property.

PLANNED FUTURE USE OF PASIR PANJANG PROPERTY

As disclosed in the “Letter from the Board – 2.2 Information about the Pasir Panjang Property and the Reasons and Benefits for the Pasir Panjang Acquisition” in this circular, the Pasir Panjang Property will be renovated into a co-living space. Co-living has a different revenue model as compared to the hotel rooms for the existing Pasir Panjang Property.

Co-living space is a modern form of housing that focuses on a genuine sense of community where residents share living space such as communal dining and pantry areas and facilities and set of interests, values and/or intentions. It is ideal for anyone looking for more lease flexibility, community bonding, networking opportunities, working and living space that is fully furnished, serviced and managed.

The monthly rent for co-living spaces usually includes a host of supporting facilities and utilities like television, housekeeping, Wi-Fi, cable, common kitchen and laundry spaces, maintenance and all the furnishings. It also allows residents to connect and interact with likeminded people in a “turbo-charged” atmosphere that fosters co-creation, improves productivity and sparks off innovation. The typical lease term for the Group’s co-living space is six months.

As compared to hotel business model, hotel rooms are usually private and independent accommodation, and typically for short stay. Guests of hotel rooms typically rent for short term stays. Based on publicly available information, Pasir Panjang Inn on the Pasir Panjang Property offers day room (subject to room availability), and daily rental of one day and up. The amenities offered at Pasir Panjang Inn in the rooms include towels, television, housekeeping, Wi-Fi, bed and air-conditioning. There is no common kitchen and laundry spaces for the guests to use, nor share living space.

Hence, the amount of gross income generated and expenses incurred by the Pasir Panjang Vendors in relation to Pasir Panjang Property for the Relevant Period, even if obtained by the Company, is not useful or relevant for shareholders and readers of this circular.

The Pasir Panjang Property will be classified as an investment property. The Company will be carrying out renovation works to the following aspects of the Pasir Panjang Property:

- (a) facade painting;
- (b) repainting for 54 rooms and to re-run the wiring in these rooms;
- (c) changing all sanitary wares for the 54 rooms;
- (d) installing built-in furniture for the 54 rooms;
- (e) dolling up the lobby area and the communal space for dining; and
- (f) landscaping.

The estimated costs for the abovementioned renovation works are expected to be S\$3 million. While the Company will be carrying out such renovation works (particularly in relation to the interior of the rooms at the Pasir Panjang Property), the approved use of the Pasir Panjang Property will remain as a guest house.

APPLICATION FOR WAIVER FROM STRICT COMPLIANCE OF RULE 14.67(6)(B)(I)

On these bases, the Company has therefore applied to the Stock Exchange for a waiver, which had been granted by the Stock Exchange on 1 November 2022, from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, such that (i) the AV of the Pasir Panjang Property as assessed by the IRAS as set out in “Annual Value of the Pasir Panjang Property” and (ii) the estimate of the annual property tax paid by the Pasir Panjang Vendor on the Pasir Panjang Property (and the basis in estimating such tax) above be disclosed instead. Therefore, the omission of a profit and loss statement in this circular would not render this circular materially incomplete, misleading or deceptive.

VALUATION OF THE PASIR PANJANG PROPERTY

No valuation of the Pasir Panjang Property within the Relevant Period has been disclosed in this circular as the Company has not been able to obtain the valuation reports in respect of the Pasir Panjang Property from the Pasir Panjang Vendor. Instead a valuation of the Pasir Panjang Property as at 31 October 2022 as appraised by the Independent Property Valuer is prepared and set out in Appendix IV of this circular.

APPENDIX III UNAUDITED PRO FORMA INFORMATION OF THE GROUP

A. INTRODUCTION

The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) of the Group presented below is prepared to illustrate the effects on the consolidated statement of assets and liabilities of the Group as if the Pasir Panjang Acquisition had been completed on 31 March 2022. The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company in accordance with paragraph 4.29 of the Listing Rules for illustrative purposes only and because of its hypothetical nature, it may not purport to represent the true picture of the financial position of the Group at 31 March 2022 or at any future date had the Pasir Panjang Acquisition been completed on 31 March 2022.

The Unaudited Pro Forma Financial Information has been prepared based on the unaudited condensed consolidated statement of financial position of the Group at 31 March 2022 extracted from the Group’s published interim report for the six months ended 31 March 2022, after making pro forma adjustments relating to the Pasir Panjang Acquisition. The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in the interim report of the Company for the six months ended 31 March 2022 and other financial information included elsewhere in this circular.

The Unaudited Pro Forma Financial Information had been prepared using the accounting policies consistent with those of the Group as set out in the published annual report of the Group for the financial year ended 30 September 2021.

APPENDIX III UNAUDITED PRO FORMA INFORMATION OF THE GROUP

B. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

	Consolidated statement of assets and liabilities of the Group as at 31 March 2022 S\$'000 (Note 1)	Pro forma adjustments S\$'000 (Note 2)	Unaudited pro forma consolidated statement of assets and liabilities of the Group after the Pasir Panjang Acquisition S\$'000
Non-current assets			
Property, plant and equipment	61,047	–	61,047
Right-of-use assets	30,559	–	30,559
Investment properties	197,096	30,920	228,016
Investment in associates	485	–	485
Investment in joint ventures	29,450	–	29,450
Deferred tax assets	205	–	205
Long-term prepayments	117	–	117
Lease receivables	19,144	–	19,144
	338,103	30,920	369,023
Current assets			
Inventories	105	–	105
Trade and other receivables	32,869	–	32,869
Loans to joint ventures and associates	13,243	–	13,243
Prepayments	1,738	–	1,738
Lease receivables	17,590	–	17,590
Cash and bank balances	34,833	(6,920)	27,913
Fixed deposits	4,564	–	4,564
	104,942	(6,920)	98,022
Current liabilities			
Trade and other payables	34,133	–	34,133
Provisions	708	–	708
Bank borrowings	17,303	960	18,263
Lease liabilities	33,853	–	33,853
Current income tax liabilities	3,513	–	3,513
	89,510	960	90,470

APPENDIX III UNAUDITED PRO FORMA INFORMATION OF THE GROUP

	Consolidated statement of assets and liabilities of the Group as at 31 March 2022 S\$'000 (Note 1)	Pro forma adjustments S\$'000 (Note 2)	Unaudited pro forma consolidated statement of assets and liabilities of the Group after the Pasir Panjang Acquisition S\$'000
Net current assets	15,432	(7,880)	7,552
Total assets less current liabilities	353,535	23,040	376,575
Non-current liabilities			
Deferred tax liabilities	4,716	–	4,716
Other payables	21	–	21
Provisions	30	–	30
Bank borrowings	115,390	23,040	138,430
Lease liabilities	55,376	–	55,376
	175,533	23,040	198,573
Net assets	178,002	–	178,002

Notes:

- The amounts are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 31 March 2022 as set out in the interim report of the Company for the six months ended 31 March 2022.
- The adjustment reflects the recognition and settlement of the cost of the Pasir Panjang Property of approximately S\$30,920,000 arising from the Pasir Panjang Acquisition, as if the Pasir Panjang Acquisition had been completed on 31 March 2022. The cost of the Pasir Panjang Property comprises (i) the purchase price of the property of S\$30,000,000; (ii) the stamp duty of approximately S\$895,000; and (iii) estimated legal and professional fee of approximately S\$25,000 which has been capitalised.

80% of the Pasir Panjang Consideration (being S\$24,000,000) will be financed by secured mortgage loan. The secured mortgage loan was secured by the respective assets and corporate guarantee provided by the Group.
- No adjustments have been made to reflect any trading results or other transactions entered into by the Group subsequent to 31 March 2022.

APPENDIX III UNAUDITED PRO FORMA INFORMATION OF THE GROUP

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

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

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

To the Directors of LHN Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of LHN Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 31 March 2022, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages III-1 to III-3 of the Company's circular dated 24 November 2022 (the "Circular"), in connection with the proposed acquisition of the Pasir Panjang property (the "Transaction") by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages III-1 to III-3 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Transaction on the Group's financial position as at 31 March 2022 as if the Transaction had taken place at 31 March 2022. As part of this process, information about the Group's financial position has been extracted by the Directors from the interim results announcement of the Group for the six months ended 31 March 2022, on which no audit or review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

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

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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

APPENDIX III UNAUDITED PRO FORMA INFORMATION OF THE GROUP

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, about whether the Unaudited Pro Forma Financial Information has been compiled, in all material respects, by the Directors in accordance with paragraph 4.29 of the Listing Rules and AG 7 issued by the HKICPA. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board ("IAASB"). This standard requires that the Reporting Accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and AG 7 issued by the HKICPA.

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

The purpose of Unaudited Pro Forma Financial Information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 31 March 2022 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

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

APPENDIX III UNAUDITED PRO FORMA INFORMATION OF THE GROUP

Opinion

In our opinion:

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

Restriction of Use and Distribution

This report is made solely to you as a body for the inclusion in the Circular of the Company to be issued in relation to the Proposed Acquisition.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 24 November 2022

The following is the text of a letter, summary of values and valuation certificate, prepared for the purpose of incorporation in this circular received from Colliers International Consultancy & Valuation (Singapore) Pte Ltd, the Independent Property Valuer, in connection with its valuation as at 31 October 2022 of the Pasir Panjang Property.

Our Ref : TKC/PSE/NN/221677

24 November 2022
The Board of Directors
LHN Limited (the “**Company**”)
75 Beach Road #04-01
Singapore 189689

Dear Sirs,

In accordance with your instructions to value the Property (as defined herein), we confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 October 2022 (the “valuation date”).

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

We have valued the Property for a proposed acquisition by the Company by using the following methods, namely: Income Capitalisation Method and Direct Comparison Method assuming sale of the property interest in its existing state, subject to the existing tenancies and occupancy arrangement. We have made reference to comparable sales transactions as available in the relevant market to carry out our assessment.

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

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

In valuing the Property, we have complied with all of the applicable requirements contained in the Code on Real Estate Investment Trusts issued by the Hong Kong Securities and Futures Commission; the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors; the SISV Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as the existing lease and occupancy arrangement, gross floor area, property tax assessment and other relevant matters.

We have carried out the title search relating to the Property with the Land Title Registry. We have reported the information with regards to the ownership, tenure, site area and all encumbrances, if any, in our report. However, we do not interpret nor ascertain the security of the ownership or legal interest in the Property belonging to the Company. In carrying out our valuation, we assumed that the Company owned the asset as at the date of our valuation.

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

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

The Property was inspected externally and internally on 21 July 2022 by Pang Su Ee. Pang Su Ee is a Singapore Licensed Appraiser and member of Singapore Institute of Surveyor and Valuer who has more than 25 years' experience in the valuation of properties in Singapore.

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

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

Yours faithfully,

for and on behalf of
Colliers International Consultancy & Valuation
(Singapore) Pte Limited

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

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

SUMMARY OF VALUE

No	Property	Market Value as at 31 October 2022 S\$
1	404 Pasir Panjang Road Singapore 118741 (the "Property")	30,000,000
	Total	30,000,000

VALUATION PARTICULARS

No	Property	Description and Tenure	Particulars of Occupancy	Market Value as at 31 October 2022
1	404 Pasir Panjang Road Singapore 118741 (the "Property")	<p>The Property comprises a 4-storey guest house and a basement carpark accommodating a total of 54 guestrooms.</p> <p>The Property was completed circa 1980s.</p> <p>The Property is held under freehold interest (estate in fee simple).</p> <p>The Property is located within land Lot 99380L Mukim 3 with a site area of 1,544.6 sq.m..</p> <p>The gross floor area of the Property is approximately 2,452.26 sq.m. according to architectural floor plan provided by the client and subject to survey.</p>	As at 31 October 2022, the Property was operated as a guest house by the registered proprietor.	<p>S\$30,000,000/- (Singapore Dollars Thirty Million)</p> <p>Estimated Net Property Yield: 2.50%</p>

Notes:

- (1) The Property is located along Pasir Panjang Road, near its junction with Clementi Road, and approximately 11.2 km from the city centre at Collyer Quay.

The immediate locality is generally residential in nature comprising apartment/condominium developments and conventional landed housing. Private residential developments in the vicinity include The Spectrum, Palm Green @ Pasir Panjang, Longbeach Townhouse and Villa De West, amongst many others. Prominent landmarks in the vicinity include Pasir Panjang Wholesale Centre, Haw Par Villa, National University of Singapore and Science Park I and II, amongst others.

Public transport facilities are readily available along Clementi Road and Pasir Panjang Road. In addition, the Har Paw Villa MRT Station is located in the vicinity. Accessibility to other parts of the island is facilitated by its proximity to the Ayer Rajah Expressway (AYE) and West Coast Highway.

- (2) The registered proprietor is Pasir Panjang Pte. Ltd.
- (3) The site of the Property is zoned as "Residential" in accordance to the Master Plan Zoning (2019 Edition).
- (4) Pursuant to the title search record, the Property is mortgaged to United Overseas Bank Limited. Caveat IH/454649E was lodged against the Property on 20 September 2022 by Coliwoo PP Pte. Ltd at a purchase price of S\$30,000,000/-.
- (5) Our valuation has been made on Income Capitalisation Method and use Direct Comparison Method as a cross check.

Income Capitalisation Method

The Income Capitalisation Method involves the addition of all income receivables and a deduction of all outgoings to determine the net income of the property. The net income receivables is assumed to be a level of annuity in accordance to the tenure of the lease and is capitalised using an appropriate capitalisation rate derived, where possible, from the analysis of relevant sales evidence.

We have adopted a room rate of S\$67.50 per room to determine the annual potential gross revenue as we understand the room rates for a standard room and a king room are S\$65 and S\$70, respectively. In addition, we have adopted market vacancy at 15%, outgoings at 25%, management fee at 2% and property tax at 10% of annual value to arrive at net operating income. This is then capitalised at 2.5% to arrive at the market value of the Property.

Direct Comparison Method

In arriving at our opinion of the market value of the Property, our valuation is based on transactions of comparable properties in the development and vicinity.

In arriving at our valuation figure, we have identified and analysed various relevant sales evidence in the locality which have similar characteristics as the Property. These selected comparables are strata titled residential units located along Pasir Panjang Close and Pasir Panjang Road which were transacted between 2021 and 2022. The comparables are located within residential developments zoned for residential use. We have taken into consideration the prevailing market conditions and have made due adjustments for differences between the Property and the comparables in terms of location, tenure, size, shape, design and layout, age and condition of buildings, dates of transactions and other factors affecting its value to arrive at the unit rate of S\$1,137/-sq.ft on gross floor area.

Some of the sale comparables adopted are as follows:-

Property Address	Strata Floor Area (sq.m./sq.ft.)	Tenure	Consideration (S\$)	Date of Sale
33 Pasir Panjang Close Pasir Panjang Court	124/1,335	Freehold	S\$1,900,000/- (S\$1,424 psf)	22 April 2022
505 Pasir Panjang Road #02-12 The Spectrum	144/1,550	Freehold	S\$1,900,000/- (S\$1,226 psf)	14 April 2022
481 Pasir Panjang Road #03-03 Palm Green	103/1,109	Freehold	S\$1,250,000/- (S\$1,118 psf)	18 August 2021
385 Pasir Panjang Road #02-18 Villa De West	94/1,012	Freehold	S\$1,280,000/- (S\$1,265 psf)	16 July 2021

Source: URA Realis

Caveats And Assumptions

1. Definitions

In these Caveats and Assumptions the following words or phrases shall have the meaning or meanings set out below:

'Confidential Information' means information that:

- (a) Is by its nature confidential.
- (b) Is designed by Us as confidential.
- (c) You know or ought to know is confidential.
- (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.

'Currency Date' means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.

'Fee' means the amount agreed to be paid for the Services as set out in the Quotation.

'Parties' means You or Us as the context dictates.

'Quotation' means the written quote provided by Us in relation to the Services.

'Services' means the valuation services provided pursuant to these Terms and Conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.

'The Property' means the assets which are subject of our appointment as your advisor.

'We', 'Us', 'Our', 'Colliers' means Colliers International Limited.

'You', 'Your', 'Client' means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.

'Professional Property Practice Standards' refers to RICS Valuation and Appraisal Handbook, or Singapore Institute of Surveyors & Valuers' Valuation Standards and Practice Guidelines.

2. Performance Of Services

2.1 We have provided the Services in accordance with:

- (a) The Terms and Conditions contained herein; or
- (b) As specifically instructed by You for the purpose of the Services; and
- (c) Within the current provisions set by the prevailing Professional Property Practice Standards.

3. Condition Of The Property

- 3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.
- 3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.
- 3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.
- 3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurements has been taken.
- 3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.
- 3.6 An internal inspection has been made, unless otherwise stated.
- 3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
- 3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition, but will presume them to be in good working order.
- 3.9 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.
- 3.10 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

4. Environment And Planning

- 4.1 We have obtained town planning information from the prevailing Master Plan available on URA website. It is your responsibility to check the accuracy of this information under the appropriate planning legislation.
- 4.2 For obvious reasons, we do not and cannot provide information relating to government acquisitions unless the land has already been gazetted for acquisition.
- 4.3 No requisition on road, MRT, LRT, drainage and other government proposals has been made by us. Such information will not be tendered unless specifically requested for and we be properly reimbursed.
- 4.4 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show that the site is contaminated, our valuation may require revision.

5. Floor/Building Areas And Lettable Areas

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards.
- 5.2 If you do not provide Us with a survey, We will estimate floor/building and/or lettable areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.
- 5.3 Where such a survey is subsequently produced which differs from the areas estimated by us then You will refer the valuation back to Us for comment or, where appropriate, amendment.

6. Other Assumptions

- 6.1 Unless otherwise notified by You, We will assume:
- (a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the Title.
 - (b) All licences and permits can be renewed and We have not made any enquires in this regard.
- 6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural/dilapidation reports),

we will rely upon the apparent expertise of such experts/specialists. We will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.

- 6.3 Our services are provided on the basis that the client has provided us with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.
- 6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 6.5 The study of possible alternative development options and the related economics are not within the scope of this report, unless otherwise stated.
- 6.6 Our opinion about the Market Value of the property is free from any influence and/or point of views of any other parties.
- 6.7 All Location Plans are obtained from www.onemap.gov.sg. Whilst we do make every endeavor to update the maps as far as it is possible, we do not vouch for the accuracy of the maps and shall not be responsible if it is otherwise.
- 6.8 Values are reported in Singapore currency unless otherwise stated.

7. Estimated Selling Price

- 7.1 Where you instruct Us to provide an Estimated Selling Price, You agree that the Services:
 - (a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.
 - (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of Title(s) or other enquiries as to encumbrances, restrictions or impediments on Title(s); or other investigations which would be required for a formal valuation.
 - (c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.
- 7.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an Estimated Selling Price.

8. Currency Of Valuation

- 8.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.
- 8.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.
- 8.3 Without limiting the generality of 9.1, You should not rely upon Our valuation:
- (a) After the expiry of 3 months from the Currency Date;
 - (b) Where circumstances have occurred during that period which may have a material effect on the value of the property or the assumptions or methodology used in the valuation report.

9. Market Projections

- 9.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and based on information currently available to us and not representative of what actual values of the property will be as at future date. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
- 9.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.
- 9.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.
- 9.4 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to us by you.

10. Your Obligations

- 10.1 You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Services.
- 10.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.

- 10.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).
- 10.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. When we consent for You to release Our report or any part of Our report to any third party, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of instruction between us. Where we consent to such reliance, You agree to furnish the addressee with a copy of any reliance letter issued by Us and/or a copy of these terms and conditions.
- 10.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;
- 10.6 Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
- 10.7 Where subsequent site inspections made in relation to any of the matters raised in Clause 3 materially affect or may alter the value of the property, the subject of the Services.
- 10.8 The information provided to Us by You prior to the provision of services is in any way incomplete, misleading or wrong.
- 10.9 If You release any part of the valuation advice or its substance without written consent, You agree to defend, You agree to defend and indemnify Us against claims by a third party who has reviewed the report if We have not, at or subsequent to the time of engagement, provided our specific written consent to such party reviewing and replying on the report. We have no responsibility to any other person even if that person suffers damage as a result of You providing this valuation without Our prior consent.
- 10.10 You agree that the only remedy for losses or damages relating to the breach of this Agreement shall be limited to three times Our contracted fee for the assignment and no claim shall be made any consequential or punitive damages.
- 10.11 You agree not to bring any claim for any losses against any director, consultant or any employee of Ours. You hereby agree that Our director, consultant or any employee does not have a personal duty of care to You and any claim for losses must be brought against Colliers International.
- 10.12 Where any loss is suffered by You for which We and any other person are jointly and severally liable to You the loss recoverable by You from Us shall be limited so as to be in proportion to our relative contribution to the overall fault.

11. Confidentiality

- 11.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose stated in our valuation report, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon

this report or any part of it for any purpose unless we have given Our express written consent. Similarly neither the whole nor any part of this report nor any reference there to may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.

- 11.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.
- 11.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.
- 11.4 Unless otherwise directed in writing by Client, Colliers International retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.

12. Privacy

- 12.1 We may obtain personal information about You in the course of performing Our Services. We respect your privacy and advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.

13. Subcontracting

- 13.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these Terms and Conditions, with Your consent.

14. Limitation Of Colliers Liability

- 14.1 To the extent permissible under applicable laws, in no event shall Colliers International be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused.
- 14.2 We shall be released from Our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond Our reasonable control (example being a strike, act of God or act of terrorism). All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers international. Notwithstanding this, Colliers

International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.

- 14.3 Neither Colliers nor any employee of Ours shall be required to give testimony or to appear in court or any other tribunal or at any government agency by reason of this valuation report or with reference to the property in question, except by court summons/judicial notification, and unless prior arrangements have been made and we are properly reimbursed for reasonable time and expenses incurred. The hourly billing pertain to court preparation, waiting and travel time, document review and preparation (excludes valuation report) and all meetings related to court testimony.
- 14.4 We are free from any possible legal and/or non-legal issue which may attach to the Property's title documents.
- 14.5 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to Us by You.
- 14.6 Our liability for loss and damage attributable to Our negligence, breach of contract, misrepresentation or otherwise (but not in respect of fraud, fraudulent misrepresentation, death or personal injury) shall be limited to a maximum of three times Our contracted fee for the assignment per property for any single case. A single case of damages is defined as the total sum of all damage claims of all persons entitled to claim, which arise from one and the same professional error/offence. In the case of damages suffered from several offences brought about by the same technical error within the scope of several coherent services of a similar nature, we are only to held liable for an amount of three times Our contracted fee for the assignment per property.
- 14.7 Where the agreement is addressed to more than one Client, the above limit of liability applies to the aggregate of all claims by all such Clients and not separately to each Client.
- 14.8 No third party will be entitled to rely on any part of Our valuation report or its substance or advice except with our written consent. Should any third party rely on Our report without obtaining Our written consent, We are not bound by any liability which arises from the use of or reliance upon Our valuation report by such unauthorized party.
- 14.9 We will not be liable for any services outside the scope of the services agreed to be performed by Us, and in respect of any consequential losses or loss of profits.
- 14.10 Responsibility for Our valuation extends only to the party(ies) to whom it is addressed. However in the event of Us being asked by You to re-address Our report to another party or other parties or permit reliance upon it by another party or other parties, We will give consideration to doing so, to named parties, and We reserve the right to charge additional fee for doing so although We will agree such fee with You before commencing the work.

15. Entire Agreement

- 15.1 No further agreement, amendment or modification of these Terms and Conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.
- 15.2 If there is inconsistency between these Terms and Conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.
- 15.3 Copyright in any reports, documents or other material provided to You by Us shall remain Our property at all times unless otherwise stated.

16. Anti Bribery And Corruption Measures

- 16.1 We represent, in connection with any services to be provided to You, that neither We nor Our contractors, employees or agents (collectively, "Consultant") has made or will make, either directly or indirectly, any payments (i) to or for the use or benefit of any Government Official (ii) to any other person either for an advance or reimbursement, if Consultant knows or has reason to know that any part of such payment has been or will be given to any Government official or (iii) to any person or entity, the payment of which would violate laws and regulations in Australia, the United States, the United Kingdom or any other government entity having jurisdiction over the activities carried out by Consultant. The term "Government Official" in this paragraph means any officer or employee of a government or any governmental department or agency, or any person acting in an official capacity for or on behalf of any such government or governmental department or agency, including employees of state-owned or controlled entities and candidates for political office.
- 16.2 We represent that, in connection with any services to be provided to You, We will conduct operations at all times in compliance with applicable financial recordkeeping and reporting requirements, including all applicable money laundering-related laws of any jurisdictions where We conduct business or own assets.

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The following is the text of a letter, summary of values and valuation certificate, prepared for the purpose of incorporation in this circular received from Colliers International Consultancy & Valuation (Singapore) Pte Ltd, the Independent Property Valuer, in connection with its valuation as at 31 October 2022 of the right of use of the Tampines Property.

Our Ref : TKC/LLX/AA/221839

24 November 2022

The Board of Directors
LHN Limited (the “**Company**”)
75 Beach Road #04-01
Singapore 189689

Dear Sirs,

In accordance with your instructions to carry out a valuation of the right of use value of the Property (as defined herein), we confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the right of use value of the Property as at 31 October 2022 (the “valuation date”).

We have valued the Property for a proposed acquisition of right-of-use assets by the Company by using the: Income Capitalisation Method, subject to the existing tenancies and occupancy arrangement.

In valuing the Property, we have complied with all of the applicable requirements contained in the Code on Real Estate Investment Trusts issued by the Hong Kong Securities and Futures Commission; the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors; the SISV Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as site area, head-lease term, lettable/gross floor area, tenancy details, lease expiry, specifications, projections, profit and loss statement etc. We have also made reference to the lease agreement between Oxley Bliss Pte. Ltd. and LHN Space Resources Pte Ltd.. All information provided is treated as correct and Colliers International Consultancy & Valuation (Singapore) Pte Ltd accepts no responsibility for subsequent changes in information and reserve the right to change our opinion of value if any other information provided were to materially change.

We have carried out the title search relating to the Property with the Land Title Registry. We have reported the information with regards to the ownership, tenure, site area and all encumbrances, if any, in our report. However, we do not interpret nor ascertain the security of the ownership or legal interest in the Property belonging to the Company. In carrying out our valuation, we assumed that the Company rented the asset as at the date of our valuation.

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

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

The Property was inspected externally and internally in the main areas within the Property on 21 October 2022 by Leong Li Xin. Leong Li Xin is a member of Singapore Institute of Surveyor and Valuer who has 10 years' experience in the valuation of properties in Singapore.

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

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

Yours faithfully,

for and on behalf of
Colliers International Consultancy & Valuation (Singapore) Pte Limited

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

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

SUMMARY OF VALUE

No.	Property	Right-of use value as at 31 October 2022 S\$
1	18 Tampines Industrial Crescent #02-01, #02-02, #02-03, #02-04, #02-05, #02-06, #02-07, #02-08, #02-09, #02-10, #02-11, #03-01, #03-02, #03-03, #03-04, #03-05, #03-06, #03-07, #03-08, #03-09, #03-10, #03-11, #03-12, #03-13, #03-14, #03-15, #04-01, #04-02, #04-03, #04-04, #04-05, #04-06, #04-07, #05-01, #05-02, #05-03, #05-04, #05-05, #05-06, #05-07, #06-01, #06-02, #06-03, #06-04, #06-05, #06-06, #06-07, #07-01, #07-02, #07-03, #07-04, #07-05, #07-06, #07-07A, #07-07B, #07-08A, #07-08B, #07-09A, #07-09B and lorry lots at Space @ Tampines Singapore 528605 (the "Property")	53,968,294
	Total:	53,968,294

VALUATION PARTICULARS

No.	Property	Description and Tenure	Particulars of Occupancy	Right-of use value as at 31 October 2022
1	18 Tampines Industrial Crescent #02-01, #02-02, #02-03, #02-04, #02-05, #02-06, #02-07, #02-08, #02-09, #02-10, #02-11, #03-01, #03-02, #03-03, #03-04, #03-05, #03-06, #03-07, #03-08, #03-09, #03-10, #03-11, #03-12, #03-13, #03-14, #03-15, #04-01, #04-02, #04-03, #04-04, #04-05, #04-06, #04-07, #05-01, #05-02, #05-03, #05-04, #05-05, #05-06, #05-07, #06-01, #06-02, #06-03, #06-04, #06-05, #06-06, #06-07, #07-01, #07-02, #07-03, #07-04, #07-05, #07-06, #07-07A, #07-07B, #07-08A, #07-08B, #07-09A, #07-09B and lorry lots at Space @ Tampines Singapore 528605 (the "Property")	<p>The Property comprises 59 units located on 2nd/3rd/4th/5th/6th/7th storey of a part 3-storey/part 7-storey multiple-user warehouse industrial building.</p> <p>The Temporary Occupation Permit and Certificate of Completion of the subject development were obtained on 9 June 2015 and 6 January 2016 respectively.</p> <p>The subject development is held under leasehold for 30 years commencing from 10 December 2012.</p> <p>The Property is located within land Lot 2931A Mukim 29 with a site area of 38,800.2 sq.m..</p> <p>The gross floor area of the subject development is approximately 65,859.47 sq.m. according to Urban Redevelopment Authority Grant of Written Permission (Temporary) vide reference no: ES20141024R0195 dated 24 November 2014.</p> <p>The Property is rented to LHN Space Resources Pte. Ltd. for a term of 3 years and 11 months from 13 October 2022 to 12 September 2026. The net lettable area of the Property is approximately 41,664.82 sq.m. according to lease agreement provided by the client and subject to survey.</p>	<p>The Property is rented to LHN Space Resources Pte. Ltd. for a term of 3 years and 11 months from 13 October 2022 to 12 September 2026 with an option to renew the lease for a further term of three years commencing one day after the expiration of the Term, at a revised rent and service charge, and upon terms and conditions, to be agreed between LHN Space Resource Pte. Ltd. and the Landlord which terms shall exclude any further option to renew unless the Landlord otherwise decides.</p>	<p>S\$53,968,294/- (Singapore Dollars Fifty-Three Million Nine Hundred Sixty-Eight Thousand Two Hundred And Ninety-Four)</p>

Notes:

- (1) The subject development, Space @ Tampines, is located along Tampines Industrial Crescent, off Tampines Road/Tampines Avenue 10, and approximately 17.2 km from the city centre at Collyer Quay.

The immediate locality is generally residential and industrial in nature comprising hdb flats, apartment/condominium developments, clean industrial buildings and purpose-built industrial factories. Prominent developments in the vicinity include IKEA, Courts Megastore, Giant, T-Space, JTC Nanospace @ Tampines, CTM Building, Power Partners Building, Lim Wen Heng Industrial Building and T5 @ Tampines amongst others.

Public transport facilities are readily available along Tampines Avenue 10. In addition, the Pasir Ris MRT Station and Tampines MRT Station are located in the vicinity. Accessibility to other parts of the island is facilitated by its proximity to the Tampines Expressway (TPE) and Kallang-Paya Lebar Expressway (KPE).

- (2) In accordance to the lease agreement dated 12 October 2022, the landlord is Oxley Bliss Pte. Ltd. and the tenant is LHN Space Resources Pte. Ltd..
- (3) The site of the subject development is zoned as "Business 2" with a plot ratio of 1.7 in accordance to the Master Plan Zoning (2019 Edition).
- (4) The Tenant shall at all times use and occupy the Premises strictly as may be permitted by the Competent Authority under the Planning Act 1998 for a Business 2 Clean and Light Industry zoning in accordance with the Master Plan Written Statement, in connection with the business of the Tenant. The tenant shall undertake not to hold any warehouse sales relating to furniture at the Premises.
- (5) Pursuant to the title search record, the subject development is mortgaged to Hong Leong Finance Limited.
- (6) Our valuation has been made on Income Capitalisation Method.

Income Capitalisation Method

The Income Capitalisation Method involves the addition of all income receivables and a deduction of all outgoings to determine the net income of the property. The net income receivables is assumed to be a level of annuity in accordance to the tenure of the lease and is capitalised using an appropriate capitalisation rate derived, where possible, from the analysis of relevant sales evidence.

Alternatively, and based on the same approach, this method can be varied so that the market rent is capitalised in accordance to the tenure of the lease with appropriate adjustments for rental shortfalls and overages. Our calculations are on this basis.

We have adopted a market rent of S\$2.07 per square foot on lettable area in determining the potential gross revenue of the property as we understand market rents in the vicinity and elsewhere are in the range of S\$1.90 per square foot to S\$2.60 per square foot. In addition, we have adopted outgoings at S\$0.09 per square foot, management fee at 15%, rental, capex at 2.5%, corporate tax at 17% to arrive at profit rent. This is capitalised at 10.5% to arrive at the right of use value of the Property.

In arriving at the carrying amount of lease liability of the Property of approximately S\$53.1 million, this is calculated with reference to the present value of the aggregated lease payments to be made under the Lease Agreement during the Term plus option to renew for a further term of three years.

Caveats And Assumptions

1. Definitions

In these Caveats and Assumptions the following words or phrases shall have the meaning or meanings set out below:

'Confidential Information' means information that:

- (a) Is by its nature confidential.
- (b) Is designed by Us as confidential.
- (c) You know or ought to know is confidential.
- (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.

'Currency Date' means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.

'Fee' means the amount agreed to be paid for the Services as set out in the Quotation.

'Parties' means You or Us as the context dictates.

'Quotation' means the written quote provided by Us in relation to the Services.

'Services' means the valuation services provided pursuant to these Terms and Conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.

'The Property' means the assets which are subject of our appointment as your advisor.

'We', 'Us', 'Our', 'Colliers' means Colliers International Limited.

'You', 'Your', 'Client' means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.

'Professional Property Practice Standards' refers to RICS Valuation and Appraisal Handbook, or Singapore Institute of Surveyors & Valuers' Valuation Standards and Practice Guidelines.

2. Performance Of Services

2.1 We have provided the Services in accordance with:

- (a) The Terms and Conditions contained herein; or
- (b) As specifically instructed by You for the purpose of the Services; and
- (c) Within the current provisions set by the prevailing Professional Property Practice Standards.

3. Condition Of The Property

- 3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.
- 3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.
- 3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.
- 3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurements has been taken.
- 3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.
- 3.6 An internal inspection has been made, unless otherwise stated.
- 3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
- 3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition, but will presume them to be in good working order.
- 3.9 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.
- 3.10 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

4. Environment And Planning

- 4.1 We have obtained town planning information from the prevailing Master Plan available on URA website. It is your responsibility to check the accuracy of this information under the appropriate planning legislation.
- 4.2 For obvious reasons, we do not and cannot provide information relating to government acquisitions unless the land has already been gazetted for acquisition.
- 4.3 No requisition on road, MRT, LRT, drainage and other government proposals has been made by us. Such information will not be tendered unless specifically requested for and we be properly reimbursed.
- 4.4 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show that the site is contaminated, our valuation may require revision.

5. Floor/Building Areas And Lettable Areas

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards.
- 5.2 If you do not provide Us with a survey, We will estimate floor/building and/or lettable areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.
- 5.3 Where such a survey is subsequently produced which differs from the areas estimated by us then You will refer the valuation back to Us for comment or, where appropriate, amendment.

6. Other Assumptions

- 6.1 Unless otherwise notified by You, We will assume:
- (a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the Title.
 - (b) All licences and permits can be renewed and We have not made any enquires in this regard.

- 6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural/dilapidation reports), we will rely upon the apparent expertise of such experts/specialists. We will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.
- 6.3 Our services are provided on the basis that the client has provided us with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.
- 6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 6.5 The study of possible alternative development options and the related economics are not within the scope of this report, unless otherwise stated.
- 6.6 Our opinion about the Market Value of the property is free from any influence and/or point of views of any other parties.
- 6.7 All Location Plans are obtained from www.onemap.gov.sg. Whilst we do make every endeavor to update the maps as far as it is possible, we do not vouch for the accuracy of the maps and shall not be responsible if it is otherwise.
- 6.8 Values are reported in Singapore currency unless otherwise stated.

7. Estimated Selling Price

- 7.1 Where you instruct Us to provide an Estimated Selling Price, You agree that the Services:
- (a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.
 - (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of Title(s) or other enquiries as to encumbrances, restrictions or impediments on Title(s); or other investigations which would be required for a formal valuation.
 - (c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.
- 7.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an Estimated Selling Price.

8. Currency Of Valuation

- 8.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.
- 8.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.
- 8.3 Without limiting the generality of 9.1, You should not rely upon Our valuation:
- (a) After the expiry of 3 months from the Currency Date;
 - (b) Where circumstances have occurred during that period which may have a material effect on the value of the property or the assumptions or methodology used in the valuation report.

9. Market Projections

- 9.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and based on information currently available to us and not representative of what actual values of the property will be as at future date. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
- 9.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.
- 9.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.
- 9.4 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to us by you.

10. Your Obligations

- 10.1 You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Services.
- 10.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.

- 10.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).
- 10.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. When we consent for You to release Our report or any part of Our report to any third party, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of instruction between us. Where we consent to such reliance, You agree to furnish the addressee with a copy of any reliance letter issued by Us and/or a copy of these terms and conditions.
- 10.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;
- 10.6 Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
- 10.7 Where subsequent site inspections made in relation to any of the matters raised in Clause 3 materially affect or may alter the value of the property, the subject of the Services.
- 10.8 The information provided to Us by You prior to the provision of services is in any way incomplete, misleading or wrong.
- 10.9 If You release any part of the valuation advice or its substance without written consent, You agree to defend, You agree to defend and indemnify Us against claims by a third party who has reviewed the report if We have not, at or subsequent to the time of engagement, provided our specific written consent to such party reviewing and replying on the report. We have no responsibility to any other person even if that person suffers damage as a result of You providing this valuation without Our prior consent.
- 10.10 You agree that the only remedy for losses or damages relating to the breach of this Agreement shall be limited to three times Our contracted fee for the assignment and no claim shall be made any consequential or punitive damages.
- 10.11 You agree not to bring any claim for any losses against any director, consultant or any employee of Ours. You hereby agree that Our director, consultant or any employee does not have a personal duty of care to You and any claim for losses must be brought against Colliers International.
- 10.12 Where any loss is suffered by You for which We and any other person are jointly and severally liable to You the loss recoverable by You from Us shall be limited so as to be in proportion to our relative contribution to the overall fault.

11. Confidentiality

- 11.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose stated in our valuation report, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon

this report or any part of it for any purpose unless we have given Our express written consent. Similarly neither the whole nor any part of this report nor any reference there to may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.

- 11.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.
- 11.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.
- 11.4 Unless otherwise directed in writing by Client, Colliers International retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.

12. Privacy

- 12.1 We may obtain personal information about You in the course of performing Our Services. We respect your privacy and advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.

13. Subcontracting

- 13.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these Terms and Conditions, with Your consent.

14. Limitation Of Colliers Liability

- 14.1 To the extent permissible under applicable laws, in no event shall Colliers International be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused.
- 14.2 We shall be released from Our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond Our reasonable control (example being a strike, act of God or act of terrorism). All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers international. Notwithstanding this, Colliers

International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.

- 14.3 Neither Colliers nor any employee of Ours shall be required to give testimony or to appear in court or any other tribunal or at any government agency by reason of this valuation report or with reference to the property in question, except by court summons/judicial notification, and unless prior arrangements have been made and we are properly reimbursed for reasonable time and expenses incurred. The hourly billing pertain to court preparation, waiting and travel time, document review and preparation (excludes valuation report) and all meetings related to court testimony.
- 14.4 We are free from any possible legal and/or non-legal issue which may attach to the Property's title documents.
- 14.5 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to Us by You.
- 14.6 Our liability for loss and damage attributable to Our negligence, breach of contract, misrepresentation or otherwise (but not in respect of fraud, fraudulent misrepresentation, death or personal injury) shall be limited to a maximum of three times Our contracted fee for the assignment per property for any single case. A single case of damages is defined as the total sum of all damage claims of all persons entitled to claim, which arise from one and the same professional error/offence. In the case of damages suffered from several offences brought about by the same technical error within the scope of several coherent services of a similar nature, we are only to held liable for an amount of three times Our contracted fee for the assignment per property.
- 14.7 Where the agreement is addressed to more than one Client, the above limit of liability applies to the aggregate of all claims by all such Clients and not separately to each Client.
- 14.8 No third party will be entitled to rely on any part of Our valuation report or its substance or advice except with our written consent. Should any third party rely on Our report without obtaining Our written consent, We are not bound by any liability which arises from the use of or reliance upon Our valuation report by such unauthorized party.
- 14.9 We will not be liable for any services outside the scope of the services agreed to be performed by Us, and in respect of any consequential losses or loss of profits.
- 14.10 Responsibility for Our valuation extends only to the party(ies) to whom it is addressed. However, in the event of Us being asked by You to re-address Our report to another party or other parties or permit reliance upon it by another party or other parties, We will give consideration to doing so, to named parties, and We reserve the right to charge additional fee for doing so although We will agree such fee with You before commencing the work.

15. Entire Agreement

- 15.1 No further agreement, amendment or modification of these Terms and Conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.
- 15.2 If there is inconsistency between these Terms and Conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.
- 15.3 Copyright in any reports, documents or other material provided to You by Us shall remain Our property at all times unless otherwise stated.

16. Anti Bribery And Corruption Measures

- 16.1 We represent, in connection with any services to be provided to You, that neither We nor Our contractors, employees or agents (collectively, "Consultant") has made or will make, either directly or indirectly, any payments (i) to or for the use or benefit of any Government Official (ii) to any other person either for an advance or reimbursement, if Consultant knows or has reason to know that any part of such payment has been or will be given to any Government official or (iii) to any person or entity, the payment of which would violate laws and regulations in Australia, the United States, the United Kingdom or any other government entity having jurisdiction over the activities carried out by Consultant. The term "Government Official" in this paragraph means any officer or employee of a government or any governmental department or agency, or any person acting in an official capacity for or on behalf of any such government or governmental department or agency, including employees of state-owned or controlled entities and candidates for political office.
- 16.2 We represent that, in connection with any services to be provided to You, We will conduct operations at all times in compliance with applicable financial recordkeeping and reporting requirements, including all applicable money laundering-related laws of any jurisdictions where We conduct business or own assets.

1. RESPONSIBILITY STATEMENT

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

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

2. DISCLOSURE OF INTERESTS

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

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

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

Name	Capacity	Number of Shares	Approximate percentage of issued share capital of the Company
Lim Lung Tieng ⁽¹⁾⁽²⁾	Founder of discretionary trusts, beneficiary of a trust	220,982,600	54.04%
Lim Bee Choo	Beneficial owner	4,000,000	0.98%

Notes:

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

held by LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd. is deemed under the SFO to be interested in the interests held by HN Capital Ltd.. HN Capital Ltd. is deemed under the SFO to be interested in the interests held by Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. is deemed under the SFO to be interested in the interests held by Fragrance Ltd.

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

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

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

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

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

Name	Capacity	Number of Shares	Approximate percentage of issued share capital of the Company
Fragrance Ltd. ⁽¹⁾⁽²⁾	Beneficial owner	220,982,600	54.04%
Wang Jialu ⁽¹⁾⁽³⁾	Deemed interest by virtue of interest held by spouse	220,982,600	54.04%
Hean Nerng Group Pte. Ltd. ⁽¹⁾⁽²⁾	Interest in a controlled corporation	220,982,600	54.04%
HN Capital Ltd. ⁽¹⁾⁽²⁾	Interest in a controlled corporation	220,982,600	54.04%
LHN Capital Pte. Ltd. ⁽¹⁾⁽²⁾	Trustee	220,982,600	54.04%
Trident Trust Company (B.V.I.) Limited ⁽¹⁾⁽²⁾	Trustee	220,982,600	54.04%
Lim Hean Nerng ⁽¹⁾⁽²⁾	Founder of discretionary trusts	220,982,600	54.04%
Foo Siau Foon ⁽¹⁾⁽²⁾	Founder of discretionary trusts	220,982,600	54.04%

Notes:

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

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

3. COMPETING INTERESTS

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

4. SERVICE CONTRACTS

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

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

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any assets which have been, since 30 September 2021 (being the date to which the latest published accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

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

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or trading position of the Group since 30 September 2021, being the date to which the latest audited consolidated financial statements of the Group were made up.

7. MATERIAL CONTRACTS

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

- (a) a share purchase agreement dated 30 September 2022 entered into between LHN Mobility Pte. Ltd. as seller, Johnson Lim Zheng Xiong and Toh Ting Feng as buyers in respect of the sale and purchase of 40,000 shares in GetGo Technologies Pte. Ltd. for a consideration of S\$7,925,649;
- (b) share swap agreement dated 29 March 2022 entered into between LHN Group Pte. Ltd. and LHN Logistics Limited, pursuant to which LHN Logistics Limited acquired from LHN Group Pte. Ltd. the entire issued and paid-up share capital of Hean Nerng Logistics Pte Ltd, comprising an aggregate of 500,000 ordinary shares at a deemed cost of S\$9,639,677, which is determined based on the proportionate share of adjusted net asset value of Hean Nerng Logistics Pte Ltd and its subsidiaries of approximately S\$9,639,677 as at 30 September 2021 and settled by the issue and allotment of an aggregate of 1,092,183 shares to LHN Group Pte. Ltd., credited as fully paid-up at an issue price of S\$8.83 per share, credited as fully paid-up and was arrived at on a willing buyer willing seller basis;
- (c) share swap agreement dated 29 March 2022 entered into between LHN Group Pte. Ltd. and LHN Logistics Limited pursuant to which LHN Logistics Limited acquired from LHN Group Pte. Ltd. 60% of the issued and paid-up share capital of HLA Container Services Pte. Ltd. comprising an aggregate of 480,000 ordinary shares at a deemed cost of S\$2,478,130, which is determined based on the proportionate share of adjusted net asset value of HLA Container Services Pte. Ltd. and its subsidiaries of approximately S\$2,478,130 as at 30 September 2021 and settled by the issue and allotment of an aggregate of 280,774 shares to LHN Group Pte. Ltd., credited as fully paid-up at an issue price of S\$8.83 per share, credited as fully paid-up and was arrived at on a willing buyer willing seller basis;
- (d) share swap agreement dated 29 March 2022 entered into between LHN Group Pte. Ltd. and LHN Logistics Limited pursuant to which LHN Logistics Limited acquired from LHN Group Pte. Ltd. 60% of the issued and paid-up share capital of HLA Holdings Pte. Ltd. comprising an aggregate of 429,408 ordinary shares at a deemed cost of S\$321,707, which is determined based on the proportionate share of adjusted net asset value of HLA Holdings Pte. Ltd. of approximately S\$321,707 as at 30 September 2021 and settled by the issue and allotment of an aggregate of 36,450 shares to LHN Group Pte. Ltd., credited as fully paid-up at an issue price of S\$8.83 per share, credited as fully paid-up and was arrived at on a willing buyer willing seller basis;

- (e) the placement agreement dated 19 April 2022 entered into between LHN Logistics Limited and PrimePartners Corporate Finance Pte. Ltd. and CGS-CIMB Securities (Singapore) Pte. Ltd. as the co-placement agents, the co-placement agents have agreed to procure subscriptions for the 25,238,000 new placement shares of LHN Logistics Limited for a placement commission of 3.5% of the aggregate price of S\$0.20 for each placement share for the total number of placement shares successfully subscribed for payable by LHN Logistics Limited; and
- (f) the placement agreement dated 10 June 2021 entered into between the Company Soochow CSSD Capital Markets (Asia) Pte. Ltd. as the placement agent and pursuant to which the Company has conditionally agreed to place, through Soochow CSSD Capital Markets (Asia) Pte. Ltd. on a best effort basis, up to 6,500,000 new Shares in Singapore at the price of S\$0.3351 per share (for reference, equivalent to approximately HK\$1.9638 per Share) to investor(s) and whose ultimate beneficial owners are not connected persons of the Company or to any restricted placees under Rule 812(1) of the Catalist Rules, or an interested person as defined in Chapter 9 of the Catalist Rules.

8. LITIGATION

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

9. EXPERT

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

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

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

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

As at the Latest Practicable Date, the expert above did not have any interest, direct or indirect, in any asset which since 30 September 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up, has been acquired or disposed of by or leased to any member of the Group, or is proposed to be acquired or disposed of by or leased to any member of the Group.

10. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Chong Eng Wee, who is an advocate and solicitor of the Supreme Court of Singapore, a solicitor of the High Court of Hong Kong, a legal practitioner of the Supreme Court of New South Wales in Australia and a barrister and solicitor of the High Court of New Zealand. Mr. Chong Eng Wee is a resident residing in Singapore to satisfy the requirements under the Singapore Companies Act.
- (b) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (c) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

11. DOCUMENTS ON DISPLAY

Copies of the following documents (i) are available for inspection at the registered office of the Company at 75 Beach Road, #04-01, Singapore 189689 during normal business hours during any business day in Singapore (excluding gazetted holidays); and (ii) will be published on the websites of the Stock Exchange (www.hkexnews.hk) and our Company (www.lhngroup.com) up to and including the date which is 14 days from the date of this circular up to and including 8 December 2022:

- (a) the Pasir Panjang Option to Purchase;
- (b) the Tampines Lease Agreement;
- (c) the Constitution of the Company;
- (d) the annual reports of the Company for the financial years ended 30 September 2019, 2020 and 2021 and the interim report of the Company for the six months ended 31 March 2022;
- (e) the material contracts referred to in “7. Material Contracts” above in this appendix;
- (f) the report from PricewaterhouseCoopers LLP, Singapore, dated 24 November 2022 on the unaudited proforma financial information of the Group, the text of which is set out in Appendix III to this circular;
- (g) the property valuation report prepared by Colliers International Consultancy & Valuation (Singapore) Pte Ltd dated 24 November 2022 in relation to the Pasir Panjang Property, the text of which is set out in Appendix IV to this circular;
- (h) the valuation report prepared by Colliers International Consultancy & Valuation (Singapore) Pte Ltd dated 24 November 2022 in relation to the right-of-use asset of the Tampines Property, the text of which is set out in Appendix V to this circular;
- (i) the written consent from PricewaterhouseCoopers LLP, Singapore, referred to in “9. Expert” of Appendix VI to the circular; and
- (j) the written consent from Colliers International Consultancy & Valuation (Singapore) Pte Ltd referred to in “9. Expert” of Appendix VI to the circular.