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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 GSM Contract.

**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 TRANSACTION

ACQUISITION OF THE GSM PROPERTY THROUGH PUBLIC TENDER

** for identification purpose only*

25 May 2023

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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)
“Announcement”	the announcement of the Company dated 10 February 2023 in relation to the acquisition of the GSM Property
“AV”	annual value
“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: 41O)
“Completion Date”	Subject to the terms of the GSM Contract, the latest of the following dates: (a) three (3) months from the date of the GSM Contract; (b) three (3) months after an Order for Sale has been made for the sale of the GSM Property under the Land Titles (Strata) Act (if required) or if there is an appeal against the Order for Sale, three (3) months from the date of the judgment or order of court affirming the Order for Sale for the sale of the GSM Property; or (c) three (3) months from the date of fulfilment of all the conditions precedent in the GSM Contract.
“Consideration”	S\$80,000,000, exclusive of GST
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“GSM Acquisition”	the en-bloc acquisition of all the strata units and the common property at the GSM Property as contemplated under the GSM Contract

DEFINITIONS

“GSM Contract”	the binding contract for the sale and purchase of the GSM Property entered into between the Purchaser and the GSM Vendors on 10 February 2023, which comprises (i) a tender (as amended by the revised terms and conditions of tender and sale) submitted by the Purchaser for the collective purchase of the GSM Property and (ii) the Notice of Acceptance
“GSM Property”	all the strata units and the common property at 141 Middle Road GSM Building Singapore 188976
“GSM Property Valuation Report”	the text of the valuation report prepared by the Independent Property Valuer for the valuation of the GSM Property as at 31 March 2023, which is set out in Appendix IV to this circular
“GSM Vendor(s)”	the registered subsidiary proprietors of the strata units in the GSM Property as listed under “2.3 Information about the Parties”, other than the registered subsidiary proprietors of Unit #03-04, Unit #04-05, Unit #05-02, Unit #05-05, Unit #05-06, Unit #05-07, and Unit #06-08, respectively, each of whom will be deemed a GSM Vendor by operation of the Land Titles (Strata) Act on the date on which the Order for Sale is obtained
“GST”	goods and services tax in Singapore (based on the prevailing rate as at the date of the GSM Contract)
“High Court”	the High Court of Singapore
“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 Limited, the independent property valuer who carried out a valuation of the GSM Property as at 31 March 2023, further details of which are set out in the GSM Property 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

DEFINITIONS

“LDAU Approval”	the approval from the Land Dealings (Approval) Unit of the Singapore Land Authority to purchase the GSM Property in the event that the Permanent SA Approval is obtained
“Land Titles (Strata) Act”	the Land Titles (Strata) Act 1967 of Singapore
“Latest Practicable Date”	16 May 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Leased Units”	Unit #01-01, Unit #01-02, Unit #02-00, Unit #03-01, Unit #03-02, Unit #03-03, Unit #03-05, Unit #04-02, Unit #04-03, Unit #04-04, Unit #04-05, Unit #04-06, Unit #04-07, Unit #04-08, Unit #05-04, Unit #05-08, Unit #06-02, Unit #06-03, Unit #06-04, Unit #06-05, and Unit #06-07, respectively, of the GSM Property
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Move-out Period”	the period of four months from the Completion Date
“Notice of Acceptance”	the notice of acceptance issued by the GSM Vendors on 10 February 2023 with respect to the tender submitted by the Purchaser for the collective purchase of the GSM Property
“Order for Sale”	the approval of the Strata Titles Board and/or the High Court to the sale of the GSM Property and any directions made thereby
“Owner-occupied Units”	Unit #03-03A, Unit #03-04, Unit #04-01, Unit #05-01, Unit #05-02, Unit #05-03, Unit #05-05, Unit #05-06, Unit #05-07, Unit #06-01, Unit #06-06, and Unit #06-08, respectively, of the GSM Property
“Permanent SA Approval”	permanent change of use approval from the URA and/or such other relevant authority for the change of use of levels 3 to 6 of the GSM Property from “commercial” to “serviced apartment”
“Proposed GSM Loan Facility”	the term loan facility of S\$64,000,000 to be obtained and the banking facility agreement to be entered into subject to final credit assessment and formal approval procedures to be completed by the bank only after the Order for Sale is obtained. As at the Latest Practicable Date, the Purchaser has obtained the indicative term sheet for the said loan

DEFINITIONS

“Purchaser”	Coliwoo (TK) Pte. Ltd., a company incorporated in the Republic of Singapore on 19 February 2022 with limited liability, and an indirect wholly-owned subsidiary of the Company
“Relevant Period”	the financial years ended 30 September 2020, 2021 and 2022, being the three preceding financial years preceding the GSM Acquisition
“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
“Strata Titles Board”	any Strata Titles Board constituted under the Building Maintenance and Strata Management Act (Cap. 30C) in Singapore
“sq.m.”	square meter(s)
“S\$”	Singapore dollars, the lawful currency of Singapore
“Tender Fee”	the fee of S\$100,000 (exclusive of GST) that the Purchaser paid for the public tender of the GSM Property
“URA”	the Urban Redevelopment Authority of Singapore, being the national urban planning authority of Singapore and a statutory board under the Ministry of National Development of the Government of Singapore
“%”	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.

DEFINITIONS

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 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 Listing Rules or any modification thereof, as the case may be, unless otherwise provided.

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

25 May 2023

To the Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTION

ACQUISITION OF THE GSM PROPERTY THROUGH PUBLIC TENDER

1. INTRODUCTION

1.1. Background

GSM Acquisition

Reference is made to the Announcement on 10 February 2023 (after trading hours). The Purchaser, an indirect wholly-owned subsidiary of the Company, received the Notice of Acceptance from the GSM Vendors (acting through a sale committee), which confirmed that the Purchaser's tender (as amended by the revised terms and conditions of tender and sale) for the collective purchase of the GSM Property at a total consideration of S\$80,000,000 exclusive of GST has been accepted. The GSM Contract is deemed to have been entered into between the Purchaser and the GSM Vendors on the same date.

* for identification purpose only

LETTER FROM THE BOARD

As at the date of the GSM Contract, as one or more than one of the applicable percentage ratios for the GSM Acquisition is more than 25% and below 100% under Rule 14.07 of the Listing Rules, the GSM Acquisition constitutes a major transaction for the Company under the Listing Rules. The GSM 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.

1.2. Purpose of this Circular

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 of the Company is required to abstain from voting if the Company is to convene a general meeting for the approval of the GSM Acquisition as contemplated under the GSM Contract. The Company has obtained the written approval from Fragrance Ltd. in lieu of holding a general meeting for the GSM Acquisition. Accordingly, no shareholders' meeting will be convened by the Company to approve the GSM Acquisition.

This circular is to provide Shareholders with, among other things, (i) details of the GSM Acquisition and the transactions contemplated under the GSM Contract; and (ii) other information as required under the Listing Rules and the Catalist Rules.

2. THE GSM ACQUISITION

2.1. The GSM Contract

The major terms of the GSM Contract are set out below:

Parties : (1) the Purchaser, an indirect wholly-owned subsidiary of the Company, as the purchaser; and
(2) the GSM Vendors, all of whom are Independent Third Parties, being the vendors of the respective units in the GSM Property as detailed in "2.3 Information about the Parties" below.

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

Consideration : The Consideration is an aggregate of S\$80,000,000 exclusive of GST, of which S\$100,000 exclusive of GST was paid by the Purchaser through internal sources of funding as at the date of the GSM Contract as a tender fee.

LETTER FROM THE BOARD

The Consideration was determined through the public tender and was arrived at having taken into consideration, among others, the indicative valuation performed by the Independent Property Valuer, Colliers International Consultancy & Valuation (Singapore) Pte Ltd, on 1 February 2023 of S\$80,000,000, the potential of the GSM Property, the value and the prevailing market prices of properties of a similar nature available in the vicinity. Please also refer to the Property Valuation Report from the Independent Property Valuer in Appendix IV to this circular.

The Consideration will be distributed according to the terms of the collective sale agreement made amongst the GSM Vendors themselves and according to the method of apportionment as stated below:

Unit number	Apportionment ratio	Apportioned consideration (S\$)
#01-01	0.16185513	12,948,410.4
#01-02	0.07920605	6,336,484.0
#02-00	0.00967974	774,379.2
#03-01	0.02704858	2,163,886.4
#03-02	0.04825330	3,860,264.0
#03-03	0.03239122	2,591,297.6
#03-03A	0.02362543	1,890,034.4
#03-04	0.02688150	2,150,520.0
#03-05	0.02103764	1,683,011.2
#04-01	0.01936815	1,549,452.0
#04-02	0.02137179	1,709,743.2
#04-03	0.03347658	2,678,126.4
#04-04	0.02270714	1,816,571.2
#04-05	0.03255829	2,604,663.2
#04-06	0.02120473	1,696,378.4
#04-07	0.01828278	1,462,622.4
#04-08	0.02103764	1,683,011.2
#05-01	0.01936815	1,549,452.0
#05-02	0.02137179	1,709,743.2
#05-03	0.03347658	2,678,126.4
#05-04	0.02270714	1,816,571.2

LETTER FROM THE BOARD

Unit number	Apportionment ratio	Apportioned consideration (S\$)
#05-05	0.03255829	2,604,663.2
#05-06	0.02120473	1,696,378.4
#05-07	0.01828278	1,462,622.4
#05-08	0.02103764	1,683,011.2
#06-01	0.01936815	1,549,452.0
#06-02	0.02137179	1,709,743.2
#06-03	0.03347659	2,678,127.2
#06-04	0.02270716	1,816,572.8
#06-05	0.03255831	2,604,664.8
#06-06	0.02120473	1,696,378.4
#06-07	0.01828280	1,462,624.0
#06-08	0.02103768	1,683,014.4
	Total	80,000,000

**Payment and payment
schedule**

: The Consideration is or will be satisfied (as the case may be) as follows:

- (1) the Tender Fee of S\$100,000 (exclusive of GST) has been paid by the Purchaser to the GSM Vendors as at the date of the GSM Contract;
- (2) within seven days of the date of the GSM Contract, the Purchaser shall pay a sum of S\$3,900,000 exclusive of GST, being a sum equivalent to the difference between 5% of the Consideration and the Tender Fee;
- (3) within seven days from the Order for Sale being made by the Strata Titles Board or the High Court, the Purchaser shall pay a further sum of S\$4,000,000 exclusive of GST, being a sum equivalent to 5% of the Consideration; and
- (4) the remaining 90% of the Consideration shall be paid on the Completion Date.

The payment of the Consideration less the Tender Fee is expected to be funded through internal sources of funding and bank borrowing.

LETTER FROM THE BOARD

In the event that the GSM Vendors' solicitors confirm in writing that the Order for Sale is not required, the Purchaser shall, within seven days from the date of such confirmation or within seven days from the date of the GSM Contract (whichever is the later), pay to the GSM Vendors' solicitors 10% of the Consideration less the Tender Fee and such other moneys paid towards account of the total deposit of S\$8,000,000 exclusive of GST.

If the Purchaser fails to pay to the GSM Vendors' solicitors the abovementioned sums within the period(s) stated, the GSM Vendors shall be entitled at their absolute discretion to (but without any obligation on their part to do so) rescind and cancel the GSM Contract. Upon rescission and cancellation of the GSM Contract, the Tender Fee shall be forfeited and belong to the GSM Vendors absolutely and beneficially. As at the Latest Practicable Date, the Purchaser has paid an aggregate of S\$4.0 million to the GSM Vendors pursuant to the terms of the GSM Contract.

- Possession** : Vacant possession of the GSM Property or any unit thereto shall be given to the Purchaser not later than the expiry of four months from the Completion Date.
- Condition precedent** : The sale and purchase of the GSM Property is conditional upon:
- (1) the Purchaser obtaining the Permanent SA Approval. The Purchaser shall submit the application for change of use of the GSM Property to "serviced apartment" as soon as possible after the Purchaser has received the Notice of Acceptance. For the avoidance of doubt, "Permanent SA Approval" shall mean the grant of written permission from the URA for the change of use of the GSM Property to permanent (and not temporary) serviced apartment use of more than 10 years;
 - (2) the Purchaser obtaining, at its own cost and expense, the LDAU Approval. If the Purchaser fails to obtain the LDAU Approval within five months from the date of the Notice of Acceptance, the Purchaser shall have the right to rescind the GSM Contract and all monies paid by the Purchaser under the GSM Contract shall be refunded in full to the Purchaser without any interest, set off, withholding, deduction or compensation whatsoever; and

LETTER FROM THE BOARD

- (3) the approval of the board of directors of the Purchaser's holding company, the Company and the approval of the shareholders of the Company for the acquisition of the GSM Property by the Purchaser on the terms and subject to the conditions of the GSM Contract, as required under the Catalist Rules and the Listing Rules, with the said directors' approval and the said shareholders' approval being obtained by the Purchaser at its cost and expense.

(collectively, the "**Conditions Precedent**")

If the Conditions Precedent are not fulfilled ten weeks after the date of the Notice of Acceptance (i.e., up to 21 April 2023), the GSM Vendors shall grant to the Purchasers an extension of a further ten weeks (i.e., up to 30 June 2023) to fulfil the Conditions Precedent. As at the Latest Practicable Date, the time for fulfilling the Conditions Precedent has been extended pursuant to the terms of such clause to 30 June 2023. If the Conditions Precedent are not fulfilled by the expiry of such extension period, the Purchaser or the GSM Vendors shall have the right to rescind the GSM Contract and all monies paid by the Purchaser under the GSM Contract shall be refunded to the Purchaser in full without any interest, setoff, withholding, deduction or compensation whatsoever.

As at the Latest Practicable Date, the Purchaser has obtained the LDAU Approval in paragraph (2) above, and the requisite approvals under paragraph (3) above, and that the Permanent SA Approval under paragraph (1) above is yet to be obtained.

**Application for Order
for Sale**

: The sale and purchase of the GSM Property is conditional and subject to the approval of the Strata Titles Board and/or the High Court in Singapore to the sale of the GSM Property and any directions made thereby.

LETTER FROM THE BOARD

Subject to the GSM Vendors submitting the relevant application to the Strata Titles Board within three months from the Notice of Acceptance for the purpose of obtaining the Order for Sale, the GSM Vendors shall be entitled to take such steps and actions as may be necessary to obtain the Order for Sale within 12 months from the Notice of Acceptance, including making more than one application to the Strata Titles Board and/or commencing legal proceedings including resisting any appeals against the Strata Titles Board's decisions, directions and/or orders.

As at the Latest Practicable Date, the GSM Vendors are yet to submit the relevant application to the Strata Titles Board for the purpose of obtaining the Order for Sale and the deadline for submitting such application has been extended to 12 June 2023 by mutual agreement.

The GSM Vendors shall use their best endeavours to obtain the Order for Sale at their own costs and shall comply with all reasonable terms and conditions that may be imposed by the Strata Titles Board.

In the event that:

- (1) the Order for Sale is for any reason whatsoever rejected or is not granted by or obtained from the Strata Titles Board; or
- (2) an order is not made by the High Court (including some other competent court of law, as the case may be) for the dismissal of an appeal against the Order for Sale;

then by the expiry of twelve (12) months from the Notice of Acceptance, the Purchaser shall be at liberty to grant the GSM Vendors, at the GSM Vendors' request, an extension of time of such period as may be mutually agreed between the parties acting reasonably and in good faith, to obtain the Order for Sale or the abovementioned order by the High Court, or to rescind the GSM Contract by written notice to the GSM Vendors' solicitors whereupon the GSM Contract shall be null and void and the deposit of S\$8,000,000 exclusive of GST and all monies paid to the GSM Vendors or their solicitors shall immediately be refunded to the Purchaser absolutely free of any interest or deduction. The GSM Vendors shall not be obliged to appeal against the orders or directions of the High Court.

LETTER FROM THE BOARD

If the Order for Sale is not obtained by the expiry of twelve (12) months from the Notice of Acceptance, the GSM Vendors shall be at liberty to rescind the GSM Contract by written notice to the Purchaser, whereupon the GSM Contract shall be null and void and the deposit of S\$8,000,000 exclusive of GST and all monies paid to the GSM Vendors or their solicitors shall immediately be refunded to the Purchaser absolutely free of any interest or deduction.

In the event that:

- (1) the High Court rejects the GSM Vendors' application for the Order of Sale; or
- (2) the High Court approves the GSM Vendors' application for the Order of Sale but an appeal is filed in respect of the Order of Sale by any objector, such objector being a subsidiary who has filed an objection under Part VA of the Land Titles (Strata) Act,

the GSM Vendors shall appeal to the Court of Appeal of Singapore against the High Court's decision if there are reasonable grounds, but the GSM Vendors shall not be obliged to appeal the High Court's decision or defend such objector's appeal if the objector's appeal is filed at the Court of Appeal of Singapore (as the case may be).

Completion

: Completion of the sale and purchase of the GSM Property shall take place on the Completion Date at the office of the GSM Vendors' solicitors or such other office as the GSM Vendors' solicitors shall direct, and upon payment of the balance of 90% of the Consideration to be made payable to such persons or corporations as the GSM Vendors' solicitors may direct.

In the event the GSM Vendors' solicitors confirm in writing that the Order for Sale is no longer required, the Completion Date shall be the later of (i) three months from the date of the aforesaid written confirmation of the GSM Vendors' solicitors to the Purchaser or its solicitors or (ii) three months from the date of the fulfilment of all the conditions precedent in the GSM Contract.

LETTER FROM THE BOARD

On payment of the balance of 90% of the Consideration, the GSM Vendors will execute and deliver to the Purchaser an assurance or assurances in relation to their respective units. Such assurances shall be prepared by the Purchaser at its own costs. The Purchaser shall deliver the drafts of such assurances not less than eight (8) weeks before the Completion Date and the engrossments of such assurances not less than six (6) weeks before the Completion Date to the office of the GSM Vendors' solicitors for perusal and execution by the GSM Vendors.

2.2. Information about the GSM Property and Reasons and Benefits for the GSM Acquisition

The GSM Property is located at 141 Middle Road, GSM Building Singapore 188976 (comprised in Lot 332W of Town Subdivision 11), and has a total land area of 1,115.1 sq.m. with a tenure of 99 years commencing from 2 May 1978. As at the Latest Practicable Date (which is updated from the date of the Announcement), the GSM Property comprises 33 units, of which 12 are self-occupied and 21 are rented out, respectively, as well as common property.

It is noted that as disclosed in the Announcement, the classifications of the strata units of being "self-occupied" of the GSM Property were based on information provided to the Company from the property agent acting for the GSM Vendors. During the intervening period between the date of the Announcement and the Latest Practicable Date, the property agent subsequently advised the Company that there should be a change in the classifications of Unit #06-04 and Unit #05-03 as the Company does not have any direct contact with any of the subsidiary proprietors of the GSM Property, and all information regarding the classifications and the tenancy agreements of the strata units of the GSM Property have been provided by the aforesaid property agent. Furthermore, Unit #06-05 was vacant as at the date of the Announcement and was subsequently rented out in March 2023. Accordingly, it is classified as a "rented out" unit as at the Latest Practicable Date. Therefore, there is a corresponding reduction in the number of "self-occupied" units. The Company confirms that the information presented in the Announcement as at the date of the Announcement was to the best of its knowledge, information and belief at the relevant time.

The Owner-occupied Units are currently being used by the relevant GSM Vendors for their own respective uses and are therefore not revenue-generating assets with an identifiable income stream. The Leased Units have been rented out by the relevant GSM Vendors during the three preceding financial years, and are therefore revenue-generating assets with an identifiable income stream subject to Rule 14.67(6)(b)(i) of the Listing Rules. However, the Purchaser has been unable to obtain financial information relating to the Leased Units, as the GSM Vendors (through its solicitors) have indicated that the GSM Acquisition involves the collective sale of a property and not the sale of any property holding company(ies). As such, no financial information relating to the Leased Units was made available. The Company has applied to the Stock Exchange for a waiver, which had been granted by the Stock Exchange on 16 May 2023, from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules. Please refer to the section headed "Unaudited Financial Information of the GSM Property" in Appendix II to this circular for details.

LETTER FROM THE BOARD

The Group intends to convert levels 3 to 6 of the GSM Property into a serviced apartment, pursuant to which the Purchaser shall submit an application for the change of use of levels 3 to 6 of the GSM Property (from “commercial” to “serviced apartment”) to the URA as soon as possible and will continue the commercial usage for levels 1 and 2. The Group intends to rent out levels 1 and 2 as retail store premises following the acquisition of the GSM property.

The GSM Acquisition will expand the Group’s portfolio of residential and commercial properties under its space optimisation business in Singapore, increase the brand value of COLIWOO, provide potential capital appreciation to the Group, and provide additional opportunities to generate revenue.

For the reasons above, the Board is of the view that the GSM Acquisition and the transactions contemplated under the GSM Contract (including the 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 GSM Property Valuation Report, the GSM Property is valued for a total of S\$80.0 million as at 31 March 2023 using the residual approach, the income capitalisation method, and the direct comparison method. Colliers International Consultancy & Valuation (Singapore) Pte Limited 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 five main business segments, namely: (i) the space optimisation business; (ii) the facilities management business; (iii) energy business; (iv) property development business; and (v) the logistics services business (through the Company’s indirect non-wholly owned subsidiary, LHN Logistics Limited (SGX stock code: GIH)). The Group currently operates mainly in Singapore, Indonesia, Thailand, Myanmar, Hong Kong, Malaysia and Cambodia.

2.3.2. The Purchaser

The 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 GSM Vendors

Unit number	Name of vendor	Background of vendor (and principal business activity, if applicable)	Ultimate beneficial owner of vendor, if applicable	Relationship with other vendors
#01-01	RH Holdings Pte Ltd	A company incorporated in the Republic of Singapore with limited liability, which is principally engaged in investment holding	Heng Chun Investments Ltd ⁽¹⁾	Independent third party to the other owners
#01-02 <i>(Unit #01-02 and Unit #02-00 are connected units)</i>	Five Fortunes Capital Investment Pte Ltd	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in real estate activities with own or leased properties	Chew Tay Hoe	The owner also owns Unit #02-00
#02-00 <i>(Unit #01-02 and Unit #02-00 are connected units)</i>	Five Fortunes Capital Investment Pte Ltd	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in real estate activities with own or leased properties	Chew Tay Hoe	The owner also owns Unit #01-02
#03-01	Wong Yuen Tong alias: Anges Chung	Individual owner	N/A	Independent third party to the other owners
#03-02	Jauw Brothers Pte. Ltd.	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in wholesale trade of a variety of goods without a dominant product and wholesale activities on a fee or commission basis (excluding online marketplaces)	Jauw Tung Lin, Liany Juwono, Jauw Djioe Jong (alias: Jauw Yuliani Yuwono)	The owner also owns Unit #03-05 and Unit #05-04
#03-03	Goh Cheay Hwa	Individual owner	N/A	Independent third party to the other owners
#03-03A	Headway Century Pte. Ltd.	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in wholesale trade of a variety of goods without a dominant product	Jap Siu Fie	Independent third party to the other owners

LETTER FROM THE BOARD

Unit number	Name of vendor	Background of vendor (and principal business activity, if applicable)	Ultimate beneficial owner of vendor, if applicable	Relationship with other vendors
#03-04	Unit 332/U33 Pte. Ltd.	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in investment holding	Lam San Ling, Teh Joo Heng	Independent third party to the other owners
#03-05	Jauw Brothers Pte. Ltd.	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in wholesale trade of a variety of goods without a dominant product and wholesale activities on a fee or commission basis (excluding online marketplaces)	Jauw Tung Lin, Liany Juwono, Jauw Djioe Jong (alias: Jauw Yuliani Yuwono)	The owner also owns Unit #03-02 and Unit #05-04
#04-01	Silvester Selvan s/o Jeyaperagasam	Individual owner	N/A	Independent third party to the other owners
#04-02	Wan Po Holdings Pte Ltd	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in investment holding and real estate management and maintenance	Lim Swe Jian	The owner also owns #04-03, and is related to the owner of Unit #04-08 by virtue of sharing the same director (namely Lim Swe Jian)
#04-03	Wan Po Holdings Pte Ltd	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in investment holding and real estate management and maintenance	Lim Swe Jian	The owner also owns #04-02, and is related to the owner of Unit #04-08 by virtue of sharing the same director (namely Lim Swe Jian)
#04-04	HGV Vosseler Pte. Ltd. (fka Property Link Five Pte. Ltd.)	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in investment holding and management consultancy services	Hans-Gunter Friedrich Vosseler	Independent third party to the other owners

LETTER FROM THE BOARD

Unit number	Name of vendor	Background of vendor (and principal business activity, if applicable)	Ultimate beneficial owner of vendor, if applicable	Relationship with other vendors
#04-05	Tsui Kee, Yeung Lo	Individual owners	N/A	Independent third parties to the other owners
#04-06	Barnwell Enterprises Pte Ltd	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in wholesale activities on a fee or commission basis (excluding online marketplaces) and providing property management services	Tay Peng Hui, Tay Gi-Nin	Independent third party to the other owners
#04-07	Lai Yock Choo, Lai Yoke Kwai, Puah Mui Choo	Individual owners	N/A	Independent third parties to the other owners
#04-08	Hock Po Holdings Pte Ltd	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in investment holding	Lim Swe Jian	The owner is related to the owner of Unit #04-02 and Unit #04-03 by virtue of sharing the same director (namely Lim Swe Jian)
#05-01	Foqus Capital Pte. Ltd.	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in management consultancy services	Phaan Khar Hau	Independent third party to the other owners
#05-02	Liverland Investments Pte Ltd	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in real estate development and investment holding	Tan Hi-sing, Tan Hi-kong, Tan Chwee Seng	Independent third party to the other owners
#05-03	Zhou Tongquan, Xie Jinfang	Individual owners	N/A	Independent third parties to the other owners

LETTER FROM THE BOARD

Unit number	Name of vendor	Background of vendor (and principal business activity, if applicable)	Ultimate beneficial owner of vendor, if applicable	Relationship with other vendors
#05-04	Jauw Brothers Pte Ltd	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in wholesale trade of a variety of goods without a dominant product and wholesale activities on a fee or commission basis (excluding online marketplaces)	Jauw Tung Lin, Liany Juwono, Jauw Djioe Jong (alias: Jauw Yuliani Yuwono)	The owner also owns Unit #03-02 and Unit #03-05
#05-05	A. O. Action Love Ltd. (fka World Evangelical Fellowship Limited)	A public company limited by guarantee incorporated in the Republic of Singapore and a charity registered under the Charities Act 1994 of Singapore which is principally engaged in activities of religious organisations	As a public company limited by guarantee, the owner has no shareholders	Independent third party to the other owners
#05-06	Hilda Loe Associates Pte. Ltd.	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in management consultancy services	Kwok Kam Hon, Loe Kee Eng Hilda	Independent third party to the other owners
#05-07	Case Intelligence Pte. Ltd.	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in debt collection services and management consultancy services	Dason Raj s/o Selva Raj, Lim Swannie	Independent third party to the other owners
#05-08	Teguh Widjaja	Individual owner	N/A	Independent third party to the other owners
#06-01	Lee Guan Seng Edwin	Individual owner	N/A	The owner also owns Unit #06-06
#06-02	Chieng Gek Choo, Chieng Gaik Eng, Chieng Long Heng	Individual owners	N/A	Independent third parties to the other owners

LETTER FROM THE BOARD

Unit number	Name of vendor	Background of vendor (and principal business activity, if applicable)	Ultimate beneficial owner of vendor, if applicable	Relationship with other vendors
#06-03	Lee San Min Paul, Lee San Jin Tania, Lee San Yue Jade, Lee San Bao Elizabeth	Individual owners	N/A	Independent third parties to the other owners
#06-04	Inter Island Manpower Pte. Ltd.	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in management consultancy services and employment agency (human resource functions and consultancy) services	Thong Yong Hin, Thong Chen Fei	Independent third party to the other owners
#06-05	Pinnacle Credit Services Pte. Ltd.	A company incorporated in the Republic of Singapore with limited liability which is principally engaged in call centre services and debt collection services	Andy Chan Kok Siong	Independent third party to the other owners
#06-06	Lee Guan Seng Edwin	Individual owner	N/A	The owner also owns Unit #06-01
#06-07	Lim Teck Chye	Individual owner	N/A	Independent third party to the other owners
#06-08	Hoo Soo Huat alias: Ho Soo Huat, Chua Soo Ching	Individual owners	N/A	Independent third parties to the other owners

Note (1): Heng Chun Investments Ltd is a company incorporated in the British Virgin Islands, in which shareholders' information is not made available through public searches, to the best of the knowledge, information and belief of the Company. The Company is unable to obtain information regarding the ultimate beneficial owner of the registered subsidiary proprietor of Unit #01-01 despite the Company's requests for the same. The Directors are of the view that since the GSM Acquisition is conducted by way of collective sale, the lack of information regarding the ultimate beneficial owner of the registered subsidiary proprietor of Unit #01-01 will not materially affect the information available to, as well as the ability of, Shareholders and potential investors to consider the GSM Acquisition and the underlying transactions contemplated therein.

Save as disclosed above, the GSM Vendors (and their ultimate beneficial owners, as applicable) are Independent Third Parties to the Group to the best of the Directors' knowledge, information and belief having made all reasonable enquiries.

LETTER FROM THE BOARD

2.4. Financial Effect of the GSM Acquisition

The GSM Property will be held as an investment property in the Group after completion of the GSM Acquisition. The investment properties of the Group would be expected to increase by approximately S\$83.4 million which consists of the Consideration, stamp duty, estimated non-claimable GST to be paid on certain units of the GSM Property and legal fee. The total assets of the Group would be expected to increase by approximately S\$64.0 million and the net asset value of the Group is expected to remain unchanged as the increase in investment properties mentioned above and the increase in trade and other receivables of approximately S\$1.0 million for the estimated claimable GST to be paid on certain units of the GSM property, will be offset by the decrease of approximately S\$20.4 million in cash and long-term prepayments, and the remaining of approximately S\$64.0 million will be financed by bank borrowings, which is expected to therefore increase total liabilities by the same amount.

Saved as disclosed above, the GSM 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 GSM Contract, as one or more than one of the applicable percentage ratios for the GSM Acquisition is more than 25% and below 100% under Rule 14.07 of the Listing Rules, the GSM Acquisition constitutes a major transaction for the Company under the Listing Rules. The GSM 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 "Information about the Parties", the Company is primarily in the business of real estate management services and the GSM Acquisition is part of the Group's strategy and plan to expand its portfolio of properties managed under the space optimisation business as discussed under section 2.2 above. Profits generated from the GSM Property would be accounted for under the space optimisation business. Accordingly, the entry into the GSM Contract for the purposes of acquiring and operating the GSM Property is in the Group's ordinary course of business.

The disclosure requirements of this circular in respect of the GSM Acquisition are referenced from Chapter 7 of the Catalyst Rules. The GSM 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 Catalyst 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 with the disclosure requirements of Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

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 of the Company is required to abstain from voting if the Company is to convene a general meeting for the approval of the GSM Acquisition as contemplated under the GSM Contract. The Company has obtained the written approval from Fragrance Ltd. in lieu of holding a general meeting for the GSM Acquisition. Accordingly, no shareholders' meeting will be convened by the Company to approve the GSM Acquisition.

3. RECOMMENDATIONS

Having considered the reasons and benefits of the GSM Acquisition as set out under "2.2. Information about the GSM Property and Reasons and Benefits for the GSM Acquisition" above, the Board considers that the GSM Acquisition and the transactions contemplated under the GSM Contract are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Notwithstanding that no general meeting will be convened by the Company to approve the GSM Acquisition and the transactions contemplated under the GSM Contract, 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.

4. 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 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 financial information of the Group for the year ended 30 September 2022 has been set out in the 2022 annual report of the Company from pages 98 to 183, which was posted on 5 January 2023 on:

- the Stock Exchange’s website
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0105/2023010501603.pdf>
- SGXNET website
<https://links.sgx.com/FileOpen/LHN%20Limited%20-%20Annual%20Report%20FY22%20e.ashx?App=Announcement&FileID=743430>

The unaudited financial information of the Group for the six months ended 31 March 2023 has been set out in the interim results announcement of the Company, which was posted on 12 May 2023 on:

- the Stock Exchange’s website
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0512/2023051201607.pdf>
- SGXNET website
<https://links.sgx.com/FileOpen/LHN%20Ltd%20-%20Results%20Announcement%201H2023%20e%20-sgx.ashx?App=Announcement&FileID=759016>

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 31 March 2023, being for the purpose of the indebtedness statement, the Group had outstanding bank borrowings of S\$180.4 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, 404 Pasir Panjang Road, 48 Arab Street in Singapore and 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 Group, where applicable.

Saved as disclosed, the Group does not have any material unguaranteed and unsecured borrowings as at 31 March 2023.

As at 31 March 2023, the Group had undrawn bank facilities of S\$48.5 million.

Lease Liabilities

As at 31 March 2023, the Group had lease liabilities of S\$126.2 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 31 March 2023.

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 31 March 2023, the outstanding amount of guaranteed facilities drawn down by certain subsidiaries and joint ventures amounted to approximately S\$179.2 million and S\$64.7 million, respectively. Save as disclosed, the Group did not have any material contingent liabilities as at 31 March 2023.

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 31 March 2023.

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 31 March 2023, 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 material adverse change in the indebtedness position of the Group since 31 March 2023.

WORKING CAPITAL

As at the Latest Practicable Date, having made careful enquiries and taking into account of the internal resources and existing banking facilities available to the Group, as well as the transaction contemplated under the GSM Contract and the assumption that the Proposed GSM Loan Facility could be obtained, 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 working capital sufficiency for the Group's present requirements for at least the next twelve months from the date of this circular is heavily dependent on the assumption that the Group is able to obtain the Proposed GSM Loan Facility. As at the Latest Practicable Date, the facility agreement for the Proposed GSM Loan Facility has not been obtained as it is subject to final credit assessment and formal approval procedures to be completed by the bank only after the Order for Sale is obtained.

The Company 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 five main business segments, namely: (i) space optimisation business; (ii) facilities management business; (iii) energy business; (iv) property development business; and (v) logistics services business (through the Company's indirect non-wholly owned subsidiary, LHN Logistics Limited (SGX stock code: GIH)). 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.

The Facilities Management Business remains focused on securing additional external facilities management contracts, encompassing estate and building management, repair and maintenance, cleaning, pest control, and fumigation services. The carpark business will continue to build up its market share with the intelligent use of cutting-edge technology and a fully-equipped operations team.

The Property Development Business will commence asset enhancement works at 55 Tuas South in the second half of 2023 to redevelop it into a 9-storey multi-user food processing industrial development. This development is expected to be completed and available for sale in the financial year ending 30 September 2024.

The Group has initiated growth opportunities in its Energy Business which includes electricity retailing, EV charging stations, and solar panel installation and will continue to look for more opportunities to expand further.

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.

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 2020, 2021 and 2022, or 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.

For the preparation of the profit and loss statement on the identifiable income stream of the Leased Units in strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, access to the underlying books and records in relation to the Leased Units covering the Relevant Period is required. However, the GSM Vendors (through its solicitors) have rejected the request from the Purchaser to furnish the financial statements regarding the Leased Units for the three preceding financial years on the basis that the GSM Acquisition involves the collective sale of a property and not the sale of any property holding company(ies). As such, the Group is not able to comply with the disclosure requirement under Rule 14.67(6)(b)(i) of the Listing Rules.

BACKGROUND OF THE GSM PROPERTY

As disclosed in the “Letter from the Board – 2.2 Information about the GSM Property and Reasons and Benefits for the GSM Acquisition” in this circular, the GSM Property is located at 141 Middle Road, GSM Building Singapore 188976 (comprised in Lot 332W of Town Subdivision 11), and has a total land area of 1,115.1 sq.m. with a tenure of 99 years commencing from 2 May 1978. As at the Latest Practicable Date, the GSM Property comprises 33 units, of which 12 are self-occupied and 21 are rented out, respectively, as well as common property.

The GSM Property is sold with vacant possession. The existing tenancy agreements of the Leased Units will be terminated by the Completion Date. As such, the subsidiary proprietors of the Leased Units will be required to terminate the tenancies prior to the expiry of the Move-out Period. Any compensation for the early termination of the tenancy agreement will be a decision between the tenant and the subsidiary proprietor in question and any payment shall be borne entirely by such subsidiary proprietor. Pursuant to the GSM Contract, vacant possession of the Leased Units (together with the other units of the GSM Property) shall be given to the Purchaser not later than the expiry of the Move-out Period and the Move-out Period shall be rent free.

The Owner-occupied Units have been used by the relevant GSM Vendors for their own respective uses during the Relevant Period and are therefore not revenue-generating assets with an identifiable income stream. The Leased Units have been rented out by the relevant GSM Vendors during the Relevant Period, and are therefore revenue-generating assets with an identifiable income stream subject to Rule 14.67(6)(b)(i) of the Listing Rules.

APPENDIX II
**UNAUDITED FINANCIAL INFORMATION OF
THE GSM PROPERTY**

The Company has been able to obtain certain tenancy agreements of the Leased Units during the Relevant Period and up to the Latest Practicable Date, the details of which are set out below:

No.	Unit	Tenancy period	Monthly rental income (\$\$)
1.	Unit #01-01	1 April 2019 to 31 March 2022	42,000
2.		1 April 2022 to 31 March 2025	40,000 (from 1 April 2022 to 31 March 2023) 42,000 (from 1 April 2023 to 31 March 2025)
3.	Unit #01-02	1 July 2019 to 30 June 2020	16,000
4.	Unit #02-00	1 August 2020 to 31 January 2021	13,500
5.		1 February 2021 to 31 July 2021	13,500
6.		1 August 2021 to 31 October 2021	13,500
7.		1 November 2022 to 31 October 2024	16,000
8.	Unit #03-01	12 August 2021 to 11 August 2023	5,200
9.	Unit #03-02 ⁽¹⁾ (a) Unit #03-02-A	1 March 2019 to 28 February 2020	1,798.40
10.		1 March 2020 to 28 February 2021	1,798.40
11.		1 March 2022 to 28 February 2023	1,798.40
12.		1 March 2023 to 28 February 2024	1,798.40
13.	Unit #03-02 ⁽¹⁾ (b) Unit #03-02-B	16 August 2019 to 15 August 2020	3,200
14.		16 August 2020 to 31 August 2021	2,600
15.		1 September 2021 to 31 December 2021	2,600
16.		1 January 2022 to 31 December 2022	2,900
17.		1 January 2023 to 31 October 2024	3,200
18.	Unit #03-02 ⁽¹⁾ (c) Unit #03-02-C	1 March 2019 to 28 February 2022	2,400
19.		1 March 2022 to 29 February 2024	2,200
20.	Unit #03-03	15 October 2019 to 14 October 2020	5,200
21.		1 January 2021 to 31 December 2022	4,800
22.		1 January 2023 to 31 December 2024	5,000
23.	Unit #03-05	1 March 2019 to 28 February 2022	3,000
24.		15 January 2023 to 14 January 2025	3,650
25.	Unit #04-02 ⁽²⁾ Unit #04-03 ⁽²⁾	1 January 2023 to 31 December 2024	7,300
26.	Unit #04-04	1 July 2022 to 30 June 2024	3,600
27.	Unit #04-06	1 August 2021 to 31 August 2023 ⁽³⁾	3,600

APPENDIX II**UNAUDITED FINANCIAL INFORMATION OF
THE GSM PROPERTY**

No.	Unit	Tenancy period	Monthly rental income (S\$)
28.	Unit #04-07	1 January 2019 to 30 June 2020 ⁽⁴⁾	4,000
29.		1 July 2020 to 27 February 2023 ⁽⁴⁾	3,000
30.	Unit #04-08	16 October 2020 to 15 October 2023	3,378.50
31.	Unit #05-04	1 June 2017 to 31 May 2020	4,090.32
32.		1 June 2020 to 30 September 2022	4,090.32
33.		9 December 2022 to 8 December 2023	4,100
34.	Unit #05-08	16 December 2018 to 15 December 2021	3,850
35.		16 December 2021 to 15 December 2023	3,000
36.	Unit #06-02	15 August 2020 to 14 August 2022	3,500
37.		8 March 2023 to 7 September 2024	3,588
38.	Unit #06-03	1 July 2018 to 30 June 2021	4,000
39.		1 July 2021 to 30 June 2024	4,200
40.	Unit #06-04	1 January 2022 to 31 December 2022	3,000
41.	Unit #06-05	1 October 2019 to 30 September 2022	6,800
42.		15 March 2023 to 14 March 2026	6,300
43.	Unit #06-07	1 March 2023 to 28 February 2024	2,800

Notes:

- (1) Unit #03-02 was divided into Unit #03-02-A, Unit #03-02-B, and Unit #03-02-C during the Relevant Period and up to the Latest Practicable Date.
- (2) Unit #04-02 and Unit #04-03 were connected units during the Relevant Period and up to the Latest Practicable Date.
- (3) Under the tenancy agreement, the first month of the tenancy period (being the period between 1 August 2021 to 31 August 2021) was free of rent.
- (4) The owners of Unit #04-07 indicated through a written confirmation dated 27 February 2023 that (i) there had been no written tenancy agreement and (ii) that the monthly rent was S\$4,000 during the period 1 January 2019 to 30 June 2020 and S\$3,000 during the period from 1 July 2020 to 27 February 2023, respectively.

PLANNED FUTURE USE OF THE GSM PROPERTY

As disclosed in the “Letter from the Board – 2.2 Information about the GSM Property and Reasons and Benefits for the GSM Acquisition” in this circular, the Group intends to convert levels 3 to 6 of the GSM Property into serviced apartments, pursuant to which the Purchaser shall submit an application for the change of use of levels 3 to 6 of the GSM Property (from “commercial” to “serviced apartment”) to the URA as soon as possible and will continue the commercial usage for levels 1 and 2. The Group intends to rent out levels 1 and 2 as retail store premises following the acquisition of the GSM property.

As levels 3 to 6 of the GSM Property will be changed to be of “serviced apartment” use, such levels will thereafter be of a different revenue model as compared to their existing “commercial” use. Serviced apartments are similar to “residential” use in which they are rented out for lodging purposes and are self-contained, furnished apartments which typically provide concierge, security, housekeeping and maintenance services to its residents, whereas conventional “commercial” use typically involves the use of a unit as office or store premises.

The Leased Units are currently designated for “commercial” use. Only 3 of the Leased Units are located in levels 1 and 2 of the GSM Property (in which the “commercial” use will be continued), while the remaining 18 of the Leased Units are located in levels 3 to 6 of the GSM Property (in which the “commercial” use will be changed to “serviced apartment”). Given that the vast majority of the Leased Units will cease to be of “commercial” use following the GSM Acquisition, the Directors are of the view that the historical profit and loss figures of the Leased Units for the Relevant Period (during which they were designated for “commercial” use), as well as the amount of gross income generated and expense incurred by the relevant landlords of the Leased Units, even if obtained by the Company, will not be useful or materially relevant for shareholders and readers of the Circular.

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 16 May 2023, from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, such that the waiver (including the details, reason and the alternative disclosures) 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.

UNAUDITED FINANCIAL INFORMATION OF THE LEASED UNITS

As noted above, the Company has been able to obtain certain tenancy agreements or confirmations of the Leased Units during the Relevant Period and up to the Latest Practicable Date. However, the Company has been unable to ascertain the exact monthly expenses payable by the respective landlords of the Leased Units during the Relevant Period. As an alternative measure, the Company proposes to prepare the following unaudited financial information of the Leased Units during the Relevant Period for inclusion in this circular, whereby such unaudited financial information is based on the gross rental income information of the Leased Units as extracted from the tenancy agreements or confirmations obtained by the Company.

The Company has considered whether to include an estimate of the monthly expenses for the Leased Units payable by the relevant GSM Vendors, based on the terms of the tenancy agreements or confirmations obtained by the Company and the experience of the Company’s management in the property industry. However, given that the information regarding the exact amount of such payable expenses is incomplete, the Company therefore is unable to make any such estimate. The Company is of the view that, in any event, such estimate would likely not be substantial compared with the gross rental income information of the Leased Units, and that the amount of the exact monthly expenses payable by the relevant landlords of the Leased Units are irrelevant in the Company’s assessment in connection with the acquisition of the GSM Property or in the determination of the Consideration (which was determined through the public tender and was arrived at having taken into consideration, the indicative valuation performed by the Independent Property Valuer on 1 February 2023 of S\$80,000,000).

In this regard, the Directors are of the view that with the above proposed arrangement, the Company has taken reasonable steps to provide alternative disclosures in this circular that would contain all the material information necessary to allow its shareholders to consider the impact of the acquisition of the GSM Property and would not result in an omission of material information in this circular.

Based on the tenancy agreements or confirmations of certain Leased Units during the Relevant Period which the Company has been able to obtain, the gross rental income of the Leased Units during the Relevant Period is set out below:

	For the year ended 30 September		
	2020	2021	2022
	S\$'000	S\$'000	S\$'000
Gross rental income (S\$'000)	1,134	1,171	1,128
Equivalent HK\$'000 (Based on a conversion rate of S\$1 = HK\$5.91)	6,703	6,921	6,665

Notes:

- (1) The gross rental income for the Relevant Period is derived solely from the tenancy agreements or confirmations for the Leased Units during the Relevant Period which the Company has been able to obtain. It may not give a true picture of the profit attributable to the relevant GSM Vendors for the Relevant Period as the GSM Vendors have not made the relevant financial information relating to the Leased Units available to the Company on the basis that the GSM Acquisition involves the collective sale of a property and not the sale of any property holding company(ies).

As a standard market practice, the tenants are responsible for all government rates, duties, charges and outgoings, and all charges for gas, water, electricity and telephone rental and other outgoings while the relevant landlords are responsible for property tax and outgoings of a capital nature. The Directors estimate that the aggregate government property tax of the Leased Units paid and payable for the years ended 30 September 2020, 2021 and 2022 was approximately S\$169,317.50, S\$144,385 and S\$136,080, respectively.

- (2) Save for the abovementioned tenancy agreements or confirmations and other publicly available information such as the applicable property tax rates, the Directors do not have access to other financial information in relation to the Leased Units during the Relevant Period. Due to the limited information available to them, the Directors are unable to ascertain the amount of any other expenses, if any, in relation to the Leased Units during the Relevant Period. Accordingly, no other expenses, such as land lease paid and payable, depreciation, repair and maintenance expenses and finance costs (if any) were included in the above financial information.
- (3) The above financial information is prepared using accounting policies which are materially consistent with those of the Group as set out in the published annual report of the Company for the year ended 30 September 2022.
- (4) The Directors engaged PricewaterhouseCoopers LLP, Singapore, the auditor of the Company, to conduct certain agreed upon procedures on the compilation of the gross rental income for the Relevant Period in accordance with International Standard on Related Services (“ISRS”) 4400 (Revised) Agreed Upon Procedures Engagements issued by the International Auditing and Assurance Standards Board (the “IAASB”). The procedures have been determined by and are the responsibility of the Directors. The auditor of the Company performed the procedures as summarised below:
- (a) The auditor obtained the Summary of Tenancy Agreements summarising the tenancy agreements or confirmations of the Leased Units during the Relevant Period (which the Company has been able to obtain) from the Directors.
- (b) The auditor obtained the schedule setting out the monthly rent in respect of each tenancy agreement or confirmation of which the Company has been able to obtain and corresponding gross rental income for each of the financial years for the Relevant Period from the Directors (the “Statement of Gross Rental Income”) and compared the amounts as shown in the Summary of Tenancy Agreements with the corresponding amounts shown in the Statement of Gross Rental Income.
- (c) The auditor recalculated the amounts of gross rental income for the Relevant Period presented on the Statement of Gross Rental Income based on the information set out in the Summary of Tenancy Agreements and the formula stated in the Statement of Gross Rental Income.

- (d) The auditor compared the gross rental income for the Relevant Period shown in the Statement of Gross Rental Income with the corresponding amounts shown in “Unaudited Financial Information of the Leased Units” discussed in this circular.

The auditor has performed the above agreed-upon procedures set out in the relevant engagement letter between the Company and reported its factual findings based on the agreed-upon procedures to the Directors. Pursuant to the terms of the relevant engagement letter between the Company and the auditor, the reported factual findings should not be used or relied upon by any other parties for any purpose. In the opinion of the Directors, the Statement of Gross Rental Income has been properly compiled based on the Summary of Tenancy Agreements.

The above procedures do not constitute an assurance engagement performed in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the IAASB. Consequently, no assurance is provided by the auditor of the Company on the unaudited financial information of the Leased Units disclosed in this circular and the gross rental income for the Relevant Period.

Having taken into account the above disclosure of the unaudited financial information of the Leased Units, the Directors consider the omission of the profit and loss statement for the Leased Units’ net income stream for the Relevant Period would not render this circular materially incomplete, misleading or deceptive.

The GSM Property will be classified as investment property in its financial statements after completion of the GSM Acquisition and stated at fair value. Accordingly, there would be no depreciation to be recorded for the GSM Property. The Purchaser is subject to the Singapore corporation tax in relation to the net profit arising from the leasing of the Property at the prevailing tax rate of 17%.

ANNUAL VALUE OF THE LEASED UNITS FOR THE VALUATION YEARS 2019 TO 2023

As an additional alternative disclosure, the Company has carried out searches with the Inland Revenue Authority of Singapore for the AV of the Leased Units for the valuation years 2019, 2020, 2021, 2022, and 2023.

The AV of each of the Leased Units is the estimated gross annual rent of the property if it were to be rented out, excluding furniture, furnishings and maintenance fees. It is determined based on estimated market rentals of similar or comparable properties and not on the actual rental income received. In determining the AV of a building, IRAS uses the annual market rent of comparable properties to determine the AV instead of transacted sale prices and IRAS takes the following factors into consideration:

1. rentals of similar or comparable properties in the vicinity;
2. the size of the property;
3. location of the property;
4. the condition of the property; and
5. other relevant physical attributes.

Please refer to <https://www.iras.gov.sg/taxes/property-tax/property-owners/annual-value> for more information.

APPENDIX II**UNAUDITED FINANCIAL INFORMATION OF
THE GSM PROPERTY**

The AV of each of the Leased Units is calculated on 1 January of each year, and is derived from the estimated gross rent of the unit in question over the following 12 months. As an example, the AV for the valuation year 2021 would be the estimated gross rent of the unit in question for the period between 1 January 2021 to 31 December 2021, and so on. Taken as a whole, the AV of each of the Leased Units for the valuation years 2019 to 2023 would therefore cover the period between 1 January 2019 to 31 December 2023, which in turn covers (i) the Relevant Period and (ii) the intervening period between the Relevant Period and the Latest Practicable Date.

The AV of each of the Leased Units for the valuation years 2019 to 2023 are as follows:

Unit No.	Year	Annual Value (S\$)
#01-01	2019	504,000
	2020	504,000
	2021	504,000
	2022	504,000
	2023	504,000
#01-02 #02-00	2019	192,000
	2020	192,000
	2021	192,000
	2022	180,000
	2023	180,000
#03-01	2019	62,000
	2020	55,800
	2021	38,800
	2022	38,800
	2023	38,800
#03-02	2019	111,000
	2020	99,500
	2021	69,100
	2022	69,100
	2023	69,100
#03-03	2019	73,900
	2020	66,500
	2021	46,200
	2022	46,200
	2023	46,200
#03-05	2019	48,100
	2020	43,200
	2021	30,000
	2022	30,000
	2023	30,000

APPENDIX II

**UNAUDITED FINANCIAL INFORMATION OF
THE GSM PROPERTY**

Unit No.	Year	Annual Value (S\$)
#04-02	2019	49,100
	2020	44,200
	2021	30,700
	2022	30,700
	2023	30,700
#04-03	2019	76,500
	2020	68,800
	2021	47,800
	2022	47,800
	2023	47,800
#04-04	2019	51,700
	2020	46,500
	2021	32,300
	2022	32,300
	2023	32,300
#04-05	2019	74,400
	2020	67,000
	2021	46,500
	2022	46,500
	2023	46,500
#04-06	2019	48,600
	2020	43,700
	2021	30,400
	2022	30,400
	2023	30,400
#04-07	2019	41,900
	2020	37,700
	2021	26,200
	2022	26,200
	2023	26,200
#04-08	2019	48,100
	2020	43,200
	2021	30,000
	2022	30,000
	2023	30,000
#05-04	2019	51,700
	2020	46,500
	2021	32,300
	2022	32,300
	2023	32,300

APPENDIX II**UNAUDITED FINANCIAL INFORMATION OF
THE GSM PROPERTY**

Unit No.	Year	Annual Value (S\$)
#05-08	2019	48,100
	2020	43,200
	2021	30,000
	2022	30,000
	2023	30,000
#06-02	2019	49,100
	2020	44,200
	2021	30,700
	2022	30,700
	2023	30,700
#06-03	2019	76,500
	2020	68,800
	2021	47,800
	2022	47,800
	2023	47,800
#06-04	2019	51,700
	2020	46,500
	2021	32,300
	2022	32,300
	2023	32,300
#06-05	2019	74,400
	2020	67,000
	2021	46,500
	2022	46,500
	2023	46,500
#06-07	2019	41,900
	2020	37,700
	2021	26,200
	2022	26,200
	2023	26,200

VALUATION OF THE GSM PROPERTY

No valuation of the Leased Units 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 Leased Units from the GSM Vendors. Instead, a valuation of the GSM Property as at 31 March 2023 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 impact of the GSM Acquisition on the Group’s financial position as at 31 March 2023 as if the GSM Acquisition had taken place at 31 March 2023. 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 as at 31 March 2023 or at any future date had the GSM Acquisition been completed on 31 March 2023.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated statement of assets and liabilities of the Group at 31 March 2023 extracted from the consolidated financial statements of the Group for the six months ended 31 March 2023 as set out in the interim results announcement dated 12 May 2023 of the Company, and adjusted for the effects of the GSM Acquisition to illustrate how the GSM Acquisition might have affected the financial position of the Group as if the GSM Acquisition took place on 31 March 2023. 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 results announcement of the Company for the six months ended 31 March 2023 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 2022.

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 2023 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 GSM Acquisition S\$'000
Non-current assets			
Property, plant and equipment	56,707	–	56,707
Right-of-use assets	24,930	–	24,930
Investment properties	315,892	83,395	399,287
Investment in associates	462	–	462
Investment in joint ventures	26,891	–	26,891
Financial assets, at FVOCI	11	–	11
Deferred tax assets	515	–	515
Long-term prepayments	7,001	(6,395)	606
Finance lease receivables	28,152	–	28,152
Fixed deposits with banks	500	–	500
	461,061	77,000	538,061
Current assets			
Inventories	173	–	173
Trade and other receivables	17,965	1,036	19,001
Loans to associates and joint ventures	14,877	–	14,877
Prepayments	2,454	–	2,454
Finance lease receivables	18,844	–	18,844
Fixed deposits with banks	1,580	–	1,580
Cash and bank balances	36,233	(14,036)	22,197
	92,126	(13,000)	79,126
Non-current assets classified as held for sale	13,300	–	13,300
	105,426	(13,000)	92,426
Current liabilities			
Trade and other payables	41,892	–	41,892
Provisions	420	–	420
Bank borrowings	19,862	–	19,862
Lease liabilities	35,580	–	35,580
Current income tax liabilities	3,200	–	3,200
	100,954	–	100,954
Net current assets/(liabilities)	4,472	(13,000)	(8,528)
Total assets less current liabilities	465,533	64,000	529,533

APPENDIX III UNAUDITED PRO FORMA INFORMATION OF THE GROUP

	Consolidated statement of assets and liabilities of the Group as at 31 March 2023 S\$'000 <i>(Note 1)</i>	Pro forma adjustments S\$'000 <i>(Note 2)</i>	Unaudited pro forma consolidated statement of assets and liabilities of the Group after the GSM Acquisition S\$'000
Non-current liabilities			
Deferred tax liabilities	6,581	–	6,581
Other payables	761	–	761
Provisions	549	–	549
Bank borrowings	160,521	64,000 <i>(Note 3)</i>	224,521
Lease liabilities	90,611	–	90,611
	259,023	64,000	323,023
Net assets	206,510	–	206,510

Notes:

- (1) The amounts are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 31 March 2023 as set out in the interim results announcement of the Company for the six months ended 31 March 2023.
- (2) The adjustments reflect the following:
 - (a) recognition and settlement of the cost of the GSM Property of approximately S\$83,395,000 arising from the GSM Acquisition, as if the GSM Acquisition had been completed on 31 March 2023. The cost of the GSM Property comprises (i) the purchase price of the property of S\$80,000,000; (ii) the stamp duty of approximately S\$2,395,000; (iii) estimated non-claimable GST payments of approximately S\$957,000 in relation to certain units of the GSM Property; and (iv) estimated legal and professional fee of approximately S\$43,000, which has been capitalised. 80% of the Consideration (being S\$64,000,000) will be financed by the Proposed GSM Loan Facility (where an indicative term sheet from the bank has been obtained); and
 - (b) estimated GST payments of approximately S\$1,036,000 for certain units of the GSM Property which are claimable from the tax authorities as input GST.
- (3) Based on the indicative term sheet obtained from the bank for the Proposed GSM Loan Facility, the Purchaser will obtain long-term bank borrowings of S\$64,000,000 for the GSM Acquisition which will be classified under non-current liabilities.
- (4) No adjustments have been made to reflect any trading results or other transactions entered into by the Group subsequent to 31 March 2023.

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 reporting accountants 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 2023, 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 25 May 2023 (the "Circular"), in connection with the proposed acquisition of the GSM 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 2023 as if the Transaction had taken place at 31 March 2023. 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 2023, 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 Management

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.

APPENDIX III UNAUDITED PRO FORMA INFORMATION OF THE GROUP

Our firm applies Singapore Standard on Quality Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 2023 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.

APPENDIX III UNAUDITED PRO FORMA INFORMATION OF THE GROUP

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.

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 Transaction.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 25 May 2023

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 Limited, the Independent Property Valuer, in connection with its valuation as at 31 March 2023 of the GSM Property.

2 Marina View,
#19-02, Asia Square Tower 2
Singapore 018961
+65 6223 2323

colliers.com/singapore

Our Ref : TKC/PSE/NN/230201

25 May 2023

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 March 2023 (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".

In determining the market value of the Property, we have considered the "Highest and Best Use" which is defined as:-

- (a) The most probable use of an asset which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the asset being valued; and
- (b) A use that is not legally permissible or physically possible cannot be considered as a highest and best use. A use that is both legally permissible and physically possible may nevertheless require an explanation by the Valuer justifying why that use is reasonably probable. Once analysis establishes that one or more uses are reasonably probably uses, they are then tested for financial feasibility. That use which results in the highest value, in keeping with the other tests, is considered the highest and best use.

The highest and best use of a property is affected by many factors, including its past and present use, land-use controls, nearby land uses, the availability or absence of utilities and transportation facilities, and recent or anticipated economic growth in the area.

We have valued the Property for a proposed acquisition by the Company by using the following methods, namely: Residual Approach, Income Capitalisation Method and Direct Comparison Method and assuming sale of the property interest in its highest and best use. 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 proposed use, gross floor area, strata floor area, net floor area 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 17 February 2023 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 – TO BE HELD FOR INVESTMENT¹

No.	Property	Market Value with vacant possession and free from all encumbrances (with outline planning permission from URA) as at 31 March 2023 S\$
1	141 Middle Road GSM Building Singapore 188976 (the "Property")	80,000,000
	Total:	80,000,000

1 As advised by the "Company"

VALUATION PARTICULARS

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value on highest and best use basis with vacant possession and free from all encumbrances (base on outline planning permission granted) as at 31 March 2023																											
1	141 Middle Road GSM Building Singapore 188976 (the "Property")	<p>The Property comprises a 6-storey commercial building and a basement for the proposed development of a 6-storey serviced residence building with retail/food and beverage units on 1st storey and 2nd storey.</p> <p>The Property was completed circa 1980s.</p> <p>The Property is held under leasehold 99 years commencing from 2 May 1978.</p> <p>The Property is located within land Lot 332W Town Subdivision 11 with a site area of 1,115.1 sq.m..</p> <p>The gross floor area of the Property is approximately 5,839.47 sq.m. according to the enquiry on development baseline vide Urban Redevelopment Authority (URA) reference number: DC/BLE/2019/ROCHOR (BLE190125) dated 20 January 2020 and subject to survey.</p> <p>The legal description and strata floor area of the Property are as follows:</p>	As at 31 March 2023, the Property was approved as a shopping/office building use.	S\$80,000,000/- (Singapore Dollars Eighty Million)																											
		<table border="1"> <thead> <tr> <th>Unit No</th> <th>Legal Description</th> <th>Strata Floor Area (sq.m.)</th> </tr> <tr> <td></td> <td>Town Subdivision 11</td> <td></td> </tr> <tr> <td></td> <td>Strata Lot No.</td> <td></td> </tr> </thead> <tbody> <tr> <td>#01-01</td> <td>U271W</td> <td>703 – including strata void of 83 sq.m.</td> </tr> <tr> <td>#01-02</td> <td>U260T</td> <td>289 – including strata void of 63 sq.m.</td> </tr> <tr> <td>#02-00</td> <td>U282L</td> <td>35</td> </tr> <tr> <td>#03-01</td> <td>U281X</td> <td>120</td> </tr> <tr> <td>#03-02</td> <td>U283C</td> <td>214</td> </tr> <tr> <td>#03-03</td> <td>U285W</td> <td>143</td> </tr> </tbody> </table>	Unit No	Legal Description	Strata Floor Area (sq.m.)		Town Subdivision 11			Strata Lot No.		#01-01	U271W	703 – including strata void of 83 sq.m.	#01-02	U260T	289 – including strata void of 63 sq.m.	#02-00	U282L	35	#03-01	U281X	120	#03-02	U283C	214	#03-03	U285W	143		
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Unit No	Legal Description Town Subdivision 11 Strata Lot No.	Strata Floor Area (sq.m.)
#03-03A	U284M	104
#03-04	U286V	119
#03-05	U287P	93
#04-01	U289A	86
#04-02	U290P	95
#04-03	U291T	148
#04-04	U292A	100
#04-05	U293K	144
#04-06	U261A	94
#04-07	U262K	81
#04-08	U263N	93
#05-01	U264X	86
#05-02	U265L	95
#05-03	U266C	148
#05-04	U267M	100
#05-05	U268W	144
#05-06	U269V	94
#05-07	U270M	81
#05-08	U272V	93
#06-01	U273P	86
#06-02	U274T	95
#06-03	U275A	148
#06-04	U276K	100
#06-05	U277N	144

Unit No	Legal Description	Strata Floor Area (sq.m.)
	Town Subdivision 11	
	Strata Lot No.	
#06-06	U278X	94
#06-07	U279L	81
#06-08	U280N	93
TOTAL		4,343

Planning Application:

Outline planning permission for proposed change of use of the 1st and 2nd storey premises to retail and 3rd to 6th storey premises to serviced apartment vide Urban Redevelopment Authority referenced number: ES20230117R0181 dated 3 March 2023

Proposed Development:

A 6-storey serviced residence building with retail/food and beverage units on 1st storey and 2nd storey

Number of rooms and keys:

72 units with 188 keys

Proposed Gross Floor Area:

Total: Approximately 5,839.47 sq.m.

Commercial: Approximately 1,378.94 sq.m.

Serviced Residence: Approximately 4,460.53 sq.m.

Net Floor Area:

Total: Approximately 4,061 sq.m.

Commercial: Approximately 881 sq.m.

Serviced Residence: Approximately 3,180 sq.m.

We understand that the Property will undergo renovation works and proposed change of use of Level 3 to Level 6 to co-living at an estimated cost of S\$14,700,000/-.

Notes:

- (1) The Property is located along Middle Road, next to its junction with Waterloo Street, and approximately 3 km from the city centre at Collyer Quay.

The immediate surrounding is generally mixed use in nature, comprising mainly commercial buildings, hotels, refurbished shophouses, institutions and places of worship. Established commercial buildings in the vicinity include The Bencoolen, Fu Lu Shou Complex and Albert Complex. Other prominent buildings in the vicinity include Bugis+, Bugis Junction, Bugis Street, InterContinental Singapore, Midtown Modern (under-construction), Guoco Midtown II (under-construction), Duo Residence, Raffles Hospital, Mercure Singapore Bugis, Bugis Cube, Sunshine Plaza and Parkview Square, amongst many others.

Public transport facilities are readily available along Bencoolen Street, Middle Road and Victoria Street. In addition, the Bencoolen, Bras Basah and Bugis MRT Stations are located within the immediate vicinity. Accessibility to other parts of the island is facilitated by the Central Expressway (CTE) and East Coast Parkway (ECP).

- (2) The registered proprietor is All subsidiary proprietors of all the strata lots of Strata Title Plan No. 753.
- (3) The site of the Property is zoned as "Commercial" with a gross plot ratio of 4.2 in accordance to the Master Plan Zoning (2019 Edition).
- (4) Pursuant to the title search record, caveats were lodged against the Property by Coliwoo (TK) Pte. Ltd at a purchase price of S\$80,000,000/-. The purchase price is for the en-bloc sale of all the units in the development.
- (5) Our valuation has been made on Residual Approach, Income Capitalisation Method and Direct Comparison Method.

Residual Method

This method entails the determination of the gross development value (GDV) of the proposed development from which the developer's profit, marketing/legal fees, construction cost, financing cost, GST, professional fees, holding cost for the land, stamp duties and legal fees for the land and property tax are deducted to arrive at the residual land value.

The GDV of the residential and commercial units assuming satisfactory completion are based on the sales evidence of comparable properties that are being transacted in the current market. Some of the sales comparables the Independent Property Valuer has considered are as follows:

Residential Units Sales (Developer's Sales)

Property	Tenure	Strata Floor Area (sq.m./sq.ft.)	Transacted Price	Unit Price (\$ psm/ \$ psf)	Sale Date
30 Middle Road #19-05 The M	99 years from 3/7/2019	59.0/635	S\$1,898,000	S\$32,169/ S\$2,989	17 Feb 2023
16 Tan Quee Lan Street #05-07 Midtown Modern	99 years from 10/12/2019	134.0/1,442	S\$3,841,200	S\$28,666/ S\$2,663	14 Feb 2023
122 Beach Road #16-01 Midtown Bay	99 years from 2/1/2018	69.0/743	S\$2,129,200	S\$30,858/ S\$2,867	15 Jan 2023

Source: URA Realis

Retail Units Sales (Resale)

Property	Tenure	Strata Floor Area (sq.m./sq.ft.)	Transacted Price	Unit Price (\$ psm/ \$ psf)	Sale Date
91 Bencoolen Street #01-21 Sunshine Plaza	99 years from 19/3/1997	21.0/226	S\$850,000	S\$40,476/ S\$3,760	26 Jul 2022
175 Bencoolen Street #01-06 Burlington Square	99 years from 10/6/1996	25.0/269	S\$980,000	S\$39,200/ S\$3,642	28 Jun 2022
190 Middle Road #01-18 Fortune Centre	99 years from 18/10/1980	24.0/258	S\$950,000	S\$39,583/ S\$3,677	6 Jun 2022

Source: URA Realis

Key Assumptions and Parameters for the Residual Method

The key assumptions and parameters adopted in the Residual Method, which are based on market practice in accordance to International Valuation Standards and SISV Valuation Standards, are summarised as follows:

Gross Development Value (Retail)	\$3,000	psf
Gross Development Value (Residential)	\$2,675	psf
Marketing/Legal Fees	1.50%/0.25%	of GDV
Construction Cost	\$234	psf
Professional Fees	7.00%	of Construction Cost
Contingencies	3.00%	of Construction Cost
Finance Cost	4.00%	–
Construction Period	1.00	year
Planning Permission	0.75	year
Profit	8%	of GDV
Property Tax	10%	–

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\$3,500 per room per month to determine the annual potential gross revenue as we understand the room rate of S\$115 per room per day is considered fair and reasonable in the vicinity. In addition, we have adopted market vacancy at 12%, outgoings at 30%, management fee at 2.5% and property tax at 10% of annual value to arrive at net operating income. This is then capitalised at 4.0% to arrive at the market value of the co-living (residential) component.

We have adopted a retail rate of S\$13 psf to determine the annual potential gross revenue for the retail area. In addition, we have adopted market vacancy at 5%, outgoings at 15%, management fee at 1.5% and property tax at 10% of annual value to arrive at net operating income. This is then capitalised at 3.0% to arrive at the market value of the retail component.

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. 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.

Some of the sale comparables of commercial properties adopted are as follows:–

Property Address	Site Area (sq.m./sq.ft.)	Gross/Strata Floor Area (sq.m./sq.ft.)	Tenure	Consideration (S\$)	Date of Sale
38 and 40 South Bridge Road	243.8/2,624	1,042.3/ 11,219	99 years from 1/11/1947	S\$13,580,000/- (S\$13,029 psm/ S\$1,210 psf)	30 January 2023
6 Verdun Road	679.7/7,316	2,855.0/ 30,731	Freehold	S\$55,100,000/- (S\$19,300 psm/ S\$1,793 psf)	April 2022
20 Maxwell Road	3,883.4/ 41,801	21,737.6/ 233,981	99 years from 2/6/1969	S\$276,800,000/- (S\$12,734 psm/ S\$1,183 psf)	7 May 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 enquiries 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 and Divisions 7 and 8 of Part XV of the SFO 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 and Divisions 7 and 8 of Part XV of the SFO.

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%

Name	Capacity	Number of Shares	Approximate percentage of issued share capital of the Company
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 2022 (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 2022, 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 sale and purchase agreement dated 30 November 2022 entered into between Coliwoo Holdings Pte. Ltd. and Amber42 Pte. Ltd., as sellers, and Harbour Ville Investment Pte. Ltd. as the purchaser, in respect of the sale and purchase of 1,000,000 shares (representing the entire issued share capital) of Coliwoo East Pte. Ltd. (now known as Amber 4042 Hotel Pte. Ltd.) for an aggregate consideration of S\$46,600,000;
- (b) 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;
- (c) a 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;

- (d) a 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;
- (e) a 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;
- (f) 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
- (g) the placement agreement dated 10 June 2021 entered into between the Company and 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 places 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. EXPERTS

The following are the qualifications of the experts who have 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 Limited	Independent property valuer

Each of the above experts 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, each of the experts 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, each of the experts above did not have any interest, direct or indirect, in any asset which since 30 September 2022, 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 June 2023:

- (a) the GSM Contract;
- (b) the Constitution of the Company;

- (c) the annual reports of the Company for the financial years ended 30 September 2020, 2021 and 2022;
- (d) the material contracts referred to in “7. Material Contracts” above in this appendix;
- (e) the report from PricewaterhouseCoopers LLP, Singapore, dated 25 May 2023 on the unaudited proforma financial information of the Group, the text of which is set out in Appendix III to this circular;
- (f) the property valuation report prepared by Colliers International Consultancy & Valuation (Singapore) Pte Limited dated 25 May 2023 in relation to the GSM Property, the text of which is set out in Appendix IV to this circular;
- (g) the written consent from PricewaterhouseCoopers LLP, Singapore, referred to in “9. Experts” above in this appendix; and
- (h) the written consent from Colliers International Consultancy & Valuation (Singapore) Pte Ltd referred to in “9. Experts” above in this appendix.

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