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**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)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE 6 MONTHS ENDED 31 MARCH 2023
AND
DIVIDEND PAYOUT
FOR THE FINANCIAL YEARS ENDING 30 SEPTEMBER 2023 AND 2024**

FINANCIAL HIGHLIGHTS

	6 Months Ended 31 March		Change
	2023	2022	
	S\$'000	S\$'000	%
Revenue	55,618	59,181	(6.0)
Gross profit	33,019	31,219	5.8
Profit for the year and attributable to equity owners of the Company	16,937	32,196	(47.4)
Basic earnings per share (Singapore cents)	4.14	7.87	(47.4)

* For identification purpose only

INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of LHN Limited (the “Company”) hereby announces the interim condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 March 2023, together with the comparative figures for the six months ended 31 March 2022. The Group’s interim results for the six months ended 31 March 2023 have been reviewed by the audit committee of the Company (the “Audit Committee”).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2023

	Note	Six Months Ended	
		31 March	
		2023	2022
		S\$'000	S\$'000
Revenue	6	55,618	59,181
Cost of sales	8	(22,599)	(27,962)
Gross profit		33,019	31,219
Other gains/(losses) – net and other income	7	16,620	9,344
Other operating expenses - Impairment loss on trade, other and finance lease receivables		(203)	(253)
Selling and distribution expenses	8	(1,962)	(706)
Administrative expenses	8	(20,266)	(19,413)
Finance cost – net	9	(4,424)	(2,344)
Share of results of associates and joint ventures, net of tax		1,404	9,418
Fair value (loss)/gain on investment properties, net	15	(3,852)	8,630
Profit before taxation		20,336	35,895
Taxation	10	(2,029)	(2,043)
Profit for the period		18,307	33,852
Other comprehensive (loss)/income			
<u>Item that may be reclassified subsequently to profit or loss</u> Currency translation differences arising from consolidation		(76)	11
<u>Item that will not be reclassified subsequently to profit or loss</u> Revaluation gains on leasehold properties, net		617	230
Share of other comprehensive loss of joint venture		(113)	(313)
Other comprehensive income/(loss)		428	(72)
Total comprehensive income for the period		18,735	33,780
Profit attributable to:			
Equity holders of the Company		16,937	32,196
Non-controlling interests		1,370	1,656
Profit for the period		18,307	33,852
Total comprehensive income attributable to:			
Equity holders of the Company		17,346	32,123
Non-controlling interests		1,389	1,657
Total comprehensive income for the period		18,735	33,780
Earnings per share for profit attributable to equity holders of the Company			
Basic and diluted (cents)	12	4.14	7.87

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

The Group	<i>Note</i>	31 March 2023 (unaudited) S\$'000	30 September 2022 (audited) S\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	56,707	48,241
Right-of-use assets		24,930	25,114
Investment properties	15	315,892	233,267
Investment in associates		462	420
Investment in joint ventures		26,891	35,791
Financial assets, at FVOCI		11	11
Deferred tax assets		515	60
Long-term prepayments		7,001	633
Finance lease receivables		28,152	24,702
Fixed deposits with banks		500	500
		461,061	368,739
Current assets			
Inventories		173	136
Trade and other receivables	16	17,965	25,406
Loans to associates and joint ventures		14,877	14,458
Prepayments		2,454	1,894
Finance lease receivables		18,844	16,814
Fixed deposits with banks		1,580	1,584
Cash and bank balances		36,233	39,727
		92,126	100,019
Non-current assets classified as held for sale	17	13,300	128
		105,426	100,147
TOTAL ASSETS		566,487	468,886
EQUITY			
Capital and Reserves			
Share capital	18	65,496	65,496
Reserves		133,711	120,408
		199,207	185,904
Non-controlling interests		7,303	6,274
TOTAL EQUITY		206,510	192,178
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		6,581	5,598
Other payables	19	761	21
Provisions		549	39
Bank borrowings	21	160,521	128,854
Lease liabilities	21	90,611	51,517
		259,023	186,029
Current liabilities			
Trade and other payables	19	41,892	37,094
Provisions		420	700
Bank borrowings	21	19,862	19,319
Lease liabilities	21	35,580	29,859
Current income tax liabilities		3,200	3,707
		100,954	90,679
TOTAL LIABILITIES		359,977	276,708
TOTAL EQUITY AND LIABILITIES		566,487	468,886

STATEMENT OF FINANCIAL POSITION - COMPANY
AS AT 31 MARCH 2023

<u>The Company</u>	<i>Note</i>	31 March 2023 (unaudited) S\$'000	30 September 2022 (audited) S\$'000
ASSETS			
Non-current assets			
Investment in subsidiaries		32,727	32,727
Long-term prepayments		-	1
		<u>32,727</u>	<u>32,728</u>
Current assets			
Trade and other receivables		36,604	37,210
Prepayments		35	26
Cash and bank balances		4,438	4,279
		<u>41,077</u>	<u>41,515</u>
TOTAL ASSETS		<u><u>73,804</u></u>	<u><u>74,243</u></u>
EQUITY			
Capital and Reserves			
Share capital	18	65,496	65,496
Reserves		6,719	6,430
TOTAL EQUITY		<u>72,215</u>	<u>71,926</u>
LIABILITIES			
Current liabilities			
Trade and other payables		1,437	2,063
Current income tax liabilities		152	254
		<u>1,589</u>	<u>2,317</u>
TOTAL LIABILITIES		<u>1,589</u>	<u>2,317</u>
TOTAL EQUITY AND LIABILITIES		<u><u>73,804</u></u>	<u><u>74,243</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2023

	Note	Share capital S\$'000	Retained profits S\$'000	Merger reserve S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Asset revaluation reserve S\$'000	Exchange translation reserve S\$'000	Total attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Group											
Balance at 1 October 2022		65,496	147,237	(30,727)	2,179	(1,350)	4,030	(961)	185,904	6,274	192,178
Dividend paid	11	-	(4,043)	-	-	-	-	-	(4,043)	(360)	(4,403)
Profit for the period		-	16,937	-	-	-	-	-	16,937	1,370	18,307
Other comprehensive income/(loss)		-	-	-	-	-	504	(95)	409	19	428
Total comprehensive income for the period		-	16,937	-	-	-	504	(95)	17,346	1,389	18,735
Balance at 31 March 2023 (unaudited)		65,496	160,131	(30,727)	2,179	(1,350)	4,534	(1,056)	199,207	7,303	206,510

	Note	Share capital S\$'000	Retained profits S\$'000	Merger reserve S\$'000	Fair value reserve S\$'000	Asset revaluation reserve S\$'000	Exchange translation reserve S\$'000	Total attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Group										
Balance at 1 October 2021		65,496	108,542	(30,727)	(1,350)	4,612	(847)	145,726	2,557	148,283
Dividend paid	11	-	(4,081)	-	-	-	-	(4,081)	-	(4,081)
Capital contribution from non-controlling shareholder		-	-	-	-	-	-	-	20	20
Profit for the period		-	32,196	-	-	-	-	32,196	1,656	33,852
Other comprehensive income/(loss)		-	-	-	-	(83)	10	(73)	1	(72)
Total comprehensive income for the period		-	32,196	-	-	(83)	10	32,123	1,657	33,780
Balance at 31 March 2022 (unaudited)		65,496	136,657	(30,727)	(1,350)	4,529	(837)	173,768	4,234	178,002

STATEMENT OF CHANGES IN EQUITY - COMPANY
 FOR THE PERIOD ENDED 31 MARCH 2023

	Share capital S\$'000	Retained profits S\$'000	Total equity S\$'000
Company			
Balance at 1 October 2022	65,496	6,430	71,926
Dividend paid	-	(4,043)	(4,043)
Net profit and total comprehensive income for the period	-	4,332	4,332
Balance at 31 March 2023 (unaudited)	65,496	6,719	72,215

	Share capital S\$'000	Retained profits S\$'000	Total equity S\$'000
Company			
Balance at 1 October 2021	65,496	5,564	71,060
Dividend paid	-	(4,081)	(4,081)
Net profit and total comprehensive income for the period	-	4,119	4,119
Balance at 31 March 2022 (unaudited)	65,496	5,602	71,098

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SIX MONTHS 31 MARCH 2023**

	2023	2022
	(unaudited)	(unaudited)
	S\$'000	S\$'000
Cash flows from operating activities:		
Profit before taxation	20,336	35,895
Share of results of associates and joint ventures, net of tax	(1,404)	(9,418)
Adjustments for:		
Depreciation of property, plant and equipment	3,396	4,144
Depreciation of right-of-use assets	6,402	6,087
Gain on disposal of property, plant and equipment	(247)	(55)
Gain on disposal of right-of-use assets	(82)	-
Write-off and impairment loss of property, plant and equipment	272	480
Fair value loss/(gain) on investment properties	3,852	(8,630)
Gain on disposal of associate	(7,753)	-
Gain from net investment in subleases	(6,653)	(5,345)
Loss from termination of lease	53	-
Lease modification gains - net	(60)	(77)
Impairment loss on trade, other and finance lease receivables	203	253
Finance income	(818)	(688)
Finance cost	4,424	2,344
Operating cash flows before working capital changes	21,921	24,990
Changes in working capital:		
- Inventories	(37)	(15)
- Trade and other receivables	7,015	(1,209)
- Trade and other payables	945	(1,559)
Cash generated from operations	29,844	22,207
Interest expense paid	(8)	(40)
Income tax paid	(2,515)	(2,873)
Income tax refunded	429	264
Net cash generated from operating activities	27,750	19,558
Cash flows from investing activities:		
Additions to property, plant and equipment	(8,502)	(6,533)
Additions to right-of-use assets	-	(914)
Additions to investment properties	(40,878)	(23,576)
Deposit paid for acquisition of investment properties	(6,395)	-
Cash outflow on acquisition of joint venture	-	(140)
Loans to associates and joint ventures, net	(331)	(4,050)
Proceeds from disposal of property, plant and equipment	367	119
Proceeds from disposal of right-of-use assets	85	-
Proceeds from disposal of associate	7,926	-
Proceeds from disposal of joint venture	438	-
Receipts from finance lease receivables	10,607	10,560
Interest received from finance lease receivables	595	496
Dividend from associate and joint ventures	865	245
Interest received	132	84
Net cash used in investing activities	(35,091)	(23,709)
Cash flows from financing activities:		
Decrease/(Increase) in fixed deposit - pledged	3	(180)
Proceeds from bank borrowings	44,817	44,265
Repayment of bank borrowings	(12,193)	(12,947)
Repayment of lease liabilities	(20,276)	(19,642)
Loans from shareholders of a non-wholly owned subsidiary	600	-
Capital contribution from non-controlling interests	-	20
Interest expense paid	(4,501)	(2,225)
Dividends paid to equity holders	(4,043)	(4,081)
Dividends paid to non-controlling interests	(360)	-
Net cash generated from financing activities	4,047	5,210
Net (decrease)/increase in cash and cash equivalents	(3,294)	1,059
Cash and cash equivalents at beginning of period	39,743	36,801
Exchange losses on cash and cash equivalents	(201)	(12)
Cash and cash equivalents at end of period	36,248	37,848
Consolidated cash and bank deposits are represented by:		
Cash and bank balances	36,233	34,833
Fixed deposits that mature within one year	1,580	4,564
	37,813	39,397
Less: Pledged fixed deposits	(1,565)	(1,549)
Cash and cash equivalents as per consolidated statement of cash flows	36,248	37,848

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

LHN Limited (the “**Company**”) was incorporated on 10 July 2014 in Singapore under the Companies Act as an investment holding private limited company under the name of “LHN Pte. Ltd.”. The Company’s registration number is 201420225D. The Company was converted into a public company and renamed as “LHN Limited” on 16 March 2015. The address of the Company’s registered office is at 75 Beach Road #04-01 Singapore 189689.

The Company has its primary listings on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) since 13 April 2015 and on the Main Board of The Stock Exchange of Hong Kong Limited (“**SEHK**”) since 29 December 2017.

The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) are principally engaged in (i) space resource management services; (ii) property development; (iii) facilities management services; (iv) energy business; and (v) logistics services (which is carried out through LHN Logistics Limited and has a primary listing on Catalist of the SGX-ST since 29 April 2022).

2. BASIS OF PREPARATION

The consolidated financial statements for the six months ended 31 March 2023 have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) issued by International Accounting Standards Board (the “**IASB**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) issued by Accounting Standards Council Singapore. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and leasehold properties (classified under Property, plant and equipment), which are carried at fair value and revaluation of investments held at fair value through other comprehensive income. This consolidated financial information is presented in Singapore Dollars (“**SGD**” or “**S\$**”) and all values are rounded to the nearest thousand (“**S\$’000**”), unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group has adopted the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 30 September 2022.

- (a) Amendments to IFRSs effective for the financial year ending 30 September 2023 do not have a material impact on the Group.
- (b) The following new standards and amendments to standards have been published but are not yet effective for the current financial year and which the Group has not early adopted:

		<u>Effective for accounting periods beginning on or after</u>
Amendments to IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)	1 October 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 October 2023
Amendments to IAS 1	Presentation of Financial Statements and IFRS Practice Statement 2 (Disclosure of Accounting Policies)	1 October 2023
Amendments to IAS 1	Presentation of Financial Statements on classification of Liabilities as Current or Non-current	1 October 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

3.1. Leases

Where the Group is lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Right-of-use assets".

Right-of-use asset which meets the definition of an investment property is presented within "Investment properties".

(ii) Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(iv) Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group recognises those lease payments in profit or loss in the periods that triggered those lease payments.

Where the Group is lessor

The Group subleases its leased premises under operating leases to non-related parties. The Group also leases its investment properties under operating leases to non-related parties.

(i) Lessor - Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

(ii) Lessor - Subleases

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset. The Group will assess a sublease to be a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the right-of-use asset (e.g. the lease term is for the major part of the economic life of the right-of-use asset, even if title is not transferred).

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease as "Finance lease receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the statement of financial position, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognise lease income from sublease in profit or loss within "Revenue". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

The reconciliation of profit or loss from Pre-IFRS 16 basis to Post-IFRS 16 basis for informational purpose are as follows.

Income Statement	6 Months Ended 31 March 2023			6 Months Ended 31 March 2022		
	Pre-IFRS 16	Effects of IFRS 16	Post-IFRS16	Pre-IFRS 16	Effects of IFRS 16	Post-IFRS16
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group						
Revenue	66,888	(11,270)	55,618	70,537	(11,356)	59,181
Cost of sales	(38,482)	15,883	(22,599)	(42,265)	14,303	(27,962)
Gross profit	28,406	4,613	33,019	28,272	2,947	31,219
Other gains/(losses) – net and other income	9,365	7,255	16,620	3,427	5,917	9,344
Other operating expenses						
- Reversal/(impairment loss) on trade, other and finance lease receivables	101	(304)	(203)	6	(259)	(253)
Selling and distribution expenses	(1,962)	-	(1,962)	(706)	-	(706)
Administrative expenses	(21,855)	1,589	(20,266)	(20,132)	719	(19,413)
Finance cost	(2,795)	(1,629)	(4,424)	(1,313)	(1,031)	(2,344)
Share of results of associates and joint ventures, net of tax	1,435	(31)	1,404	9,387	31	9,418
Fair value gains/(losses) on investment properties	2,125	(5,977)	(3,852)	13,567	(4,937)	8,630
Profit before income tax	14,820	5,516	20,336	32,508	3,387	35,895

The reconciliation of Segment revenue and profit before taxation from Pre-IFRS 16 basis to Post-IFRS 16 basis for informational purpose are as follows.

Revenue	6 Months Ended 31 March 2023			6 Months Ended 31 March 2022		
	Pre-IFRS 16	Effects of IFRS 16	Post-IFRS16	Pre-IFRS 16	Effects of IFRS 16	Post-IFRS16
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group						
Industrial	17,848	(4,267)	13,581	16,170	(6,716)	9,454
Commercial	6,953	(4,017)	2,936	6,175	(2,440)	3,735
Residential						
- Co-living (Singapore)	13,459	(2,986)	10,473	9,203	(2,200)	7,003
- 85 SOHO (Overseas)	444	-	444	378	-	378
	13,903	(2,986)	10,917	9,581	(2,200)	7,381
Space Optimisation	38,704	(11,270)	27,434	31,926	(11,356)	20,570
Facilities Management	15,183	-	15,183	25,044	-	25,044
Energy	267	-	267	-	-	-
Logistics Services	12,734	-	12,734	13,567	-	13,567
	66,888	(11,270)	55,618	70,537	(11,356)	59,181

Profit before taxation	6 Months Ended 31 March 2023			6 Months Ended 31 March 2022		
	Pre-IFRS 16	Effects of IFRS 16	Post-IFRS16	Pre-IFRS 16	Effects of IFRS 16	Post-IFRS16
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group						
Industrial	3,777	3,724	7,501	3,508	(1,101)	2,407
Commercial	665	203	868	(141)	4,363	4,222
Residential						
- Co-living (Singapore)	769	1,493	2,262	23,652	228	23,880
- 85 SOHO (Overseas)	(184)	(13)	(197)	(2,087)	(16)	(2,103)
	585	1,480	2,065	21,565	212	21,777
Space Optimisation	5,027	5,407	10,434	24,932	3,474	28,406
Facilities Management	10,175	204	10,379	6,155	(46)	6,109
Energy	165	-	165	-	-	-
Logistics Services	2,481	(94)	2,387	1,479	(41)	1,438
Corporate	(3,028)	(1)	(3,029)	(58)	-	(58)
	14,820	5,516	20,336	32,508	3,387	35,895

4. USE OF JUDGEMENT AND ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this unaudited condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 September 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 15 and as follows:

(a) Recoverable values of property, plant and equipment

In determining the recoverable values of certain property, plant and equipment, the Group used value-in-use calculations which involved significant judgements and assumptions, including revenue growth rates, EBITDA (earnings before interest, tax, depreciation and amortisation) margins and discount rates, which are affected by expected future market or economic conditions. Based on the recoverable values determined, the Group has included an impairment loss of S\$179,000 as disclosed in Note 7.

5. SEGMENT INFORMATION

The Group Managing Director monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment results which in certain respects, set out below, are presented differently from operating profit or loss in the consolidated financial statements of the Group. The Group's reportable operating segments are as follows:

1. Industrial group
2. Commercial group
3. Residential group
4. Logistics group
5. Facilities management group
6. Energy group

Industrial, Commercial and Residential groups form the space optimisation business.

Group taxation is managed on a group basis and is not allocated to operating segments.

For the six months ended 31 March 2023, revenue attributable to the Group's largest customer accounted for approximately 3.3% (2022: 17.8%) of the Group's total revenue and aggregate revenue attributable to the five largest customers of the Group accounted for approximately 10.0% (2022: 25.9%) of the Group's total pre-IFRS 16 revenue.

To the knowledge of the Directors, none of the Directors, or their respective associates, or shareholders owning more than 5% of the Company's issued share capital had any beneficial interests in any of the five largest customers.

Allocation basis and transfer pricing

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income tax expense and non-controlling interests.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties, if any.

Sales

Sales between segments are carried out at market terms. The revenue from external parties reported to the Group Managing Director is measured in a manner consistent with that in the statement of profit or loss.

The Group Managing Director assesses the performance of the operating segments based on the segment results, being a measure of earnings before tax, interest, finance costs, share of results of associates and joint ventures and fair value gain or loss on investment properties from continuing operations.

Segment assets and liabilities

The amounts reported to the Group Managing Director with respect to the total assets and liabilities are measured in a manner consistent with that of the financial information. Segment assets and liabilities include, investment properties, property, plant and equipment, right-of-use assets, financial assets at FVOCI, prepayments, inventories, loans to associate and joint ventures, trade and other receivables, finance lease receivables, bank borrowings, lease liabilities and trade and other payables, which are directly attributable to a segment as well as items that can be allocated on a reasonable basis.

Segment breakdown for the six months ended 31 March 2023 are as follows:

	Industrial	Commercial	Residential	Logistics Services	Facilities Management	Energy	Corporate and Eliminations	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales								
Total segment sales	13,698	3,094	12,203	12,735	16,033	1,478	8,371	67,612
Inter-segment sales	(117)	(158)	(1,286)	(1)	(850)	(1,211)	(8,371)	(11,994)
External sales	13,581	2,936	10,917	12,734	15,183	267	-	55,618
Segment results	11,950	1,492	* 4,012	1,943	10,588	177	(2,954)	27,208
Fair value (loss)/gain on investment properties	(4,027)	(410)	# 585	-	-	-	-	(3,852)
Finance cost	(1,689)	(214)	^ (2,106)	(146)	(182)	(12)	(75)	(4,424)
	6,234	868	2,491	1,797	10,406	165	(3,029)	18,932
Share of results of associates and joint ventures								
- Operating profit/(loss)	2,259	-	274	590	(34)	-	-	3,089
- Fair value (loss)/gain on investment properties	(992)	-	(700)	-	7	-	-	(1,685)
Total share of results of associates and joint ventures	1,267	-	(426)	590	(27)	-	-	1,404
Profit before taxation	7,501	868	2,065	2,387	10,379	165	(3,029)	20,336
Included in segments results:								
Depreciation of property, plant and equipment	413	424	1,372	346	546	84	211	3,396
Depreciation of right-of-use assets	85	1	50	977	5,250	15	24	6,402
Impairment loss on property, plant and equipment	-	-	179	-	-	-	-	179
Segment assets	168,735	29,441	226,483	34,889	23,469	3,493	13,796	500,306
Investment in associates	-	-	2	460	-	-	-	462
Investment in joint ventures	22,347	-	2,926	-	1,618	-	-	26,891
Total segment assets								527,659
Total segment liabilities	153,857	16,895	124,917	21,728	19,105	1,047	12,647	350,196
Capital expenditures	233	81	45,484	8,899	391	78	490	55,656

* Includes 85 SOHO (Overseas) segment results of S\$(431,000).

Includes 85 SOHO (Overseas) fair value gain on investment properties of S\$609,000.

^ Includes 85 SOHO (Overseas) finance cost of S\$(375,000).

Segment breakdown for the six months ended 31 March 2022 are as follows:

	Industrial	Commercial	Residential	Logistics Services	Facilities Management	Corporate and Eliminations	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales							
Total segment sales	9,991	4,113	8,171	14,441	28,265	10,171	75,152
Inter-segment sales	(537)	(378)	(790)	(874)	(3,221)	(10,171)	(15,971)
External sales	9,454	3,735	7,381	13,567	25,044	-	59,181
Segment results							
Fair value (loss)/gain on investment properties	(991)	(1,186)	# 10,807	-	-	-	8,630
Finance cost	(801)	(279)	^ (833)	(269)	(143)	(19)	(2,344)
	2,011	4,222	12,635	1,002	6,665	(58)	26,477
Share of results of associates and joint ventures							
- Operating profit/(loss)	1,094	-	(213)	436	(51)	-	1,266
- Fair value (loss)/gain on investment properties	(698)	-	9,355	-	(505)	-	8,152
Total share of results of associates and joint ventures	396	-	9,142	436	(556)	-	9,418
Profit before taxation	2,407	4,222	21,777	1,438	6,109	(58)	35,895
Included in segments results:							
Depreciation of property, plant and equipment	585	801	1,253	825	527	153	4,144
Depreciation of right-of-use assets	108	133	54	982	4,806	4	6,087
Impairment loss on property, plant and equipment	-	-	480	-	-	-	480

* Includes 85 SOHO (Overseas) segment results of S\$(845,000).

Includes 85 SOHO (Overseas) fair value loss of S\$(949,000).

^ Includes 85 SOHO (Overseas) finance cost of S\$(309,000).

Segment breakdown for its comparative period ended 30 September 2022 are as follows:

	Industrial	Commercial	Residential	Logistics Services	Facilities Management	Corporate and Eliminations	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment assets	111,816	34,100	173,575	27,295	31,862	12,156	390,804
Investment in associates	-	-	60	360	-	-	420
Investment in joint ventures	21,940	-	12,162	-	1,689	-	35,791
Total segment assets							427,015
Total segment liabilities	73,440	19,444	120,365	19,855	20,262	14,037	267,403
Capital expenditures	22,059	757	34,576	3,487	2,452	1,096	64,427

Reconciliation of segments' total assets and total liabilities

	31 March 2023 S\$'000	30 September 2022 S\$'000
Reportable segments' assets are reconciled to total assets:		
Segment assets	527,659	427,015
Deferred tax assets	515	60
Non-current fixed deposits with banks	500	500
Current fixed deposits with banks	1,580	1,584
Cash and bank balances	36,233	39,727
	<hr/>	<hr/>
	566,487	468,886
	<hr/>	<hr/>
Reportable segments' liabilities are reconciled to total liabilities:		
Segment liabilities	350,196	267,403
Current income tax liabilities	3,200	3,707
Deferred tax liabilities	6,581	5,598
	<hr/>	<hr/>
	359,977	276,708
	<hr/>	<hr/>

Geographical segment

The following table shows the distribution of the Group's revenue from external customers based on the location where goods are sold and services are provided:

	Revenue from external customers 6 months ended 31 March	
	2023 S\$'000	2022 S\$'000
Singapore	49,643	53,832
Thailand	2,137	2,333
Malaysia	1,277	1,246
Hong Kong	1,255	1,212
Myanmar	941	229
Indonesia	213	179
Cambodia	152	150
	<hr/>	<hr/>
	55,618	59,181
	<hr/>	<hr/>

The following table shows the distribution of the Group's non-current assets excluding deferred tax assets based on the geographical location of customers:

	Non-current assets as at	
	31 March 2023 S\$'000	30 September 2022 S\$'000
Singapore	431,040	336,959
Thailand	1,742	1,915
Malaysia	1,425	1,500
Hong Kong	1	96
Myanmar	1,223	1,961
Indonesia	5,818	6,160
Cambodia	16,063	16,633
People's Republic of China	3,234	3,455
	<hr/>	<hr/>
	460,546	368,679
	<hr/>	<hr/>

6. Revenue

	6 Months ended 31 March	
	2023 S\$'000	2022 S\$'000
Rental and warehousing lease income from		
- Leased properties	15,393	12,557
- Owned properties	4,357	2,928
Car park services	11,942	9,389
Logistics services		
- Trucking services	5,221	5,880
- Storage services	1,718	1,322
- Container repair services	1,091	1,342
- Logistics management	4,705	5,022
Facilities services	9,144	19,414
Management services fee income	1,426	885
Others	621	442
	<u>55,618</u>	<u>59,181</u>

7. Other gains/(losses) – net and other income

	6 Months ended 31 March	
	2023 S\$'000	2022 S\$'000
Other gains/(losses) - net		
Gain on disposal of property, plant and equipment	247	55
Gain on disposal of right-of-use assets	82	-
Write-off and impairment loss of property, plant and equipment	(272)	(480)
Gain on disposal of associate	7,753	-
Gain from net investment in subleases	6,653	5,345
Loss from termination of lease	(53)	-
Lease modification gains – net	60	77
Foreign exchange losses – net	(1,890)	(157)
	<u>12,580</u>	<u>4,840</u>
Other income		
Handling and services charges	449	372
Interest income	818	688
Government grants	147	35
Wage credit scheme and special employment credit*	317	267
Job support scheme**	275	-
Job growth incentive***	176	462
Forfeiture of tenant deposit	221	125
Rental rebates, net****	881	1,519
Other income	756	1,036
	<u>4,040</u>	<u>4,504</u>
	<u>16,620</u>	<u>9,344</u>

* Wage credit scheme and special employment credit are incentives introduced by the Singapore Government to help business alleviate business costs in a tight labour market and to support business investments. These incentives are in the form of cash payout.

** Job support scheme (“JSS”) are introduced by Singapore Government to help employers to retain their local employees during the period of economic uncertainty as a result of global pandemic outbreak of COVID-19.

*** Job growth incentive (“JGI”) are introduced by Singapore Government to support employers to expand their local hiring.

**** Rental rebates are introduced by Governments mainly to help tenants with their rental payments during the global pandemic outbreak of COVID-19, These are net of rental relief received from landlords and rental relief paid to eligible tenants.

8. Expense by nature

	6 Months ended 31 March	
	2023 S\$'000	2022 S\$'000
Advertising expenses	172	153
Commission fees	1,360	306
Entertainment expenses	241	144
Marketing expenses	111	94
Transportation costs	410	640
Container depot management charges	742	1,255
Rental expenses	2,813	2,718
Upkeep and maintenance costs	7,241	9,893
Consultancy fees	120	80
Depreciation of property, plant and equipment	3,396	4,144
Depreciation of right-of-use assets	6,402	6,087
Listing expenses *	-	883
Professional fees	818	1,024
Vehicle-related expenses	50	38
Employee benefit costs	16,626	16,499
Insurance fees	369	411
IT Maintenance expenses	493	375
Printing expenses	135	148
Property management fees	240	167
Telephone expenses	185	153
Auditor's remuneration		
Audit services – current	269	209
Audit services – under provision in prior year	20	11
Non-audit services	121	75
Other expenses	2,493	2,574
	<u>44,827</u>	<u>48,081</u>

* relates to listing expenses incurred for the spin-off and separate listing of our Logistics business.

9. Finance cost

	6 Months ended 31 March	
	2023 S\$'000	2022 S\$'000
Interest expense on borrowings	2,938	1,316
Interest expense on lease liabilities from hire purchase arrangement	59	71
Interest expense on lease liabilities from lease arrangement	1,629	1,031
Interest expense on others	41	40
	<u>4,667</u>	<u>2,458</u>
Less: Amount capitalised	(243)	(114)
	<u>4,424</u>	<u>2,344</u>

10. Taxation

	6 Months ended 31 March	
	2023 S\$'000	2022 S\$'000
Current income tax	1,614	1,208
Deferred income tax	408	917
	<u>2,022</u>	<u>2,125</u>
(Over)/under provision in respect of prior years		
- current taxation	(15)	(82)
- deferred taxation	22	-
	<u>2,029</u>	<u>2,043</u>

11. Dividend

	6 Months ended 31 March	
	2023 S\$'000	2022 S\$'000
Ordinary dividends:		
- Final dividend paid in respect of the previous financial year of 1.0 Singapore cent (2022: 1.0 Singapore cent) per share	4,043	4,081
	<u>4,043</u>	<u>4,081</u>

The Board has resolved to recommend an interim dividend of S\$0.01 (equivalent to HK\$0.0589) per share for the six months ended 31 March 2023 (2022: S\$0.006). These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 30 September 2023.

12. Earnings per share

Basic earnings per share are calculated by dividing the profit of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares deemed to be in issue during each of the periods:

	6 Months ended 31 March	
	2023	2022
Net profit attributable to equity holders of the Company (S\$'000)	16,937	32,196
Weighted average number of ordinary shares ('000)	408,945	408,945
Basic earnings per share (Singapore cents)	4.14	7.87

The basic and diluted earnings per share are the same as there were no potentially dilutive securities in issue as at 31 March 2023 and 2022.

13. Net asset value

	Group		Company	
	31 March 2023	30 September 2022	31 March 2023	30 September 2022
Net asset attributable to Shareholders (S\$ '000)	199,207	185,904	72,215	71,926
Number of ordinary shares in issue (in '000)	408,945	408,945	408,945	408,945
Net asset value per ordinary share (Singapore cents)	48.71	45.46	17.66	17.59

14. Property, plant and equipment

The Group had additions to property, plant and equipment of approximately S\$12,103,000 (2022: S\$6,669,000) for the six months ended 31 March 2023.

15. Investment properties

	31 March 2023 S\$'000	30 September 2022 S\$'000
Beginning of financial period	233,267	166,570
Additions – investment properties	96,441	54,678
Additions – capitalised expenditure	5,653	21,611
Reclassification to property, plant and equipment	-	(8,286)
Reclassification to assets held for sale	(4,500)	-
Derecognition of assets of right-of-use properties	(9,422)	(15,421)
Lease modification adjustments	(125)	1,062
Net (loss)/gain from fair value adjustment	(3,852)	12,261
Currency translation	(1,570)	792
End of financial period	<u>315,892</u>	<u>233,267</u>

Fair value of the Group's main property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers based on indicative sale price of the properties. The significant inputs and assumptions are developed in close consultation with management. The valuation reports and fair value changes are reviewed by the directors at each reporting date.

Fair value measurements of investment properties

Investment properties that comprising owned properties and right-of-use leased properties are carried at fair values at the end of reporting period as determined by independent professional valuers. Valuations are made at least annually based on the properties' highest-and-best-use using the direct market comparison method, discounted cash flow method, income capitalisation method and residual value method in determining the fair market values.

16. Trade and other receivables

	31 March 2023 S\$'000	30 September 2022 S\$'000
Trade receivables		
- Third parties	7,406	14,555
- Associates and Joint ventures	627	807
	<u>8,033</u>	<u>15,362</u>
Accrued rental income	<u>337</u>	<u>310</u>
Goods and service tax receivables	580	648
Deposits with external parties	8,107	8,719
Other receivables	1,445	1,011
	<u>10,132</u>	<u>10,378</u>
Less:		
Impairment loss on trade receivables	(534)	(641)
Impairment loss on other receivables	(3)	(3)
	<u>17,965</u>	<u>25,406</u>

The aging analysis of the Group's trade receivables based on invoice date is as follows:

	31 March 2023 S\$'000	30 September 2022 S\$'000
0 to 30 days	4,526	13,296
31 to 60 days	2,066	396
61 to 90 days	331	426
91 to 180 days	239	530
181 to 365 days	284	113
Over 365 days	587	601
	<u>8,033</u>	<u>15,362</u>

17. Non-current assets classified as held for sale

On 30 November 2022, the Group and its joint venture partner entered into a sale and purchase agreement to sell their collective interests in the joint venture company, Coliwoo East Pte Ltd (the "JV Company") (now known as Amber 4042 Hotel Pte. Ltd.), which owns a co-living property, to a third party for an aggregate property value of S\$46,600,000 plus the sum of the closing adjusted net assets of the JV Company and, on the occurrence of the hotel room demolition of a hotel room at 42 Amber Road, Singapore (comprised in Land Lot 99728T of Mukim 25) (the "Hotel Room Demolition"), a deduction of S\$388,333. The disposal was completed on 11 April 2023 and there was no deduction of S\$388,333 as the Hotel Room Demolition did not occur. The investment in joint venture of approximately S\$8,800,000 is classified as held for sale as at 31 March 2023.

On 7 February 2023, the Group had entered into the Sales and Purchase Agreement for the sale of our property at 52 Arab Street, Singapore 199749. The asset of approximately S\$4,500,000 is classified as held for sale as the disposal is expected to be completed in the next 12 months.

18. Share capital

	6 months ended 31 March 2023		Year ended 30 September 2022	
	No. of Shares Issued	Nominal Amount S\$'000	No. of Shares Issued	Nominal Amount S\$'000
Beginning and end of financial period/ year	408,945,400	65,496	408,945,400	65,496

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

The Company did not have any outstanding options, treasury shares, convertibles or subsidiary holdings as at 31 March 2023 and 30 September 2022.

19. Trade and other payables

	31 March 2023 S\$'000	30 September 2022 S\$'000
Trade payables		
- Third parties	3,605	2,614
- Associates and Joint Venture	480	319
	<u>4,085</u>	<u>2,933</u>
Contract liabilities		
- Advances received from customers	4,282	3,432
	<u>4,282</u>	<u>3,432</u>
Other payables and accruals		
- Goods and services tax payables	1,023	1,079
- Loan from shareholder of a non-wholly owned subsidiary	3,378	2,736
- Provision for directors' fees	58	64
- Accruals	11,048	12,406
- Accrued rental expenses	384	191
- Rental deposits received from customers	15,175	13,157
- Rental received in advance	417	108
- Withholding tax	25	73
- Sundry creditors	2,017	915
- Other payables	761	21
	<u>42,653</u>	<u>37,115</u>
Less:		
- Non-current portion: other payables	(761)	(21)
Total trade and other payables included in current liabilities	<u><u>41,892</u></u>	<u><u>37,094</u></u>

The aging analysis of the Group's trade payables based on invoice date is as follows:

	31 March 2023 S\$'000	30 September 2022 S\$'000
0 to 30 days	2,802	1,796
31 to 60 days	647	477
61 to 90 days	77	74
Over 90 days	559	586
	<u>4,085</u>	<u>2,933</u>

The carrying amount of trade and other payables approximated their fair value.

20. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2023 and 30 September 2022:

	Group		Company	
	31 March 2023 S\$'000	30 September 2022 S\$'000	31 March 2023 S\$'000	30 September 2022 S\$'000
Financial assets				
- at FVOCI	11	11	-	-
- at amortised costs	117,571	122,543	41,042	41,490
Financial liabilities				
- at amortised costs	343,096	261,781	1,257	2,039

21. Bank borrowings and lease liabilities

	31 March 2023 S\$'000	30 September 2022 S\$'000
Amount repayable in one year or less		
- Bank borrowings	19,862	19,319
- Lease liabilities from hire purchase arrangements	1,043	1,133
- Lease liabilities from lease arrangements	34,537	28,726
	55,442	49,178
Amount repayable after one year		
- Bank borrowings	160,521	128,854
- Lease liabilities from hire purchase arrangements	1,430	1,763
- Lease liabilities from lease arrangements	89,181	49,754
	251,132	180,371
Total borrowings and lease liabilities	306,574	229,549

Details of any collaterals:

- Bank borrowings of approximately S\$177.5 million as at 31 March 2023 (30 September 2022 - S\$144.6 million) obtained by our subsidiaries are secured by (i) legal mortgage of 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 and 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 Company, where applicable.
- Certain lease liabilities of approximately S\$2.5 million (30 September 2022 - S\$2.9 million) of the Group are secured by the underlying assets of certain plant and machinery, logistics equipment and motor vehicles, personal guarantees provided by non-controlling interest shareholders of certain non-wholly owned subsidiaries of the Company and corporate guarantees provided by the Group.

22. Subsequent events

On 7 February 2023, the Group entered into an agreement to dispose its property at 52 Arab Street, Singapore, for a consideration of S\$4.5 million. On the same day, the Group entered into another agreement to acquire a property at 50 Arab Street, Singapore, for a consideration of S\$5.09 million. On 2 May 2023, the Group had completed the disposal of 52 Arab Street and acquisition of 50 Arab Street in accordance with the terms and conditions as set out in the respective agreements.

On 11 April 2023, the Group had completed the disposal of its joint venture, Coliwoo East Pte. Ltd. (now known as Amber 4042 Hotel Pte. Ltd.), in accordance with the terms of the sale and purchase agreement.

Management Discussion and Analysis

Business Review

In 1H2023, the Space Optimisation Business had renewed three master leases under the Industrial Properties and two master leases under the Commercial Properties and acquired two new co-living properties at 404 Pasir Panjang Road and 48 Arab Street.

In February 2023, we launched our second largest Coliwoo property, named Coliwoo Orchard, the 22-storey property located at 2 Mount Elizabeth Link houses a total of 411 keys across 135 units. Another newly renovated Coliwoo mixed-use development comprising a row of shophouses along Lavender Street, named Coliwoo Lavender Collection, has also recently commenced full operations. Both properties have seen healthy build-up occupancy rates since commencement of operations.

As at 31 March 2023, the occupancy rates across certain properties (excluding joint venture properties and properties that are under progressive handover) under the Space Optimisation Business are as follows:

Industrial Properties	
- Work+Store space:	97.9%
- Industrial space:	95.6%
Commercial Properties	
- Commercial space:	91.1%
Residential Properties	
- Co-living space (Singapore):	96.7%

The Facilities Management Business primarily provides integrated facilities management services and carpark management services. The carpark business continues to perform well in 1H2023, however, a lower demand in facilities management services has resulted in an overall decrease in the Facilities Management Business revenue in 1H2023.

Our Logistics Services Business which provides transportation services and container depot services continues to contribute positively to the Group despite a decrease in revenue in 1H2023 due to an overall decrease of business volume.

Business Outlook

In the **Space Optimisation Business**, the Coliwoo properties are expected to continue driving the Group's residential business. The newly launched 22-storey Coliwoo Orchard property at Mount Elizabeth Link is expected to contribute significantly to the Group in 2H2023, along with multiple new Coliwoo properties, including those at 298 River Valley Road and 404 Pasir Panjang, both expected to commence operations in 2H2023. New co-living shophouse apartments at 48 and 50 Arab Street, are expected to be launched in the next financial year ending 30 September 2024 ("FY2024"). In addition, the Group has also tendered for the GSM building at 141 Middle Road, with plans to convert the third to sixth levels of the property into co-living serviced apartments.

According to a report from Cushman & Wakefield¹, several factors are driving the co-living market in Singapore, including the higher adoption of hybrid work, recovering foreign demand, and an expanding demand pool from young singles or couples.

The **Property Development Business** will commence asset enhancement works at 55 Tuas South in 2H2023 to redevelop it into a 9-storey multi-user food processing industrial development with 49 units (floor areas range from 190 sqm to 237 sqm each). This development is expected to be completed and available for sale in FY2024.

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. This business will see the commencement of the Defu Industrial City Car Park in April 2023. At 2,800 equivalent parking lots, this car park contract alone accounts for 13.0% of the total parking lots managed by the Group.

The **Logistics Services Business** expects the completion of the ISO tank depot at 7 Gul Avenue in 2H2023. This depot will enable the business to provide empty ISO tank storage services and laden ISO tank storage services for hazardous substances, petroleum and flammable materials. The chemical cleaning and repair services for ISO tanks will be undergoing trial runs in the fourth quarter of our financial year ending 30 September 2023 or first quarter of FY2024, depending on the delivery of equipment. The Group is also actively seeking opportunities in ASEAN to establish our new office and depot for the container depot services business. For details of the Logistics Services Business, please refer to the unaudited condensed interim financial statements for 1H2023 of LHN Logistics available on its website at www.lhnlogistics.com and on the website of SGX-ST at www.sgx.com/securities/company-announcements.

The Group has initiated growth opportunities by expanding its **Energy Business** to include electricity retailing, EV charging stations and solar panel installation.

Recently, the Group partnered with a subsidiary of Yinson GreenTech to launch cross-border EV charging services in Singapore and expects to install EV charging stations at up to 5 locations across the island, thus facilitating cross-border charging capability with Malaysia.

Overall, the Group expects the contributions from its Coliwoo properties to drive its growth into FY2024.

¹ Shaun Poh, Wong Xian Yang, Lydia Tan. The Appeal of Co-living in Singapore. Cushman & Wakefield, 2023

Financial Review

For the period ended 31 March 2023 ("1H2023") vs period ended 31 March 2022 ("1H2022")

Revenue

	1H2023 S\$'000 (unaudited)	1H2022 S\$'000 (unaudited)	Variance	
			S\$'000	%
Industrial Properties	13,581	9,454	4,127	43.7
Commercial Properties	2,936	3,735	(799)	(21.4)
Residential Properties				
- Co-living (Singapore)	10,473	7,003	3,470	49.6
- 85 SOHO (Overseas)	444	378	66	17.5
	10,917	7,381	3,536	47.9
Space Optimisation Business	27,434	20,570	6,864	33.4
Facilities Management Business	15,183	25,044	(9,861)	(39.4)
Energy Business	267	-	267	NM
Logistics Services Business	12,734	13,567	(833)	(6.1)
Total	55,618	59,181	(3,563)	(6.0)

The Group's revenue decreased by approximately S\$3.6 million or 6.0% from approximately S\$59.2 million in 1H2022 to approximately S\$55.6 million in 1H2023 primarily due to decrease in revenue from the Facilities Management Business, partially offset by increase in revenue from the Space Optimisation Business.

(a) Space Optimisation Business

Industrial Properties

Revenue derived from Industrial Properties increased by approximately S\$4.1 million or 43.7% from approximately S\$9.5 million in 1H2022 to approximately S\$13.6 million in 1H2023 mainly due to revenue contribution from new subleases classified as operating leases that were entered into in 1H2023.

Commercial Properties

Revenue derived from Commercial Properties decreased by approximately S\$0.8 million or 21.4% from approximately S\$3.7 million in 1H2022 to approximately S\$2.9 million in 1H2023 mainly due to more derecognition of investment properties from subleases classified as finance lease in the fourth quarter of the financial year ended 30 September 2022 ("FY2022").

Residential Properties

Revenue derived from Residential Properties increased by approximately S\$3.5 million or 47.9% from approximately S\$7.4 million in 1H2022 to approximately S\$10.9 million in 1H2023 mainly due to the (i) increase in revenue of approximately S\$3.4 million from our co-living business in Singapore; and (ii) a slight increase in revenue of approximately S\$0.1 million from our overseas Residential Properties.

The increase in revenue from our co-living business in Singapore arose mainly from (i) the new co-living space at Lavender Collection and 2 Mount Elizabeth Link which started generating revenue in 1H2023; and (ii) higher occupancy rates and rental rates from our other co-living spaces in 1H2023.

(b) Facilities Management Business

Revenue derived from our Facilities Management Business decreased by approximately S\$9.9 million or 39.4% from approximately S\$25.0 million in 1H2022 to approximately S\$15.2 million in 1H2023 mainly due to decrease in facilities management services from the dormitory business. This was partially offset by the increase in revenue from the carpark business due to increase in number of carparks secured in Singapore in the fourth quarter of FY2022.

(c) Energy Business

Revenue derived from our Energy Business amounted to approximately S\$0.3 million comprising mainly revenue generated from the supply of electricity and solar energy.

(d) Logistics Services Business

Revenue derived from our Logistics Services Business decreased by approximately S\$0.8 million or 6.1% from approximately S\$13.6 million in 1H2022 to approximately S\$12.7 million in 1H2023 mainly due to lower demand from the transportation business and container depot business in Singapore.

Cost of Sales

Cost of sales decreased by approximately S\$5.4 million or 19.2% from approximately S\$28.0 million in 1H2022 to approximately S\$22.6 million in 1H2023. The decrease was mainly due to a decrease in costs from the Facilities Management Business and Logistics Services Business, in line with the decrease in revenue.

Gross Profit

In view of the above mentioned, gross profit increased by approximately S\$1.7 million from approximately S\$31.2 million in 1H2022 to approximately S\$32.9 million in 1H2023 mainly from the increase under the Industrial Properties and the co-living business of the Residential Properties, partially offset by the decrease in dormitory business under the Facilities Management Business.

Other Gains/(Losses) – net and Other Income

Other gains/(losses) - net and other income increased by approximately S\$7.3 million or 77.9% from approximately S\$9.3 million in 1H2022 to approximately S\$16.6 million in 1H2023 mainly due to (i) a non-recurring gain on disposal of an associate under our Facilities Management Business; and (ii) increase in gains from subleases which were derived based on differences between the right-of-use asset derecognised and the net investment in sublease.

The increase was partially offset by an increase in unrealised foreign exchange losses due to the weakening currency of IDR and USD against SGD.

Other Operating Expenses

Other operating expenses decreased slightly by approximately S\$0.1 million or 19.8% from approximately S\$0.3 million in 1H2022 to approximately S\$0.2 million in 1H2023 mainly due to decrease in impairment loss on receivables under the Logistics Services Business.

Selling and Distribution Expenses

Selling and distribution expenses increased by approximately S\$1.3 million or 177.9% from approximately S\$0.7 million in 1H2022 to approximately S\$2.0 million in 1H2023 mainly due to an increase in commission expenses incurred for the sale of shares in our joint venture and for renewal of tenancy with our tenants largely arising from the Space Optimisation Business.

Administrative Expenses

Administrative expenses increased by approximately S\$0.8 million or 4.4% from approximately S\$19.4 million in 1H2022 to approximately S\$20.2 million in 1H2023 mainly due to increase in staff costs which is in line with the expansion of the co-living business. This was partially offset by the absence of listing expenses of LHN Logistics Limited incurred in 1H2022.

Finance Cost

Finance cost increased by approximately S\$2.1 million or 88.7% from approximately S\$2.3 million in 1H2022 to approximately S\$4.4 million in 1H2023 mainly due to increase in interest expenses as a result of increase in bank borrowings and lease liabilities.

Share of Results of Associates and Joint Ventures

Share of results of associates and joint ventures decreased by approximately S\$8.0 million from approximately S\$9.4 million in 1H2022 to approximately S\$1.4 million in 1H2023 mainly due to (i) share of net fair value loss on investment properties in 1H2023 as compared to a net fair value gain on investment properties in 1H2022; and (ii) increase in operating profit from our joint ventures.

Fair Value (Loss)/Gain on Investment Properties

Fair value loss on investment properties was approximately S\$3.9 million in 1H2023 as compared to a fair value gain on investment properties of approximately S\$8.7 million 1H2022.

Profit before taxation

As a result of the aforementioned, the Group's profit before taxation decreased by approximately S\$15.6 million or 43.3% from approximately S\$35.9 million in 1H2022 to approximately S\$20.3 million in 1H2023.

Taxation

Income tax expenses remain stable at approximately S\$2.0 million in 1H2022 and 1H2023.

Profit for the Period

As a result of the above, the Group's net profit decreased by approximately S\$15.5 million or 45.9% from approximately S\$33.9 million in 1H2022 to approximately S\$18.3 million in 1H2023.

Review of Statement of Financial Position

Non-current assets

Non-current assets increased by approximately S\$92.3 million from approximately S\$368.7 million as at 30 September 2022 to approximately S\$461.1 million as at 31 March 2023 mainly due to the factors set out below.

Property, plant and equipment ("**PPE**") increased by approximately S\$8.5 million mainly due to additions to PPE mainly incurred under the Space Optimisation Business and leasehold building at 7 Gul Avenue under the Logistics Services Business. The increase was partially offset by (i) depreciation of PPE; (ii) net derecognition of PPE due to recognition of net investment in sublease; and (iii) impairment loss on PPE.

Right-of-use assets decreased by approximately S\$0.2 million mainly due to depreciation, partially offset by the addition of right-of-use assets in 1H2023 for additional leases entered into during 1H2023 for the carpark business.

Investment properties increased by approximately S\$82.6 million mainly due to (i) additions to investment properties from the purchase of properties at 404 Pasir Panjang and 48 Arab Street; and (ii) net additions to investment properties (right-of-use) mainly from the master leases entered for Industrial Properties. These were partially offset by the (i) net derecognition of investment properties (right-of-use) due to recognition of net investment in sublease; (ii) reclassification of property at 52 Arab Street to non-current assets classified as held for sale; and (iii) fair value losses and currency translation differences.

Investment in associates and joint ventures decreased by approximately S\$8.8 million mainly due to (i) the reclassification of investment in a joint venture company, Coliwoo East Pte. Ltd. (now known as Amber 4042 Pte. Ltd.), to non-current assets classified as held for sale; and (ii) dividend received from associates and joint ventures. These were partially offset by share of profit and other comprehensive income of associates and joint ventures recognised in 1H2023.

Prepayments increased by approximately S\$6.4 million mainly due to deposit paid for the acquisition of GSM Property at 141 Middle Road.

Finance lease receivables increased by approximately S\$3.5 million mainly due to recognition of receivables from new subleases in 1H2023.

Long term fixed deposits remained at S\$0.5 million in 1H2023.

Current assets

Current assets decreased by approximately S\$7.9 million from approximately S\$100.0 million as at 30 September 2022 to approximately S\$92.1 million as at 31 March 2023 mainly due to the factors set out below.

Trade and other receivables decreased by approximately S\$1.0 million mainly due to decrease in trade receivables from the dormitory business.

Loans to associates and joint ventures increased by approximately S\$0.4 million mainly for working capital in 1H2023.

Prepayments increased by approximately S\$0.6 million mainly due to expenses paid for materials for the Energy Business.

Finance lease receivables increased by approximately S\$2.0 million mainly due to recognition of receivables from new subleases in 1H2023.

Cash and bank balances and fixed deposits decreased by approximately S\$3.5 million, variance as illustrated in the movement in cashflow below.

Non-current liabilities

Non-current liabilities increased by approximately S\$73.0 million from approximately S\$186.0 million as at 30 September 2022 to approximately S\$259.0 million as at 31 March 2023 mainly due to the factors set out below.

Deferred tax liabilities increased by approximately S\$1.0 million.

Bank borrowings increased by approximately S\$31.7 million, mainly for the purchase of properties at 404 Pasir Panjang, 48 Arab Street and renovation costs for the co-living business.

Lease liabilities increased by approximately S\$39.1 million mainly due to recognition of liabilities payable to landlords for lease arrangements mainly from the Industrial Properties.

Other payables increased by approximately S\$0.7 million mainly relates to accrual of retention sum for the construction of leasehold building at 7 Gul Avenue under the Logistics Services Business.

Provisions increased by approximately S\$0.5 million mainly due to reclassification of provision of reinstatement cost from current liabilities to non-current liabilities due to the renewal of our master leases.

Current liabilities

Current liabilities increased by approximately S\$10.3 million from approximately S\$90.7 million as at 30 September 2022 to approximately S\$101.0 million as at 31 March 2023 mainly due to the factors set out below.

Trade and other payables increased by approximately S\$4.8 million largely due to increase in deposits and advances received from customers for the new co-living space business and increase in sundry creditors mainly for the construction of leasehold building at 7 Gul Avenue under the Logistics Services Business.

Provisions decreased by approximately S\$0.3 million mainly due to reclassification of provision of reinstatement cost from current liabilities to non-current liabilities as mentioned above.

Bank borrowings increased by approximately S\$0.5 million, mainly for the purchase of properties at 404 Pasir Panjang, 48 Arab Street and renovation costs for the co-living business.

Lease liabilities increased by approximately S\$5.7 million mainly due to recognition of liabilities payable to landlords for lease arrangements mainly from the Industrial Properties.

Current tax payable decreased by approximately S\$0.5 million mainly due to lower income tax provision for 1H2023.

Review of Statement of Cash Flows

In 1H2023, the Group recorded net cash generated from operating activities of approximately S\$27.8 million, which was a result of positive operating profit before changes in working capital, decrease in trade and other receivables and increase in trade and other payables. This was partially offset by net income tax paid.

Net cash used in investing activities amounted to approximately S\$35.1 million, which was mainly due to (i) additions to PPE incurred under the Space Optimisation Business and Logistics Services Business; (ii) additions to investment properties mainly for the purchase of properties at 404 Pasir Panjang and 48 Arab Street and renovation costs incurred at 2 Mount Elizabeth Link and Lavender Collection; and (iii) deposit paid for the acquisition of GSM Property at 141 Middle Road. These were partially offset by (i) receipts and interest from finance lease receivables; (ii) proceeds from disposal of associate and joint venture; and (iii) dividend received from associate and joint ventures.

Net cash generated from financing activities amounted to approximately S\$4.0 million, which was mainly due to proceeds from bank borrowings for the purchase of properties at 404 Pasir Panjang and 48 Arab Street and renovation costs for the co-living business. This was partially offset by (i) repayment of bank borrowings and lease liabilities; (ii) interest expenses on bank borrowings and lease liabilities paid; and (iii) dividend paid to shareholders.

As a result of the above, cash and cash equivalents decreased by approximately S\$3.3 million, amounting to approximately S\$36.2 million as at 31 March 2023.

Liquidity and Financial Resources

During 1H2023, the Group financed its operations primarily through a combination of cash flow generated from our operations, bank borrowings and lease liabilities.

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. The Group's borrowings as at 31 March 2023 were denominated in Singapore dollars, United States dollars and Renminbi with interest charged on these borrowings ranging from 1.38% to 7.85% per annum. As at 31 March 2023, the Group had outstanding bank borrowings of S\$180.4 million. These borrowings were secured by (i) legal mortgage of 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, 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 Company, where applicable.

As at 31 March 2023, cash and cash equivalents held by the Group were mainly cash in the banks and on hand denominated in Singapore dollars, Hong Kong dollars ("HK\$"), United States dollars ("USD"), Indonesian rupiah ("IDR"), Renminbi and Thai baht ("THB") and deposits denominated in Singapore dollars that are readily convertible into cash.

Gearing Ratio

Gearing ratio is equal to interest-bearing debt divided by total capital and multiplied by 100%. Interest-bearing debt is calculated as the sum of bank borrowings and lease liabilities. Total capital is calculated as interest-bearing debt plus total equity. Gearing ratio as at 31 March 2023 was 59.8%, increased from 54.4% as at 30 September 2022. This was primarily due to increase in bank borrowings mainly from the purchase of properties at 404 Pasir Panjang and 48 Arab Street, renovation costs for our Space Optimisation Business and lease liabilities from the Industrial Properties.

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. Certain lease liabilities of the Group are secured by the underlying assets of certain plant and machinery, logistics equipment and motor vehicles, personal guarantees provided by non-controlling interest shareholders of certain non-wholly owned subsidiaries of the Company and corporate guarantees provided by the Group.

Capital Commitment

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investments in associated companies and investment in a joint venture, are as follows:

	31 March 2023 S\$'000	30 September 2022 S\$'000
Investment property	478	5,342
Property, plant and equipment	7,624	15,350
	<u>8,102</u>	<u>20,692</u>

Capital Expenditure

During 1H2023, the Group's capital expenditure consists of additions to property, plant and equipment and investment properties amounting to approximately S\$55.7 million for the purchase of properties at 404 Pasir Panjang Road and 48 Arab Street, construction of the ISO tank depot at 7 Gul Avenue and renovation costs for the Space Optimisation Business (FY2022: approximately S\$64.4 million).

Contingent Liabilities

As at 31 March 2023, the Group did not have any material contingent liabilities.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this announcement, there was no material acquisition and disposal of subsidiaries, associates and joint ventures for 1H2023.

Guarantee Performance in relation to the Acquisitions

The Group did not enter into any acquisition, which is required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HK Listing Rules"), that the party in contract required to commit or guarantee on the financial performance in any kinds for 1H2023.

Significant Investment

Except for investments in subsidiaries, associates and joint ventures, the Group did not hold any significant investment in equity interest in any other company for 1H2023.

Off-balance Sheet Arrangements

For 1H2023, the Group did not have any off-balance sheet arrangements.

Securities Investments

The Group did not have any securities investment in any investee company with a value of 5% or more of the total assets of the Group as at 31 March 2023, which is required to be disclosed under the HK Listing Rules.

Future Plans for Material Investment and Capital Assets

Save as disclosed in this announcement, the Group did not have any plans for material investment and capital assets as at 31 March 2023. The Company will make further announcements in accordance with HK Listing Rules and Catalist Rules, where applicable, if any investments and acquisition opportunities materialise.

Exposure to Fluctuations in Exchange Rates

The Group mainly operates in Singapore, Indonesia, Thailand, Myanmar, Malaysia, Hong Kong and Cambodia during 1H2023. Currency exposure arises within entities of the Group when transactions are mainly denominated in foreign currencies such as USD, IDR, HK\$ and THB. In addition, the Group is exposed to currency translation risk upon translation of the net assets in foreign operations into the Group's reporting currency in SGD. During 1H2023, the Group recorded an exchange loss of approximately S\$1.9 million.

The Group has not carried out any hedging activities against foreign exchange fluctuations.

Dividend Payout for the Financial Years Ending 30 September 2023 and 2024

The dividend policy of the Company was approved by the Board on 1 January 2019, which established procedures on declaring and recommending the dividend payment of the Company (the "2019 Dividend Policy"). Under the 2019 Dividend Policy, the Company will declare and/or recommend the payment of dividends to the Shareholders for approval after considering the Company's ability to pay dividends, which will depend upon, among other things, its cash flow, financial conditions, shareholders' interests, general business conditions and strategies, current and future operations, future business plans, liquidity and capital requirements, taxation considerations, amount of distributable profits, statutory, contractual and regulatory restrictions and any other factors the Board may deem relevant (the "Dividend Consideration Factors").

On 12 May 2023, the Board resolved that, subject to the Dividend Consideration Factors, the Board intends to recommend and distribute dividends of not less than 30.0% of the Group's profit attributable to equity holders of the Company after excluding fair value gains/losses on owned and joint venture investment properties, impairment/write-off of assets, non-recurring and one-off items, for the financial years ending 30 September 2023 and 2024.

Employees and Remuneration Policies

As at 31 March 2023, there were 654 (as at 30 September 2022: 615) employees in the Group. The remuneration to its employees includes salaries and allowances, which is determined based on their performance, experience and prevailing industry practices. The compensation policies and packages are reviewed on a regular basis.

Significant Event after the Reporting Period

Saved as disclosed in this announcement, there was no significant event relevant to the business or financial performance of the Group that has come to the attention of the Directors after 1H2023.

Purchase, Sales or Redemption of The Company's Listed Securities

During 1H2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Corporate Governance

The Company has adopted the code provisions set out in Part 2 of Appendix 14 (Corporate Governance Code) (the "HK CG Code") to the HK Listing Rules as part of its corporate governance code in addition to the requirements under Singapore Code of Corporate Governance 2018 ("SG CG Code"). As such, the Company will comply with the more stringent requirements among the HK CG Code and the SG CG Code.

In the opinion of the Directors, the Company had complied with the HK CG Code and SG CG Code during 1H2023 except for code provision C.2.1 under the HK CG Code. Under code provision C.2.1 of the HK CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Group does not have the role of chief executive officer but has the role of managing Director, which is responsible for the day-to-day management of business and currently performed by Mr. Lim Lung Tieng ("Mr. Kelvin Lim"), who is also the executive chairman of the Board. Throughout the Group's business history, Mr. Kelvin Lim has held the key leadership position of the Group since 1998 and has been deeply involved in the formulation of corporate strategies and management of business and operations of the Group. Taking into account the consistent leadership within the Group and in order to enable more effective and efficient overall strategic planning and continuation of the implementation of such plans, the Directors (including the independent non-executive Directors) consider that Mr. Kelvin Lim is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Group and our shareholders as a whole.

Model Code of Securities Transactions by Directors

In addition to compliance to Rule 1204(19) of the SGX-ST Listing Manual Section B: Rules of the Catalist, the Company has updated its policy with the requirements set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the HK Listing Rules which is also applicable to its employees who are likely to be in possession of unpublished inside information (the "Relevant Employees").

The Company and its Officers (including the Directors, Management and Executives) are not allowed to deal in the Company's shares during the period commencing 30 days immediately before the announcement of the Company's interim results and 60 days immediately before the announcement of the Company's full year results, and ending on the date of the announcement of the relevant results.

The Directors, Management and Executives of the Group are also expected to observe relevant insider trading laws at all times, even when dealing in securities within permitted trading period or they are in possession of unpublished price-sensitive information of the Company and they are not to deal in the Company's securities on short-term considerations.

The Company confirms that specific enquiry has been made to all the Directors and the Relevant Employees and all have confirmed that they have complied with the Model Code during 1H2023.

Audit Committee

The Company established an audit committee (the "Audit Committee") with written terms of reference which deal clearly with its authority and duties. Amongst the committee's principal duties is to review and supervise the Company's financial reporting process and internal controls. The full text of terms of reference of the Audit Committee is available on the websites of the Company and the SEHK.

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Chan Ka Leung Gary (Chairman), Ms. Ch'ng Li-Ling and Mr. Yong Chee Hiong.

The Audit Committee has reviewed the consolidated results of the Group for 1H2023 and is of the opinion that such results complied with the applicable accounting standards, the requirements under the HK Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

Public Float

The Company has maintained the public float as required by the HK Listing Rules up to the date of this announcement.

Other information required by Appendix 7C of the Catalyst Rules

1. **Where the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

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

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

Not applicable.

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

Please refer to note 18 of the financial statements.

4. **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Please refer to note 18 of the financial statements.

5. **A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company does not have any treasury shares during and as at the end of the current financial period reported on.

6. **A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable, as the Company did not have any subsidiary holdings as at the end of the current financial period reported on.

7. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

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

Please refer to note 12 of the financial statements.

9. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) Current period reported on; and
- (b) Immediately preceding financial year.

Please refer to note 13 of the financial statements.

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

The Group's actual results for 1H2023 is in line with the profit warning announcement announced by the Group on 4 May 2023.

11. Dividend Information

(a) Whether an interim (final) ordinary dividend has been declared: Yes.

(b) (i) Amount per share: 1.0 Singapore cent (equivalent to HK\$0.0589)

(ii) Previous corresponding period: Interim dividend of 0.6 Singapore cents (equivalent to HK\$0.0339). In addition, a special dividend of 0.15 Singapore cents (equivalent to HK\$0.0086) was paid pursuant to the successful spin-off and listing of LHN Logistics Limited.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Tax-exempt (one-tier).

(d) Date payable

The interim dividend will be paid on Wednesday, 21 June 2023 to the shareholders whose names shall appear on the register of members of the Company on Wednesday, 31 May 2023.

(e) Books closure date

For Shareholders in Singapore

The Share Transfer Books and Register of Members of the Company will be closed at **5:00 p.m. on Wednesday, 31 May 2023** for the purpose of determining shareholders' entitlements to the interim dividend. Duly completed registrable transfers in respect of the Shares received by the Company's Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 up to **5:00 p.m. on Wednesday, 31 May 2023** will be registered to determine shareholders' entitlements to the interim dividend.

For Shareholders in Hong Kong

The branch register of members of the Company in Hong Kong will be closed between **Thursday, 1 June 2023 and Friday, 2 June 2023** (both days inclusive), during which period no transfer of Shares of the Company will be registered in Hong Kong. In order to determine shareholders' entitlements to the interim dividend, all share transfers in Hong Kong, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than **4:30 p.m. on Wednesday, 31 May 2023**.

For the purpose of determination of shareholders registered under the Singapore principal register of members and the Hong Kong branch register of members of the Company, all necessary documents, remittances accompanied by the relevant share certificates in respect of removal of Shares between the two (2) register of members, must be submitted no later than **5:00 p.m. and 4:30 p.m. on Monday, 15 May 2023** to the Company's Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 (for Singapore shareholders) and the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for Hong Kong shareholders), respectively.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

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

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. Details are set out in the Renewal of the Shareholders' Mandate for Interested Person Transactions for certain interested person transactions.

The Group does not have any general mandate from shareholders for interested person transactions with LHN Logistics Limited and its group of companies.

Name of Interested Person	Nature of Relationship	Aggregate Value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate Value of all interested person transactions conducted during the period under review under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
<u>Payments received by our Group</u> LHN Logistics Limited and its group of companies - Project management fees	Indirect subsidiaries of the Company which are separately listed on the Catalist of the SGX-ST.	188	-

14. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

During 1H2023 and up to the date of this announcement, the Group had incorporated the following subsidiaries, joint ventures and associates:

S/N	Company Name	Place of Incorporation	Issued and Paid-up Capital	Principal Activities	Interest Held by the Group	Date of announcement
1.	YQ Holdings Sdn Bhd	Malaysia	RM100	Investment Holdings	3.36%	-
2.	WPS Property Management Pte. Ltd.	Singapore	S\$1	Space optimisation	100%	-
3.	Coliwoo RV2 Pte. Ltd.	Singapore	S\$1	Space optimisation	100%	-
4.	LHN EVCO Pte. Ltd.	Singapore	S\$1	Space optimisation	100%	-
5.	LHN Group Shared Services Sdn. Bhd.	Malaysia	RM100	Provision of shared services	100%	-
6.	Yinson EV Charge - LHN Energy Pte. Ltd.	Singapore	S\$500,000	Energy business	50%	-

On 27 January 2023, the Group had completed the disposal of its interests in an associate, Getgo Technologies Pte. Ltd.. Please refer to the announcements dated 30 September 2022, 6 October 2022 and 27 January 2023 for more details.

On 31 March 2023, the Group had disposed its interests in a joint venture, Motorway Automotive Pte. Ltd., for a consideration of approximately S\$0.4 million based on the Group's proportionate share of the net asset value of the joint venture company.

On 11 April 2023, the Group had completed the disposal of its interests in a joint venture, Coliwoo East Pte. Ltd. (now known as Amber 4042 Hotel Pte. Ltd.). Please refer to the announcements dated 30 November 2022 and 11 April 2023 for more details.

15. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Please refer to page 23 of this announcement.

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

The Board of Directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for the second quarter and six months ended 31 March 2023 to be false or misleading in any material aspect.

17. Confirmation that the issuer has procured undertakings from all its directors and executive Officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual.

18. Publication of Financial Information

The interim results announcement for 1H2023 is published on the website of SEHK (www.hkexnews.hk), SGX-ST (www.sgx.com) and the website of the Company (www.lhngroup.com). The interim report of the Company for 1H2023 containing, among others, the interim financial statements of the Group will be despatched to shareholders of the Company and published on the above websites in due course.

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

Singapore, 12 May 2023

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