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# 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 FULL YEAR RESULTS FOR THE 6 MONTHS AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

### FINANCIAL HIGHLIGHTS

	6 Months Ended 30 September			For the year ended 30 September		
	2023	2022 <sup>##</sup>	Change	2023	2022 <sup>##</sup>	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Continuing operations</b>						
Revenue	50,761	38,848	30.7	93,644	84,463	10.9
Gross Profit	32,401	23,581	37.4	57,985	49,962	16.1
Profit for the year and attributable to equity owners of the Company						
- From continuing operations	3,353	17,687	(81.0)	18,537	48,860	(62.1)
- From discontinued operations	17,921	(4,045)	NM	19,674	(3,022)	NM
Basic earnings/(loss) per share (Singapore cents)						
- From continuing operations	0.82	4.33	(81.1)	4.53	11.95	(62.1)
- From discontinued operations	4.38	(0.99)	NM	4.81	(0.74)	NM

\* For identification purpose only

<sup>##</sup> Comparative information has been re-presented due to a discontinued operation (Note 11)

## FULL YEAR RESULTS

The board (the “Board”) of directors (the “Directors”) of LHN Limited (the “Company”) hereby announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended and full year ended 30 September 2023, together with the comparative figures for the six months ended and full year ended 30 September 2022, respectively. The Group’s full year results for the year ended 30 September 2023 have been reviewed by the audit committee of the Company (the “Audit Committee”).

### HALF YEAR AND FULL YEAR CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Note	6 Months Ended 30 September		Year Ended 30 September	
		2023 S\$'000	2022 <sup>##</sup> S\$'000	2023 S\$'000	2022 <sup>##</sup> S\$'000
<b>Continuing operations</b>					
Revenue	6	50,761	38,848	93,644	84,463
Cost of sales	8	(18,360)	(15,267)	(35,659)	(34,501)
<b>Gross profit</b>		32,401	23,581	57,985	49,962
Other gains/(losses) – net and other income	7	1,574	6,794	16,996	15,386
Other operating expenses					
- Impairment loss on trade, other and finance lease receivables		(260)	(107)	(429)	(342)
Selling and distribution expenses	8	(1,836)	(1,322)	(3,760)	(1,996)
Administrative expenses	8	(20,472)	(15,583)	(34,668)	(31,094)
Finance cost – net	9	(4,617)	(2,429)	(8,895)	(4,504)
Share of results of associates and joint ventures, net of tax		911	6,459	1,725	15,442
Fair value (loss)/gain on investment properties	16	(2,567)	3,631	(5,971)	12,261
<b>Profit before taxation</b>		5,134	21,024	22,983	55,115
Taxation	10	(1,767)	(3,328)	(4,065)	(4,980)
<b>Profit from continuing operations</b>		3,367	17,696	18,918	50,135
<b>Discontinued operations</b>					
Profit/(loss) from discontinued operations	11	18,547	(4,034)	21,303	(2,621)
<b>Profit for the year</b>		21,914	13,662	40,221	47,514
<b>Other comprehensive income/(loss)</b>					
<u>Item that may be reclassified subsequently to profit or loss</u>					
Currency translation differences arising from consolidation		129	(167)	53	(156)
<u>Item that will not be reclassified subsequently to profit or loss</u>					
Revaluation (loss)/gains on leasehold properties		(209)	(702)	408	(472)
Share of other comprehensive (loss)/income of joint venture		(118)	203	(231)	(110)
Other comprehensive (loss)/income		(198)	(666)	230	(738)
<b>Total comprehensive income for the year</b>		21,716	12,996	40,451	46,776

<sup>##</sup> Comparative information has been re-presented due to a discontinued operation (Note 11)

**Profit attributable to:**

Equity holders of the Company	21,274	13,642	38,211	45,838
Non-controlling interests	640	20	2,010	1,676

Profit for the year	21,914	13,662	40,221	47,514
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**Profit attributable to equity holders of the Company relates to:**

Profit from continuing operations	3,353	17,687	18,537	48,860
Profit/(loss) from discontinued operations	17,921	(4,045)	19,674	(3,022)
	21,274	13,642	38,211	45,838

**Total comprehensive income attributable to:**

Equity holders of the Company	21,092	13,019	38,438	45,142
Non-controlling interests	624	(23)	2,013	1,634

Total comprehensive income for the year	21,716	12,996	40,451	46,776
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**Earnings/(loss) per share for profit from continuing and discontinued operations attributable to equity holders of the Company**

Basic and diluted (cents)					
- From continuing operations	13	0.82	4.33	4.53	11.95
- From discontinued operations	13	4.38	(0.99)	4.81	(0.74)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT 30 SEPTEMBER 2023

<b>The Group</b>	<i>Note</i>	<b>30 September 2023 (unaudited) S\$'000</b>	<b>30 September 2022 (audited) S\$'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	34,874	48,241
Right-of-use assets		13,693	25,114
Investment properties	16	303,761	233,267
Investment in associates and joint ventures		27,601	36,211
Other financial assets		280	11
Deferred tax assets		57	60
Other receivables	17	15,528	-
Prepayments		291	633
Finance lease receivables		19,703	24,702
Fixed deposits with banks		500	500
		416,288	368,739
<b>Current assets</b>			
Development properties		28,950	-
Inventories		13	136
Trade and other receivables	17	12,858	25,406
Loans to associates and joint ventures		12,567	14,458
Prepayments		1,728	1,894
Finance lease receivables		19,292	16,814
Fixed deposits with banks		20,822	1,584
Cash and bank balances		41,555	39,727
		137,785	100,019
Non-current assets classified as held for sale	18	-	128
		137,785	100,147
<b>TOTAL ASSETS</b>		554,073	468,886
<b>EQUITY</b>			
<b>Capital and Reserves</b>			
Share capital	19	65,496	65,496
Reserves		150,698	120,408
		216,194	185,904
Non-controlling interests		1,855	6,274
<b>TOTAL EQUITY</b>		218,049	192,178
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		6,750	5,598
Other payables	20	2,461	21
Provisions		668	39
Bank borrowings	22	149,453	128,854
Lease liabilities	22	79,812	51,517
		239,144	186,029
<b>Current liabilities</b>			
Trade and other payables	20	42,208	37,094
Provisions		730	700
Bank borrowings	22	18,846	19,319
Lease liabilities	22	32,144	29,859
Current income tax liabilities		2,952	3,707
		96,880	90,679
<b>TOTAL LIABILITIES</b>		336,024	276,708
<b>TOTAL EQUITY AND LIABILITIES</b>		554,073	468,886

**STATEMENT OF FINANCIAL POSITION – COMPANY**  
AS AT 30 SEPTEMBER 2023

<u>The Company</u>	<i>Note</i>	<b>30 September 2023 (unaudited) S\$'000</b>	<b>30 September 2022 (audited) S\$'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiaries		32,727	32,727
Prepayments		-	1
		<hr/> 32,727	<hr/> 32,728
<b>Current assets</b>			
Trade and other receivables		38,504	37,210
Prepayments		53	26
Cash and bank balances		10,206	4,279
		<hr/> 48,763	<hr/> 41,515
<b>TOTAL ASSETS</b>		<hr/> <b>81,490</b>	<hr/> <b>74,243</b>
<b>EQUITY</b>			
<b>Capital and Reserves</b>			
Share capital	19	65,496	65,496
Reserves		10,589	6,430
<b>TOTAL EQUITY</b>		<hr/> <b>76,085</b>	<hr/> <b>71,926</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		5,019	2,063
Current income tax liabilities		386	254
		<hr/> 5,405	<hr/> 2,317
<b>TOTAL LIABILITIES</b>		<hr/> <b>5,405</b>	<hr/> <b>2,317</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<hr/> <b>81,490</b>	<hr/> <b>74,243</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
FOR THE YEAR ENDED 30 SEPTEMBER 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
<b>Group</b>											
<b>Balance at 1 October 2022</b>		65,496	147,237	(30,727)	2,179	(1,350)	4,030	(961)	185,904	6,274	192,178
Dividend paid	12	-	(8,148)	-	-	-	-	-	(8,148)	(452)	(8,600)
Profit for the year		-	38,211	-	-	-	-	-	38,211	2,010	40,221
Other comprehensive income/(loss)		-	-	-	-	-	177	50	227	3	230
Total comprehensive income for the year		-	38,211	-	-	-	177	50	38,438	2,013	40,451
Disposal of subsidiaries <sup>(a)</sup>		-	2,179	-	(2,179)	-	-	-	-	(5,980)	(5,980)
<b>Balance at 30 September 2023 (unaudited)</b>		<b>65,496</b>	<b>179,479</b>	<b>(30,727)</b>	<b>-</b>	<b>(1,350)</b>	<b>4,207</b>	<b>(911)</b>	<b>216,194</b>	<b>1,855</b>	<b>218,049</b>

	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
<b>Group</b>											
<b>Balance at 1 October 2021</b>		65,496	108,542	(30,727)	-	(1,350)	4,612	(847)	145,726	2,557	148,283
Dividend paid	12	-	(7,143)	-	-	-	-	-	(7,143)	(711)	(7,854)
Capital contribution from non-controlling interests <sup>(b)</sup>		-	-	-	2,179	-	-	-	2,179	2,794	4,973
Profit for the year		-	45,838	-	-	-	-	-	45,838	1,676	47,514
Other comprehensive loss		-	-	-	-	-	(582)	(114)	(696)	(42)	(738)
Total comprehensive income for the year		-	45,838	-	-	-	(582)	(114)	45,142	1,634	46,776
<b>Balance at 30 September 2022</b>		<b>65,496</b>	<b>147,237</b>	<b>(30,727)</b>	<b>2,179</b>	<b>(1,350)</b>	<b>4,030</b>	<b>(961)</b>	<b>185,904</b>	<b>6,274</b>	<b>192,178</b>

<sup>(a)</sup> Arising from the disposal of LHN Logistics Limited and its group of companies (the "Logistics Group") (Note 11).

<sup>(b)</sup> Arising mainly from the initial public offering and separate listing of the Logistics Group.

**STATEMENT OF CHANGES IN EQUITY – COMPANY**  
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	<i>Note</i>	<b>Share capital S\$'000</b>	<b>Retained profits S\$'000</b>	<b>Total equity S\$'000</b>
<b>Company</b>				
<b>Balance at 1 October 2022</b>		65,496	6,430	71,926
Dividend paid	12	-	(8,148)	(8,148)
Net profit and total comprehensive income for the year		-	12,307	12,307
<b>Balance at 30 September 2023 (unaudited)</b>		<u>65,496</u>	<u>10,589</u>	<u>76,085</u>

	<i>Note</i>	<b>Share capital S\$'000</b>	<b>Retained profits S\$'000</b>	<b>Total equity S\$'000</b>
<b>Company</b>				
<b>Balance at 1 October 2021</b>		65,496	5,564	71,060
Dividend paid	12	-	(7,143)	(7,143)
Net profit and total comprehensive income for the year		-	8,009	8,009
<b>Balance at 30 September 2022</b>		<u>65,496</u>	<u>6,430</u>	<u>71,926</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>(unaudited)</b>	<b>(audited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities:</b>		
Total Profit	40,221	47,514
Adjustments for:		
Taxation	4,068	5,498
Share of results of associates and joint ventures, net of tax	(2,938)	(16,466)
Depreciation of property, plant and equipment	7,450	8,204
Depreciation of right-of-use assets	12,650	12,291
Gain on disposal of property, plant and equipment	(217)	(74)
Gain on disposal of right-of-use assets	(54)	-
Write-off and impairment loss of property, plant and equipment	1,937	4,325
Leasehold building written off	-	4,833
Fair value loss/(gain) on investment properties	5,971	(12,261)
Gain on disposal of associate	(7,732)	-
Loss on disposal of joint venture	496	-
Gain on disposal of subsidiaries	(18,187)	-
Gain from net investment in subleases	(6,427)	(10,796)
Loss from termination of lease	23	-
Lease modification gains - net	(25)	(648)
Impairment loss on trade, other and finance lease receivables	445	381
Listing expenses *	-	1,360
Finance income	(1,914)	(1,440)
Finance cost	9,145	4,930
<b>Operating cash flows before working capital changes</b>	<b>44,912</b>	<b>47,651</b>
Changes in working capital:		
- Development properties	(2,813)	-
- Inventories	(102)	(46)
- Trade and other receivables	8,431	(719)
- Trade and other payables	7,837	(623)
<b>Cash generated from operations</b>	<b>58,265</b>	<b>46,263</b>
Interest expense paid	-	(80)
Income tax paid	(4,640)	(5,219)
Income tax refunded	584	264
<b>Net cash generated from operating activities</b>	<b>54,209</b>	<b>41,228</b>
<b>Cash flows from investing activities:</b>		
Additions to property, plant and equipment	(18,819)	(7,829)
Additions to right-of-use assets	-	(263)
Additions to investment properties	(49,482)	(48,322)
Deposits paid for acquisition of investment properties	(14,853)	-
Purchase of financial assets	(269)	(11)
Cash outflow on acquisition of joint venture	(250)	(140)
Repayment from/(loans to) associates and joint ventures, net	1,932	(4,549)
Proceeds from disposal of property, plant and equipment	381	138
Proceeds from disposal of right-of-use assets	107	-
Proceeds from disposal of investment property	4,500	-
Proceeds from disposal of associate	7,926	-
Proceeds from disposal of joint ventures, net of cost	7,668	-
Proceeds from disposal of subsidiaries, net of cash disposed of and cost	24,178	-
Receipts from finance lease receivables	20,498	23,126
Interest received from finance lease receivables	1,271	1,031
Cash outflow on incorporation of associate	-	(137)
Dividend from associate and joint ventures	1,755	1,230
Increase in long term fixed deposits with bank	-	(500)
Interest received	413	34
<b>Net cash used in investing activities</b>	<b>(13,044)</b>	<b>(36,192)</b>
<b>Cash flows from financing activities:</b>		
Decrease/(increase) in fixed deposit - pledged	761	(199)
Proceeds from bank borrowings	63,163	70,792
Repayment of bank borrowings	(26,453)	(23,793)
Proceeds from issuance of shares from the listing of LHN Logistics Limited	-	5,048
Listing expenses paid *^	-	(1,456)
Repayment of lease liabilities	(40,013)	(39,829)
Loans from shareholders of a non-wholly owned subsidiary	1,280	-
Capital contribution from non-controlling interests	-	20
Interest expense paid	(9,296)	(4,859)
Dividends paid to equity holders of the Company	(8,148)	(7,143)
Dividends paid to non-controlling interests	(452)	(711)
<b>Net cash used in financing activities</b>	<b>(19,158)</b>	<b>(2,130)</b>
Net increase in cash and cash equivalents	22,007	2,906
Cash and cash equivalents at beginning of year	39,743	36,801
Exchange losses on cash and cash equivalents	(180)	36
<b>Cash and cash equivalents at end of year</b>	<b>61,570</b>	<b>39,743</b>



	<b>2023</b>	<b>2022</b>
	<b>(unaudited)</b>	<b>(audited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances	41,555	39,727
Fixed deposits with banks	20,822	1,584
	<u>62,377</u>	<u>41,311</u>
Less: Pledged fixed deposits	(807)	(1,568)
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>	<u>61,570</u>	<u>39,743</u>

Consolidated cash and bank deposits are represented by:

Cash and bank balances  
Fixed deposits with banks

Less: Pledged fixed deposits

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

^ includes listing expenses that was capitalised in share capital of LHN Logistics Limited.

## 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. On 23 October 2023, the Company obtained the approval in-principle from the SGX-ST in relation to the proposed transfer of the listing of the Company from Catalist to the Mainboard of the SGX-ST. Approval from the Company’s shareholders was also obtained at the Company’s extraordinary general meeting on 23 November 2023.

The Company is an investment holding company. In the financial year ended 30 September 2023, the Company and its subsidiaries (the “**Group**”) have been principally engaged in (i) space resource management services; (ii) property development; (iii) facilities management services; (iv) energy business; and (v) logistics services (which was carried out through LHN Logistics Limited which formerly had a primary listing on Catalist of the SGX-ST from 29 April 2022, and on 28 August 2023, the Group disposed of its entire shareholding interests in the Logistics Group through its acceptance of a voluntary conditional general offer).

### 2. BASIS OF PREPARATION

The consolidated financial statements for the six months and full year ended 30 September 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 or profit or loss. 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 meet 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 is a 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 contracts which contain lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

The reconciliation of 1) Profit before tax from continuing operations and 2) Profit after tax from discontinued operations from Post-IFRS 16 basis to Pre-IFRS 16 basis for informational purpose is as follows.

Profit or loss	Year Ended 30 September 2023			Year Ended 30 September 2022 <sup>##</sup>		
	Post-IFRS16 S\$'000	Effects of IFRS 16 S\$'000	Pre-IFRS 16 S\$'000	Post-IFRS16 S\$'000	Effects of IFRS 16 S\$'000	Pre-IFRS 16 S\$'000
<b>The Group</b>						
Revenue	93,644	21,877	115,521	84,463	24,405	108,868
Cost of sales	(35,659)	(32,073)	(67,732)	(34,501)	(29,497)	(63,998)
Gross profit	57,985	(10,196)	47,789	49,962	(5,092)	44,870
Other gains/(losses) – net and other income	16,996	(7,699)	9,297	15,386	(12,475)	2,911
Other operating expenses - (Impairment loss)/reversal on trade, other and finance lease receivables	(429)	260	(169)	(342)	450	108
Selling and distribution expenses	(3,760)	-	(3,760)	(1,996)	-	(1,996)
Administrative expenses	(34,668)	(2,958)	(37,626)	(31,094)	(1,713)	(32,807)
Finance cost	(8,895)	3,054	(5,841)	(4,504)	1,792	(2,712)
Share of results of associates and joint ventures, net of tax	1,725	(335)	1,390	15,442	(49)	15,393
Fair value (losses)/gains on investment properties	(5,971)	13,906	7,935	12,261	7,696	19,957
Profit before tax from continuing operations	22,983	(3,968)	19,015	55,115	(9,391)	45,724
Profit after tax from discontinued operations	21,303	153	21,456	(2,621)	52	(2,569)

<sup>##</sup> Comparative information has been re-presented due to a discontinued operation (Note 11)

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

Revenue	Year Ended 30 September 2023			Year Ended 30 September 2022 <sup>##</sup>		
	Post-IFRS16	Effects of IFRS 16	Pre-IFRS 16	Post-IFRS16	Effects of IFRS 16	Pre-IFRS 16
The Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Industrial	25,192	8,114	33,306	17,656	13,826	31,482
Commercial	5,911	7,791	13,702	7,555	5,932	13,487
Residential						
- Co-living (Singapore)	28,257	5,972	34,229	15,272	4,647	19,919
- 85 SOHO (Overseas)	1,074	-	1,074	888	-	888
	29,331	5,972	35,303	16,160	4,647	20,807
Space Optimisation	60,434	21,877	82,311	41,371	24,405	65,776
Facilities Management	31,340	-	31,340	41,871	-	41,871
Energy	545	-	545	-	-	-
Corporate	1,325	-	1,325	1,221	-	1,221
	93,644	21,877	115,521	84,463	24,405	108,868

Profit before taxation	Year Ended 30 September 2023			Year Ended 30 September 2022 <sup>##</sup>		
	Post-IFRS16	Effects of IFRS 16	Pre-IFRS 16	Post-IFRS16	Effects of IFRS 16	Pre-IFRS 16
The Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Industrial	11,184	(4,678)	6,506	9,968	(2,997)	6,971
Commercial	1,067	577	1,644	6,901	(5,778)	1,123
Residential						
- Co-living (Singapore)	10,845	325	11,170	37,000	(387)	36,613
- 85 SOHO (Overseas)	(2,819)	25	(2,794)	(7,133)	31	(7,102)
	8,026	350	8,376	29,867	(356)	29,511
Space Optimisation	20,277	(3,751)	16,526	46,736	(9,131)	37,605
Property Development	(7)	-	(7)	-	-	-
Facilities Management	12,174	(217)	11,957	10,456	(261)	10,195
Energy	370	-	370	-	-	-
Corporate	8,356 <sup>^</sup>	-	8,356 <sup>^</sup>	(2,077)	1	(2,076)
Logistics Group (Discontinued operations) <sup>*</sup>	3,119	153	3,272	(2,103)	52	(2,051)
Profit before tax from both continuing and discontinued operations	44,289	(3,815)	40,474	53,012	(9,339)	43,673

<sup>^</sup> include the gain on disposal of the Logistics Group of S\$18,187,000 (Note 11)

<sup>\*</sup> refers to operating profit/(loss) before tax from discontinued operations (Note 11).

<sup>##</sup> Comparative information has been re-presented due to a discontinued operation (Note 11)

#### 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 these 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.

#### 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 the 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. Property development 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.

During the financial year 2023, the Group completed the disposal of the Logistics Group and it was re-presented as discontinued operations in the segment results. The gain on disposal of discontinued operations of S\$18,187,000 (Note 11) is included within "Corporate and Elimination" as the disposal is monitored at the Corporate level.

During the financial year 2023, revenue attributable to the Group's largest customer accounted for approximately 3.9% (re-presented 2022: 13.3%) of the Group's total revenue and aggregate revenue attributable to the five largest customers of the Group accounted for approximately 10.5% (re-presented 2022: 22.1%) 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/FVTPL, 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 year ended 30 September 2023 is as follows:

	Industrial	Commercial	Residential	Property Development	Facilities Management	Energy	Corporate and Eliminations	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Sales</b>								
Total segment sales	25,571	6,205	32,901	-	33,075	2,917	21,494	122,163
Inter-segment sales	(379)	(294)	(3,570)	-	(1,735)	(2,372)	(20,169)	(28,519)
External sales	25,192	5,911	29,331	-	31,340	545	1,325	93,644
<b>Segment operating results</b>	<b>18,743</b>	<b>1,720</b>	<b>* 11,844</b>	<b>(7)</b>	<b>13,085</b>	<b>422</b>	<b>&amp; 8,504</b>	<b>54,311</b>
Fair value loss on investment properties	(7,062)	(252)	# 1,343	-	-	-	-	(5,971)
Finance cost	(3,200)	(401)	^ (4,733)	-	(387)	(26)	(148)	(8,895)
	8,481	1,067	8,454	(7)	12,698	396	8,356	39,445
Share of results of associates and joint ventures								
- Operating results	4,170	-	313	-	(37)	(26)	-	4,420
- Fair value loss on investment properties	(1,467)	-	(741)	-	(487)	-	-	(2,695)
Total share of results of associates and joint ventures	2,703	-	(428)	-	(524)	(26)	-	1,725
Adjusted profit before taxation <sup>®</sup>	11,184	1,067	8,026	(7)	12,174	370	8,356	41,170
Taxation								(4,065)
Operating profit after tax from discontinued operations (Note 11)								3,116
Profit for the year								40,221
<b>Included in segments operating results:</b>								
Depreciation of property, plant and equipment	1,135	1,045	2,450	-	1,122	181	646	6,579
Depreciation of right-of-use assets	156	1	101	-	10,553	30	49	10,890
Write off and impairment loss of property, plant and equipment	127	78	1,721	-	-	-	11	1,937
Segment assets	140,397	26,002	224,611	29,914	22,917	4,472	15,225	463,538
Investment in joint ventures	20,974	-	5,303	-	1,100	224	-	27,601
Total segment assets								491,139
Total segment liabilities	106,467	19,741	144,004	19,904	18,193	1,277	16,736	326,322
Capital expenditures <sup>%</sup>	366	662	49,383	-	1,228	644	672	52,955

\* Includes loss of S\$2,902,000 in segment results from 85 SOHO (Overseas).

# Includes fair value gain of S\$697,000 from 85 SOHO (Overseas).

^ Includes finance cost of S\$614,000 from 85 SOHO (Overseas).

& Includes gain on disposal of discontinued operations of S\$18,187,000 which is presented within profit/(loss) from discontinued operations

<sup>®</sup> Adjusted profit before taxation is a non IFRS and SFRS(I) financial measure defined as profit from continuing operations for the year adjusted for the inclusion of gain on disposal of discontinued operations

<sup>%</sup> Excludes additions to right-of-use investment properties.

Segment breakdown for the year ended 30 September 2022 is as follows:

	Industrial <sup>##</sup>	Commercial <sup>##</sup>	Residential <sup>##</sup>	Facilities Management <sup>##</sup>	Corporate and Eliminations <sup>##</sup>	Consolidated <sup>##</sup>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Sales</b>						
Total segment sales	17,973	8,100	17,990	47,779	17,880	109,722
Inter-segment sales	(317)	(545)	(1,830)	(5,908)	(16,659)	(25,259)
<b>External sales</b>	<b>17,656</b>	<b>7,555</b>	<b>16,160</b>	<b>41,871</b>	<b>1,221</b>	<b>84,463</b>
<b>Segment operating results</b>						
	<b>9,825</b>	<b>9,297</b>	<b>* 3,548</b>	<b>11,222</b>	<b>(1,976)</b>	<b>31,916</b>
Fair value (loss)/gain on investment properties	(170)	(1,869)	<sup>#</sup> 14,300	-	-	12,261
Finance cost	(1,462)	(527)	<sup>^</sup> (2,128)	(287)	(100)	(4,504)
	8,193	6,901	15,720	10,935	(2,076)	39,673
Share of results of associates and joint ventures						
- Operating results	3,012	-	(163)	85	-	2,934
- Fair value (loss)/gain on investment properties	(1,238)	-	14,310	(564)	-	12,508
Total share of results of associates and joint ventures	1,774	-	14,147	(479)	-	15,442
Profit before taxation	9,967	6,901	29,867	10,456	(2,076)	55,115
Taxation						(4,980)
Operating loss after tax from discontinued operations (Note 11)						(2,621)
Profit for the year						47,514
<b>Included in segments operating results:</b>						
Depreciation of property, plant and equipment	1,208	1,349	2,508	1,181	296	6,542
Depreciation of right-of-use assets	171	134	107	9,920	28	10,360
Write-off and impairment loss of property, plant and equipment	-	11	4,133	14	167	4,325
Segment assets						
Segment assets	111,775	34,090	173,575	31,855	12,013	363,308
Investment in associates	-	-	60	-	-	60
Investment in joint ventures	21,940	-	12,162	1,689	-	35,791
Total segment assets						399,159
Total segment liabilities						
Total segment liabilities	73,440	19,442	120,365	20,235	14,066	247,548
Capital expenditures						
Capital expenditures	22,059	757	34,576	2,452	1,096	60,940

\* Includes loss of S\$4,838,000 in segment results from 85 SOHO (Overseas).

<sup>#</sup> Includes fair value loss of S\$1,687,000 from 85 SOHO (Overseas).

<sup>^</sup> Includes finance cost of S\$608,000 from 85 SOHO (Overseas).

<sup>##</sup> Comparative information has been re-presented due to a discontinued operation (Note 11)



## Reconciliation of segments' total assets and total liabilities

	30 September 2023 S\$'000	30 September 2022 <sup>##</sup> S\$'000
<b>Reportable segments' assets are reconciled to total assets:</b>		
Segment assets	491,139	399,159
Assets associated with discontinued operations	-	35,450
Deferred tax assets	57	60
Non-current fixed deposits with banks	500	500
Current fixed deposits with banks	20,822	1,584
Cash and bank balances	41,555	32,133
	<u>554,073</u>	<u>468,886</u>
<b>Reportable segments' liabilities are reconciled to total liabilities:</b>		
Segment liabilities	326,322	247,548
Liabilities associated with discontinued operations	-	20,391
Current income tax liabilities	2,952	3,323
Deferred tax liabilities	6,750	5,446
	<u>336,024</u>	<u>276,708</u>

## 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 30 September		Year ended 30 September	
	2023 S\$'000	2022 <sup>##</sup> S\$'000	2023 S\$'000	2022 <sup>##</sup> S\$'000
<b>Continuing operations</b>				
Singapore	48,750	36,871	89,721	80,716
Hong Kong	1,141	1,255	2,396	2,467
Myanmar	331	290	623	519
Indonesia	239	213	452	392
Cambodia	300	219	452	369
	<u>50,761</u>	<u>38,848</u>	<u>93,644</u>	<u>84,463</u>

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	
	30 September 2023 S\$'000	30 September 2022 S\$'000
Singapore	392,101	336,959
Thailand	-	1,915
Malaysia	-	1,500
Hong Kong	1	96
Myanmar	892	1,961
Indonesia	5,740	6,160
Cambodia	16,596	16,633
People's Republic of China	901	3,455
	<u>416,231</u>	<u>368,679</u>

<sup>##</sup> Comparative information has been re-presented due to a discontinued operation (Note 11)

## 6. Revenue

	6 Months ended 30 September		Year ended 30 September	
	2023 S\$'000	2022 ## S\$'000	2023 S\$'000	2022 ## S\$'000
Rental and warehousing lease income from				
- Leased properties	21,966	12,069	37,359	24,626
- Owned properties	4,661	3,670	9,018	6,598
Car park services	12,232	10,811	24,174	20,200
Facilities services	9,972	10,519	19,116	29,933
Management services fee income	998	1,333	2,424	2,218
Others	932	446	1,553	888
	<u>50,761</u>	<u>38,848</u>	<u>93,644</u>	<u>84,463</u>

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

	6 Months ended 30 September		Year ended 30 September	
	2023 S\$'000	2022 ## S\$'000	2023 S\$'000	2022 ## S\$'000
<b>Other gains/(losses) – net</b>				
Gain on disposal of property, plant and equipment	8	19	78	19
Write-off and impairment loss of property, plant and equipment	(1,665)	(3,845)	(1,937)	(4,325)
Gain on disposal of associate	(21)	-	7,732	-
Loss disposal of joint venture	(496)	-	(496)	-
Gain from net investment in subleases	300	5,451	6,427	10,796
Gain/(loss) from termination of lease	30	-	(23)	-
Lease modification (losses)/gains – net	(35)	571	25	648
Foreign exchange gains/(losses) – net	357	1,055	(1,450)	903
	<u>(1,522)</u>	<u>3,251</u>	<u>10,356</u>	<u>8,041</u>
<b>Other income</b>				
Administrative services charges	531	340	980	711
Interest income	1,094	755	1,885	1,440
Government grants	21	139	153	147
Wage credit scheme and special employment credit*	38	43	349	292
Job support scheme**	-	431	275	431
Job growth incentive***	39	417	212	873
Forfeiture of tenant deposit	268	130	489	255
Rental rebates, net****	642	895	1,523	2,414
Other income	463	393	774	782
	<u>3,096</u>	<u>3,543</u>	<u>6,640</u>	<u>7,345</u>
	<u>1,574</u>	<u>6,794</u>	<u>16,996</u>	<u>15,386</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”) is introduced by the 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”) is introduced by the 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.

## Comparative information has been re-presented due to a discontinued operation (Note 11)

## 8. Expense by nature

	6 Months ended 30 September		Year ended 30 September	
	2023 S\$'000	2022 ## S\$'000	2023 S\$'000	2022 ## S\$'000
Advertising expenses	189	223	361	376
Commission fees	1,193	663	2,553	969
Entertainment expenses	312	225	515	338
Marketing expenses	141	91	252	185
Rental expenses	2,768	2,645	5,379	5,216
Upkeep and maintenance costs	3,678	3,951	7,193	10,919
Consultancy fees	131	96	249	174
Depreciation of property, plant and equipment	3,529	3,223	6,579	6,542
Depreciation of right-of-use assets	5,465	5,254	10,890	10,360
Professional fees	708	634	1,396	1,438
Vehicle-related expenses	52	43	87	72
Employee benefit costs	18,000	11,715	30,610	24,372
Insurance fees	220	331	507	682
IT Maintenance expenses	469	389	908	732
Printing expenses	83	49	188	151
Property management fees	395	171	634	338
Telephone expenses	163	158	316	294
Auditor's remuneration				
– Audit services	338	282	556	483
– Non-audit services	190	15	311	90
Other expenses	2,644	2,014	4,603	3,860
	<u>40,668</u>	<u>32,172</u>	<u>74,087</u>	<u>67,591</u>

## 9. Finance cost

	6 Months ended 30 September		Year ended 30 September	
	2023 S\$'000	2022 ## S\$'000	2023 S\$'000	2022 ## S\$'000
Interest expense on borrowings	3,280	1,650	6,193	2,831
Interest expense on lease liabilities from hire purchase arrangement	8	9	17	17
Interest expense on lease liabilities from lease arrangement	1,496	832	3,054	1,792
Interest expense on others	56	39	97	79
	<u>4,840</u>	<u>2,530</u>	<u>9,361</u>	<u>4,719</u>
Less: Amount capitalised	(223)	(101)	(466)	(215)
	<u>4,617</u>	<u>2,429</u>	<u>8,895</u>	<u>4,504</u>

## Comparative information has been re-presented due to a discontinued operation (Note 11)

## 10. Taxation

	6 Months ended 30 September		Year ended 30 September	
	2023 S\$'000	2022 ## S\$'000	2023 S\$'000	2022 ## S\$'000
Current income tax	1,865	2,785	3,290	3,602
Deferred income tax	250	598	658	1,515
	<u>2,115</u>	<u>3,383</u>	<u>3,948</u>	<u>5,117</u>
(Over)/under provision in respect of prior years				
- current taxation	(415)	(380)	(430)	(462)
- deferred taxation	67	325	547	325
	<u>1,767</u>	<u>3,328</u>	<u>4,065</u>	<u>4,980</u>

## 11. Discontinued operations

On 28 August 2023, the Group completed the disposal of its entire 84.05% shareholding interests in its non-wholly owned subsidiary, LHN Logistics Limited and its group of companies, and its entire results was presented separately on the statement of comprehensive income as "Discontinued operations" for the six months and the financial year ended 30 September 2023 and 2022. The disposal group was previously presented under the "Logistics services business" reportable segment of the Group.

	1 April 2023 to 28 August 2023 S\$'000	6 Months ended 30 September 2022 S\$'000	1 October 2022 to 28 August 2023 S\$'000	Year ended 30 September 2022 S\$'000
Revenue	10,675	13,742	23,409	27,309
Cost of sales	(7,079)	(9,535)	(14,992)	(18,224)
Gross profit	<u>3,596</u>	<u>4,207</u>	<u>8,417</u>	<u>9,085</u>
Other gains/(losses) - net and other income	562	(4,273)	1,235	(3,557)
Expenses *	(4,149)	(4,430)	(7,746)	(8,655)
Share of results of associate, net of tax	623	589	1,213	1,024
Operating profit/(loss) before tax from discontinued operations	<u>632</u>	<u>(3,907)</u>	<u>3,119</u>	<u>(2,103)</u>
Taxation	(272)	(127)	(3)	(518)
Operating profit/(loss) after tax from discontinued operations	<u>360</u>	<u>(4,034)</u>	<u>3,116</u>	<u>(2,621)</u>
Gain on disposal of discontinued operations	<u>18,187</u>	<u>-</u>	<u>18,187</u>	<u>-</u>
Profit/(loss) for the year from discontinued operations	<u>18,547</u>	<u>(4,034)</u>	<u>21,303</u>	<u>(2,621)</u>

\* Included in the amount is S\$861,000 (2022: S\$1,137,000) relating to employee benefit cost of Logistics Group within Corporate reclassified to operating profit/(loss) from before tax from discontinued operations.

	1 October 2022 to 28 August 2023 S\$'000	Year ended 30 September 2022 S\$'000
Net cash generated from operating activities	<u>5,320</u>	<u>7,808</u>
Net cash used in investing activities	<u>(12,422)</u>	<u>(1,889)</u>
Net cash used in financing activities	<u>4,340</u>	<u>(1,796)</u>

## Comparative information has been re-presented due to a discontinued operation (Note 11)

## 12. Dividend

	Year ended 30 September	
	2023	2022
	S\$'000	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
- Interim dividend paid in respect of the current financial year of 1.0 Singapore cent (2022: 0.6 Singapore cent) per share	4,105	2,446
- Special dividend paid in respect of the previous financial year of 0.15 Singapore cent per share	-	616
	<hr/>	<hr/>
	8,148	7,143
	<hr/>	<hr/>

The Board has resolved to recommend a final dividend and special dividend of 1.0 Singapore cent (equivalent to Hong Kong dollars (“HK\$”) 0.0581) per share and 1.0 Singapore cent (equivalent to HK\$0.0581) per share respectively for the financial year ended 30 September 2023. These financial statements do not reflect these dividends, which will be accounted for in shareholders’ equity as an appropriation of retained earnings in the financial year ending 30 September 2024.

The Board recommended that the final dividend and the special dividend are to be satisfied wholly in the form of cash. For the special dividend, Shareholders will be given the option of receiving the special dividend wholly in the form of an allotment and issue of scrip shares, or partly in cash and partly in the form of scrip shares (the “**Scrip Dividend Scheme**”). The Scrip Dividend Scheme is subject to: (1) the approval of the proposed special dividend at the forthcoming annual general meeting of the Company; and (2) the SGX-ST and SEHK granting the listing of and permission to deal in the scrip shares to be issued. In the event that the said approvals are not obtained for the Scrip Dividend Scheme, the special dividend will be satisfied and paid to the Shareholders in the form of cash only.

### 13. Earnings/(Loss) 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 30 September					
	Continuing operations		Discontinued operations		Total	
	2023	2022	2023	2022	2023	2022
Net profit/(loss) attributable to equity holders of the Company (S\$'000) <sup>##</sup>	3,353	17,687	17,921	(4,045)	21,274	13,642
Weighted average number of ordinary shares ('000)	408,945	408,945	408,945	408,945	408,945	408,945
Basic earnings/(loss) per share (Singapore cents) <sup>##</sup>	0.82	4.33	4.38	(0.99)	5.20	3.34

	Year ended 30 September					
	Continuing operations		Discontinued operations		Total	
	2023	2022	2023	2022	2023	2022
Net profit/(loss) attributable to equity holders of the Company (S\$'000) <sup>##</sup>	18,537	48,860	19,674	(3,022)	38,211	45,838
Weighted average number of ordinary shares ('000)	408,945	408,945	408,945	408,945	408,945	408,945
Basic earnings/(loss) per share (Singapore cents) <sup>##</sup>	4.53	11.95	4.81	(0.74)	9.34	11.21

The basic and diluted earnings/(loss) per share are the same as there were no potentially dilutive securities in issue as at 30 September 2023 and 2022.

### 14. Net asset value

	Group		Company	
	30 September 2023	2022	30 September 2023	2022
Net assets attributable to Shareholders (S\$ '000)	216,194	185,904	76,085	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)	52.87	45.46	18.61	17.59

### 15. Property, plant and equipment

The Group had additions of approximately S\$7,556,000 (2022: S\$1,357,000) and disposals of approximately S\$23,626,000 (2022: S\$nil) for the six months ended and additions of approximately S\$19,659,000 (2022: S\$8,026,000) and disposal of S\$23,746,000 (2022: S\$64,000) for the full year ended 30 September 2023. The disposals include that of the Logistics Group (Note 11).

<sup>##</sup> Comparative information has been re-presented due to a discontinued operation (Note 11)

## 16. Investment properties

	30 September 2023 S\$'000	30 September 2022 S\$'000
Beginning of financial year	233,267	166,570
Additions – investment properties	109,292	54,678
Additions – capitalised expenditure	10,506	21,611
Disposals	(4,500)	-
Reclassification to property, plant and equipment	-	(8,286)
Reclassification to development properties *	(26,000)	-
Derecognition due to finance leases	(11,529)	(15,421)
Lease modification adjustments	(125)	1,062
Net (loss)/gain from fair value adjustment	(5,971)	12,261
Currency translation	(1,179)	792
End of financial year	303,761	233,267

Fair value of the Group's main property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers. 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.

\* During the financial year 2023, our investment property at 55 Tuas South Avenue 1 was reclassified at fair value to development property after the necessary approvals have been obtained for the change in use, as it is the Group's intention to redevelop the property for sale.

## 17. Trade and other receivables

	30 September 2023 S\$'000	30 September 2022 S\$'000
Trade receivables		
- Third parties	4,743	14,555
- Associates and Joint ventures	456	807
	5,199	15,362
Accrued rental income	444	310
Other receivables		
- Goods and service tax receivables	1,090	648
- Deposits with external parties	4,613	8,719
- Tax recoverable	227	-
- Other receivables	1,911	1,011
	7,841	10,378
Less:		
Impairment loss on trade receivables	(623)	(641)
Impairment loss on other receivables	(3)	(3)
<b>Trade and other receivables included in current assets</b>	<b>12,858</b>	<b>25,406</b>
Deposits paid for acquisition of investment properties and plant and equipment	15,528	-
<b>Other receivables included in non-current assets</b>	<b>15,528</b>	<b>-</b>

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

	30 September 2023 S\$'000	30 September 2022 S\$'000
0 to 30 days	3,319	13,296
31 to 60 days	267	396
61 to 90 days	252	426
91 to 180 days	661	530
181 to 365 days	181	113
Over 365 days	519	601
	5,199	15,362
	5,199	15,362

## 18. Non-current assets classified as held for sale

On 30 September 2022, the Group had entered into the Sales and Purchase Agreement for the sale of its interest in an associate. The sale was completed in the financial year ending 30 September 2023.

## 19. Share capital

	Year ended 30 September 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 year	408,945,400	65,496	408,945,400	65,496
	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 30 September 2023 and 30 September 2022.

## 20. Trade and other payables

	30 September 2023 S\$'000	30 September 2022 S\$'000
Trade payables		
- Third parties	4,781	2,614
- Associates and Joint Venture	470	319
	5,251	2,933
Contract liabilities		
- Advances received from customers	4,496	3,432
Other payables and accruals		
- Goods and services tax payables	1,434	1,079
- Loan from shareholder of a non-wholly owned subsidiary	4,113	2,736
- Provision for directors' fees	71	64
- Accruals	13,100	12,406
- Accrued rental expenses	-	191
- Rental deposits received from tenants	12,380	13,157
- Rental received in advance	134	108
- Withholding tax	-	73
- Sundry creditors	1,229	915
	32,461	30,729
<b>Trade and other payables included in current liabilities</b>	42,208	37,094
Other payables		
- Rental deposits received from tenants	2,441	-
- Other payables	20	21
<b>Other payables included in non-current liabilities</b>	2,461	21
	2,461	21



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

	30 September 2023 S\$'000	30 September 2022 S\$'000
0 to 30 days	2,697	1,796
31 to 60 days	2,133	477
61 to 90 days	53	74
Over 90 days	368	586
	5,251	2,933

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

## 21. Financial assets and financial liabilities

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

	Group		Company	
	30 September 2023 S\$'000	2022 S\$'000	30 September 2023 S\$'000	2022 S\$'000
<b>Financial assets</b>				
- at FVOCI	11	11	-	-
- at FVTPL	269	-	-	-
- at amortised costs	126,207	122,543	48,710	41,490
<b>Financial liabilities</b>				
- at amortised costs	318,860	261,781	4,603	2,039

## 22. Bank borrowings and lease liabilities

	30 September 2023 S\$'000	30 September 2022 S\$'000
<b>Amount repayable in one year or less</b>		
- Bank borrowings	18,846	19,319
- Lease liabilities from hire purchase arrangements	144	1,133
- Lease liabilities from lease arrangements	32,000	28,726
	50,990	49,178
<b>Amount repayable after one year</b>		
- Bank borrowings	149,453	128,854
- Lease liabilities from hire purchase arrangements	258	1,763
- Lease liabilities from lease arrangements	79,554	49,754
	229,265	180,371
<b>Total borrowings and lease liabilities</b>	280,255	229,549

### Details of any collaterals:

- (a) Bank borrowings of approximately S\$167.9 million as at 30 September 2023 (30 September 2022 - S\$144.6 million) obtained by the Group are secured by (i) legal mortgage of certain properties in Singapore and 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.
- (b) Certain lease liabilities of approximately S\$0.4 million (30 September 2022 - S\$2.9 million) of the Group are secured by the underlying assets of certain plant and machinery and motor vehicles and corporate guarantees provided by the Group (30 September 2022 - certain plant and machinery, logistics equipment and motor vehicles, personal guarantees provided by non-controlling interest shareholders of certain non-wholly owned subsidiaries and corporate guarantees provided by the Group).

### **23. Subsequent events**

On 26 July 2023, the Group entered into an option to purchase to acquire a property at 286 River Valley Road, Singapore 238327, for a consideration of S\$11.5 million and another option to purchase to acquire a property at 288 River Valley Road, Singapore 238329, for a consideration of S\$11.75 million. On 4 October 2023, the Group had completed the acquisitions of the 286 and 288 River Valley properties in accordance with the terms and conditions as set out in the aforementioned option to purchase.

On 7 August 2023, the Group entered into an option to purchase to acquire a property at 99 Rangoon Road, Singapore 218384, for a consideration of S\$14.5 million. On 16 October 2023, the Group had completed the acquisition of the property in accordance with the terms and conditions as set out in the option to purchase.

On 23 November 2023, the Group entered into a sale and purchase agreement to dispose of its 20% interests in its subsidiary, Coliwoo PP Pte. Ltd., for a consideration of S\$395,264.94. As a result, the Group will hold 80% shareholding interest in Coliwoo PP Pte. Ltd. and it will remain as a non-wholly owned subsidiary of the Group.

## Management Discussion and Analysis

### Business Review

In the financial year ended 30 September 2023 (“FY2023”), the Space Optimisation Business had renewed four master leases under the Industrial Properties and two master leases under the Commercial Properties and acquired three new co-living properties at 404 Pasir Panjang Road, 48 Arab Street and 50 Arab Street.

The Group launched three new Coliwoo properties during FY2023, namely, Coliwoo Orchard (our second largest Coliwoo property located at 2 Mount Elizabeth Link), Coliwoo Lavender Collection (a mixed-use development comprising a row of shophouses along Lavender Street) and Coliwoo 298 River Valley (a 4-storey premium co-living service residence). The strong occupancy rates of these properties have contributed to the increase in revenue for the co-living space business for FY2023.

As at September 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:

<b>Industrial Properties</b>	
- Work+Store space:	100.0%
- Industrial space:	98.3%
<b>Commercial Properties</b>	
- Commercial space:	95.9%
<b>Residential Properties</b>	
- Co-living space (Singapore):	94.7%

The Facilities Management Business primarily provides integrated facilities management services and carpark management services. The carpark business continues to perform well in FY2023, however, a lower demand in facilities management services has resulted in an overall decrease in the Facilities Management Business revenue in FY2023.

During FY2023, the Group carried out a few divestments which include its entire stake of (i) 20% interest in associate in car-sharing platform GetGo Technologies Pte. Ltd. for a consideration of S\$7.9 million; (ii) 50% interest in joint venture in Amber 4042 Hotel Pte. Ltd. (previously known as Coliwoo East Pte. Ltd.) for a consideration of S\$23.3 million; and (iii) 84.05% controlling interests in LHN Logistics Limited for a consideration of S\$31.9 million. These capital recycling initiatives contributed to the increase in cash flows generated for the year.

### Industry Overview

#### Space Optimisation Business

The URA reported a general slowing in the rental market, with private residential property rentals increasing by 2.8% in the second quarter of 2023 (“2Q2023”), lower than the previous quarter increase of 7.2%<sup>1</sup>. With an easing in rentals in the post-pandemic period, suburban rentals now provide more affordable choices and landlords are willing to negotiate prices and offer incentives<sup>2</sup>. Although the competition has become more intense, our co-living business continues to thrive through strategic locations, comprehensive services and flexible terms,

Recent regulatory changes have also been implemented to stabilise the residential real estate market and cool surging property prices. The Additional Buyer's Stamp Duty (“ABSD”) doubled the prevailing ABSD rates and came into effect on 27 April 2023. This could potentially price out foreigners hoping to purchase properties in Singapore, forcing them to continue renting instead. Consequently, this could curb demand for homes and boost interest in rental properties. On the other hand, the government has raised the private housing supply by 26% through the Government Land Sales program<sup>3</sup>, which could eventually increase the supply of homes and spaces for rent.

Meanwhile, industrial property prices and rents in Singapore continued to rise in 2Q2023<sup>4</sup>. Rents for spaces increased by 2.1% in 2Q2023 and by 9.4% year on year. Similarly, the prices for industrial space also saw a rise of 1.5% quarter-on-quarter and a year-on-year increase of 6.9%. Overall occupancy stood at 89.1%, largely driven by demand for multiple-user factories and warehouses. Our Industrial Properties occupancy continues to be strong, achieving over 90% as of September 2023.

### Business Outlook

As published in the press release dated 13 October 2023 by the Singapore’s Ministry of Trade and Industry<sup>5</sup>, based on advance estimates, the Singapore economy grew by 0.7 per cent on a year-on-year basis in the third quarter of 2023, extending the 0.5 per cent growth in the previous quarter. On a quarter-on-quarter seasonally adjusted basis, the economy expanded by 1.0 per cent, faster than the 0.1 per cent growth in the preceding quarter.

Geopolitically, tensions could undermine financial stability and affect cross-border investments, while armed conflicts risk disrupting global supply chains and increasing operational costs. Furthermore, regulatory alterations have the potential to elevate compliance costs and impose restrictions on market operations. Trade wars and protectionism could also raise input costs and restrict market access.

<sup>1</sup> <https://www.channelnewsasia.com/singapore/private-home-prices-fall-second-quarter-2023-first-dip-3-years-ura-3660421>

<sup>2</sup> <https://www.linkedin.com/pulse/navigating-singapore-rental-market-july-2023-shawn-travolta/>

<sup>3</sup> <https://www.ura.gov.sg/Corporate/Media-Room/Media-Releases/pr23-18>

<sup>4</sup> <https://www.businesstimes.com.sg/property/demand-industrial-space-remains-healthy-prices-rents-continue-rising-q2-jtc>

<sup>5</sup> [https://www.mti.gov.sg/Newsroom/Press-Releases/2023/10/Singapore-GDP-Expanded-by-0\\_7-Per-Cent-in-the-Third-Quarter-of-2023](https://www.mti.gov.sg/Newsroom/Press-Releases/2023/10/Singapore-GDP-Expanded-by-0_7-Per-Cent-in-the-Third-Quarter-of-2023)

Given the dynamic shifts in both local and international spheres, it is imperative for the Group to actively monitor risks emerging from macroeconomic and geopolitical factors, and realign its strategies to effectively navigate the evolving economic landscape.

For the **Space Optimisation Business**, the Group's primary focus in the financial year ending 30 September 2024 ("FY2024") will be to identify and capitalise on new opportunities within the space optimisation sector, particularly in the Coliwoo co-living business sector, which is expected to experience significant growth. The renovation of properties at 404 Pasir Panjang Road, 48 and 50 Arab Street and 99 Rangoon Road are on track to be completed in FY2024. These properties will add an estimated 121 keys to the co-living portfolio.

As announced in February 2023, the Group had 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. As at the date of this announcement, the GSM vendors have filed the relevant application with the Singapore High Court and is pending the Singapore High Court approval to issue the order of sale by 9 February 2024 (being twelve months from the notice of acceptance). In the event the order of sale is not granted by 9 February 2024, the purchaser (Coliwoo (TK) Pte. Ltd., a wholly-owned subsidiary of the Group) 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. The Company will make further announcement(s) as and when there is/(are) material development(s).

An integral aspect of the Group's **Property Development Business** strategy involves dedicating resources to complete our first project at 55 Tuas to cater to Singapore's growing demand for food factory spaces. This milestone will serve as a testament to the Group's competence in this new operating segment, establishing a strong foundation for future endeavours.

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

The **Energy Business** also looks to expand its renewable energy solutions offerings to enterprises in Singapore, assisting them to fulfil their sustainability objectives. Solar panel installation projects at the Textile Centre building at 200 Jalan Sultan and 6 Tanjong Penjuru are ongoing and expected to be completed in FY2024.

On 23 October 2023, the Group obtained the approval in-principle from the SGX-ST in relation to the proposed transfer of the listing of the Company from Catalist to the Mainboard of the SGX-ST. Approval from the Company's shareholders was also obtained at the Company's extraordinary general meeting on 23 November 2023. Having a listing on the Mainboard of the SGX-ST will improve the Company's image locally and abroad, and provide greater visibility and recognition in the market and among investors.

### ***Sustainability and Corporate Governance***

In response to growing climate changes challenges, the Group remains committed to its sustainability roadmap towards net-zero emissions through its three key environmental protection practices, namely (i) responsible consumption, (ii) low carbon future and (iii) creating sustainable communities. In FY2023, the Group continues to expand its internal renewable energy systems network for both solar panel and electricity vehicle charging system. The Group also puts effort in educating and engaging employees at all levels in green initiatives through upcycling workshops and Plant-A-Tree programme, a Garden City Fund's platform for organisations and individuals to actively participate in the greening of Singapore by planting trees.

The Group continues to deepen its relationship with employees, stakeholders and the community it operates in through developing (i) fair, safe and healthy workplace, (ii) employees and stakeholder engagement programmes; and (iii) corporate social responsibility programmes.

In FY2023, the Group's excellent corporate governance practices were recognised with the Most Transparent Company Award 2023 (Real Estate Category) and the Shareholder Communications Excellence Award 2023 (Small Cap Category) at the Securities Investors Association (SIAS) Investors' Choice Awards 2023. In addition, the Group's co-living subsidiary Coliwoo won the Sustainability Award under the Promising Brand Award Category at the Singapore Prestige Brand Award (SPBA) 2023. This achievement underscores Coliwoo's commitment to sustainability in its operations and services.

## Financial Review

For the year ended 30 September 2023 (“FY2023”) vs year ended 30 September 2022 (“FY2022”)

### Revenue

	FY2023 S\$'000 (unaudited)	FY2022 ## S\$'000 (audited)	Variance	
			S\$'000	%
Industrial Properties	25,192	17,656	7,536	42.7
Commercial Properties	5,911	7,555	(1,644)	(21.8)
Residential Properties				
- Co-living (Singapore)	28,257	15,272	12,985	85.0
- 85 SOHO (Overseas)	1,074	888	186	20.9
	29,331	16,160	13,171	81.5
<b>Space Optimisation Business</b>	60,434	41,371	19,063	46.1
<b>Facilities Management Business</b>	31,340	41,871	(10,531)	(25.2)
<b>Energy Business</b>	545	-	545	NM
<b>Corporate</b>	1,325	1,221	104	8.5
<b>Total</b>	<b>93,644</b>	<b>84,463</b>	<b>9,181</b>	<b>10.9</b>

## Comparative information has been re-presented due to a discontinued operation (Note 11)

The Group's revenue increased by approximately S\$9.2 million or 10.9% from approximately S\$84.5 million in FY2022 to approximately S\$93.6 million in FY2023 primarily due to increase in revenue from the Space Optimisation Business, partially offset by decrease in revenue from the Facilities Management Business.

#### (a) Space Optimisation Business

##### Industrial Properties

Revenue derived from Industrial Properties increased by approximately S\$7.5 million or 42.7% from approximately S\$17.7 million in FY2022 to approximately S\$25.2 million in FY2023 mainly due to revenue contribution from new subleases classified as operating leases that were entered into in the first quarter of FY2023.

##### Commercial Properties

Revenue derived from Commercial Properties decreased by approximately S\$1.6 million or 21.8% from approximately S\$7.6 million in FY2022 to approximately S\$5.9 million in FY2023 mainly due to derecognition of investment properties from subleases classified as finance lease in the fourth quarter of FY2022.

##### Residential Properties

Revenue derived from Residential Properties increased by approximately S\$13.2 million or 81.5% from approximately S\$16.2 million in FY2022 to approximately S\$29.3 million in FY2023 mainly due to the (i) increase in revenue of approximately S\$12.9 million from our co-living business in Singapore; and (ii) a slight increase in revenue of approximately S\$0.2 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 the first quarter and second quarter of FY2023; and (ii) higher occupancy rates and rental rates from our other co-living spaces.

## **(b) Facilities Management Business**

Revenue derived from our Facilities Management Business decreased by approximately S\$10.5 million or 25.2% from approximately S\$41.9 million in FY2022 to approximately S\$31.3 million in FY2023 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\$0.5 million comprising mainly revenue generated from the supply of electricity and solar energy.

## **(d) Corporate**

Revenue derived from our Corporate increased slightly by approximately S\$0.1 million or 8.5% from approximately S\$1.2 million in FY2022 to approximately S\$1.3 million in FY2023 mainly from management fees charged to our joint ventures.

## **Cost of Sales**

Cost of sales increased by approximately S\$1.2 million or 3.4% from approximately S\$34.5 million in FY2022 to approximately S\$35.7 million in FY2023. The increase was mainly due to the increase in costs from the Space Optimisation Business and Energy Business. This was partially offset by a decrease in costs from the Facilities Management Business which is in line with the decrease in revenue.

## **Gross Profit**

In view of the above mentioned, gross profit increased by approximately S\$8.0 million from approximately S\$49.9 million in FY2022 to approximately S\$57.9 million in FY2023 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\$1.6 million or 10.5% from approximately S\$15.4 million in FY2022 to approximately S\$17.0 million in FY2023 mainly due to (i) a non-recurring gain on disposal of an associate under our Facilities Management Business; and (ii) decrease in impairment loss on property, plant and equipment under the Space Optimisation Business.

The increase was partially offset by the (i) decrease in gains from subleases classified as finance leases which were derived based on differences between the right-of-use asset derecognised and the net investment in sublease; and (ii) foreign exchange losses in FY2023 as compared to foreign exchange gains in FY2022 due to the weakening currency of Indonesian rupiah ("IDR") and United states dollars ("USD") against SGD.

## **Other Operating Expenses**

Other operating expenses increased slightly by approximately S\$0.1 million or 25.4% from approximately S\$0.3 million in FY2022 to approximately S\$0.4 million in FY2023 mainly due to an increase in impairment loss on receivables under the Space Optimisation Business.

## **Selling and Distribution Expenses**

Selling and distribution expenses increased by approximately S\$1.8 million or 88.4% from approximately S\$2.0 million in FY2022 to approximately S\$3.8 million in FY2023 mainly due to an increase in commission expenses incurred for new sites and renewal of tenancy with our tenants largely arising from the Space Optimisation Business.

## **Administrative Expenses**

Administrative expenses increased by approximately S\$3.6 million or 11.5% from approximately S\$31.1 million in FY2022 to approximately S\$34.7 million in FY2023 mainly due to an increase in staff costs.

## **Finance Cost - net**

Finance cost increased by approximately S\$4.4 million or 97.5% from approximately S\$4.5 million in FY2022 to approximately S\$8.9 million in FY2023 mainly due to an increase in interest expenses as a result of increase in bank borrowings and lease liabilities and higher interest rates.

## **Share of Results of Associates and Joint Ventures**

Share of results of associates and joint ventures decreased by approximately S\$13.7 million from approximately S\$15.4 million in FY2022 to approximately S\$1.7 million in FY2023 mainly due to share of net fair value loss on investment properties in FY2023 as compared to a net fair value gain on investment properties in FY2022. This was partially offset by an increase in operating profit from our joint ventures.

## **Fair Value (Loss)/Gain on Investment Properties**

Fair value loss on investment properties was approximately S\$6.0 million in FY2023 as compared to a fair value gain on investment properties of approximately S\$12.3 million FY2022.

## **Profit before taxation**

As a result of the aforementioned, the Group's profit before taxation decreased by approximately S\$32.1 million or 58.3% from approximately S\$55.1 million in FY2022 to approximately S\$23.0 million in FY2023.

## **Taxation**

Income tax expenses decreased by approximately S\$0.9 million from approximately S\$5.0 million in FY2022 to approximately S\$4.1 million in FY2023 due to lower taxable profit.

## **Profit from continuing operations**

As a result of the above, the Group's net profit from continuing operations decreased by approximately S\$31.2 million or 62.3% from approximately S\$50.1 million in FY2022 to approximately S\$18.9 million in FY2023.

## **Discontinued operations**

Discontinued operations in relation to the Group's disposal of the Logistics Group consisted of a gain on disposal of approximately S\$18.2 million and net profit after tax of approximately S\$3.1 million in FY2023 as compared to a net loss after tax of approximately \$2.6 million in FY2022.

## **Profit for the year**

As a result of the above, the Group's total profit for the year decreased by approximately S\$7.3 million or 15.3% from approximately S\$47.5 million in FY2022 to approximately S\$40.2 million in FY2023.

## **Review of Statement of Financial Position**

### **Non-current assets**

Non-current assets increased by approximately S\$47.5 million from approximately S\$368.7 million as at 30 September 2022 to approximately S\$416.3 million as at 30 September 2023 mainly due to the factors set out below.

Property, plant and equipment ("**PPE**") decreased by approximately S\$13.4 million mainly due to (i) depreciation of PPE; (ii) net derecognition of PPE due to recognition of net investment in sublease; (iii) impairment loss on PPE; and (iv) disposal of the Logistics Group. The decrease was partially offset by the additions to PPE mainly incurred under the Space Optimisation Business and carpark business.

Right-of-use assets decreased by approximately S\$11.4 million mainly due to (i) disposal of the Logistics Group; and (ii) depreciation, partially offset by the additions to right-of-use assets in FY2023 for additional leases entered into during FY2023 for the carpark business.

Investment properties increased by approximately S\$70.5 million mainly due to (i) additions to investment properties from the purchase of properties at 404 Pasir Panjang, 48 and 50 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 55 Tuas South Avenue 1 to development property; (iii) disposal of property at 52 Arab Street; and (iv) fair value losses and currency translation differences.

Investment in associates and joint ventures decreased by approximately S\$8.6 million mainly due to (i) disposal of investment in a joint venture company, Amber 4042 Pte. Ltd. (previously known as Coliwoo East Pte. Ltd.); 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 FY2023.

Other receivables increased by approximately S\$15.5 million mainly due to deposits paid for the acquisitions of GSM Property at 141 Middle Road, 99 Rangoon Road, 286 and 288 River Valley Road.

Prepayments decreased by approximately S\$0.3 million mainly due to the disposal of Logistics Group's prepayments..

Finance lease receivables decreased by approximately S\$5.0 million mainly due to receipts in FY2023.

Long term fixed deposits remained at S\$0.5 million in FY2023.

## **Current assets**

Current assets increased by approximately S\$37.8 million from approximately S\$100.0 million as at 30 September 2022 to approximately S\$137.8 million as at 30 September 2023 mainly due to the factors set out below.

Development properties increased by approximately S\$29.0 million due to reclassification from investment properties for the property at 55 Tuas South Avenue 1 as it will be redeveloped into a 9-storey multi-user food processing industrial development for sale upon completion.

Trade and other receivables decreased by approximately S\$12.5 million mainly due to a decrease in trade receivables from the dormitory business and the disposal of the Logistics Group in FY2023

Loans to associates and joint ventures decreased by approximately S\$1.9 million mainly due to repayment of loan due to disposal of investment in a joint venture company, Amber 4042 Pte. Ltd. This was offset by the additional working capital provided in FY2023.

Prepayments decreased by approximately S\$0.2 million mainly due to the disposal of the Logistics Group.

Finance lease receivables increased by approximately S\$2.5 million mainly due to recognition of receivables from new subleases in FY2023.

Fixed deposits with banks and cash and bank balances increased by approximately S\$21.1 million, variance as detailed in the movement in cashflow below.

## **Non-current liabilities**

Non-current liabilities increased by approximately S\$53.1 million from approximately S\$186.0 million as at 30 September 2022 to approximately S\$239.1 million as at 30 September 2023 mainly due to the factors set out below.

Deferred tax liabilities increased by approximately S\$1.2 million.

Other payables increased by approximately S\$2.4 million mainly due to rental deposits received from tenants for the Space Optimisation Business.

Bank borrowings increased by approximately S\$20.6 million, mainly for the purchases of properties at 404 Pasir Panjang, 48 and 50 Arab Street and renovation costs for the co-living business. This was partially offset by the disposal of the Logistics Group's bank borrowings.

Lease liabilities increased by approximately S\$28.3 million mainly due to recognition of liabilities for master leases mainly from the Industrial Properties. This was partially offset by the disposal of the Logistics Group's lease liabilities.

Provisions increased by approximately S\$0.6 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\$6.2 million from approximately S\$90.7 million as at 30 September 2022 to approximately S\$96.9 million as at 30 September 2023 mainly due to the factors set out below.

Trade and other payables increased by approximately S\$5.1 million largely due to the increase in advances received from customers for the new co-living space business and increase in loan from shareholder of a non-wholly owned subsidiary mainly for the construction of development property at 55 Tuas South Avenue 1. This was partially offset by the disposal of the Logistics Group's trade and other payables.

Provisions remained at S\$0.7 million in FY2023 mainly due to reclassification of provision of reinstatement cost from current liabilities to non-current liabilities as mentioned above. This was partially offset by the additional provision of reinstatement cost.

Bank borrowings decreased by approximately S\$0.5 million, mainly due to (i) the repayment of bank borrowings; and (ii) the disposal of the Logistics Group's bank borrowings. This was partially offset by the increase mainly for the purchase of properties at 404 Pasir Panjang, 48 and 50 Arab Street and renovation costs for the co-living business.

Lease liabilities increased by approximately S\$2.3 million mainly due to recognition of liabilities for master leases mainly from the Industrial Properties. This was partially offset by the disposal of the Logistics Group's lease liabilities.

Current tax payable decreased by approximately S\$0.8 million mainly due to lower income tax provision for FY2023.



## Review of Statement of Cash Flows

In FY2023, the Group recorded net cash generated from operating activities of approximately S\$54.2 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\$13.0 million, which was mainly due to (i) additions to PPE incurred under the Space Optimisation Business and the Logistics Group during the year; (ii) additions to investment properties mainly for the purchase of properties at 404 Pasir Panjang, 48 and 50 Arab Street and renovation costs incurred at Lavender Collection, 298 River Valley Road and 404 Pasir Panjang; and (iii) deposit paid for the acquisition of investment properties. These were partially offset by (i) net proceeds from disposal of the Logistics Group; (ii) receipts of interest and principal from finance lease receivables; (iii) net proceeds from disposal of associate and joint ventures; (iv) proceeds from disposal of investment property; and (v) dividends received from associate and joint ventures.

Net cash used in financing activities amounted to approximately S\$19.2 million, which was mainly due to (i) repayment of bank borrowings and lease liabilities; (ii) interest expenses on bank borrowings and lease liabilities paid; and (iii) dividends paid to shareholders. This was partially offset by the proceeds from bank borrowings for the purchase of properties at 404 Pasir Panjang, 48 and 50 Arab Street and renovation costs for the co-living business.

As a result of the above, cash and cash equivalents increased by approximately S\$22.0 million, amounting to approximately S\$61.6 million as at 30 September 2023.

## Liquidity and Financial Resources

During FY2023, the Group financed its operations primarily through a combination of cash flows generated from its 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 30 September 2023 were denominated in Singapore dollars and United States dollars. Interest charged on these borrowings ranging from 1.38% to 8.65% per annum during the year. As at 30 September 2023, the Group had outstanding bank borrowings of S\$168.3 million. These borrowings were secured by (i) legal mortgage of certain properties in Singapore and 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, where applicable.

As at 30 September 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, United States dollars, Indonesian rupiah and Renminbi 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 30 September 2023 was 56.2%, 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 and 50 Arab Street, renovation costs for our Space Optimisation Business and lease liabilities from the Industrial Properties.

Net gearing ratio is equal to net interest-bearing debt divided by total capital and multiplied by 100%. Net interest-bearing debt is calculated as the sum of bank borrowings and lease liabilities minus cash and bank balances and fixed deposits with banks. Total capital is calculated as interest-bearing debt plus total equity. Net gearing ratio as at 30 September 2023 was 43.6%, a decrease from 44.5% as at 30 September 2022.

## Lease Liabilities

As at 30 September 2023, the Group had lease liabilities of S\$112.0 million in respect of the Group's leased properties, plant and machinery and motor vehicles. Certain lease liabilities of the Group are secured by the underlying assets of certain plant and machinery and motor vehicles 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:

	30 September 2023 S\$'000	30 September 2022 S\$'000
Investment property (excluding deposits paid - Note 17)	109,310	5,342
Development property	13,560	-
Property, plant and equipment	783	15,350
	<u>123,653</u>	<u>20,692</u>

## **Capital Expenditure**

During FY2023, the Group's capital expenditure from continuing operations consists of additions to property, plant and equipment and investment properties amounting to approximately S\$53.5 million for the purchase of properties at 404 Pasir Panjang Road, 48 and 50 Arab Street and renovation costs for the Space Optimisation Business (re-presented FY2022: approximately S\$60.9 million).

## **Contingent Liabilities**

As at 30 September 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 were no material acquisitions and disposals of subsidiaries, associates and joint ventures for FY2023.

## **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(ies) in the contract was/were required to commit or guarantee on the financial performance of any kind for FY2023.

## **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 FY2023.

## **Off-balance Sheet Arrangements**

For FY2023, 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 30 September 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 30 September 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 FY2023. 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 FY2023, the Group recorded an exchange loss of approximately S\$1.5 million.

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

## **Employees and Remuneration Policies**

As at 30 September 2023, there were 459 (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 FY2023.

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

During FY2023, 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 FY2023 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 FY2023.

## 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 FY2023 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.

## Scope of Work of PricewaterhouseCoopers LLP

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 30 September 2023 as set out in this announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers LLP (Singapore), to the amounts set out in the Group’s draft consolidated financial statements for the reporting year. The work performed by PricewaterhouseCoopers LLP in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board (“**IAASB**”) and consequently no assurance has been expressed by PricewaterhouseCoopers LLP (Singapore) on this announcement.

## Public Float

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

## Annual General Meeting

The annual general meeting of the Company (the “AGM”) will be held on 30 January 2024 (Tuesday). The notice of the AGM will be published on the website of SEHK ([www.hkexnews.hk](http://www.hkexnews.hk)), SGX-ST ([www.sgx.com](http://www.sgx.com)) and the website of the Company ([www.lhngroup.com](http://www.lhngroup.com)), and will also be sent to the Shareholders, together with the Company’s annual report, in due course.

## Closure of Register of Members

### *For determining the entitlement to attend and vote at the AGM*

#### For Shareholders in Singapore

The Share Transfer Books and Register of Members of the Company will be closed at **5:00 p.m. on Friday, 26 January 2024** for the purpose of determining shareholders’ entitlements to attend the AGM. 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, 24 January 2024** will be registered to determine shareholders’ entitlements to attend the AGM.

#### For Shareholders in Hong Kong

The branch register of members of the Company in Hong Kong will be closed from **Thursday, 25 January 2024 to Tuesday, 30 January 2024** (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 attend and vote at the AGM, 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, 24 January 2024**.

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 Wednesday, 17 January 2024** 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.

In relation to the books closure date for the purpose of determining shareholders’ entitlements to the proposed final dividend and special dividend, please refer to “11. Dividend Information” under the section “Other information required by Appendix 7C of the Catalist Rules” below in this announcement.

## Other information required by Appendix 7C of the Catalist 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 19 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 19 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 13 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 14 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 FY2023 is in line with the profit warning announcement announced by the Group on 14 November 2023. The variance was mainly due to fair value adjustments on investment properties which were subject to finalisation of valuation as at the date of the profit warning announcement.

**11. Dividend Information**

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

**(b) (i) Amount per share:** Final dividend of 1.0 Singapore cent (equivalent to HK\$0.0581) in cash. Special dividend of 1.0 Singapore cent (equivalent to HK\$0.0581) in cash and/or scrip.

**(ii) Previous corresponding period:** 1.0 Singapore cent (equivalent to HK\$0.0567).

**(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**

Subject to shareholders' approval at the upcoming annual general meeting, the proposed final dividend and special dividend will be paid on Friday, 23 February 2024 and Friday, 31 May 2024 respectively.

**(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, 7 February 2024** for the purpose of determining shareholders' entitlements to the proposed final dividend and special 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, 7 February 2024** will be registered to determine shareholders' entitlements to the proposed final dividend and special dividend.

For Shareholders in Hong Kong

The branch register of members of the Company in Hong Kong will be closed between **Thursday, 8 February 2024 and Friday, 9 February 2024** (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 proposed final dividend and special 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, 7 February 2024**.

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 Tuesday, 30 January 2024** 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. **Breakdown of Group's revenue and profit/(loss) after tax for first half year and second half year.**

	<b>FY2023 S\$'000</b>	<b>FY2022 <sup>##</sup> S\$'000</b>	<b>Increase/(Decrease) %</b>
(a) Sales reported for first half year	42,883	45,615	(6.0)
(b) Profit after tax before deducting non-controlling interests reported for first half year	16,937	32,196	(47.4)
(c) Sales reported for second half year	50,761	38,848	30.7
(d) Profit after tax before deducting non-controlling interest reported for second half year	21,274	13,642	55.9

<sup>##</sup> Comparative information has been re-presented due to a discontinued operation (Note 11)

14. **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. As announced on 28 August 2023, the Group had completed the disposal of LHN Logistics Limited and its group of companies through the acceptance of the voluntary conditional general offer.

<b>Name of Interested Person</b>	<b>Nature of Relationship</b>	<b>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)</b> S\$'000	<b>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)</b> S\$'000
<u>Payments received by our Group</u> LHN Logistics Limited and its group of companies - Warehouse services	Indirect subsidiaries of the Company which are separately listed on the Catalist of the SGX-ST.	324	-

15. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director, CEO and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Detail of changes in duties and position held, if any, during the year</b>
Ong Siang Lim Jeremy	44	Brother-in-law of Kelvin Lim and Jess Lim	General manager, responsible to oversee the car park management services / 2016	N.A.

## 16. Disclosures on Acquisition and Realisation of Shares pursuant to Catalyst Rule 706A

During FY2023 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%	-
7.	Four Star Industries Sdn. Bhd.	Malaysia	RM100	Retail of furniture	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 of 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.

On 28 August 2023, the Group had completed the disposal of its 84.05% interest in LHN Logistics Limited. Accordingly, LHN Logistics Limited and its group of companies have ceased to be subsidiaries of the Group. Please refer to the announcements dated 4 June 2023, 31 July 2023, and 3, 21 and 28 August 2023, and the circular of the Company dated 13 July 2023.

On 23 November 2023, the Group had disposed of its 20% interests in its subsidiary, Coliwoo PP Pte. Ltd.. Please refer to the announcement dated 23 November 2023 for more details.

## 17. 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 the "Business Outlook" section of this announcement.

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

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

## 19. Publication of Financial Information

The annual results announcement for FY2023 is published on the website of SEHK ([www.hkexnews.hk](http://www.hkexnews.hk)), SGX-ST ([www.sgx.com](http://www.sgx.com)) and the website of the Company ([www.lhngroup.com](http://www.lhngroup.com)). The annual report of the Company for FY2023 containing, among others, the annual 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, 24 November 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.*