

**LHN
GROUP**
SPACE OPTIMISED

COMMERCIAL
RESIDENTIAL
INDUSTRIAL
FACILITIES
CAR PARK
ENERGY

INTERIM REPORT

2025



LHN LIMITED - 賢能集團有限公司*
STOCK CODE: Singapore - 410 / Hong Kong - 1730
(Incorporated in the Republic of Singapore with limited liability)
(*For identification purpose only)

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Lim Lung Tieng

Executive Chairman
Executive Director
Group Managing Director

Lim Bee Choo

Executive Director
Group Deputy Managing Director

Chan Ka Leung Gary

Lead Independent Non-executive Director

Ang Poh Seong

Independent Non-executive Director

Lim Kian Thong

Independent Non-executive Director

AUDIT COMMITTEE

Chan Ka Leung Gary (Chairman)

Ang Poh Seong

Lim Kian Thong

REMUNERATION COMMITTEE

Lim Kian Thong (Chairman)

Chan Ka Leung Gary

Ang Poh Seong

NOMINATING COMMITTEE

Ang Poh Seong (Chairman)

Chan Ka Leung Gary

Lim Kian Thong

Lim Lung Tieng

COMPANY SECRETARY

Chong Eng Wee

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SINGAPORE PRINCIPAL SHARE REGISTRAR

**Boardroom Corporate & Advisory Services
Pte. Ltd.**

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Singapore 098632

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre
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AUDITORS

PricewaterhouseCoopers LLP

Registered Public Interest Entity
Auditor in Hong Kong
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Partner-in-charge: **Lee Zhen Jian**
(since financial year 2022)

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Singapore 049513

United Overseas Bank Limited

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Singapore 048624

INVESTOR RELATIONS

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STOCK CODES

Singapore: 410
Hong Kong: 1730

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

FOR THE SIX MONTHS ENDED 31 MARCH 2025

The board (the “Board”) of directors (the “Directors”) of LHN Limited (the “Company”) hereby announces the interim condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 March 2025, together with the comparative figures for the six months ended 31 March 2024. The Group’s interim results for the six months ended 31 March 2025 are unaudited, but have been reviewed by the audit committee of the Board (the “Audit Committee”).

	Note	2025 (unaudited) S\$'000	2024 (unaudited) S\$'000
Revenue	7	70,569	54,547
Cost of sales*	9	(29,932)	(21,552)
Gross profit		40,637	32,995
Other gains/(losses) – net and other income	8	11,337	2,595
Other operating expenses			
– Impairment loss on trade, other and finance lease receivables		(274)	(57)
Selling and distribution expenses	9	(5,183)	(1,199)
Administrative expenses*	9	(13,204)	(12,247)
Finance cost – net	10	(5,952)	(5,636)
Share of results of associates and joint ventures, net of tax		1,061	3,767
Fair value loss on investment properties, net		(10,373)	(4,965)
Profit before taxation		18,049	15,253
Taxation	11	(3,110)	(1,995)
Net profit		14,939	13,258
Other comprehensive income			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Currency translation differences arising from consolidation		571	36
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Revaluation gains on leasehold properties, net		330	68
Financial assets, at FVOCI – Fair value gain – equity investment		23	–
Share of other comprehensive income of joint venture		103	153
Other comprehensive income		1,027	257
Total comprehensive income for the period		15,966	13,515
Profit attributable to:			
Equity holders of the Company		14,121	12,973
Non-controlling interests		818	285
Profit for the period		14,939	13,258
Total comprehensive income attributable to:			
Equity holders of the Company		15,147	13,230
Non-controlling interests		819	285
Total comprehensive income for the period		15,966	13,515
Earnings per share for profit attributable to equity holders of the Company			
Basic (cents)	13	3.38	3.17
Diluted (cents)	13	3.34	3.14

* Refer to Note 8(a) for reclassification of 2024 comparative figures.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – GROUP

AS AT 31 MARCH 2025

	Note	31 March 2025 (unaudited) S\$'000	30 September 2024 (audited) S\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	31,055	31,719
Right-of-use assets		16,224	13,651
Investment properties		462,723	457,978
Investment in associates and joint ventures		35,277	34,098
Other financial assets		533	493
Deferred tax assets		4	55
Trade and other receivables	16	10,862	11,324
Loans to associates and joint ventures		17,186	16,137
Prepayments		282	279
Finance lease receivables	15	9,983	3,864
Fixed deposits with banks		500	500
		<u>584,629</u>	<u>570,098</u>
Current assets			
Development properties		38,441	43,866
Inventories		12	44
Trade and other receivables	16	15,755	13,052
Prepayments		1,774	1,760
Finance lease receivables	15	15,390	17,297
Fixed deposits with banks		7,651	4,159
Cash and bank balances		51,433	46,503
		<u>130,456</u>	<u>126,681</u>
TOTAL ASSETS		<u>715,085</u>	<u>696,779</u>
EQUITY			
Capital and Reserves			
Share capital	17	68,340	68,340
Reserves		196,804	185,841
		<u>265,144</u>	<u>254,181</u>
Non-controlling interests		3,674	2,855
TOTAL EQUITY		<u>268,818</u>	<u>257,036</u>
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		6,895	6,396
Other payables	18	16,769	16,590
Provisions		345	345
Bank borrowings	19	246,931	255,837
Lease liabilities	20	61,530	64,227
		<u>332,470</u>	<u>343,395</u>
Current liabilities			
Trade and other payables	18	41,026	32,904
Provisions		337	337
Bank borrowings	19	31,056	25,747
Lease liabilities	20	35,925	33,552
Current income tax liabilities		5,453	3,808
		<u>113,797</u>	<u>96,348</u>
TOTAL LIABILITIES		<u>446,267</u>	<u>439,743</u>
TOTAL EQUITY AND LIABILITIES		<u>715,085</u>	<u>696,779</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW – GROUP

FOR THE SIX MONTHS ENDED 31 MARCH 2025

	Six months ended 31 March	
	2025 (unaudited) S\$'000	2024 (unaudited) S\$'000
Cash flows from operating activities:		
Net profit	14,939	13,258
Adjustments for:		
Taxation	3,110	1,995
Share of results of associates and joint ventures, net of tax	(1,061)	(3,767)
Depreciation of property, plant and equipment	2,386	3,167
Depreciation of right-of-use assets	6,623	5,940
Gain on disposal of property, plant and equipment	(3)	(32)
Write-off of property, plant and equipment	5	–
Fair value loss on investment properties	10,373	4,965
Gain from net investment in subleases	(9,057)	(384)
Lease modification (gains)/losses – net	(36)	18
Impairment loss on trade, other and finance lease receivables	274	57
Finance income	(935)	(1,185)
Finance cost	5,952	5,636
Operating cash flows before working capital changes	32,570	29,668
Changes in working capital:		
– Development properties	4,000	(6,430)
– Inventories	32	–
– Trade and other receivables	(3,352)	(1,567)
– Trade and other payables	5,787	(5,724)
Cash generated from operations	39,037	15,947
Income tax paid	(2,810)	(2,125)
Income tax refunded	1,774	800
Net cash generated from operating activities	38,001	14,622
Cash flows from investing activities:		
Additions to property, plant and equipment	(1,876)	(1,988)
Additions to investment properties	(5,879)	(33,894)
Interest capitalised on investment properties	(1,436)	–
Deposits paid for acquisition of investment properties	–	(4,000)
Loans to associates and joint ventures	(1,613)	(1,325)
Repayment from associates and joint ventures	630	950
Proceeds from disposal of property, plant and equipment	74	62
Receipts of principal from finance lease receivables	11,518	9,806
Interest received from finance lease receivables	306	524
Dividend from associate and joint ventures	–	400
Interest received	227	473
Net cash generated from/(used in) investing activities	1,951	(28,992)
Cash flows from financing activities:		
Decrease/(increase) in restricted bank deposits and pledged fixed deposits	135	(2,569)
Proceeds from bank borrowings	13,825	62,915
Repayment of bank borrowings	(17,432)	(17,575)
Repayment of lease liabilities principal	(20,766)	(19,017)
Loan from non-controlling interests	2,110	2,740
Capital contribution from non-controlling interests	–	396
Interest expenses paid	(5,138)	(5,368)
Dividends paid to equity holders of the Company	(4,184)	(4,088)
Net cash (used in)/generated from financing activities	(31,440)	17,434
Net increase in cash and cash equivalents	8,512	3,064
Cash and cash equivalents at beginning of period	43,333	58,580
Exchange gains/(losses) on cash and cash equivalents	45	(41)
Cash and cash equivalents at end of period	51,890	61,603

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW – GROUP

FOR THE SIX MONTHS ENDED 31 MARCH 2025

	As at 31 March	
	2025 (unaudited) S\$'000	2024 (unaudited) S\$'000
Consolidated cash and bank deposits are represented by:		
Cash and bank balances	51,433	45,562
Fixed deposits that mature within one year	7,651	22,407
	59,084	67,969
Less: Restricted bank deposits and pledged fixed deposits	(7,194)	(6,366)
Cash and cash equivalents as per consolidated statement of cash flows	51,890	61,603

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL

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 the Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) since 13 December 2023 and on the Main Board of The Stock Exchange of Hong Kong Limited (“**SEHK**”) since 29 December 2017. The Company was formerly listed on the Catalist of the SGX-ST on 13 April 2015 and has completed the transfer of its listing from Catalist to the Mainboard of the SGX-ST on 13 December 2023.

The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) are principally engaged in (i) space optimisation; (ii) property development; (iii) facilities management services; and (iv) energy business.

This unaudited condensed consolidated interim financial information is presented in Singapore Dollars (“**SGD**” or “**S\$**”) and all values are rounded to the nearest thousand (“**S\$’000**”), unless otherwise stated.

2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial statements for the six months ended 31 March 2025 has been prepared in accordance with IAS 34, “Interim financial reporting”. The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 September 2024, which have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (“**IASB**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) issued by Accounting Standards Council Singapore.

This unaudited condensed consolidated interim financial statements has been prepared under the historical cost convention, as modified by the fair valuation of investment properties and leasehold properties (classified under Property, plant and equipment), which are carried at fair value and fair valuation of investments held at fair value through other comprehensive income or profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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 2024.

- (a) Amendments to IFRSs effective for the financial year ending 30 September 2025 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:

		Effective for accounting periods beginning on or after
Amendments to IAS 1	Non-current Liabilities with Covenants	1 October 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current	1 October 2024
Amendments to IFRS 16	Lease liability in a Sale and Leaseback	1 October 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangement	1 October 2024
Amendments to IAS 21	Lack of Exchangeability	1 October 2025
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 October 2025
IFRS 18	Presentation and Disclosure in Financial Statements	1 October 2027

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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 are modification in the scope or the consideration of the lease that was not part of the original term.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.1. Leases (Cont'd)

Where the Group is lessee (Cont'd)

(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 leases its right-of-use properties and owned properties under operating leases.

(i) Lessor – Operating leases

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

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

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

(ii) Lessor – Subleases

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

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. USE OF JUDGEMENT AND ESTIMATES

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

In preparing this unaudited condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 September 2024.

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. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest risk), credit risk, liquidity risk, capital risk and fair value estimation

The unaudited condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements for the year ended 30 September 2024.

There have been no changes in the risk management policies since 30 September 2024.

5.2 Fair value estimation

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (iii) Level 3: unobservable inputs for the asset or liability.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. FINANCIAL RISK MANAGEMENT (CONT'D)

5.2 Fair value estimation (Cont'd)

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis as at 31 March 2025 and 30 September 2024:

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
As at 31 March 2025 (unaudited)				
<u>Investment properties (owned):</u>				
Industrial, commercial and residential properties	–	–	368,259	368,259
<u>Investment properties (right-of-use):</u>				
Industrial, commercial and residential properties	–	–	94,464	94,464
	–	–	462,723	462,723
<u>Property, plant and equipment:</u>				
Leasehold properties	–	–	18,738	18,738
As at 30 September 2024 (audited)				
<u>Investment properties (owned):</u>				
Industrial, commercial and residential properties	–	–	358,306	358,306
<u>Investment properties (right-of-use):</u>				
Industrial, commercial and residential properties	–	–	99,672	99,672
	–	–	457,978	457,978
<u>Property, plant and equipment:</u>				
Leasehold properties	–	–	18,728	18,728

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 management at each reporting date.

Fair value measurements of investment properties and leasehold properties

Investment properties and leasehold properties are carried at fair values at the end of reporting period. 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.

Reconciliation of movements in Level 3 fair value measurement

	31 March 2025 S\$'000	30 September 2024 S\$'000
<u>Investment properties</u>		
Beginning of financial period/year	457,978	303,761
Additions – investment properties	11,257	134,507
Additions – capitalised expenditure	9,847	12,528
Derecognition of assets of right-of-use properties	(6,466)	(2,045)
Net loss from fair value adjustment	(10,373)	10,459
Currency translation	480	(1,232)
End of financial period/year	462,723	457,978

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. FINANCIAL RISK MANAGEMENT (CONT'D)

5.2 Fair value estimation (Cont'd)

Fair value measurements of investment properties and leasehold properties (Cont'd)

Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties and leasehold properties categorised under Level 3 of the fair value hierarchy:

Description	Fair value S\$'000	Valuation technique	Unobservable inputs ^(a)	Range of Unobservable inputs	Relationship of unobservable inputs to fair value
As at 31 March 2025 (unaudited)					
Singapore (Owned investment properties)	347,410	Direct comparison method	Transacted price of comparable properties	S\$2,100 to S\$38,800 per square metre	The higher the comparable transacted price, the higher the fair value
		Direct comparison method	Transacted price of comparable properties	S\$799,000 to S\$1,957,000 per Key	The higher the comparable transacted price, the higher the fair value
		Discounted cash flow method	Discount rate	5.5%-6.0%	The higher the rate, the lower the fair value
		Discounted cash flow method	Terminal yield	2.9%-5.5%	The higher the rate, the lower the fair value
		Income capitalisation method	Capitalisation rate	2.9%-6.5%	The higher the rate, the lower the fair value
		Residual value method	Gross development value	S\$21,300 per square metre	The higher the amount, the higher the fair value
		Residual value method	Cost to complete	S\$2,500 per square metre	The higher the amount, the lower the fair value
Singapore (Right-of-use leased properties)	94,464	Income capitalisation method	Capitalisation Rate	10.0%	The higher the rate, the lower the fair value
Indonesia (Owned investment properties)	5,280	Direct comparison method	Transacted price of comparable properties	S\$3,100 to S\$4,200 per square metre	The higher the comparable transacted price, the higher the fair value
Cambodia (Owned investment properties)	15,569	Direct comparison method	Transacted price of comparable properties	S\$1,700 to S\$4,500 per square metre	The higher the comparable transacted price, the higher the fair value
	<u>462,723</u>				
Singapore (Leasehold properties)	18,738	Direct comparison method	Transacted price of comparable properties	\$2,100 to S\$31,800 per square metre	The higher the comparable transacted price, the higher the fair value
	<u>18,738</u>				

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. FINANCIAL RISK MANAGEMENT (CONT'D)

5.2 Fair value estimation (Cont'd)

Fair value measurements of investment properties and leasehold properties (Cont'd)

Valuation techniques and inputs used in Level 3 fair value measurements (Cont'd)

<u>Description</u>	<u>Fair value S\$'000</u>	<u>Valuation technique</u>	<u>Unobservable inputs^(a)</u>	<u>Range of Unobservable inputs</u>	<u>Relationship of unobservable inputs to fair value</u>
As at 30 September 2024 (audited)					
Singapore (Owned investment properties)	337,634	Direct comparison method	Transacted price of comparable properties	S\$2,100 to S\$42,000 per square metre	The higher the comparable transacted price, the higher the fair value
		Direct comparison method	Transacted price of comparable properties	S\$961,000 to S\$1,957,000 per Key	The higher the comparable transacted price, the higher the fair value
		Income capitalisation method	Capitalisation rate	2.9%-6.5%	The higher the rate, the lower the fair value
		Residual value method	Gross development value	S\$21,500 to S\$22,300 per square metre	The higher the amount, the higher the fair value
		Residual value method	Cost to complete	S\$4,900 to S\$6,700 per square metre	The higher the amount, the lower the fair value
Singapore (Right-of-use leased properties)	99,672	Income capitalisation method	Capitalisation Rate	10.0%	The higher the rate, the lower the fair value
Indonesia (Owned investment properties)	5,516	Direct comparison method	Transacted price of comparable properties	S\$3,200 to S\$4,100 per square metre	The higher the comparable transacted price, the higher the fair value
Cambodia (Owned investment properties)	15,156	Direct comparison method	Transacted price of comparable properties	S\$2,000 to S\$3,000 per square metre	The higher the comparable transacted price, the higher the fair value
	<u>457,978</u>				
Singapore (Leasehold properties)	18,728	Direct comparison method	Transacted price of comparable properties	S\$2,100 to S\$23,800 per square metre	The higher the comparable transacted price, the higher the fair value
	<u>18,728</u>				

(a) There were no significant inter-relationships between unobservable inputs except that under the Discounted Cash Flow Method, the discount rate should conceptually approximate the summation of the terminal yield and the growth rate.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

6. SEGMENT INFORMATION

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

1. Industrial group
2. Commercial group
3. Residential group
4. Property development group
5. Facilities management group
6. Energy Group

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

For the six months ended 31 March 2025, revenue attributable to the Group's largest customer accounted for approximately 5.2% (2024: 2.9%) of the Group's total revenue and aggregate revenue attributable to the five largest customers of the Group accounted for approximately 16.0% (2024: 8.4%) 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. Both the pre-IFRS 16 and post-IFRS 16 revenue are reported to the Group Managing Director.

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.

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, development properties, inventories, loans to associate and joint ventures, trade and other receivables, finance lease receivables, bank borrowings, lease liabilities and trade and other payables that are directly attributable to a segment as well as items that can be allocated on a reasonable basis.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

6. SEGMENT INFORMATION (CONT'D)

Segment breakdown for the six months ended 31 March 2025 are as follows:

	Industrial S\$'000	Commercial S\$'000	Residential S\$'000	Property development S\$'000	Facilities Management S\$'000	Energy S\$'000	Corporate and Eliminations S\$'000	Consolidated S\$'000
Sales								
Total segment sales	13,311	1,879	26,214	12,110	20,758	1,850	8,670	84,792
Inter-segment sales	(391)	(401)	(2,526)	–	(1,339)	(1,082)	(8,484)	(14,223)
External sales	12,920	1,478	23,688 ¹	12,110	19,419	768	186	70,569
Segment operating results	8,255	713	19,624²	2,119	2,474	225	(1,032)	32,378
Fair value loss on investment properties	(4,198)	(405)	(5,770) ³	–	–	–	–	(10,373)
Interest income	202	165	411 ⁴	5	79	16	57	935
Finance cost	(1,335)	(243)	(3,047) ⁵	(769)	(265)	(36)	(257)	(5,952)
Share of results of associates and joint ventures	2,924	230	11,218 ⁶	1,355	2,288	205	(1,232)	16,988
– Operating results	1,763	–	(54)	–	4	(23)	–	1,690
– Fair value loss on investment properties	(273)	–	(356)	–	–	–	–	(629)
Total share of results of associates and joint ventures	1,490	–	(410)	–	4	(23)	–	1,061
Profit before taxation	4,414	230	10,808	1,355	2,292	182	(1,232)	18,049
Taxation	–	–	–	–	–	–	–	(3,110)
Net profit for the period	–	–	–	–	–	–	–	14,939
Included in segments operating results:								
Depreciation of property, plant and equipment	313	99	533	–	843	168	430	2,386
Depreciation of right-of-use assets	–	1	69	–	6,508	19	26	6,623
Operating and capital assets	126,366	17,543	409,289	54,882	33,757	7,603	30,364	679,804
Investment in associates and joint ventures	26,442	–	7,509	–	1,186	140	–	35,277
Total segment assets	–	–	–	–	–	–	–	715,081
Total segment liabilities	86,913	17,611	244,840	38,649	23,479	2,822	19,605	433,919
Capital expenditures ⁷	51	30	10,537	–	182	817	39	11,656

1 Includes revenue of S\$608,000 in segment results from 85 SOHO (Overseas).

2 Includes loss of S\$341,000 in segment results from 85 SOHO (Overseas).

3 Includes fair value loss of S\$303,000 from 85 SOHO (Overseas).

4 Includes interest income of S\$3,000 from 85 SOHO (Overseas).

5 Includes finance cost of S\$177,000 from 85 SOHO (Overseas).

6 Includes loss before tax of S\$818,000 from 85 SOHO (Overseas).

7 Excludes initial additions to right-of-use investment properties with corresponding lease liabilities of S\$20,440,000.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

6. SEGMENT INFORMATION (CONT'D)

Segment breakdown for the six months ended 31 March 2024 are as follows:

	Industrial S\$'000	Commercial S\$'000	Residential S\$'000	Property development S\$'000	Facilities Management S\$'000	Energy S\$'000	Corporate and Eliminations S\$'000	Consolidated S\$'000
Sales								
Total segment sales	12,741	3,195	22,892	-	18,689	1,904	7,660	67,081
Inter-segment sales	(185)	(401)	(2,306)	-	(1,446)	(1,079)	(7,117)	(12,534)
External sales	12,556	2,794	20,586 ¹	-	17,243	825	543	54,547
Segment operating results	7,919	339	11,831²	(12)	1,965	362	(1,502)	20,902
Fair value loss on investment properties	(3,880)	(39)	(1,046) ³	-	-	-	-	(4,965)
Interest income	299	210	197 ⁴	5	60	-	414	1,185
Finance cost	(1,638)	(363)	(3,215) ⁵	-	(252)	(23)	(145)	(5,636)
Share of results of associates and joint ventures	2,700	147	7,767 ⁶	(7)	1,773	339	(1,233)	11,486
- Operating results	1,743	-	(380)	-	(2)	(43)	-	1,318
- Fair value (loss)/gain on investment properties	(28)	-	2,470	-	7	-	-	2,449
Total share of results of associates and joint ventures	1,715	-	2,090	-	5	(43)	-	3,767
Profit before taxation	4,415	147	9,857	(7)	1,778	296	(1,233)	15,253
Taxation								(1,995)
Net profit for the period								13,258
Included in segments operating results:								
Depreciation of property, plant and equipment	443	375	1,275	-	539	105	430	3,167
Depreciation of right-of-use assets	-	1	69	-	5,831	15	24	5,940

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

6. SEGMENT INFORMATION (CONT'D)

Segment breakdown for its comparative period ended 30 September 2024 are as follows:

	Industrial S\$'000	Commercial S\$'000	Residential S\$'000	Property development S\$'000	Facilities Management S\$'000	Energy S\$'000	Corporate and Eliminations S\$'000	Consolidated S\$'000
Operating and capital assets	130,608	20,353	399,798	44,819	30,535	7,199	29,314	662,626
Investment in associates and joint ventures	24,836	–	7,918	–	1,182	162	–	34,098
Total segment assets	89,293	19,660	249,601	33,157	18,827	3,052	15,949	429,539
Capital expenditures ⁷	121	148	134,271	–	1,936	775	766	138,017

1 Includes revenue of S\$569,000 in segment results from 85 SOHO (Overseas).

2 Includes loss of S\$396,000 in segment results from 85 SOHO (Overseas).

3 Includes fair value loss of S\$215,000 from 85 SOHO (Overseas).

4 Includes interest income of S\$2,000 from 85 SOHO (Overseas).

5 Includes finance cost of S\$226,000 from 85 SOHO (Overseas).

6 Includes loss before tax of S\$837,000 from 85 SOHO (Overseas).

7 Excludes initial additions to right-of-use investment properties with corresponding lease liabilities of S\$8,859,000.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

6. SEGMENT INFORMATION (CONT'D)

Reconciliation of segments' total assets and total liabilities

	31 March 2025 S\$'000	30 September 2024 S\$'000
Reportable segments' assets are reconciled to total assets:		
Segment assets	715,081	696,724
Deferred tax assets	4	55
	<u>715,085</u>	<u>696,779</u>
Reportable segments' liabilities are reconciled to total liabilities:		
Segment liabilities	433,919	429,539
Current income tax liabilities	5,453	3,808
Deferred tax liabilities	6,895	6,396
	<u>446,267</u>	<u>439,743</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, services are provided or properties are located:

	Revenue from external customers six months ended 31 March	
	2025 S\$'000	2024 S\$'000
Singapore	68,520	52,228
Hong Kong	1,198	1,500
Myanmar	271	291
Indonesia	243	250
Cambodia	337	278
	<u>70,569</u>	<u>54,547</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	
	31 March 2025 S\$'000	30 September 2024 S\$'000
Singapore	561,294	546,706
Hong Kong	1	78
Myanmar	708	739
Indonesia	5,329	5,572
Cambodia	15,948	15,562
People's Republic of China	1,319	1,381
Others	26	5
	<u>584,625</u>	<u>570,043</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

7. REVENUE

	Six months ended 31 March	
	2025	2024
	S\$'000	S\$'000
Rental income from		
– Leased properties	22,225	23,321
– Owned properties	6,627	5,366
Sale of development properties	12,110	–
Car park services	14,364	13,271
Facilities services	10,917	9,917
Energy related services and sale of goods	526	581
Management services fee income	3,143	1,382
Others	657	709
	<u>70,569</u>	<u>54,547</u>

8. OTHER GAINS/(LOSSES) – NET AND OTHER INCOME

	Six months ended 31 March	
	2025	2024
	S\$'000	S\$'000
Other gains/(losses) – net		
Gain on disposal of property, plant and equipment – net	3	32
Write-off of property, plant and equipment	(5)	–
Gain from net investment in subleases	9,057	384
Lease modification gains/(losses) – net	36	(18)
Foreign exchange gains/(losses) – net	16	(780)
	<u>9,107</u>	<u>(382)</u>
Other income		
Administrative services charges	428	439
Interest income	935	1,185
Government grants	34	96
Progressive wage credit scheme and senior employment credit ¹	179	233
Forfeiture of tenant deposit	165	171
Rental rebates, net ²	–	363
Other income	489	490
	<u>2,230</u>	<u>2,977</u>
	<u>11,337</u>	<u>2,595</u>

1 Progressive wage credit scheme and senior 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.

2 Rental rebates are introduced by Governments, mainly to help tenants with their rental payments during the global pandemic outbreak of COVID-19.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

9. EXPENSE BY NATURE

	Six months ended 31 March	
	2025	2024
	S\$'000	S\$'000
Advertising and marketing expenses	1,002	324
Commission fees	3,770	649
Entertainment expenses	283	156
Rental expenses	3,051	3,650
Site maintenance and preparation	4,914	3,862
Cost of development properties	5,771	–
Depreciation of property, plant and equipment	2,386	3,167
Depreciation of right-of-use assets	6,623	5,940
Professional fees	874	721
Employee benefit costs	15,064	12,888
Insurance fees	349	324
IT Maintenance expenses	615	458
Printing expenses	163	174
Property management fees	433	341
Telephone expenses	206	167
Auditor's remuneration		
– Audit services	243	264
– Non-audit services	68	9
Other expenses	2,504	1,904
	<u>48,319</u>	<u>34,998</u>

(a) Reclassification of 2024 comparative figures

In the financial year 2024, management reallocated expenses from Administrative Expenses to Cost of Sales, comprising mainly of employee benefit expense as the reallocation better reflects the employees' scope of work. To conform to financial year 2024 expenses by function presentation in the statement of profit or loss, a reclassification was made to the 6 months ended 31 March 2024 comparative figures to reallocate S\$1,796,000 from Administrative Expenses to Cost of Sales. As a result, the 2024 Administrative Expenses was adjusted from S\$14,043,000 to S\$12,247,000 and Cost of Sales was adjusted from S\$19,756,000 to S\$21,552,000. The reclassification did not have any impact to either total expenses or net profit for the comparative period, nor any impact on the consolidated statement of financial position and consolidated statement of cash flows.

10. FINANCE COST – NET

	Six months ended 31 March	
	2025	2024
	S\$'000	S\$'000
Interest expense on borrowings	5,747	4,157
Interest expense on lease liabilities from hire purchase arrangements	6	7
Interest expense on lease liabilities from lease arrangements	1,487	1,592
Interest expense on others	218	87
	<u>7,458</u>	<u>5,843</u>
Less: Amounts capitalised	(1,506)	(207)
Finance cost – net	<u>5,952</u>	<u>5,636</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

11. TAXATION

	Six months ended 31 March	
	2025	2024
	S\$'000	S\$'000
Current income tax	2,696	2,715
Deferred income tax	461	(563)
	<u>3,157</u>	<u>2,152</u>
(Over)/Under provision in respect of prior years		
– current taxation	(64)	(81)
– deferred taxation	17	(76)
	<u>3,110</u>	<u>1,995</u>

12. DIVIDEND

	Six months ended 31 March	
	2025	2024
	S\$'000	S\$'000
Ordinary dividends:		
– Final dividend paid in respect of the previous financial year of 1.0 Singapore cent (2024: 1.0 Singapore cent) per share	4,184	4,088
	<u>4,184</u>	<u>4,088</u>

The Board has resolved to declare an interim dividend of S\$0.01 (equivalent to HK\$0.06) per share for the six months ended 31 March 2025 (2024: S\$0.01). These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 30 September 2025.

13. EARNINGS PER SHARE

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

	Six months ended 31 March	
	2025	2024
Net profit attributable to equity holders of the Company (S\$'000)	14,121	12,973
Weighted average number of ordinary shares ('000)		
– In issue	418,272	408,945
– Adjustment for potential ordinary shares under scrip dividend scheme	4,162	4,543
– Diluted	<u>422,434</u>	<u>413,488</u>
Earnings per share (Singapore cents)		
– Basic	3.38	3.17
– Diluted	3.34	3.14

The diluted earnings per share are determined as above by adjusting the potentially dilutive scrip dividend (Note 17) as at 31 March 2025 and 2024.

14. PROPERTY, PLANT AND EQUIPMENT

The Group had additions of approximately S\$1,809,000 (2024: S\$2,095,000) for the six months ended 31 March 2025.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

15. FINANCE LEASE RECEIVABLES

	31 March 2025 S\$'000	30 September 2024 S\$'000
Not later than 1 year	15,920	17,653
Between 1 and 2 years	9,740	2,928
Between 2 and 3 years	558	999
Total undiscounted lease payments	26,218	21,580
Less: Unearned finance income	(845)	(419)
	<u>25,373</u>	<u>21,161</u>
Presented as:		
Current	15,390	17,297
Non-current	9,983	3,864
	<u>25,373</u>	<u>21,161</u>

16. TRADE AND OTHER RECEIVABLES

	31 March 2025 S\$'000	30 September 2024 S\$'000
Trade receivables:		
– Third parties	4,586	2,961
– Related parties	27	29
– Associates and Joint ventures	332	307
– Unbilled	2,940	2,008
	<u>7,885</u>	<u>5,305</u>
Accrued rental income	452	494
Other receivables:		
– Goods and service tax receivables	776	1,310
– Deposits with external parties	4,709	4,787
– Tax recoverable	268	161
– Other receivables	1,985	1,311
	<u>7,738</u>	<u>7,569</u>
Less:		
– Impairment loss on trade receivables	(318)	(314)
– Impairment loss on other receivables	(2)	(2)
Trade and other receivables included in current assets	<u>15,755</u>	<u>13,052</u>
Trade receivables, unbilled	9,051	9,886
Deposits paid to supplier	1,811	1,438
Trade and other receivables included in non-current assets	<u>10,862</u>	<u>11,324</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

16. TRADE AND OTHER RECEIVABLES (CONT'D)

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

	31 March 2025 S\$'000	30 September 2024 S\$'000
Unbilled	2,940	2,008
0 to 30 days	2,487	2,359
31 to 60 days	1,471	341
61 to 90 days	194	131
91 to 180 days	302	56
181 to 365 days	86	28
Over 365 days	405	382
	<u>7,885</u>	<u>5,305</u>

17. SHARE CAPITAL

	Six months ended 31 March 2025		Year ended 30 September 2024	
	No. of shares Issued	Nominal Amount S\$'000	No. of shares Issued	Nominal Amount S\$'000
Beginning of financial period/year	418,271,953	68,340	408,945,400	65,496
Issuance of scrip shares ¹	–	–	9,326,553	2,844
End of financial period/year	<u>418,271,953</u>	<u>68,340</u>	<u>418,271,953</u>	<u>68,340</u>

1 On 30 May 2024, 9,326,553 number of ordinary shares of the Company were allocated and issued under the scrip dividend scheme for the financial year ending 30 September 2023.

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 has given the shareholders the option of receiving cash and/or scrip shares for the special dividend declared for the financial year ended 30 September 2024. As at 31 March 2025, the maximum potential number of scrip shares to be allotted and issued under the scrip dividend scheme in relation to the special dividend declared for the financial year ended 30 September 2024 is 11,306,119 scrip shares (As at 31 March 2024: 13,410,167 scrip shares).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

18. TRADE AND OTHER PAYABLES

	31 March 2025 S\$'000	30 September 2024 S\$'000
Trade payables		
– Third parties	9,669	2,224
– Related parties	560	499
– Associates and Joint ventures	235	226
	<u>10,464</u>	<u>2,949</u>
Contract liabilities		
– Advances received from customers	4,558	4,543
Other payables and accruals		
– Goods and services tax payables	2,407	1,475
– Provision of directors' fees	49	70
– Accruals	9,886	11,614
– Rental deposits received from tenants	11,819	10,377
– Rental deposits received from related parties	49	49
– Rental received in advance	673	828
– Sundry creditors	1,021	999
	<u>26,004</u>	<u>25,412</u>
Total trade and other payables included in current liabilities	<u>41,026</u>	<u>32,904</u>
Other payables		
– Loans from non-controlling interests	13,012	10,683
– Rental deposits received from tenants	3,739	5,479
– Other payables	18	428
Other payables included in non-current liabilities	<u>16,769</u>	<u>16,590</u>

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

	31 March 2025 S\$'000	30 September 2024 S\$'000
0 to 30 days	9,580	2,385
31 to 60 days	380	236
61 to 90 days	81	45
Over 90 days	423	283
	<u>10,464</u>	<u>2,949</u>

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

19. BANK BORROWINGS

	31 March 2025 S\$'000	30 September 2024 S\$'000
Non-current		
Repayable later than 1 year and no later than 2 years	37,199	42,318
Repayable later than 2 years and no later than 5 years	46,396	46,028
Repayable later than 5 years	163,336	167,491
	<u>246,931</u>	<u>255,837</u>
Current		
Repayable no later than 1 year	31,056	25,747
Total borrowings	<u>277,987</u>	<u>281,584</u>

The bank borrowings of approximately S\$268.8 million as at 31 March 2025 (30 September 2024 – S\$276.6 million) are secured by (i) legal mortgage of certain investment properties, leasehold properties and development 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.

20. LEASE LIABILITIES

	31 March 2025 S\$'000	30 September 2024 S\$'000
No later than 1 year	35,925	33,552
Later than 1 year and no later than 2 years	25,679	22,494
Later than 2 years and no later than 5 years	35,141	40,854
Later than 5 years	710	879
Total lease liabilities	<u>97,455</u>	<u>97,779</u>

Included in the lease liabilities are:

	31 March 2025 S\$'000	30 September 2024 S\$'000
Current		
Lease liabilities from hire purchase arrangements	74	115
Lease liabilities from right-of-use lease arrangements	35,851	33,437
	<u>35,925</u>	<u>33,552</u>
Non-current		
Lease liabilities from hire purchase arrangements	78	116
Lease liabilities from right-of-use lease arrangements	61,452	64,111
	<u>61,530</u>	<u>64,227</u>
Total lease liabilities	<u>97,455</u>	<u>97,779</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

21. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised in the financial statements, excluding those relating to investments in associated companies and investment in joint ventures are as follows:

	31 March 2025 S\$'000	30 September 2024 S\$'000
Investment properties (excluding deposits paid)	12,964	7,376
Property, plant and equipment	853	55
	<u>13,817</u>	<u>7,431</u>

(b) Lease commitments – where the Group is a lessee

The Group leases property, plant and equipment from non-related parties under non-cancellable operating lease agreements. These leases have varying terms, escalation clauses and renewal rights.

These lease payments have been recognised as ROU assets and lease liabilities on the consolidated statement of financial position, except for short-term and low value leases which amounted to S\$2,827,000 and S\$224,000 (31 March 2024: S\$3,440,000 and S\$210,000) respectively.

(c) Operating lease commitments – where the Group is a lessor

The Group leases out investment properties under non-cancellable operating lease agreements. The lessees are required to pay either absolute fixed annual increase to the lease payments or contingent rents computed based on their sales achieved during the lease period. When considered necessary to reduce the credit risk, the Group may obtain bank guarantees equivalent to few months of the lease payments.

The Group is exposed to changes in the residual value of properties at the end of current lease agreements. The residual value risk borne by the Group is mitigated by active management of its property portfolio with the objective of optimising tenant mix in order to:

- achieve the longest weighted average lease term possible;
- minimise vacancy rates across all properties; and
- minimise the turnover of tenants with high quality credit ratings.

Lease agreements may also include a clause requiring the tenant to reinstate the leased space to its original state when the lease expires and the tenant decides not to renew the lease agreement. This contributes to the maintenance of the property and allows for the space to be re-let quickly once a tenant has departed.

The undiscounted lease payments from the operating leases from leased properties and owned investment properties to be received after 31 March 2025 and 30 September 2024 is disclosed as follows:

	31 March 2025 S\$'000	30 September 2024 S\$'000
Operating leases from right-of-use properties		
Not later than 1 year	22,992	29,827
Between 1 and 2 years	4,672	7,866
Between 2 and 3 years	262	–
	<u>27,926</u>	<u>37,693</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

21. COMMITMENTS (CONT'D)

(c) Operating lease commitments – where the Group is a lessor (Cont'd)

	31 March 2025 S\$'000	30 September 2024 S\$'000
Operating leases from owned investment properties		
Not later than 1 year	5,437	6,330
Between 1 and 2 years	1,865	1,694
Between 2 and 3 years	351	897
	<u>7,653</u>	<u>8,921</u>

(d) Corporate guarantees

The Group has provided corporate guarantees in favour of financial institutions in respect of facilities granted to certain associate and joint ventures amounting to S\$64,217,000 (31 March 2024: S\$61,400,000). As at 31 March 2025, the outstanding amount of guaranteed loans drawn down by associate and joint ventures amounted to S\$53,254,000 (31 March 2024: S\$51,100,000).

The Group has determined that the corporate guarantees had insignificant fair values as at 31 March 2025 and 30 September 2024.

22. RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the financial statements, the following is a summary of significant related party transactions which, in the opinion of the Directors, are entered into the ordinary course of business between the Group and its related parties.

Name of the related party	Relationship with the Group
Lim Lung Tieng	Executive director and shareholder
Lim Bee Choo	Executive director and shareholder
Work Plus Store (AMK) Pte. Ltd.	A joint venture
Metropolitan Parking Pte. Ltd.	A joint venture
Four Star Industries Pte Ltd	A joint venture
Work Plus Store (Kallang Bahru) Pte. Ltd.	A joint venture
471 Balestier Pte. Ltd.	A joint venture
AMB Hotel Pte. Ltd.	A joint venture (from 7 November 2023) A subsidiary of the joint venture company of the Group (up to 7 November 2023)
Jadeite Properties Pte. Ltd.	A joint venture
Metropolitan Parking (BTSC) Pte. Ltd.	An associate
The Bus Hotel Pte. Ltd.	An associate
Master Care Services Pte. Ltd.	A non-controlling shareholder of a subsidiary of the Group
Lim Hock San	A non-controlling shareholder of a subsidiary of the Group
Way Assets Pte. Ltd.	A non-controlling shareholder of a subsidiary of the Group
Globalpoint Far East Pte. Ltd.	A non-controlling shareholder of a subsidiary of the Group
Macritchie Developments Pte. Ltd.	A non-controlling shareholder of a subsidiary of the Group

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

22. RELATED PARTY TRANSACTIONS (CONT'D)

	Six months ended 31 March	
	2025 S\$'000	2024 S\$'000
Rental and service income received/receivable from:		
Administrative services charged to Joint ventures	93	21
Energy supply revenue charged to Joint ventures	92	84
Facility fees revenue charged to Joint ventures	173	149
Management service fees income charged to Associates	–	108
Management service fees income charged to Joint ventures	957	926
Rental income charged to Joint ventures	107	107
Lease income received/receivable from:		
Lease income received/receivable from non-controlling interests	177	173
Auxiliary services expense paid/payable from:		
Cost of inventories charged by joint ventures	263	175
Renovation works charged by non-controlling interests	2,973	5,189
Loan to:		
Loan to Joint ventures	1,463	980
Loan to Associates	150	345
Repayment of loan from:		
Repayment of loan from Joint ventures	684	950
Loan from:		
Loan from non-controlling interest	2,110	2,740
Other transactions with:		
Collection on behalf of Associates	–	370
Collection on behalf of Joint ventures	884	947
Interest expenses charged by non-controlling interests	218	87
Interest income charged to Joint ventures	292	158

Notes:

- i Sales and purchases are made at prices mutually agreed by the relevant parties
- ii Terms of services are mutually agreed between the relevant parties

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During 1H2025, the **Space Optimisation Business** successfully obtained renewal of eight master leases consisting of two industrial properties, two commercial properties and four residential properties.

The Group's residential properties, driven primarily by Coliwoo's co-living business, achieved yet another period of robust performance in 1H2025, with 2,924 keys secured as at 31 March 2025.

Number of Keys by Projects

As at	Co-living – Singapore Projects		85 SOHO – Overseas Projects		Total
	Master Lease/ Management Contract	Owned/ Joint Venture	Master Lease	Owned/ Joint Venture	
31 March 2025	1,901	694	221	108	2,924

As at 31 March 2025, the occupancy rates across certain properties (excluding joint venture properties and properties that are under progressive handover) under the Space Optimisation Business are as follows:

Industrial Properties	
– Work+Store space:	99.8%
– Industrial space:	98.2%
Commercial Properties	
– Commercial space:	91.0%
Residential Properties	
– Co-living space (Singapore):	97.7%

For the **Property Development Business**, the Group registered its maiden revenue contribution during 1H2025 from the sale of certain strata-titled units at 55 Tuas South Avenue 1, a nine-storey industrial development property. As announced on 14 February 2025, the Group entered into joint ventures with two other partners to acquire and redevelop the property on 30, 30A, 30B, 32, 32A and 32B Lorong 22 Geylang Singapore 398687 and 32D, 32E, 32F, 32G, 32H and 32J Lorong 22 Geylang Singapore 398689 with a land area of 1,179.29 sqm. Appointed as the sole project management company, the Group aims to transform the property into a strata-titled commercial building for retail and office usage, with an estimated saleable area of over 28,000 sqft. The project at Geylang will be the Group's second project in the Property Development Business segment, following the LHN Food Chain food factory at 55 Tuas South Avenue 1. This strategic move aligns with its goal of growing its Property Development Business to diversify the Group's revenue streams.

The **Facilities Management Business** primarily provides integrated facilities management services and car park management services. This business segment continues to perform well in 1H2025. Under its cleaning and related services (“**ICFM**”) business, 43 new contracts were secured while 92 existing contracts were successfully renewed. ICFM expanded its client base to 121, increasing from 103 clients a year ago. For the car park management business, the Group managed 101 car parks in Singapore with over 27,500 lots, and 1 car park with over 500 lots in Hong Kong as at 31 March 2025. Following the lease expiry of the last car park in Hong Kong as at the end of April 2025, the Group had exited the car park business in Hong Kong due to less efficient car park management in Hong Kong.

The **Energy Business** focuses on providing renewable energy services, including electricity retailing, electric vehicle (“**EV**”) charging stations and solar power system installation, primarily for industrial clients. During 1H2025, the Group secured three solar energy contracts with a combined capacity of approximately 0.4 MW of renewable energy, which sums up to the Group's total solar energy capacity of 9.2 MW as at 31 March 2025. Additionally, the Group and its joint venture had a total of 19 EV charging points as at 31 March 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Outlook

The Coliwoo Portfolio

The Group remains cautiously optimistic on the demand for both short-term and long-term rentals for the rest of 2025 due to two factors. Firstly, private residential rents are projected to rise 2-4% in 2025 due to shrinking supply and improved economic conditions. Completions of private homes are expected to drop sharply to 5,300-5,850 units (down from 9,103 in 2024), tightening availability, particularly in suburban and city-fringe areas where supply is falling 59-69% below decade averages. While AI-driven workforce changes may dampen expat demand, the sharp supply contraction is likely to outweigh these pressures, stabilising the rent gap between private homes and HDB flat.^{1,2}

Secondly, the Singapore Tourism Board (STB) projects international visitor arrivals to reach 17.0-18.5 million in 2025, an increase from 16.5 million in 2024, driven by new attractions like Minion Land and Mandai Rainforest Wild Park, a robust MICE events calendar, and improved air connectivity. While geopolitical and economic risks remain, STB expects growth to be supported by key markets such as China (benefiting from a visa-exemption agreement) and India, alongside rising demand from mid- and long-haul regions like Japan and the US.^{3,4} The growing number of tourists will contribute to healthy demand for short-term lodging.

To meet growing rental demand, the Group recently launched its new co-living hotel, **Coliwoo Hotel Kampong Glam**, at 48 Arab Street—strategically located in one of Singapore’s most vibrant and culturally rich districts. In addition, the Group has been awarded the master lease tender for a state-owned property at 159 Jalan Loyang Besar, which is planned to be transformed into a resort-style co-living chalet under the Coliwoo brand. The Group also expects the launch of its Coliwoo projects at 453 Balestier Road and 260 Upper Bukit Timah Road in the second half of the financial year ending 30 September 2025.

Proposed Spin-off and separate listing of the Coliwoo Group

On 15 April 2025, LHN Limited announced a proposed spin-off and separate listing of its indirect wholly-owned subsidiary, Coliwoo Group Pte. Ltd. (“**Coliwoo Group**”), which will hold the Group’s co-living business following an internal restructuring. The application for the spin-off has been submitted to the Hong Kong Stock Exchange under Practice Note 15 of The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**HK Listing Rules**”) and to the Singapore Exchange (SGX-ST), with SGX-ST indicating preliminary concurrence that the transaction would not constitute a chain listing, subject to compliance with listing requirements. Maybank Securities Pte. Ltd. has been appointed as financial adviser and issue manager for the proposed listing on the SGX-ST Mainboard.

If successful, LHN Limited expects to retain a majority shareholding in Coliwoo Group, which will remain consolidated in the Group’s accounts. The spin-off may be classified as a major transaction under the HK Listing Rules, requiring shareholders’ approval and subject to regulatory and market conditions. There is no assurance the spin-off will proceed, and shareholders are advised to exercise caution and await further announcements regarding material developments and the convening of an extraordinary general meeting for approval.

Work+Store

In the industrial property business, Work+Store has expanded its offerings with the introduction of air-conditioned storage and dedicated wine storage spaces. The first location featuring these new facilities is at 202 Kallang Bahru, catering to businesses and individuals seeking climate-controlled environments for temperature-sensitive items. Building on this expansion, Work+Store has also recently launched another air-conditioned storage facility at its 38 Ang Mo Kio location, further enhancing its range of storage solutions to meet the demand for climate-controlled spaces.

Energy Business

The Group’s Energy Business is strategically positioned to support Singapore’s green initiatives. With additional solar contracts and electric vehicle charging projects anticipated, this segment is expected to continue its growth trajectory. Furthermore, we will continue to invest in technology and innovation to optimise our energy generation capabilities by harvesting solar energy from surfaces beyond building rooftops.

Overall, the Group expects contributions across its various business segments to continue driving growth into the next financial year and the Board has resolved to declare an interim dividend of 1.0 Singapore cent per share (1H2024: 1.0 Singapore cent).

1 What is the saving grace for Singapore’s rental market in 2025?

2 OrangeTee - Private Residential & HDB Rental Outlook 2025

3 Singapore targets \$50 billion in tourism receipts by 2040; eyes Mice sector as key growth driver

4 Singapore Achieves Historical High in Tourism Receipts in 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the six months ended 31 March 2025 (“1H2025”) vs six months ended 31 March 2024 (“1H2024”)

Revenue

	1H2025 S\$'000 (unaudited)	1H2024 S\$'000 (unaudited)	Variance	
			S\$'000	%
Industrial Properties	12,920	12,556	364	2.9
Commercial Properties	1,478	2,794	(1,316)	(47.1)
Residential Properties				
– Co-living (Singapore)	23,080	20,017	3,063	15.3
– 85 SOHO (Overseas)	608	569	39	6.9
	23,688	20,586	3,102	15.1
Space Optimisation Business	38,086	35,936	2,150	6.0
Property Development Business	12,110	–	12,110	NM
Facilities Management Business	19,419	17,243	2,176	12.6
Energy Business	768	825	(57)	(6.9)
Corporate	186	543	(357)	(65.7)
Total	70,569	54,547	16,022	29.4

The Group's revenue increased by approximately S\$16.0 million or 29.4%, from approximately S\$54.5 million in 1H2024 to approximately S\$70.6 million in 1H2025, primarily due to increase in revenue from the Space Optimisation Business, Property Development Business and the Facilities Management Business.

(a) Space Optimisation Business

Industrial Properties

Revenue derived from Industrial Properties remained relatively stable with a slight increase, from approximately S\$12.6 million in 1H2024 to approximately S\$12.9 million in 1H2025.

Commercial Properties

Revenue derived from Commercial Properties decreased by approximately S\$1.3 million or 47.1%, from approximately S\$2.8 million in 1H2024 to approximately S\$1.5 million in 1H2025, mainly due to more derecognition of revenue from subleases classified as finance lease in 1H2025.

Residential Properties

Revenue derived from Residential Properties increased by approximately S\$3.1 million or 15.3% from approximately S\$20.6 million in 1H2024 to approximately S\$23.7 million in 1H2025 mainly due to the (i) increase in revenue of approximately S\$3.1 million from our co-living business in Singapore; and (ii) a slight increase in revenue of approximately S\$0.04 million from our overseas properties.

The increase in revenue from our co-living business in Singapore arose mainly from (i) new co-living spaces which started generating revenue since the end of the fourth quarter of the financial year ended 30 September 2024 (“FY2024”); and (ii) higher occupancy rates.

MANAGEMENT DISCUSSION AND ANALYSIS

(b) Property Development Business

Revenue derived from our Property Development Business of approximately S\$12.1 million predominantly came from our sale of certain strata-titled units at 55 Tuas South Avenue 1 in Singapore.

(c) Facilities Management Business

Revenue derived from our Facilities Management Business increased by approximately S\$2.2 million or 12.6%, from approximately S\$17.2 million in 1H2024 to approximately S\$19.4 million in 1H2025, mainly due to the increase in revenue from facilities management services and car park business contributed by the new facilities management contracts and new car parks spaces secured in Singapore, mainly in the third quarter of FY2024 and second quarter of FY2025.

(d) Energy Business

Revenue derived from our Energy Business remained at approximately S\$0.8 million in 1H2024 and 1H2025.

(e) Corporate

Revenue derived from our Corporate decreased by approximately S\$0.3 million or 65.7%, from approximately S\$0.5 million in 1H2024 to approximately S\$0.2 million in 1H2025, mainly due to decrease in management fees.

Cost of Sales

Cost of sales increased by approximately S\$8.4 million or 38.9%, from approximately S\$21.5 million in 1H2024 to approximately S\$29.9 million in 1H2025. The increase was predominantly due to the cost of sale of certain strata-titled units at 55 Tuas South Avenue 1 under our Property Development Business, and increase in costs across Space Optimisation Business and Facilities Management Business which is in line with the increase in revenue.

Gross Profit

In view of the above mentioned, the Group's gross profit increased by approximately S\$7.6 million or 23.2%, from approximately S\$33.0 million in 1H2024 to approximately S\$40.6 million in 1H2025, mainly boosted by the co-living business of the Residential Properties and sale of development properties under the Property Development Business.

Other Gains/(Losses) – net and Other Income

Other gains/(losses) – net and other income increased by approximately S\$8.7 million or 336.9%, from approximately S\$2.6 million in 1H2024 to approximately S\$11.3 million in 1H2025, mainly due to (i) increase 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 gains in 1H2025 as compared to foreign exchange losses in 1H2024 which arose from revaluation of United States dollar denominated balances.

The increase was partially offset by (i) decrease in interest income from fixed deposits placed with banks; and (ii) decrease in rental rebates as the Government scheme in Hong Kong ended in 1H2024.

Other Operating Expenses

Other operating expenses increased slightly by approximately S\$0.2 million or 380.7%, from approximately S\$0.06 million in 1H2024 to approximately S\$0.3 million in 1H2025, 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\$4.0 million or 332.3%, from approximately S\$1.2 million in 1H2024 to approximately S\$5.2 million in 1H2025, mainly due to commission and marketing expenses incurred for the sale of certain strata-titled units under the Property Development Business.

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative Expenses

Administrative expenses increased by approximately S\$1.0 million or 7.8%, from approximately S\$12.2 million in 1H2024 to approximately S\$13.2 million in 1H2025, mainly due to increase in staff costs, professional fees and other miscellaneous expenses.

Finance Cost – net

Finance cost increased by approximately S\$0.3 million or 5.6%, from approximately S\$5.6 million in 1H2024 to approximately S\$6.0 million in 1H2025, mainly due to an increase in interest expenses as a result of increase in bank borrowings at 1H2025 as compared to 1H2024.

Share of Results of Associates and Joint Ventures

Share of results of associates and joint ventures decreased by approximately S\$2.7 million, from approximately S\$3.8 million in 1H2024 to approximately S\$1.1 million in 1H2025, mainly due to share of net fair value loss on investment properties in 1H2025, as compared to share of net fair value gain on investment properties in 1H2024. This was partially offset by an increase in operating profits from our joint ventures.

Fair Value Loss on Investment Properties

Net fair value loss on investment properties increased by approximately S\$5.4 million or 108.9%, from approximately S\$5.0 million in 1H2024 to approximately S\$10.4 million in 1H2025, mainly due to fair value loss on leased investment properties.

Profit before Taxation

As a result of the aforementioned, the Group's profit before taxation increased by approximately S\$2.8 million or 18.3%, from approximately S\$15.3 million in 1H2024 to approximately S\$18.0 million in 1H2025.

Taxation

Income tax expenses increased by approximately S\$1.1 million or 55.9%, from approximately S\$2.0 million in 1H2024 to approximately S\$3.1 million in 1H2025, due to higher tax provisions on higher taxable profits.

Net Profit

As a result of the above, the Group's net profit increased by approximately S\$1.7 million or 12.7%, from approximately S\$13.3 million in 1H2024 to approximately S\$14.9 million in 1H2025.

Review of Statement of Financial Position

Non-current Assets

Non-current assets increased by approximately S\$14.5 million, from approximately S\$570.1 million as at 30 September 2024 to approximately S\$584.6 million as at 31 March 2025, mainly due to the factors set out below.

Property, plant and equipment (“PPE”) decreased by approximately S\$0.7 million mainly due to depreciation of PPE, partially offset by the additions to PPE incurred by the Group.

Right-of-use assets increased by approximately S\$2.6 million mainly due to additions to right-of-use assets for new leases entered into by the car park business, partially offset by depreciation charged in 1H2025.

Investment properties increased by approximately S\$4.7 million mainly due to (i) additions to capital expenditure on investment properties under the co-living business; (ii) net additions to investment properties (right-of-use) from master leases under the Space Optimisation Business; and (iii) currency translation differences. These were partially offset by (i) net derecognition of investment properties (right-of-use) in relation to certain subleases classified as finance leases; and (ii) fair value losses.

Investment in associates and joint ventures increased by approximately S\$1.2 million mainly due to share of results and other comprehensive income of associates and joint ventures recognised in 1H2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Trade and other receivables decreased by approximately S\$0.5 million mainly due to decrease in unbilled receivables as certain amounts have been invoiced over the passage of time. These were partially offset by the increase in deposits paid for the acquisition of plant and equipments.

Loans to associates and joint ventures increased by approximately S\$1.0 million mainly due to additional working capital and partial payment for the acquisition of property in 1H2025.

Prepayments remained at approximately S\$0.3 million in 1H2025.

Finance lease receivables increased by approximately S\$6.1 million mainly due to an increase in net investment in subleases in 1H2025.

Long term fixed deposits remained at S\$0.5 million in 1H2025.

Current Assets

Current assets increased by approximately S\$3.8 million, from approximately S\$126.7 million as at 30 September 2024 to approximately S\$130.5 million as at 31 March 2025, mainly due to the factors set out below.

Development properties decreased by approximately S\$5.4 million mainly due to the sale of certain strata-titled units at 55 Tuas South Avenue 1 (a 9-storey multi-user food processing industrial redevelopment) in 1H2025.

Trade and other receivables increased by approximately S\$2.7 million mainly due to (i) increase in trade receivables; and (ii) increase in unbilled receivables in relation to certain strata-titled units sold under the Property Development Business.

Prepayments remained at approximately S\$1.8 million in 1H2025.

Finance lease receivables decreased by approximately S\$1.9 million mainly due to receipts in 1H2025.

Fixed deposits with banks and cash and bank balances increased by approximately S\$8.5 million, variance as detailed in the movement in statement of cashflow.

Non-current Liabilities

Non-current liabilities decreased by approximately S\$10.9 million, from approximately S\$343.4 million as at 30 September 2024 to approximately S\$332.5 million as at 31 March 2025, mainly due to the factors set out below.

Deferred tax liabilities increased by approximately S\$0.5 million.

Other payables increased by approximately S\$0.2 million mainly due to an increase in loans from non-controlling interests for additional working capital, partially offset by a decrease in rental deposits received due to reclassification from non-current liabilities to current liabilities based on the tenants' maturity profile under the Space Optimisation Business.

Bank borrowings decreased by approximately S\$8.9 million mainly due to reclassification from non-current liabilities to current liabilities due to certain strata-titled units sold under the Property Development Business.

Lease liabilities decreased by approximately S\$2.7 million mainly due to repayments in 1H2025, partially offset by an increase in lease liabilities in relation to new master leases entered under the Space Optimisation Business and new car park leases.

Provisions remained at approximately S\$0.3 million in 1H2025.

Current Liabilities

Current liabilities increased by approximately S\$17.4 million, from approximately S\$96.3 million as at 30 September 2024 to approximately S\$113.8 million as at 31 March 2025, mainly due to the factors set out below.

Trade and other payables increased by approximately S\$8.1 million mainly due to (i) commission and marketing fee payable for the sale of certain strata-titled units under the Property Development Business; and (ii) increase in rental deposits received mainly due to reclassification from non-current liabilities to current liabilities as mentioned above.

MANAGEMENT DISCUSSION AND ANALYSIS

Provisions remained at approximately S\$0.4 million in 1H2025.

Bank borrowings increased by approximately S\$5.3 million, mainly arising from the reclassification from non-current liabilities to current liabilities as mentioned above. This was partially offset by repayments in 1H2025.

Lease liabilities increased by approximately S\$2.4 million mainly due to an increase in lease liabilities in relation to new master leases entered under the Space Optimisation Business and new car park leases.

Current tax payable increased by approximately S\$1.6 million mainly due to tax provisions for 1H2025.

Review of Statement of Cash Flows

In 1H2025, the Group recorded net cash generated from operating activities of approximately S\$38.0 million, which was a result of positive operating cash flows before changes in working capital, decrease in development properties, increase in trade and other receivables and increase in trade and other payables. This was partially offset by net income tax paid.

Net cash generated from investing activities amounted to approximately S\$2.0 million, which was mainly due to (i) receipts from finance lease receivables; and (ii) repayment from associates and joint ventures. These were partially offset by (i) additions to investment properties mainly for the co-living properties' renovation works; (ii) additions to property, plant and equipment; (iii) additional loans to joint ventures; and (iv) interest expenses paid.

Net cash used in financing activities amounted to approximately S\$31.4 million, which was mainly due to (i) repayment of bank borrowings and lease liabilities; (ii) payments of interest expenses on bank borrowings and lease liabilities; and (iii) dividends paid to shareholders. These were partially offset by (i) proceeds from additional bank borrowings for capital expenditure and working capital purposes; and (ii) increase in loans from non-controlling interests.

As a result of the above, the Group's cash and cash equivalents increased by approximately S\$8.5 million to approximately S\$51.9 million as at 31 March 2025.

Liquidity and Financial Resources

During 1H2025, the Group financed its operations primarily through a combination of cash flow generated from our operations, bank borrowings and lease liabilities.

The Group primarily obtained bank borrowings to finance its acquisition and renovation of properties. The Group also had revolving loans for its short-term finance needs. The Group's borrowings as at 31 March 2025 were denominated in Singapore dollars with interest charged on these borrowings ranging from 2.00% to 5.86% per annum for the period. As at 31 March 2025, the Group had outstanding bank borrowings of S\$278.0 million. These borrowings were secured by (i) legal mortgage of certain investment properties, leasehold properties and development 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.

As at 31 March 2025, 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 31 March 2025 was 58.3%, decreased from 59.6% as at 30 September 2024.

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 31 March 2025 was 49.0%, a decrease from 51.6% as at 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

The decrease in gearing ratio was primarily due to the increase in total equity boosted by the increase in retained profits, coupled with decrease in interest-bearing debts due to repayments. The decrease in net gearing ratio was primarily due to the lower gearing ratio and higher cash and bank balances and fixed deposits with banks.

Lease Liabilities

As at 31 March 2025, the Group had lease liabilities of S\$97.5 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 but not recognised in the financial statements at the reporting date, excluding those relating to investments in associated companies and investment in joint ventures, are as follows:

	31 March 2025 S\$'000	30 September 2024 S\$'000
Investment properties (excluding deposits paid)	12,964	7,376
Property, plant and equipment	853	55
	<u>13,817</u>	<u>7,431</u>

Capital Expenditure

During 1H2025, the Group's capital expenditure consists of additions to property, plant and equipment and investment properties amounting to approximately S\$11.7 million, mainly for the renovation costs for the Space Optimisation Business (FY2024: approximately S\$138.0 million).

Contingent Liabilities

As at 31 March 2025, the Group did not have any material contingent liabilities.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this report, there was no material acquisition and disposal of subsidiaries, associates and joint ventures for 1H2025.

Guarantee Performance in relation to the Acquisitions

The Group did not enter into any acquisition, which is required to be disclosed under the HK Listing Rules, that the party in contract required to commit or guarantee on the financial performance in any kinds for 1H2025.

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 1H2025.

Off-balance Sheet Arrangements

For 1H2025, the Group did not have any off-balance sheet arrangements.

Securities Investments

The Group did not have any securities investment in any investee company with a value of 5% or more of the total assets of the Group as at 31 March 2025, which is required to be disclosed under the HK Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

Future Plans for Material Investment and Capital Assets

Save as disclosed in this report, the Group did not have any plans for material investment and capital assets as at 31 March 2025. The Company will make further announcements in accordance with HK Listing Rules and the Listing Manual (the “**SGX Listing Manual**”) of the SGX-ST, where applicable, if any investments and acquisition opportunities materialise.

Exposure to Fluctuations in Exchange Rates

The Group mainly operates in Singapore, Indonesia, Myanmar, Malaysia, Hong Kong and Cambodia during 1H2025. Currency exposure arises within entities of the Group when transactions are mainly denominated in foreign currencies such as USD, IDR and HK\$. 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 1H2025, the Group recorded an exchange gain of approximately S\$16,000.

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

Dividend Payout for the Financial Year Ending 30 September 2025

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

On 15 May 2025, the Board resolved that, subject to the Dividend Consideration Factors, the Board intends to recommend and distribute dividends of not less than 30.0% of the Group’s profit attributable to equity holders of the Company after excluding fair value gains/losses on owned and joint venture investment properties, impairment/write-off of assets, non-recurring and one-off items, for the financial year ending 30 September 2025.

Employees and Remuneration Policies

As at 31 March 2025, there were 529 (as at 30 September 2024: 478) 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

Pursuant to the Company’s scrip dividend scheme in relation to the special dividend for the financial year ended 30 September 2024, such special dividend is expected to be paid on or about 30 May 2025, and that the new shares to be issued are expected to be listed on or about 30 May 2025. Please refer to the Company’s announcements dated 25 November 2024 (and as supplemented on 8 January 2025, 24 January 2025, 9 April 2025 and 11 April 2025) and circular dated 22 April 2025 for more details.

Saved as disclosed above and in this report, 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 1H2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Disclosure Pursuant to Rule 13.22 of the HK Listing Rules

As at 31 March 2025, the Group has provided financial assistance, by way of shareholders' loans or advances and guarantees for facilities granted to its affiliated companies (which includes associated companies and joint ventures of the Group), the details of which are set out below:

Name of affiliated companies (the "Affiliated Companies")	Effective interest held	Loans to the affiliated companies S\$'000	Committed capital injection yet to be injected S\$'000	Guarantees for facilities granted to the affiliated companies S\$'000	Unutilised guaranteed facilities granted to the affiliated companies S\$'000	Guaranteed facilities utilised by the affiliated companies S\$'000
471 Balestier Pte. Ltd.	70.0%	3,070 ⁽¹⁾	–	9,100	–	9,080
AMB Hotel Pte. Ltd.	50.0%	55 ⁽¹⁾	–	–	–	–
Jadeite Properties Pte. Ltd.	50.0%	4,838 ⁽¹⁾	–	10,600	–	10,600
Four Star Industries Pte Ltd	50.0%	–	–	4,836	480	4,241
Metropolitan Parking Pte. Ltd.	50.0%	3,330 ⁽¹⁾	–	15,400	–	15,400
The Bus Hotel Pte. Ltd.	30.0%	699 ⁽¹⁾	–	918	18	857
Work Plus Store (AMK) Pte. Ltd.	50.0%	550 ⁽¹⁾	–	15,799	–	15,468
Work Plus Store (Kallang Bahru) Pte. Ltd.	50.0%	3,721 ⁽¹⁾	–	8,413	–	8,413
Yinson EV Charge – LHN Energy Pte. Ltd.	50.0%	50 ⁽¹⁾	–	–	–	–
32GL22 Pte. Ltd.	50.0%	873 ⁽²⁾	–	–	–	–

Notes:

(1) Interest charged up to 4% per annum with no fixed terms of repayment. The loans were funded through internal source of funding of the Group.

(2) As at the date of this report, no interest was charged as the acquisition of property has yet to be completed.

The total amount of financial assistance provided to the Affiliated Companies, in aggregate, amount to approximately 11.6% as at 31 March 2025 under the assets ratio as defined under Rule 14.07(1) of the HK Listing Rules.

Pursuant to Rule 13.22 of the HK Listing Rules, a proforma combined statement of financial position of the Affiliated Companies and the Group's attributable interest in the Affiliated Companies as at 31 March 2025 are set out below:

	Proforma combined statement of financial position S\$'000	Group's attributable interest S\$'000
Non-current assets	219,434	114,652
Current assets	23,190	11,618
Current liabilities	(60,841)	(30,768)
Non-current liabilities	(111,389)	(57,843)
	<u>70,394</u>	<u>37,659</u>

The proforma combined statement of financial position of the Affiliated Companies is prepared by combining their statements of financial position, after making adjustment to confirm with the Group's significant accounting policies and re-grouping into significant classification in the statement of financial position, as at 31 March 2025.

Issue of Securities and Share Capital

During 1H2025, there has been no change to the shares in issue and capital structure of the Company.

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

During 1H2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Proposed Interim Dividend

The Board has resolved to declare an interim dividend of S\$0.01 (equivalent to HK\$0.06) per share for 1H2025 which will be paid on Friday, 27 June 2025 (to the shareholders whose names shall appear on the register of members of the Company on Wednesday, 4 June 2025 (close of business)).

OTHER INFORMATION

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

As at 31 March 2025, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company and/or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the HK Listing Rules (the "Model Code") are as follows:

Long positions in the Shares and underlying Shares

<u>Name of Director/Chief Executive</u>	<u>Capacity/Nature of Interest</u>	<u>Number of Shares held/Interested</u>	<u>Approximate Percentage of Shareholding</u>
Lim Lung Tieng ⁽¹⁾⁽²⁾	Founder of discretionary trusts, beneficiary of a trust	228,227,931	54.56%
Lim Bee Choo	Beneficial owner	4,131,147	0.99%

Notes:

- (1) Lim Lung Tieng is one of the founders of The LHN Capital Trust and The Land Banking Trust. Trident Trust Company (B.V.I.) Limited, in its capacity as the trustee of The Land Banking Trust, holds the entire issued share capital of LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd., in its capacity as the trustee of The LHN Capital Trust, holds the entire issued share capital of HN Capital Ltd., which in turn holds 85% of the total issued share capital of Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. holds the entire issued share capital of LHN Holdings Ltd.. LHN Holdings Ltd. is the beneficial owner of 228,227,931 Shares. Lim Lung Tieng is deemed under the SFO to be interested in the Shares held by Trident Trust Company (B.V.I.) Limited and LHN Capital Pte. Ltd.. Trident Trust Company (B.V.I.) Limited is deemed under the SFO interested in the interests held by LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd. is deemed under the SFO interested in the interests held by HN Capital Ltd.. HN Capital Ltd. is deemed under the SFO interested in the interests held by Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. is deemed under the SFO interested in the interests held by LHN Holdings Ltd..
- (2) Lim Lung Tieng is one of the beneficiaries of The LHN Capital Trust of which LHN Capital Pte. Ltd. is the trustee. LHN Capital Pte. Ltd., in its capacity as the trustee, holds the entire issued share capital of HN Capital Ltd., which in turn holds 85% of the total issued share capital of Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. holds the entire issued share capital of LHN Holdings Ltd.. LHN Holdings Ltd. is the beneficial owner of 228,227,931 Shares. Lim Lung Tieng is deemed under the SFO to be interested in the Shares held by LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd. is deemed under the SFO interested in the interests held by HN Capital Ltd.. HN Capital Ltd. is deemed under the SFO interested in the interests held by Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. is deemed under the SFO interested in the interests held by LHN Holdings Ltd..

Save as disclosed above, as at 31 March 2025, none of the Directors or chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares and debentures of the Company and/or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Common Directors

For information of the Shareholders, as at 31 March 2025, Lim Lung Tieng and Lim Bee Choo, the executive Directors of the Company, are also directors of LHN Holdings Ltd., Hean Nerng Group Pte. Ltd., HN Capital Ltd. and LHN Capital Pte. Ltd..

Save as disclosed above, there are no other Directors of the Company who is a director or employee of a company which has an interest in the Shares and underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

OTHER INFORMATION

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

As at 31 March 2025, the interests or short positions in the Shares or underlying Shares of the persons (other than being a Director or chief executive of the Company) which would be required to be disclosed to the Company under the provisions of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO are as follow:

Long position in the Shares and underlying Shares

Name of Shareholder	Capacity/Nature of Interest	Number of Shares held/Interested	Approximate Percentage of Shareholding
LHN Holdings Ltd. ⁽¹⁾⁽²⁾	Beneficial owner	228,227,931	54.56%
Wang Jialu ⁽¹⁾⁽³⁾	Deemed interest by virtue of interest held by spouse	228,227,931	54.56%
Hean Nerng Group Pte. Ltd. ⁽¹⁾⁽²⁾	Interest in a controlled corporation	228,227,931	54.56%
HN Capital Ltd. ⁽¹⁾⁽²⁾	Interest in a controlled corporation	228,227,931	54.56%
LHN Capital Pte. Ltd. ⁽¹⁾⁽²⁾	Trustee	228,227,931	54.56%
Trident Trust Company (B.V.I.) Limited. ⁽¹⁾⁽²⁾	Trustee	228,227,931	54.56%
Lim Hean Nerng ⁽¹⁾⁽²⁾	Founder of discretionary trusts	228,227,931	54.56%
Foo Siau Foon ⁽¹⁾⁽²⁾	Founder of discretionary trusts	228,227,931	54.56%

Notes:

- (1) LHN Holdings Ltd., which is wholly-owned by Hean Nerng Group Pte. Ltd., which in turn is owned as to 5% by Lim Lung Tieng, 10% by Lim Bee Choo and 85% by HN Capital Ltd., is the beneficial owner of 228,227,931 Shares. By virtue of the SFO, Lim Lung Tieng, Wang Jialu, Hean Nerng Group Pte. Ltd., HN Capital Ltd., LHN Capital Pte. Ltd., Trident Trust Company (B.V.I.) Limited, Lim Hean Nerng and Foo Siau Foon are deemed to be interested in all of the Shares held by LHN Holdings Ltd..
- (2) Lim Hean Nerng, Foo Siau Foon and Lim Lung Tieng are the founders of The LHN Capital Trust and The Land Banking Trust. Trident Trust Company (B.V.I.) Limited, in its capacity as the trustee of The Land Banking Trust, holds the entire issued share capital of LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd., in its capacity as the trustee of The LHN Capital Trust, holds the entire issued share capital of HN Capital Ltd., which in turn holds 85% of the total issued share capital of Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. holds the entire issued share capital of LHN Holdings Ltd.. Lim Hean Nerng, Foo Siau Foon and Lim Lung Tieng are deemed under the SFO to be interested in the Shares held by Trident Trust Company (B.V.I.) Limited and LHN Capital Pte. Ltd.. Trident Trust Company (B.V.I.) Limited is deemed under the SFO interested in the interests held by LHN Capital Pte. Ltd.. LHN Capital Pte. Ltd. is deemed under the SFO interested in the interests held by HN Capital Ltd.. HN Capital Ltd. is deemed under the SFO interested in the interests held by Hean Nerng Group Pte. Ltd.. Hean Nerng Group Pte. Ltd. is deemed under the SFO interested in the interests held by LHN Holdings Ltd..
- (3) Wang Jialu, the spouse of Lim Lung Tieng, is deemed under the SFO to be interested in the interests held by Lim Lung Tieng.

Save as disclosed above, as at 31 March 2025, the Directors are not aware of any other person (other than being a Director or chief executive of the Company) who had an interest or a short position in any Shares which would be required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

Share Option Scheme

On 25 September 2017, the Shareholders adopted the "LHN Share Option Scheme" (the "**Scheme**"), effective upon the HK Listing. The Scheme has been assigned by the Board of Directors to be administered by a committee comprising members of our remuneration committee. In connection with the transfer of the listing of the Company from Catalist to the Mainboard of the SGX-ST, the terms of the Scheme had been amended for, among others, compliance with the rules of the SGX Listing Manual and the latest amendments to the HK Listing Rules. Such amendments had been duly approved by Shareholders at the extraordinary general meeting of the Company held on 23 November 2023. Shareholders may refer to the circular of the Company dated 1 November 2023 for more details on the aforesaid amendments to the Scheme.

No option has been granted, cancelled, outstanding, exercised or lapsed under the Scheme since the adoption date.

The Scheme was terminated on 24 January 2025 and no further options shall be offered by the Company.

OTHER INFORMATION

Performance Share Plan

On 24 January 2025 (the “**Adoption Date**”), the Company adopted a new share incentive scheme, namely, the LHN Performance Share Plan 2025 (the “**LHN PSP 2025**”). The plan shall be administrated by our remuneration committee.

The following persons shall be eligible to participate in the LHN PSP 2025:

- (a) full-time Group employee (including a Group executive director);
- (b) have attained the age of 21 years on or before the date in which the LHN PSP 2025 is granted;
- (c) not be an undischarged bankrupt;
- (d) not have entered into a composition with his creditors; and
- (e) Group non-executive director.

The LHN PSP 2025 shall be valid and effective for a period of ten (10) years from the Adoption Date until 23 January 2035. The expiry or termination of the LHN PSP 2025 shall not affect awards which have been granted prior to such expiry or termination, whether such awards have been released (whether fully or partially) or not.

The number of Shares available for grant under the LHN PSP 2025 as at 31 March 2025 is 41,827,195.

Since the commencement of the LHN PSP 2025, no share awards have been granted to the Directors, controlling Shareholders of the Company or associates of controlling Shareholders of the Company. No employee of the Group has received 5% or more of the total number of awards available under the LHN PSP 2025.

Since the adoption of the LHN PSP 2025 to the financial period ended 31 March 2025, no shares have been granted under the LHN PSP 2025.

As of the date of this report, there are no outstanding share awards issued under the LHN PSP 2025.

Arrangements to Purchase Shares or Debentures

At no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other corporate body.

Competition and Conflict of Interests

Except for the interests in the Group, none of the Directors, controlling shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group during the period under review.

Corporate Governance

The Company has adopted the code provisions set out in Part 2 of Appendix C1 (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 1H2025 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 and since 1998, Mr. Kelvin Lim has held the key leadership position of the Group 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.

OTHER INFORMATION

Model Code of Securities Transactions by Directors

In addition to compliance to Rule 1207(19) of the SGX Listing Manual, the Company has updated its policy with the requirements set out in the Model Code 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 1H2025.

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), Mr. Ang Poh Seong and Mr. Lim Kian Thong.

The Audit Committee has reviewed the consolidated results of the Group for 1H2025 and is of the opinion that such results complied with the applicable accounting standards, the requirements under the HK Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

Public Float

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

By Order of the Board of Directors of

LHN Limited

Lim Lung Tieng

Executive Chairman and Group Managing Director

Singapore, 15 May 2025

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