

# LHN GROUP

**SPACE OPTIMISED**

**INDUSTRIAL**  
**COMMERCIAL**  
**LOGISTICS**  
**RESIDENTIAL**  
**FACILITIES**

CREATING PRODUCTIVE ENVIRONMENTS,  
GENERATING VALUE



**3Q2015 Results Presentation**  
17 August 2015

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# **BUSINESS OVERVIEW**

# Business Segments



Listed on SGX-ST's Catalist on 13 April 2015 and  
with a history dating back to 1991

## Three (3) Business Segments



# Our Presence

## **YANGON, MYANMAR** SPACE OPTIMISATION

- GreenHub branded SOHO-style Serviced Residence

## **LAEM CHABANG, THAILAND** LOGISTICS SERVICES

- Container depot able to handle 7,000 TEUS.

## **SINGAPORE** SPACE OPTIMISATION, FACILITIES MANAGEMENT & LOGISTICS SERVICES

- Regional HQ
- 37 commercial, industrial and residential properties, including 3 GreenHub suited offices
- Facilities Management services for our properties and other properties
- Container depot at 27 Benoi Sector able to handle up to 6,200 TEUS.
- Transportation services business

## **JAKARTA, INDONESIA** SPACE OPTIMISATION

- 2 GreenHub branded Suited Offices



# What is Space Optimisation?

## We Create Productive Environments by

Securing master leases for unused, old and underutilised industrial, commercial and residential properties

Transforming them to increase net lettable area and potential rental yields by applying our space optimisation expertise

Leasing out optimised space to our tenants, who are willing to pay more for thoughtfully designed and highly usable space



# A Unique Position in the Industry

**Developers**

**REITS /  
Landlords**

**Tenants**

**LHN  
GROUP**  
SPACE OPTIMISED

**LHN Limited acts as a bridge between landlords and tenants:**

- We offer tenants creative and productive spaces
- We generate value for landlords



# Industrial Property Showcase

## INDUSTRIAL

**43 Keppel Road**  
Lease commenced in 2007



**Gross Floor Area:** 84,000 sqft  
**Net Lettable Area:** 75,000 sqft  
**Usage:** Cold Room Storage Facility



**Gross Floor Area:** 84,000 sqft  
**Net Lettable Area:** 111,000 sqft  
**Usage:** B1 zone warehouse/showroom

# Industrial Property Showcase

## INDUSTRIAL

### Soon Wing Industrial Building 2 Soon Wing Road | Lease commenced in 2005



**Gross Floor Area:** 105,000 sqft  
**Net Lettable Area:** 76,000 sqft over 8 storeys  
**Usage:** B1 zone light Industrial space



**Gross Floor Area:** 105,000 sqft  
**Net Lettable Area:** 85,000 sqft over 8 storeys  
**Usage:** B1 zone clean and light industry, warehouse and ancillary office

# Commercial Property Showcase

**COMMERCIAL**

**10 Raeburn Park**  
Lease commenced in 2007

**Before**



**Gross Floor Area:** 159,000 sqft  
**Net Lettable Area:** 115,000 sqft  
**Usage:** School

**After**



**Gross Floor Area:** 163,000 sqft  
**Net Lettable Area:** 130,000 sqft  
**Usage:** Office/ancillary café/commercial school office cum club house

## Our Suppliers

- Approximately half of master leases are secured from various government bodies



**Far East Organization**  
INSPIRING BETTER LIVES



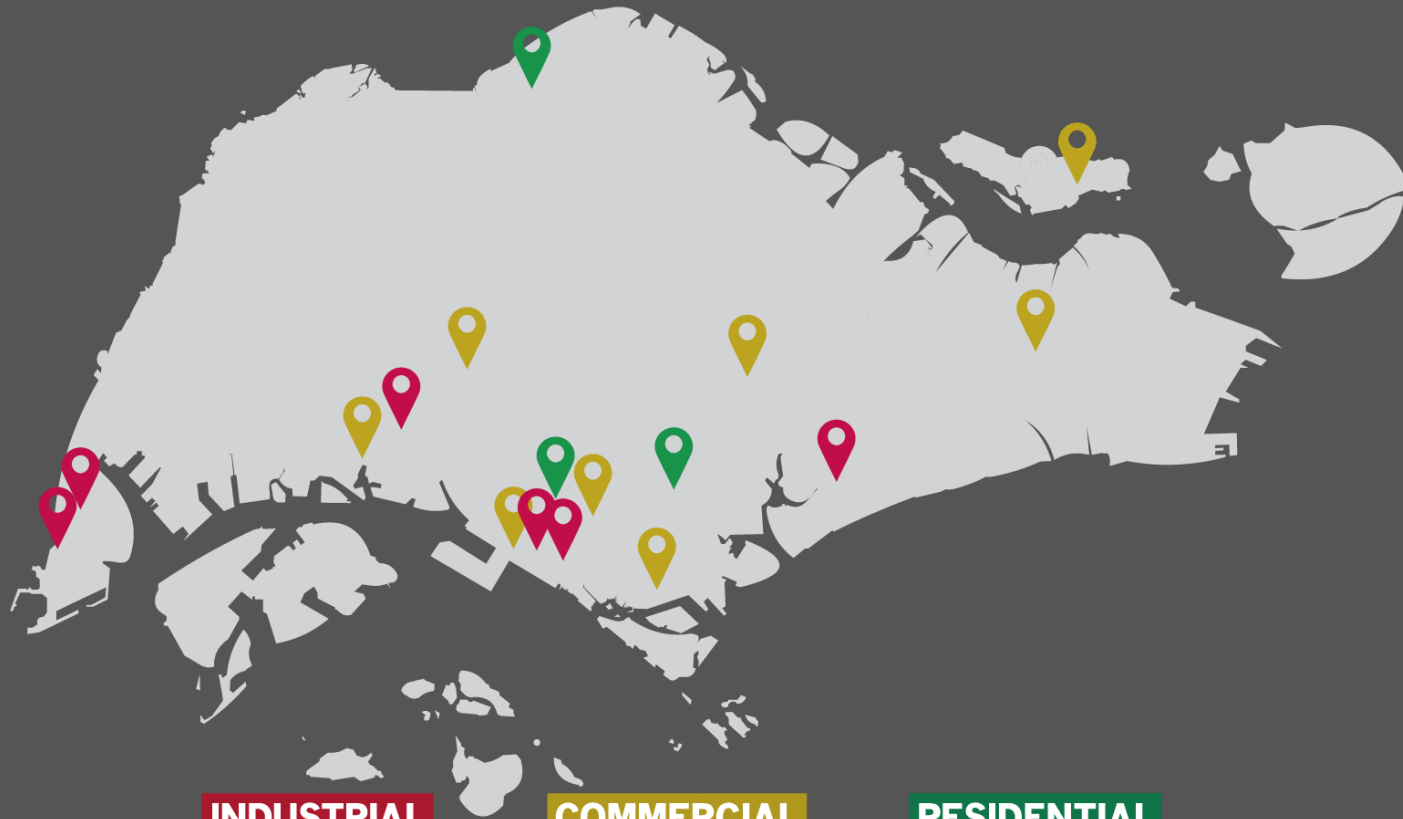
# Space Optimisation Generates Value for...

## Our Diverse Mix of Tenants

- Willing to pay additional dollar for thoughtfully designed and highly usable space
- Over 700 local and international tenants
- Wide range of industries:
  - Construction
  - Waste management & remediation
  - Wholesale & retail trading
  - Transportation & storage
  - Accommodation & food services
  - Information and communication
  - Financial & insurance
  - Real estate
  - Education
  - Health & social services
  - Arts, entertainment & recreation



# Our Presence in Singapore



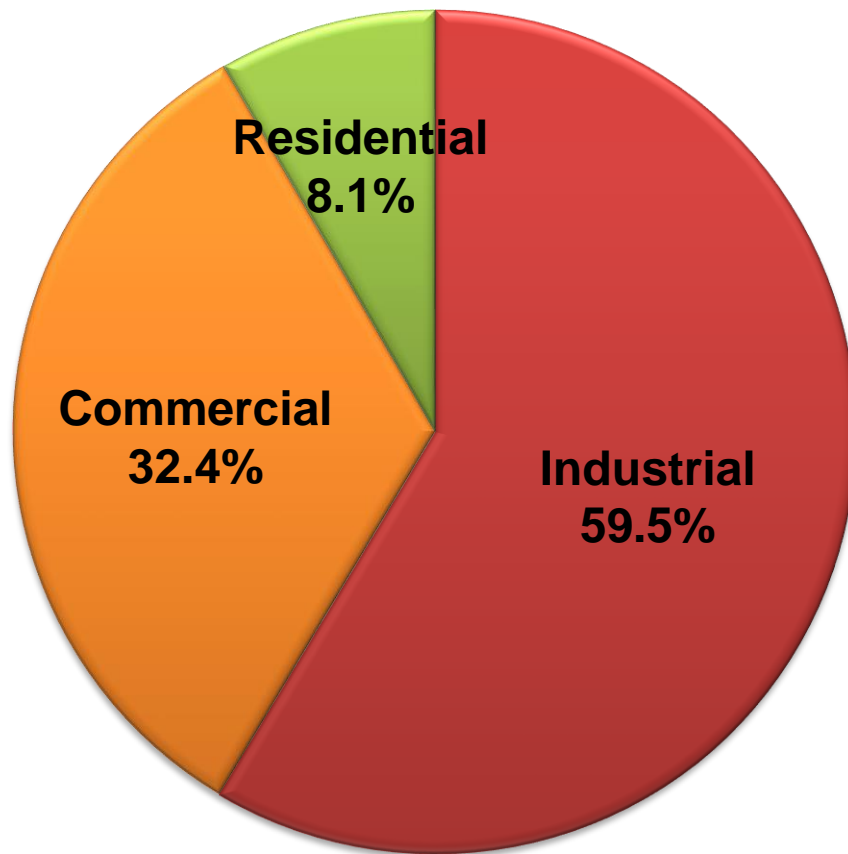
**22**

**12**

**3**

# Diversified Property Portfolio

## Portfolio by Property Type in Singapore



We currently manage a total of 40 properties:

- **Singapore** - **37** commercial, industrial and residential properties
- **Indonesia** - **2** commercial properties
- **Myanmar** - **1** residential property

Total net lettable area:

- Over **4.5 million square feet**

# GreenHub Suited Offices

## COMMERCIAL

**2012: Launched GreenHub brand of suited offices as an extension of our Space Optimisation Business**



Convenient  
locations,  
reasonable  
rates



Conducive for  
business



Offer a  
complete suite  
of business  
solutions



Ready-to-work  
environment



# GreenHub in Singapore



**10 RAEBURN PARK**



**27 WEST COAST HIGHWAY**



**PHOENIX PARK**

406 work stations in  
Singapore

# GreenHub in Indonesia



## 88 KOTA KASABLANKA, JAKARTA

246 Workstations  
Fringe of CBD  
Suited Offices & Virtual Office

## PLAZA MAREIN, JAKARTA

198 Workstations  
Heart of CBD  
Suited Offices & Virtual Office

# Space Optimisation Business

## RESIDENTIAL

**Three** residential properties in Singapore:

- Robin Road (32 units at Fifteen Robin)
- Peck Hay Road (2 units at Viva)
- Keramat Road (2-block dormitory)

Total Net lettable area: **233,600 sqft**

**One** residential property in Myanmar located at:

- 85 Boyar Nyunt Street (32 units)

Total Net lettable area: **14,611 sqft**



**Fifteen Robin**



**85 Boyar Nyunt  
Street**

# Facilities Management Business

## Complements Space Optimisation Business with integrated services

- Provide safe and conducive environment
- Tenants can focus on achieving maximum returns from their core business activities

### Cleaning & Related Services

- Repair, maintenance and cleaning of buildings and offices
- Pest control and fumigation
- Landscaping



### Car Parks

- Manages over 4,900 equivalent parking lots



### Security Services

- Ground security personnel
- Supply, install, repair and maintain security systems



# Logistics Services Business

## Transportation Services



- > 38 prime movers
- > 10 road tankers
- > 110 trailers

- Transport mainly ISO tanks, containers, base oil and bitumen
- Customers: PetroChina Company Limited, Total Oil Asia-Pacific Pte Ltd, Idemitsu Lube (Singapore) Pte. Ltd.

## Container Depot Management Services



- Located at
- > 27 Benoi Sector
- > Laem Chabang, Thailand

- Container surveying by IICL-certified inspectors
- Stacking and lifting of containers
- On-site repair as well as cleaning and storage of empty general purpose and refrigerated containers (reefer)

# Current Property & Economic Outlook

# In Singapore – Softening Property Market

The Straits Times

www.straitstimes.com

Published on Jun 30, 2015

## Ten industrial sites confirmed for tender

All come with 20-year land leases, making them 'more affordable'

By Jacqueline Woo

### Industrial leasing healthy, but sales down in Q2: Colliers

It says industrial property market is likely to stay quiet like in H1 as industrialists remain cost-sensitive

The Business Times, 9 July 2015

**THE STRAITS TIMES**

27 July 2015

## Prices and rents of industrial property slip amid surplus stock

THE BUSINESS TIMES

THE BUSINESS TIMES

For a limited time only,  
enjoy 2 weeks of complimentary digital access to The Business Times.



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### CBRE sees business park space crunch post-2016

No new developments planned; Q2 vacancy rate falls, with higher demand from pharma, tech firms

By Caitilin Ng [caithing@sph.com.sg](mailto:caithing@sph.com.sg)

JUL 3, 2015 5:50 AM

Singapore

WITH no new developments planned beyond 2016, the business park sector could face tighter vacancy and possibly an undersupply in the future, according to CBRE Research.

## Softening property market presents opportunities for the Group:

- **More industrial properties expected to come on stream** over the next 24 months
- Industrial sector marked by falling prices and rents but **leasing remains healthy**
- **Demand for city fringe commercial properties and rest of island sub-markets continue to rise** amid attractive rental rates and better accessibility

# South East Asia Region



Long term prospects and positive demand for industrial and commercial property in tandem with economic growth and urbanisation

**Indonesia**



Increase in import and export activities is expected to generate demand for container depot management services

**Thailand**



Increased foreign investments in Myanmar is expected to fuel demand for office space in the capital city of Yangon, with accelerating growth of rental rates for prime office spaces

**Myanmar**



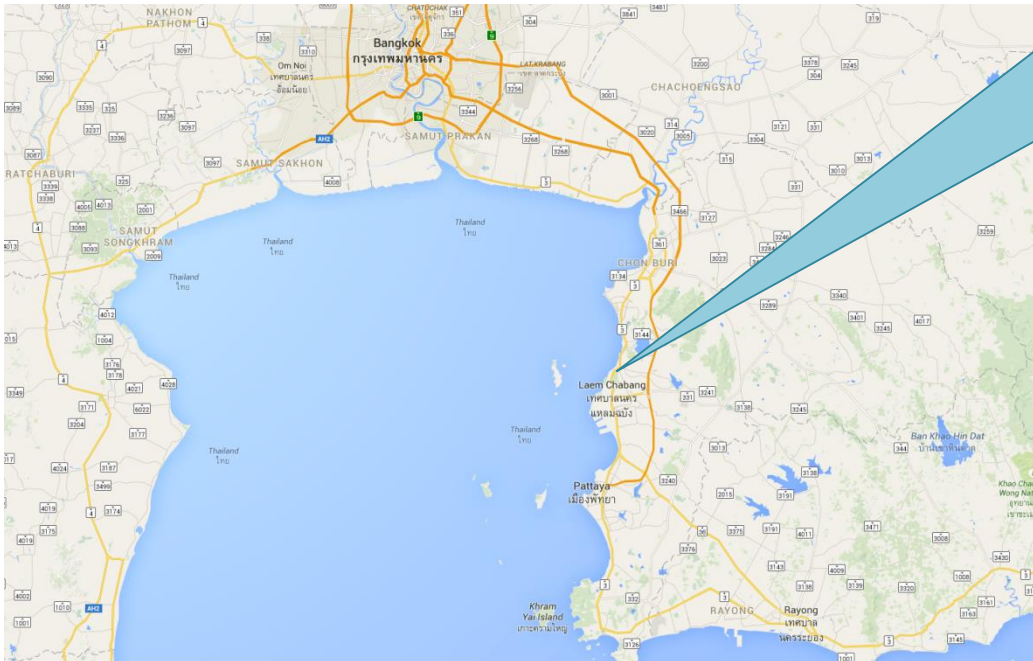


# **RAMPING UP FOR FUTURE GROWTH**

# Thailand update

## Container depot at Laem Chabang:

- Fully operational since May 2015



# New Master Lease in Singapore



## 18 Tampines Industrial Crescent

- 7-year master lease with the option to renew for another 7 years
- Comprises 3-storey building and 7-storey ramp-up building
- Classified as B2 Clean & Light Industrial property
- NLA: More than 440,000 square feet
- Occupancy Rate: 51%

# Expanding GreenHub regionally



## 2<sup>nd</sup> GreenHub Suited Office in Jakarta, Indonesia

- Signed 6-year master lease for 23<sup>rd</sup> floor penthouse office unit at Plaza Marein
- Location: Jalan Jenderal Sudirman in the heart of the CBD
- GFA: 1,228 m<sup>2</sup>
- Features: 198 workstations, 2 meeting rooms
- Expected to be ready by September 2015



# Expanding GreenHub regionally



## A Work Home in the Heart of the City

Nestled in the heart of vibrant downtown Yangon, 85 SOHO is a Premium Style development. An exclusive serviced residences that provides a perfect mix of spacious 25-unit comprising of one and three bedroom apartments. Designed to cater to your every need while offering a comfortable haven that feels like home.



A Serviced Residence managed by **GREENHUB**

## 1<sup>st</sup> GreenHub branded SOHO-style Serviced Residence in the region

- Signed master lease for 85 SOHO located in downtown Yangon, Myanmar
- Features: 32 one- to three-bedroom units
- Expected to be ready by October 2015

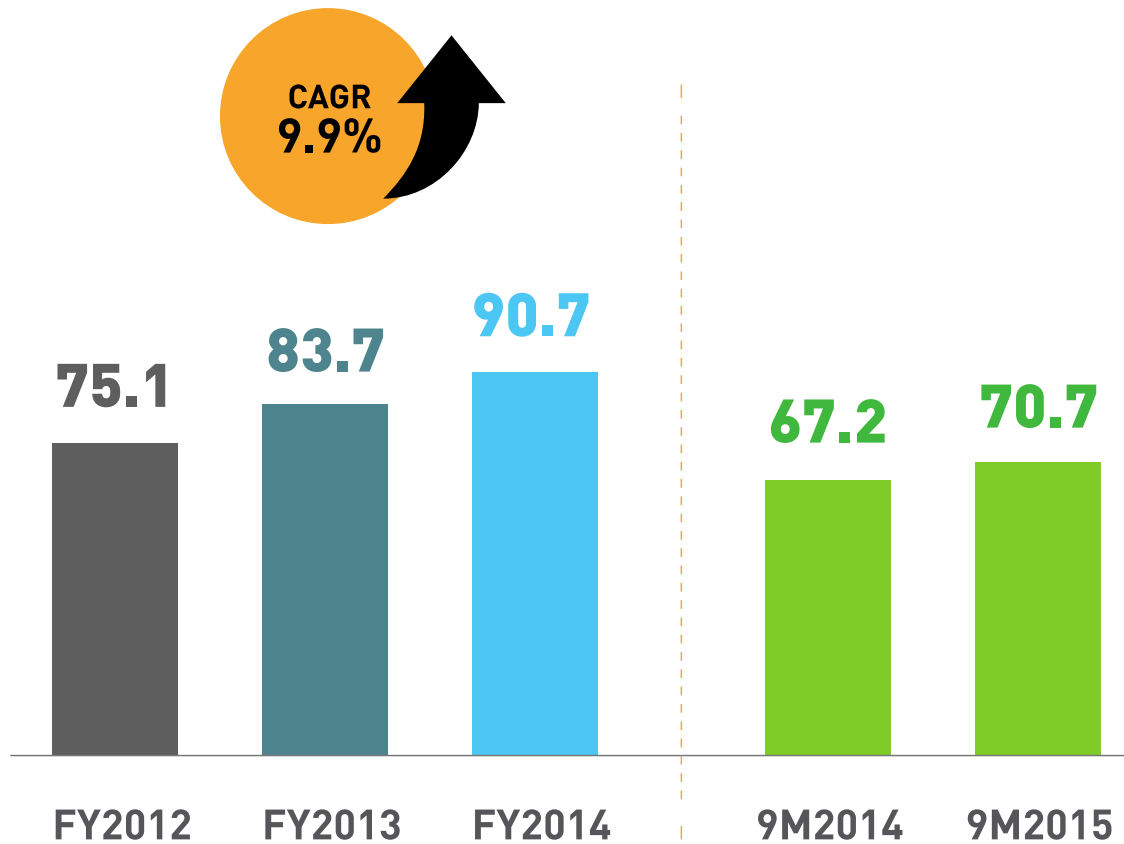




# 9M2015 FINANCIAL HIGHLIGHTS

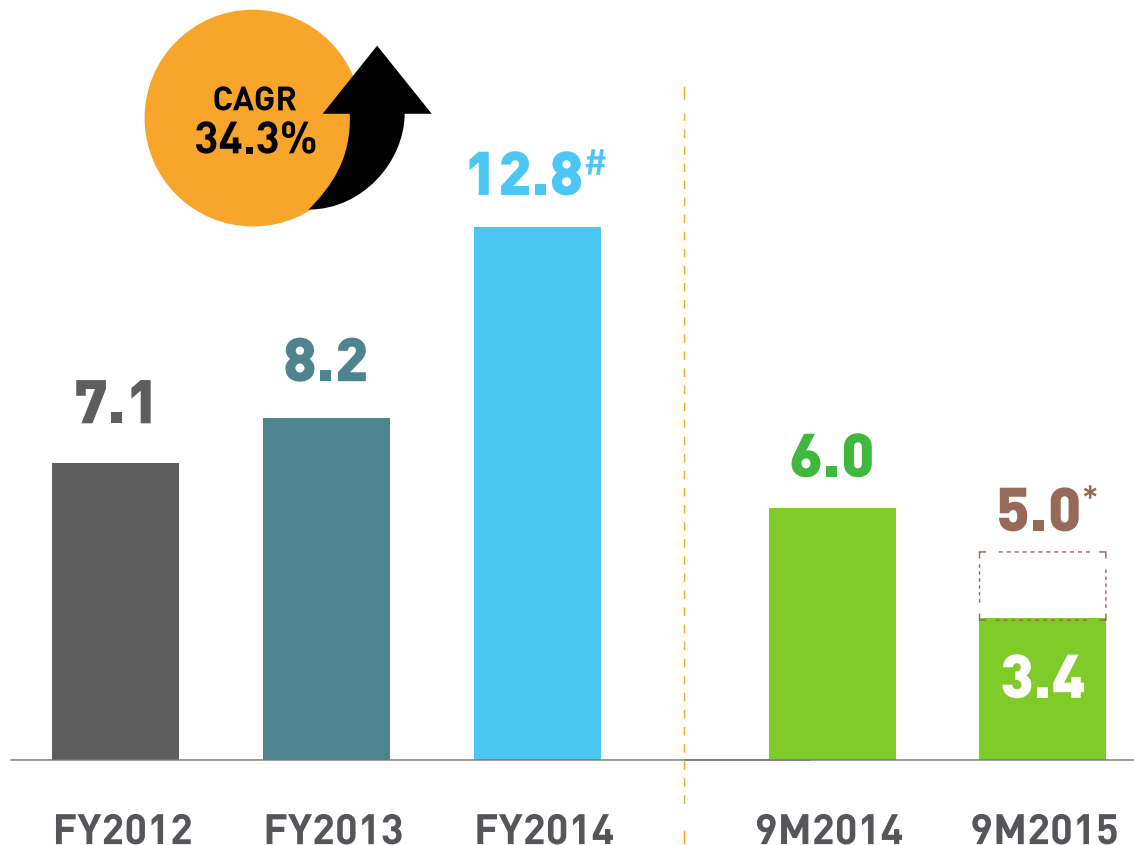
# Financial Highlights

## REVENUE (S\$'M)



# Financial Highlights

## PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (S\$'M)



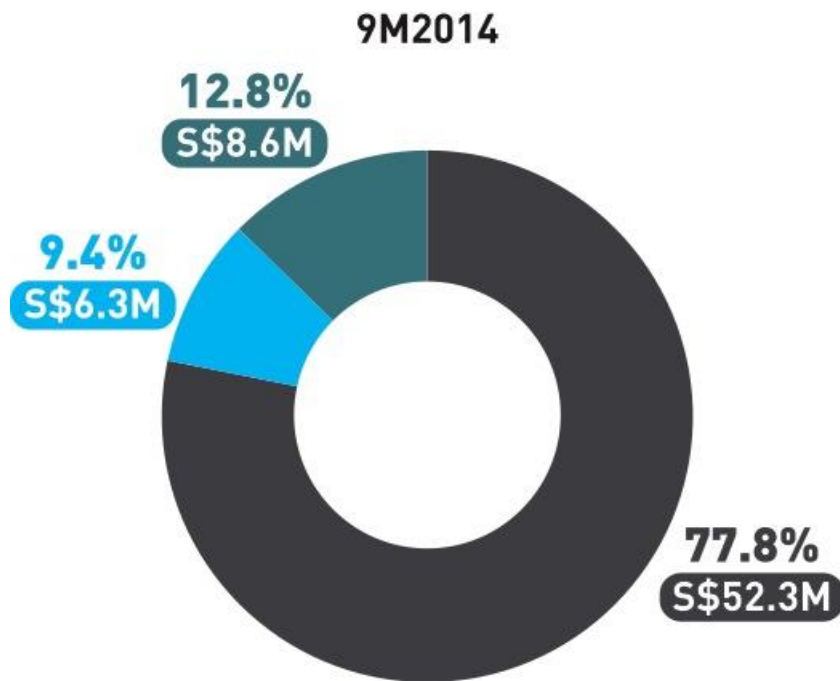
\* If IPO expenses are excluded, the Group would have achieved a net profit attributable to equity owners of approximately S\$5.0 million.

<sup>#</sup> Includes fair value gain on investment properties of S\$5.8 million due to a revaluation of investment properties at fair values at the end of the FY2014.

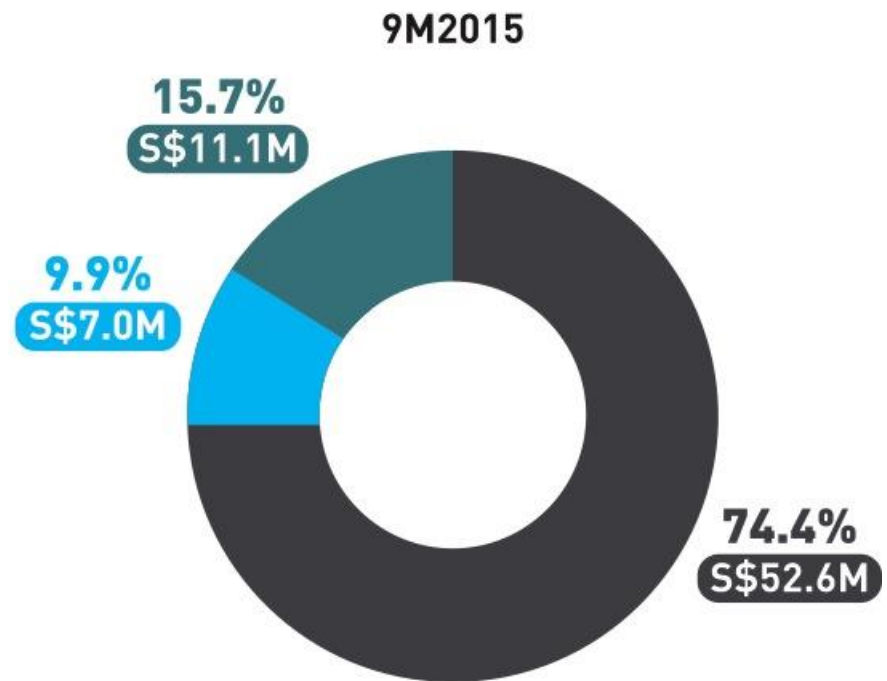


# Financial Highlights

## REVENUE BY SEGMENTS



- Space Optimisation
- Facilities Management
- Logistics Services

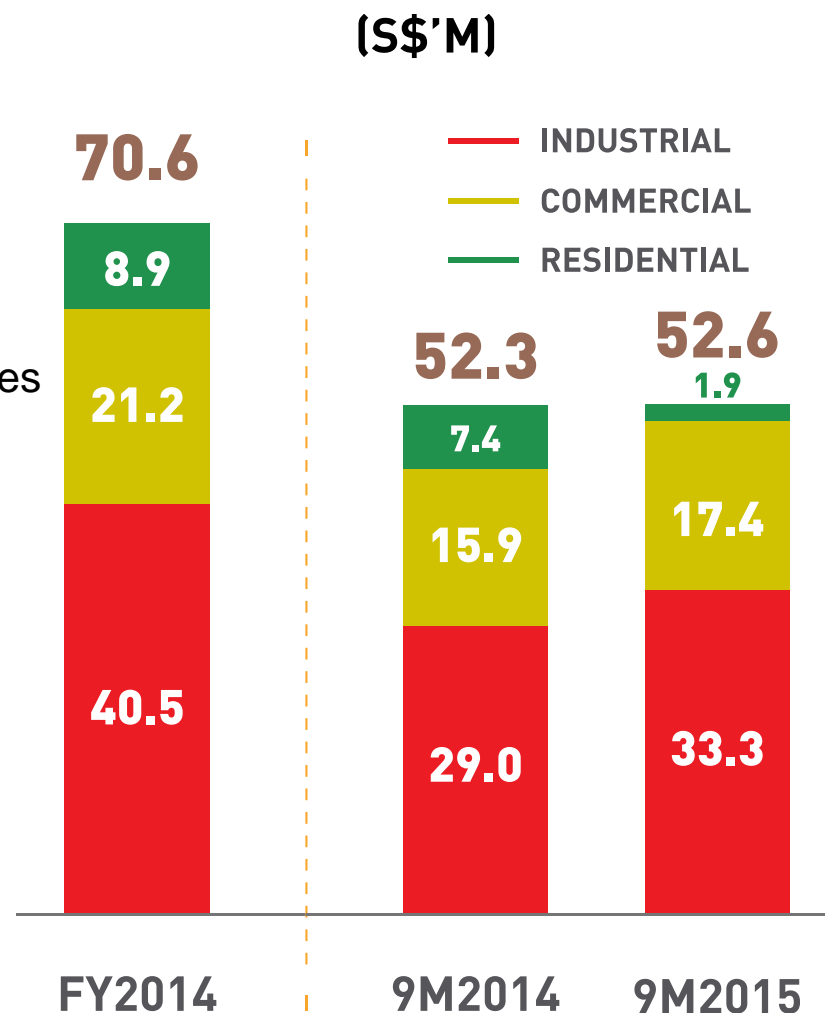


- Space Optimisation
- Facilities Management
- Logistics Services

# Space Optimisation Revenue

## Revenue **↑0.6%**

- **Industrial Properties: ↑14.8%:**
  - Secured new master leases
  - Acquired new industrial property
  - Higher rental income from existing properties
  - Average occupancy in 9M2015: 94%
- **Commercial Properties: ↑9.4%:**
  - Secured new master lease
  - Higher occupancy and rental rates
  - Average occupancy in 9M2015: 96%
- **Residential Properties: ↓74.3%:**
  - Expiry of lease on residential property at Yung Kuang Road in August 2014



# Occupancy Rate

## Industrial Properties

Q1	Q2	Q3	YTD Avg
<b>92%</b>	<b>97%</b>	<b>93%</b>	<b>94%</b>

Remaining Vacant Space for Lease: **396,000 sqft**

## Commercial Properties

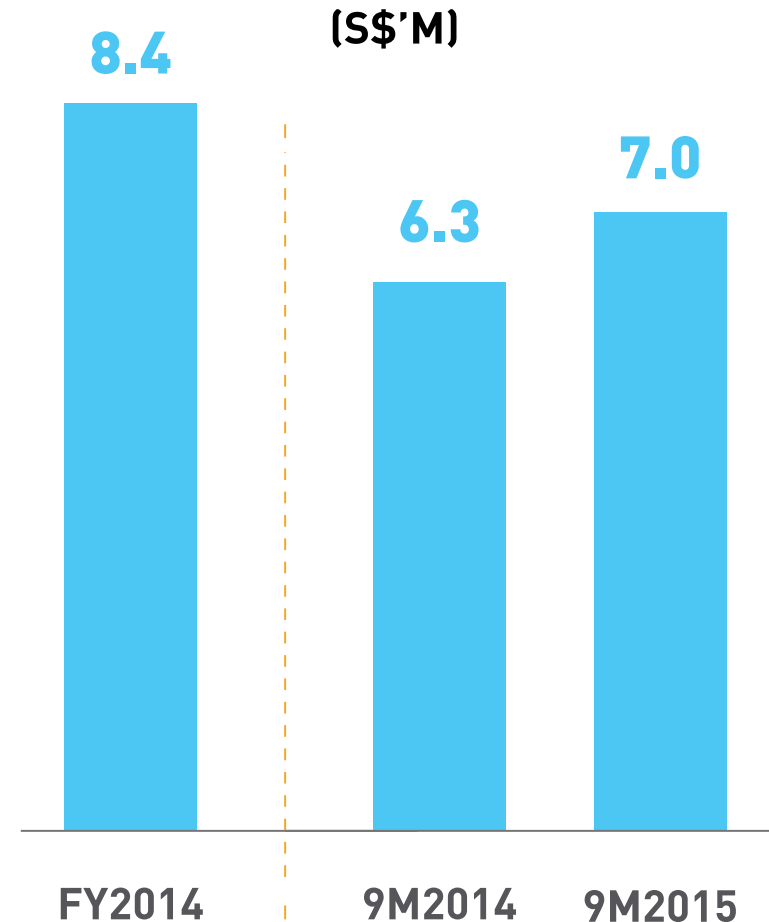
Q1	Q2	Q3	YTD Avg
<b>94%</b>	<b>95%</b>	<b>97%</b>	<b>96%</b>

Remaining Vacant Space for Lease: **9,500 sqft**

# Facilities Management Revenue

## Revenue **↑11.1%**

- Increase in security services
- Increase in car park management services from both existing sites and new car parks



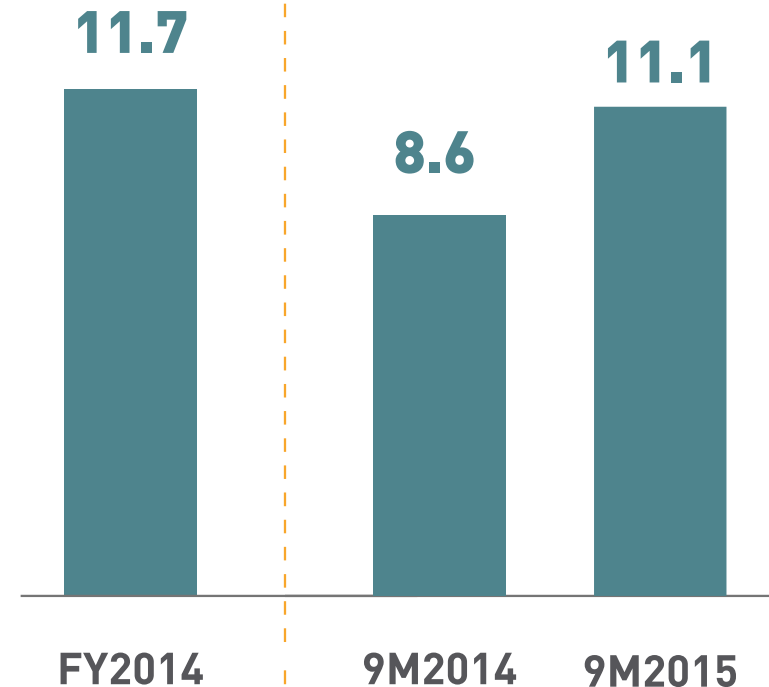
# Logistics Services Revenue

## Revenue **↑29.1%**

- Increase in transportation services
- Increase in container depot business



(S\$'M)



# Key Financial Ratios

	As at 30 Sep 2014	As at 30 Jun 2015	Change (%)
Cash and fixed deposits (S\$m)	20.0	32.2	↑ 61.0
Total assets (S\$m)	72.4	91.8	↑ 26.8
Total equity (S\$m)	32.6	54.5	↑ 67.2
Net cash ratio (%)	73.3	122.9	↑ 49.6 pt
Net asset value per share (S'pore cents) <sup>(1)</sup>	9.05	15.08	↑ 66.6

(1) Based on 361,524,300 ordinary shares in issue as at 30 June 2015

# Business Strategies

# Business Strategies & Future Plans

## Grow property portfolio and acquire own properties

- Seek out suitable properties in Singapore and Southeast Asia by leasing on a long-term basis
- Strategically acquire properties to strengthen balance sheet

## Expand Logistics Services and Facilities Management Business

- Acquire transportation storage facility and further expanding existing fleet of prime movers
- Acquire car park equipment and related consumables

## Expand operations in existing and new markets

- Expand core businesses in Singapore or other countries in the ASEAN region through the setting up of new subsidiaries, acquisitions, joint ventures and/or strategic alliances

## Develop technological capability

- Utilise intelligent systems that provide meaningful information to leverage on wide customer base, facilitate information sharing and knowledge flow within the Group





**SUMMARY:  
KEY INVESTMENT MERITS**

# Dividend Policy

We currently do not have a fixed dividend policy, but **we intend to recommend and distribute dividends of not less than 20.0%** of our net profit after tax attributable to our shareholders for the financial years ending 30 September 2015 (“FY2015”) and 30 September 2016 (“FY2016”).



*\* Investors should note that the statement in relation to the proposed dividends is merely a statement of our present intention and shall not constitute legally binding obligations. The directors will propose dividends subject to modifications, including the reduction or non-payment thereof, for the approval of our Shareholders in a general meeting. Subject to our Articles of Association and in accordance with the Companies Act, our Directors may also declare an interim dividend without the approval of our Shareholders.*

# Summary: Key Investment Merits



Committed, qualified and experienced management team



Distinguishing expertise in space optimisation: Manages over 4.5 million sq ft of space



Diversified portfolio of 37 properties in strategic locations in Singapore



Established track record and reputation: Occupancy rates of over 90%



A diverse mix of over 700 tenants: Providing a base for sales and marketing through intelligent information systems



Close working relationships with our tenants: Historical average tenant renewal rate of 72%



Ability to provide value-added integrated solutions

# Thank you

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