LHN Limited
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For Immediate Release

LHN's FY2017 revenue grows 1.5% on stronger contribution from Facilities Management and Logistics Services segments

- Net profit retreated to S$2.8 million mainly due to lower share of results of associates and JVs, fair value loss on investment properties and Hong Kong dual listing expenses
- Group proposes final dividend of 0.2 Singapore cents per share
- Group's Space Optimisation business expected to expand its property portfolio in the countries and regions that we currently have presence in and into other countries and regions with particular focus in Asian countries including the PRC and Cambodia
- Group's Facilities Management business expected to expand as it seeks to secure more carparks under management and to increase car park rate
- Group's Logistics Services business expected to grow with the possible acquisition of our own ISO tank depot in Singapore, the proposed operation of a second container depot in Bangkok and possible JV with a global shipping group to offer container depot services in Singapore

Singapore, 27 November 2017 – Real estate management services group LHN Limited ("LHN", and together with its subsidiaries and associated companies, the "Group") achieved a 1.5% year-on-year ("yoy") increase in its revenue to S$106.3 million for its full year ended 30 September 2017 ("FY2017") on stronger contribution from its Facilities Management and Logistics Services business segments.

Table 1 – FY2017 Financial Highlights

S$ '000	**FY2017**	**FY2016**	**Change (%)**
Revenue	106,253	104,705	1.5
Gross profit	25,751	27,497	(6.3)
Administrative expenses	24,438	20,351	20.1
Share of results of associates and JVs	3,384	6,716	(49.6)
Fair value (loss)/gain on investment properties	(1,939)	2,071	N.M.
Profit after tax	2,767	15,101	(81.7)

N.M. – Not Meaningful

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Owing to increase in upkeep and maintenance costs, rental costs, transportation cost and direct labour costs, FY2017 gross profit decreased 6.3% yoy to S$25.8 million. Administrative expenses increased by 20.1% to S$24.4 million in FY2017 mainly due to the dual listing expenses of approximately S$3.0 million incurred in the year.

Share of results of associates and joint ventures ("JV") decreased 49.6% to S$3.4 million in FY2017. FY2017 recorded a fair value loss on investment properties of S$1.9 million mainly due to the decrease in valuation of industrial properties in Singapore and a commercial property in Indonesia while in FY2016 there was a fair value gain of S$2.1 million. As a result of the above factors, the Group's net profit decreased 81.7% to S$2.8 million.

Table 2 – FY2017 Segment Revenue

S$ 'million	**FY2017**	**FY2016**	**change**	**Change (%)**
Industrial Properties	43.2	52.0	(8.8)	(16.9)
Commercial Properties	23.2	23.7	(0.5)	(2.1)
Residential Properties	1.4	0.9	0.5	55.6
Space Optimisation Business	67.8	76.6	(8.8)	(11.5)
Facilities Management Business	17.3	12.5	4.8	38.4
Logistics Services Business	21.2	15.6	5.6	35.9
Total	106.3	104.7	1.6	1.5

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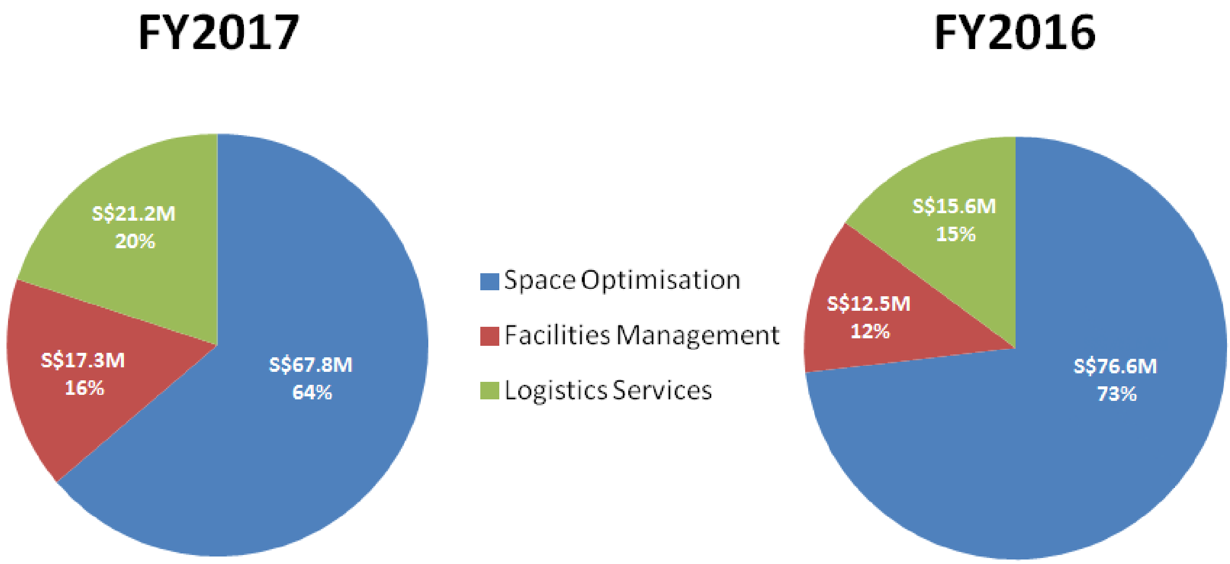
FY2017 Segment Revenue



Revenue from the Group's largest segment, Space Optimisation Business, dropped 11.5% yoy mainly due to the expiry of some head leases, movement of tenants and lower rental rates arising from expiry and renewal of sub-leases for its industrial properties. On a positive note, the average occupancy rate of industrial properties and commercial properties managed by the Group in FY2017 maintained at approximately 88% and 91% respectively.

Revenue derived from the Group's Facilities Management Business surged 38.4% yoy to S$17.3 million in FY2017 mainly due to an increase in demand from security services and car park management services (in the form of management of new car parks), and increase in car park rate of existing car parks managed by the Group. This segment contributes 16% to the Group's FY2017 turnover, up from 12% for FY2016.

Revenue derived from the Group's Logistics Services Business jumped 35.9% to S$21.2 million in FY2017 mainly from the increase in demand of storage and repairs of leasing containers contributed by slow-down of shipments worldwide and transportation services. This segment contributes 20% to the Group's FY2017 turnover, up from 15% for FY2016.

Notwithstanding the lower profit for FY2017, the Group proposes a final dividend of 0.2 Singapore cents per share, subject to approval by shareholders at the forthcoming annual general meeting.

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Outlook

Singapore's economy grew by 4.6% in the third quarter of 2017 based on advance estimates of gross domestic product (GDP) growth by the Ministry of Trade and Industry (MTI) as reported on 13 October 2017[1].

Statistics from the Urban Redevelopment Authority (URA) also revealed that average office rents rose by 2.4% in the third quarter of 2017 but cited an increase in net amount of leasable office space by 91,000 sqm[2]. Cushman & Wakefield's (C&W) consultants predicts rentals to further appreciate a further 3 – 5% in the fourth quarter of 2017 as tenants seek early renewals and more relocations[2]. This situation bodes well for our Space Optimisation business which leases out commercial properties.

Based on International Monetary Fund (IMF) estimates, GDP growth in Myanmar for 2017 is now expected to come in at 6.3%, citing an unfinished political transformation, overall manufacturing slowdown and delays in construction permitting[3]. Our Group expects the demand for our GreenHub branded SOHO-style serviced residence in Myanmar to remain healthy as its economy continues to develop.

Our Group will continue to look for new properties and opportunities to grow and expand our Space Optimisation business in the countries and regions that we currently have presence in and into other countries and regions with particular focus in Asian countries including the PRC and Cambodia.

Our Group expects the Facilities Management businesses to expand further as it seeks to secure more carparks under management and to increase the car park rate of its existing car parks.

Our Group has signed a non-legal binding letter of intent to acquire a property in Singapore to operate our own ISO tank depot and is also currently in discussion with a global shipping group to establish a joint venture to offer container depot services in Singapore. In Thailand, our Group also intends to operate a second container depot in the vicinity of Bangkok.

[1] Singapore economy grows 4.6% in Q3; beats expectations, Business Times, 13 October 2017
[2] Q3 office rents back in growth mode, reversing long downtrend, Business Times, 28 October 2017
[3] IMF Visits Myanmar for Annual Economic Checkup, Reuters, 4 November 2017

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Mr Kelvin Lim (林隆田), LHN's Executive Chairman and Group Managing Director, commented: "We are encouraged that in FY2017 we have expanded our Facilities Management and Logistics Services businesses. We expect these high-margin segments to continue to grow in the coming year. Meanwhile, we have been busy in preparing for dual primary listing on the Main Board of The Stock Exchange of Hong Kong Limited. We believe our listing in Hong Kong can serve as a springboard for us to expand our business in Hong Kong and China."

Shareholders should note that upon successful dual listing on the Main Board of The Stock Exchange of Hong Kong Limited, there will be a further listing expenses of approximately S$2.4 million to be paid.

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About LHN Limited

LHN Limited (the "**Company**", and together with its subsidiaries and associated companies, the "**Group**") is a real estate management services group with the distinguishing ability to generate value for its landlords and tenants through its expertise in space optimisation.

The Group currently has three (3) main business segments, namely: (i) space optimisation business; (ii) facilities management business; and (iii) logistics services business, which are fully integrated and complement one another.

Under its space optimisation business, the Group secures master leases of unused, old and under-utilised commercial, industrial and residential properties and through re-designing and planning, transforms them into more efficient usable spaces, which are then leased out by the Group to its tenants. Space optimisation generally allows the Group to enhance the value of properties by increasing their net lettable area as well as potential rental yield per square feet.

The Group's facilities management business offers security services, car park management services and property maintenance services such as cleaning, landscaping, pest control, repair and general maintenance principally to the properties it leases and manages, as well as to external parties.

Under its logistics services business, the Group provides transportation services and container depot management services. The Group transports mainly ISO tanks, containers, base oil and bitumen, and provides container depot management services which include container surveying, on-site repair and storage of empty general purpose and refrigerated containers (reefer).

The Group currently operates mainly in Singapore, Indonesia, Thailand, Myanmar and Hong Kong.

Issued for and on behalf of LHN Limited
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*This press release has been prepared by LHN Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this press release.*

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