

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and the Singapore Exchange Securities Trading Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

**LHN
GROUP**
SPACE OPTIMISED
LHN LIMITED

賢能集團有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong stock code : 1730)
(Singapore stock code : 410)

**ANNOUNCEMENT OF FULL YEAR RESULTS
FOR THE 6 MONTHS AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

FINANCIAL HIGHLIGHTS

	6 Months Ended 30 September			For the year ended 30 September		
	2021	2020	Change	2021	2020	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	56,499	82,594	(31.6)	120,977	134,213	(9.9)
Gross Profit	31,368	41,727	(24.8)	66,551	63,643	4.6
Profit for the year and attributable to owners of the Company	13,254	20,968	(36.8)	28,063	24,144	16.2
Basic earnings per share (Singapore cents)	3.26	5.20	(37.3)	6.94	6.00	15.7

* For identification purpose only

FULL YEAR RESULTS

The board (the “Board”) of directors (the “Directors”) of LHN Limited (the “Company”) hereby announces the consolidated six months and full year results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 30 September 2021, together with the comparative figures for the year ended 30 September 2020. The Group’s full year results for the year ended 30 September 2021 have been reviewed by the audit committee of the Company (the “Audit Committee”).

FULL YEAR CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	6 Months Ended 30 September		Year Ended 30 September	
		2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Revenue	6	56,499	82,594	120,977	134,213
Cost of sales	9	(25,131)	(40,867)	(54,426)	(70,570)
Gross profit		31,368	41,727	66,551	63,643
Other income	7	10,117	14,346	15,545	17,103
Other operating expenses					
- Reversal/(impairment loss) on trade, other and lease receivables		818	(2,156)	(232)	(2,353)
- Others	8	-	(386)	(527)	(830)
Selling and distribution expenses	9	(806)	(682)	(1,649)	(1,433)
Administrative expenses	9	(17,023)	(17,244)	(32,635)	(30,429)
Finance cost	10	(2,355)	(2,551)	(4,863)	(5,127)
Share of results of associates and joint ventures, net of tax		2,741	(24)	3,666	555
Fair value loss on investment properties		(8,878)	(7,492)	(11,598)	(11,809)
Profit before income tax		15,982	25,538	34,258	29,320
Income tax expense	11	(2,388)	(4,318)	(5,400)	(4,633)
Profit for the year		13,594	21,220	28,858	24,687
Other comprehensive income/(loss)					
<u>Item that will be reclassified subsequently to profit or loss</u>					
Currency translation differences arising from consolidation		18	15	12	(11)
<u>Item that will not be reclassified subsequently to profit or loss</u>					
Revaluation gains on leasehold building		922	-	922	-
Financial assets, at FVOCI					
- Fair value loss – equity investment		-	(700)	-	(687)
Share of other comprehensive loss of joint venture		(23)	(657)	(18)	(653)
Other comprehensive income/(loss)		917	(1,342)	916	(1,351)
Total comprehensive income for the year		14,511	19,878	29,774	23,336
Profit attributable to:					
Equity holders of the Company		13,254	20,968	28,063	24,144
Non-controlling interests		340	252	795	543
Profit for the year		13,594	21,220	28,858	24,687
Total comprehensive income attributable to:					
Equity holders of the Company		14,201	19,629	29,015	22,813
Non-controlling interests		310	249	759	523
Total comprehensive income for the year		14,511	19,878	29,774	23,336
Earnings per share for profit attributable to equity holders of the Company					
Basic and diluted (cents)	13	3.26	5.20	6.94	6.00

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

The Group	<i>Note</i>	30 September 2021 S\$'000	30 September 2020 S\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	54,167	40,363
Right-of-use assets		30,629	35,184
Investment properties	16	166,570	115,578
Intangible assets		-	40
Financial assets, at FVOCI		-	-
Investment in associates		295	178
Investment in joint ventures		20,641	17,186
Deferred tax assets		60	77
Long-term prepayments		99	116
Lease receivables		13,808	26,149
		<hr/> 286,269	<hr/> 234,871
Current assets			
Inventories		90	75
Trade and other receivables	17	31,754	43,366
Grant receivables		-	1,058
Loans to associates and joint ventures		9,152	4,959
Prepayments		1,342	1,823
Lease receivables		20,031	17,104
Cash and bank balances		36,786	38,446
Fixed deposits		1,384	2,046
		<hr/> 100,539	<hr/> 108,877
TOTAL ASSETS		<hr/> 386,808	<hr/> 343,748
EQUITY			
Capital and Reserves			
Share capital	18	65,496	63,407
Reserves		80,230	58,234
		<hr/> 145,726	<hr/> 121,641
Non-controlling interests		2,557	1,939
TOTAL EQUITY		<hr/> 148,283	<hr/> 123,580
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		3,653	3,573
Other payables	19	22	21
Provisions		684	212
Bank borrowings		89,822	55,997
Lease liabilities		54,630	66,182
		<hr/> 148,811	<hr/> 125,985
Current liabilities			
Trade and other payables	19	35,392	43,701
Deferred grant income		-	927
Provisions		65	1,106
Bank borrowings		11,556	10,725
Lease liabilities		37,706	33,193
Current income tax liabilities		4,995	4,531
		<hr/> 89,714	<hr/> 94,183
TOTAL LIABILITIES		<hr/> 238,525	<hr/> 220,168
TOTAL EQUITY AND LIABILITIES		<hr/> 386,808	<hr/> 343,748

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

<u>The Company</u>	<i>Note</i>	30 September 2021	30 September 2020
		S\$'000	S\$'000
ASSETS			
Non-current assets			
Investment in subsidiaries		32,727	32,727
Long-term prepayments		3	5
		<hr/> 32,730	<hr/> 32,732
Current assets			
Trade and other receivables		36,257	32,037
Grant receivables		-	16
Prepayments		35	46
Cash and bank balances		6,090	6,682
		<hr/> 42,382	<hr/> 38,781
TOTAL ASSETS		<hr/> 75,112	<hr/> 71,513
EQUITY			
Capital and Reserves			
Share capital	18	65,496	63,407
Reserves		5,564	5,473
TOTAL EQUITY		<hr/> 71,060	<hr/> 68,880
LIABILITIES			
Current liabilities			
Trade and other payables		3,802	2,419
Deferred grant income		-	20
Current income tax liabilities		250	194
		<hr/> 4,052	<hr/> 2,633
TOTAL LIABILITIES		<hr/> 4,052	<hr/> 2,633
TOTAL EQUITY AND LIABILITIES		<hr/> 75,112	<hr/> 71,513

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Share capital S\$'000	Retained profits S\$'000	Merger reserve S\$'000	Fair value reserve S\$'000	Asset revaluation reserve S\$'000	Exchange translation reserve S\$'000	Total attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Group									
Balance at 1 October 2020	63,407	87,498	(30,727)	(1,350)	3,708	(895)	121,641	1,939	123,580
Issuance of share	2,089	-	-	-	-	-	2,089	-	2,089
Dividend paid	-	(7,019)	-	-	-	-	(7,019)	(202)	(7,221)
Capital contribution from non-controlling shareholder	-	-	-	-	-	-	-	61	61
Profit for the year	-	28,063	-	-	-	-	28,063	795	28,858
Other comprehensive income/(loss)	-	-	-	-	904	48	952	(36)	916
Total comprehensive income for the year	-	28,063	-	-	904	48	29,015	759	29,774
Balance at 30 September 2021 (unaudited)	65,496	108,542	(30,727)	(1,350)	4,612	(847)	145,726	2,557	148,283

	Share capital S\$'000	Retained profits S\$'000	Merger reserve S\$'000	Other reserve S\$'000	Fair value reserve S\$'000	Asset revaluation reserve S\$'000	Exchange translation reserve S\$'000	Total attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Group										
Balance at 30 September 2019	63,407	59,587	(30,727)	269	-	3,711	(904)	95,343	1,537	96,880
Adoption of IFRS 16	-	6,554	-	-	-	-	-	6,554	-	6,554
Balance at 1 October 2019	63,407	66,141	(30,727)	269	-	3,711	(904)	101,897	1,537	103,434
Dividend paid	-	(3,069)	-	-	-	-	-	(3,069)	(120)	(3,189)
Refund of capital to non-controlling shareholder	-	-	-	-	-	-	-	-	(1)	(1)
Transfer to retained profits	-	269	-	(269)	-	-	-	-	-	-
Transfer upon disposal of equity investment	-	13	-	-	(13)	-	-	-	-	-
Profit for the year	-	24,144	-	-	-	-	-	24,144	543	24,687
Other comprehensive income/(loss)	-	-	-	-	(1,337)	(3)	9	(1,331)	(20)	(1,351)
Total comprehensive income/(loss) for the year	-	24,144	-	-	(1,337)	(3)	9	22,813	523	23,336
Balance at 30 September 2020	63,407	87,498	(30,727)	-	(1,350)	3,708	(895)	121,641	1,939	123,580

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Share capital S\$'000	Retained profits S\$'000	Total equity S\$'000
Company			
Balance at 1 October 2020	63,407	5,473	68,880
Issuance of share	2,089	-	2,089
Dividend paid	-	(7,019)	(7,019)
Total comprehensive income for the year	-	7,110	7,110
Balance at 30 September 2021 (unaudited)	65,496	5,564	71,060

	Share capital S\$'000	Retained profits S\$'000	Total equity S\$'000
Company			
Balance at 1 October 2019	63,407	2,953	66,360
Dividend paid	-	(3,069)	(3,069)
Total comprehensive income for the year	-	5,589	5,589
Balance at 30 September 2020	63,407	5,473	68,880

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021	2020
	S\$'000	S\$'000
Cash flows from operating activities:		
Profit before income tax	34,258	29,320
Share of results of associates and joint ventures, net of tax	(3,666)	(555)
Adjustments for:		
Amortisation of intangible assets	39	68
Depreciation of property, plant and equipment	7,147	7,118
Depreciation of right-of-use assets	11,668	13,752
(Gain)/loss on disposal of property, plant and equipment	(242)	41
Property, plant and equipment written off	18	115
Fair value loss on investment properties	11,598	11,809
Gain from net investment in subleases	(4,598)	(6,884)
Gain from termination of lease	(2)	(2)
Lease modification loss	435	-
Impairment loss on trade, other and lease receivables	232	2,353
Provision for losses from onerous contract	-	270
Finance income	(1,350)	(1,594)
Finance cost	4,863	5,127
Operating profit before working capital changes	60,400	60,938
Changes in working capital:		
- Inventories	(15)	(72)
- Trade and other receivables	12,036	(27,617)
- Trade and other payables	(10,670)	15,203
Cash generated from operations	61,751	48,452
Interest expense paid	(31)	(12)
Income tax paid	(4,875)	(669)
Income tax refunded	65	789
Net cash generated from operating activities	56,910	48,560
Cash flows from investing activities:		
Additions to property, plant and equipment	(19,999)	(22,494)
Additions to right-of-use assets	(147)	-
Additions to investment properties	(42,397)	(21)
Purchase of financial assets, at FVOCI	(115)	(410)
Additions to other asset	-	(3,913)
Cash outflow on acquisition of joint venture	(500)	(580)
Cash inflow on investment in a non-wholly owned subsidiary	60	-
Loans to associates and joint ventures, net	(4,062)	(2,919)
Loan from shareholder of a non-wholly owned subsidiary	717	-
Proceeds from disposal of property, plant and equipment	395	282
Disposal of financial assets, at FVOCI	-	330
Receipts from lease receivables	20,188	16,649
Interest received from lease receivables	1,127	1,312
Cash outflow on incorporation of associate	(90)	(30)
Dividend from associate	608	669
Interest received	82	607
Net cash used in investing activities	(44,133)	(10,518)
Cash flows from financing activities:		
(Increase)/decrease in fixed deposit - pledged	(4)	4,688
Proceeds from bank borrowings	49,021	28,755
Repayment of bank borrowings	(14,411)	(9,631)
Proceeds from issuance of share	2,089	-
Repayment of lease liabilities	(39,883)	(35,568)
Capital contribution from non-controlling shareholders	61	-
Refund of capital to non-controlling shareholder	-	(1)
Interest expense paid	(4,759)	(5,226)
Dividends paid	(7,019)	(3,069)
Dividends paid to non-controlling shareholder	(202)	(120)
Net cash used in financing activities	(15,107)	(20,172)
Net (decrease)/increase in cash and cash equivalents	(2,330)	17,870
Cash and cash equivalents at beginning of the year	39,127	21,300
Exchange gains/(losses) on cash and cash equivalents	4	(43)
Cash and cash equivalents at end of year	36,801	39,127
Consolidated cash and cash equivalents are represented by:		
Cash and bank balances	36,786	38,446
Fixed deposits	1,384	2,046
	38,170	40,492
Less: Pledged fixed deposits	(1,369)	(1,365)
Cash and cash equivalents as per consolidated statement of cash flows	36,801	39,127

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE INFORMATION

LHN Limited (the “**Company**”) was incorporated on 10 July 2014 in Singapore under the Companies Act as an investment holding private limited company under the name of “LHN Pte. Ltd.”. The Company’s registration number is 201420225D. The Company was converted into a public company and renamed as “LHN Limited” on 16 March 2015. The address of its registered office is at 10 Raeburn Park #02-18, Singapore 088702.

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

The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) are principally engaged in (i) space resource management services; (ii) facilities management services; and (iii) logistics services.

2. BASIS OF PREPARATION

The full year consolidated financial statements for the six months and full year ended 30 September 2021 have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) issued by International Accounting Standards Board (the “**IASB**”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and leasehold buildings, which are carried at fair value. This consolidated financial information is presented in Singapore Dollars (“**SGD**” or “**S\$**”) and all values are rounded to the nearest thousand (“**S\$’000**”), unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group has adopted the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 30 September 2020.

- (a) Amendments to IFRSs effective for the financial year ending 30 September 2021 do not have a material impact on the Group.
- (b) The following new standards and amendments to standards have been published but are not yet effective for the current financial year and which the Group has not early adopted:

		<u>Effective for</u> <u>accounting periods</u> <u>beginning on or after</u>	<u>Note</u>
IAS 16 (amendments)	Property, Plant and Equipment (Proceeds before intended use)	1 January 2022	<i>i</i>

Note i:

The amendment to IAS 16 Property, Plant and Equipment (PPE) prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is ‘testing whether the asset is functioning properly’ when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity’s ordinary activities.

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 convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) Right-of-use assets

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

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

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

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

(ii) Lease liabilities

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

Lease payments include the following:

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

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

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

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

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

(iii) Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. 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 shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

Where the Group is lessor

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

(i) Lessor - Operating leases

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

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

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

(ii) Lessor - Subleases

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

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 "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 balance sheet, 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.

Early adoption of amendment to IFRS 16 Leases

The Group has early adopted COVID-19-Related Rent Concessions (Amendments to IFRS 16) from 1 April 2021. The Group has elected to apply the practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification for payments originally due on or before 30 June 2022. Under the practical expedient, the Group can elect to account for such rent concessions in the same way as they would if they were not lease modifications, which the Group has applied to all rent concessions that meet the conditions of the amendment. The amount to reflect changes in lease payments that arise from rent concessions is recognised in profit or loss.

The reconciliation of profit or loss from Pre-IFRS 16 basis to Post-IFRS 16 basis is as follows.

Income Statement	Year Ended 30 September 2021			Year Ended 30 September 2020		
	Pre-IFRS 16	Effects of IFRS 16	Post-IFRS16	Pre-IFRS 16	Effects of IFRS 16	Post-IFRS16
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group						
Revenue	142,240	(21,263)	120,977	152,088	(17,875)	134,213
Cost of sales	(83,033)	28,607	(54,426)	(93,565)	22,995	(70,570)
Gross profit	59,207	7,344	66,551	58,523	5,120	63,643
Other income	9,797	5,748	15,545	8,904	8,199	17,103
Other operating expenses						
- Reversal/(impairment loss) on trade, other and lease receivables	1,295	(1,527)	(232)	(1,261)	(1,092)	(2,353)
- Others	(72)	(455)	(527)	(830)	-	(830)
Selling and distribution expenses	(1,649)	-	(1,649)	(1,433)	-	(1,433)
Administrative expenses	(33,586)	951	(32,635)	(31,470)	1,041	(30,429)
Finance cost	(2,199)	(2,664)	(4,863)	(1,897)	(3,230)	(5,127)
Share of results of associates and joint ventures, net of tax	3,672	(6)	3,666	555	-	555
Fair value losses on investment properties	(1,107)	(10,491)	(11,598)	(2,224)	(9,585)	(11,809)
Profit before income tax	35,358	(1,100)	34,258	28,867	453	29,320

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

Revenue	Year Ended 30 September 2021			Year Ended 30 September 2020		
	Pre-IFRS 16	Effects of IFRS 16	Post-IFRS16	Pre-IFRS 16	Effects of IFRS 16	Post-IFRS16
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group						
Industrial	30,492	(12,829)	17,663	38,314	(11,428)	26,886
Commercial	11,921	(4,186)	7,735	17,577	(1,971)	15,606
Residential						
- Co-living (Singapore)	15,237	(4,248)	10,989	13,699	(4,476)	9,223
- 85 SOHO (Overseas)	1,967	-	1,967	1,644	-	1,644
- Dormitory set up & retrofit	42	-	42	16,118	-	16,118
	17,246	(4,248)	12,998	31,461	(4,476)	26,985
Space Optimisation	59,659	(21,263)	38,396	87,352	(17,875)	69,477
Logistics Services	27,162	-	27,162	25,185	-	25,185
Facilities Management	55,419	-	55,419	39,551	-	39,551
	142,240	(21,263)	120,977	152,088	(17,875)	134,213

Profit before taxation	Year Ended 30 September 2021			Year Ended 30 September 2020		
	Pre-IFRS 16	Effects of IFRS 16	Post-IFRS16	Pre-IFRS 16	Effects of IFRS 16	Post-IFRS16
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group						
Industrial	8,037	2,871	10,908	(1,934)	14	(1,920)
Commercial	315	(1,253)	(938)	(59)	3,235	3,176
Residential						
- Co-living (Singapore)	4,463	(2,098)	2,365	3,453	(2,555)	898
- 85 SOHO (Overseas)	(1,263)	(35)	(1,298)	1,071	(26)	1,045
- Dormitory set up & retrofit	(80)	-	(80)	5,507	-	5,507
	3,120	(2,133)	987	10,031	(2,581)	7,450
Space Optimisation	11,472	(515)	10,957	8,038	668	8,706
Logistics Services	4,791	(75)	4,716	4,097	(132)	3,965
Facilities Management	19,147	(510)	18,637	10,145	(83)	10,062
Corporate	(52)	-	(52)	6,587	-	6,587
	35,358	(1,100)	34,258	28,867	453	29,320

4. USE OF JUDGEMENT AND ESTIMATES

The preparation of interim financial information 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 information, 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 2020.

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

Information about significant judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 16.

5. SEGMENT INFORMATION

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

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

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

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

During the financial year 2021, revenue attributable to the Group's largest customer accounted for approximately 24.3% of the Group's total revenue and aggregate revenue attributable to the five largest customers of the Group accounted for approximately 32.2% of the Group's total pre-IFRS 16 revenue.

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

Allocation basis and transfer pricing

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

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

Sales

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

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

Segment assets and liabilities

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

Segment breakdown for the year ended 30 September 2021 are as follows:

	Industrial	Commercial	Residential	Logistics Services	Facilities Management	Corporate and Eliminations	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales							
Total segment sales	19,690	8,431	13,122	29,311	63,837	22,716	157,107
Inter-segment sales	(2,027)	(696)	(124)	(2,149)	(8,418)	(22,716)	(36,130)
External sales	17,663	7,735	12,998	27,162	55,419	-	120,977
Segment results	11,186	4,731	6,527	4,651	19,970	(12)	47,053
Fair value loss on investment properties	(3,123)	(4,875)	(3,600)	-	-	-	(11,598)
Finance cost	(1,651)	(794)	(1,440)	(633)	(305)	(40)	(4,863)
	6,412	(938)	1,487	4,018	19,665	(52)	30,592
Share of results of associates and joint ventures	4,496	-	(500)	698	(1,028)	-	3,666
Profit before taxation	10,908	(938)	987	4,716	18,637	(52)	34,258
Taxation							(5,400)
Net profit after taxation							28,858
Non-controlling interests							(795)
Net profit attributable to equity holders of the Company							28,063
Segment assets	94,117	39,323	117,028	32,560	22,456	11,475	316,959
Investment in associates	-	-	-	238	57	-	295
Investment in joint ventures	18,400	-	-	-	2,241	-	20,641
Total segment assets							337,895
Total segment liabilities	64,625	26,458	78,256	22,410	22,192	15,936	229,877
Capital expenditures	643	11,950	38,799	2,849	2,211	10,343	66,795
Depreciation of property, plant and equipment	736	1,248	2,456	1,526	825	356	7,147
Depreciation of right-of-use assets	277	266	105	1,974	9,046	-	11,668

Segment breakdown for the year ended 30 September 2020 are as follows:

	Industrial	Commercial	Residential	Logistics Services	Facilities Management	Corporate and Eliminations	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales							
Total segment sales	29,890	16,534	27,107	27,956	47,168	22,277	170,932
Inter-segment sales	(3,004)	(928)	(122)	(2,771)	(7,617)	(22,277)	(36,719)
External sales	26,886	15,606	26,985	25,185	39,551	-	134,213
Segment results	6,455	8,168	8,478	4,050	11,934	6,616	45,701
Fair value (loss)/gain on investment properties	(7,898)	(4,243)	332	-	-	-	(11,809)
Finance cost	(2,009)	(749)	(1,360)	(596)	(384)	(29)	(5,127)
	(3,452)	3,176	7,450	3,454	11,550	6,587	28,765
Share of results of associates and joint ventures	1,532	-	-	511	(1,488)	-	555
Profit before taxation	(1,920)	3,176	7,450	3,965	10,062	6,587	29,320
Taxation							(4,633)
Net profit after taxation							24,687
Non-controlling interests							(543)
Net profit attributable to equity holders of the Company							24,144
Segment assets	93,360	42,701	98,033	31,813	11,666	1,229	278,802
Investment in associates	-	-	-	148	30	-	178
Investment in joint ventures	13,981	-	-	-	3,205	-	17,186
Total segment assets							296,166
Total segment liabilities	76,126	41,493	48,871	24,503	14,509	6,562	212,064
Capital expenditures	830	1,966	9,463	14,778	418	238	27,693
Depreciation of property, plant and equipment	1,471	1,044	2,230	1,383	544	446	7,118
Depreciation of right-of-use assets	596	402	2,784	1,895	8,075	-	13,752

Reconciliation of segments' total assets and total liabilities

	30 September 2021 S\$'000	30 September 2020 S\$'000
Reportable segments' assets are reconciled to total assets:		
Segment assets	337,895	296,166
Deferred tax assets	60	77
Long-term prepayment	99	116
Intangible assets	-	40
Financial assets, at FVOCI	-	-
Inventories	90	75
Loans to associates and joint ventures	9,152	4,959
Prepayment	1,342	1,823
Cash and bank balances	36,786	38,446
Fixed deposits	1,384	2,046
	386,808	343,748
Reportable segments' liabilities are reconciled to total liabilities:		
Segment liabilities	229,877	212,064
Current income tax liabilities	4,995	4,531
Deferred tax liabilities	3,653	3,573
	238,525	220,168

Geographical segment

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

	Revenue from external customers			
	6 Months ended 30 September		Year ended 30 September	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Singapore	51,689	77,961	110,502	124,337
Hong Kong	1,105	1,108	2,133	2,405
Indonesia	158	271	344	709
Thailand	2,006	1,663	3,975	3,621
Cambodia	165	1	1,137	2
Myanmar	308	761	830	1,642
Malaysia	1,068	829	2,056	1,497
	56,499	82,594	120,977	134,213

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

	Non-current assets as at	
	30 September 2021 S\$'000	30 September 2020 S\$'000
Singapore	248,912	196,681
Hong Kong	354	623
Indonesia	7,593	6,118
Thailand	2,311	2,840
Cambodia	16,137	17,779
Myanmar	3,964	4,608
Malaysia	1,223	1,132
People's Republic of China	5,715	5,013
	286,209	234,794

6. Revenue

	6 Months ended 30 September		Year ended 30 September	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Rental and warehousing lease income from				
- Leased properties	12,168	18,591	25,007	42,429
- Owned properties	2,427	2,230	5,712	4,302
Car park services	9,014	6,394	16,831	14,852
Dormitory management services	-	16,118	42	16,118
Logistics services				
- Trucking services	6,276	5,391	12,318	11,423
- Storage services	1,345	1,857	2,655	2,965
- Container repair services	1,091	1,237	2,436	2,726
- Logistics management	5,002	3,955	9,808	8,070
Facilities services	18,314	26,135	44,502	29,957
Management services fee income	825	505	1,572	1,062
Others	37	181	94	309
	<u>56,499</u>	<u>82,594</u>	<u>120,977</u>	<u>134,213</u>

7. Other income

	6 Months ended 30 September		Year ended 30 September	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Handling charges	148	162	325	320
Gain on disposal of property, plant and equipment	216	-	242	-
Interest income	636	835	1,350	1,594
Gain from net investment in subleases	2,718	6,451	4,598	6,884
Gain from termination of lease	-	2	2	2
Lease modification gains	263	-	20	-
Vehicle related income	51	144	113	325
Government grants	167	117	246	121
Wage credit scheme and special employment credit*	28	110	211	211
Job support scheme**	1,168	1,811	1,882	1,811
Forfeiture of tenant deposit	151	740	242	1,188
Foreign exchange gain	292	-	-	-
Services charges	113	70	207	191
Miscellaneous charge to tenant	94	124	161	194
Rental rebates, net***	3,257	2,945	4,534	2,945
Other income	815	835	1,412	1,317
	<u>10,117</u>	<u>14,346</u>	<u>15,545</u>	<u>17,103</u>

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

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

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

8. Other operating expenses

	6 Months ended 30 September		Year ended 30 September	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Provision for losses from onerous contract	-	-	-	270
Lease modification loss	-	-	455	-
Foreign exchange loss	-	386	72	560
	-	386	527	830

9. Expense by nature

	6 Months ended 30 September		Year ended 30 September	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Advertising expenses	201	167	321	391
Commission fees	363	442	922	861
Entertainment expenses	128	66	274	161
Marketing expenses	114	7	132	20
Transportation costs	638	557	1,348	1,477
Container depot management charges	1,245	1,140	2,607	2,338
Rental expenses	2,844	9,405	5,939	21,348
Upkeep, maintenance, set up and retrofit costs *	8,921	16,497	18,853	21,972
Consultancy fees	78	2	145	9
Depreciation of property, plant and equipment	3,972	2,872	7,147	7,118
Depreciation of right-of-use assets	4,566	7,788	11,668	13,752
Amortisation of intangible assets	5	34	39	68
Loss on disposal of property, plant and equipment	-	2	-	41
Write-off of property, plant and equipment	5	76	18	115
Professional fees	509	546	1,103	1,071
Vehicle-related expenses	41	28	80	66
Employee benefit costs	15,773	16,416	31,416	26,276
Insurance fees	341	312	738	620
IT Maintenance expenses	348	286	644	530
Printing expenses	74	51	204	193
Property management fees	167	192	334	409
Telephone expenses	163	150	314	311
Auditor's remuneration				
Audit services – current	280	161	437	303
Audit services – under provision in prior year	-	-	104	-
Non-audit services	99	3	265	70
Other expenses	2,085	1,593	3,658	2,912
	42,960	58,793	88,710	102,432

* Certain comparative amounts have been reclassified to conform with the current year's presentation. In the opinion of the directors of the Company, this presentation would better reflect the financial performance of the Group.

10. Finance cost

	6 Months ended 30 September		Year ended 30 September	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Interest expense on borrowings	1,056	951	2,035	1,889
Interest expense on lease liabilities from hire purchase arrangement	79	93	165	186
Interest expense on lease liabilities from lease arrangement	1,220	1,557	2,663	3,230
	2,355	2,601	4,863	5,305
Less: Amount capitalised	-	(50)	-	(178)
	2,355	2,551	4,863	5,127

11. Income Tax Expense

	6 Months ended 30 September		Year ended 30 September	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Current income tax	2,057	3,864	4,995	4,628
Deferred income tax	16	504	24	72
	<u>2,073</u>	<u>4,368</u>	<u>5,019</u>	<u>4,700</u>
Under/(Over) provision in respect of prior years				
- current taxation	248	31	314	14
- deferred taxation	67	(81)	67	(81)
	<u>2,388</u>	<u>4,318</u>	<u>5,400</u>	<u>4,633</u>

12. Dividend

	Year ended 30 September	
	2021 S\$'000	2020 S\$'000
Ordinary dividends:		
- Final dividend paid in respect of the previous financial year of 1.0 Singapore cent (2020: 0.5 Singapore cents) per share	4,003	2,043
- Interim dividend paid in respect of the current financial year of 0.75 Singapore cents (2020: 0.25 Singapore cents) per share	3,016	1,026
	<u>7,019</u>	<u>3,069</u>

The Board has resolved to recommend a final dividend of S\$0.01 (equivalent to HK\$0.0570) per share for the financial year ended 30 September 2021, which is subject to shareholders' approval at the upcoming general meeting.

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:

	6 Months ended 30 September		Year ended 30 September	
	2021	2020	2021	2020
Net profit attributable to equity holders of the Company (S\$'000)	13,254	20,968	28,063	24,144
Weighted average number of ordinary shares ('000)	405,962	402,445	404,208	402,445
Basic earnings per share (Singapore cents)	3.26	5.20	6.94	6.00

The basic and diluted earnings per share are the same as there were no potentially dilutive securities in issue as at 30 September 2021 and 2020.

14. Net asset value

	Group		Company	
	30 September	2020	30 September	2020
	2021		2021	
Net asset attributable to Shareholders (S\$ '000)	145,726	121,641	71,060	68,880
Number of ordinary shares in issue (in '000)	408,945	402,445	408,945	402,445
Net asset value per ordinary share (Singapore Cents)	35.63	30.23	17.38	17.12

15. Property, plant and equipment

The Group had additions to property, plant and equipment of approximately S\$14,707,000 (2020: S\$2,532,000) for the six months ended and S\$20,132,000 (2020: S\$22,941,000) for the full year ended 30 September 2021.

16. Investment property

	30 September	30 September
	2021	2020
	S\$'000	S\$'000
Balance at 30 September	115,578	67,309
Adoption of IFRS 16	-	40,790
Beginning at 1 October	115,578	108,099
Additions	60,634	9,766
Reclassification from right-of-use assets	12,084	-
Reclassification from other asset	-	16,676
Derecognition of assets of right-of-use properties	(8,407)	(6,548)
Lease modification adjustments	(1,808)	-
Net loss from fair value adjustment	(11,598)	(11,809)
Currency translation	87	(606)
End of financial year	166,570	115,578

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

Fair value of the Group's right-of-use assets (classified as investment properties) including Level 3 fair values, are estimated based on appraisals performed by independent, professionally-qualified property valuers

Fair value measurements of investment properties

Investment properties are carried at fair values at the end of reporting period. Valuations are made at each financial statement date based on the properties' highest-and-best-use using the direct market comparison method, discounted cash flow approach and income capitalization method in determining the open market values.

17. Trade and other receivables

	30 September 2021 S\$'000	30 September 2020 S\$'000
Trade receivables		
- Third parties	14,544	35,857
- Related parties	-	196
- Associates and Joint ventures	621	4
	<u>15,165</u>	<u>36,057</u>
Accrued rental income	354	252
Goods and service tax receivables	2,970	663
Deposits with external parties	12,984	8,232
Other receivables	1,139	844
	<u>17,093</u>	<u>9,739</u>
Less:		
- Impairment loss on trade receivables	(855)	(2,679)
- Impairment loss on other receivables	(3)	(3)
	<u>31,754</u>	<u>43,366</u>

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

	30 September 2021 S\$'000	30 September 2020 S\$'000
0 to 30 days	13,310	32,542
31 to 60 days	549	773
61 to 90 days	240	70
91 to 180 days	90	1,136
181 to 365 days	184	414
Over 365 days	792	1,122
	<u>15,165</u>	<u>36,057</u>

18. Share capital

	Year ended 30 September 2021		Year ended 30 September 2020	
	No. of shares Issued	Nominal Amount S\$'000	No. of shares Issued	Nominal Amount S\$'000
Beginning of financial year	402,445,400	63,407	402,445,400	63,407
Issuance of placement shares *	6,500,000	2,089	-	-
End of financial year	<u>408,945,400</u>	<u>65,496</u>	<u>402,445,400</u>	<u>63,407</u>

* On 24 June 2021, 6,500,000 ordinary shares of the Company at the issue price of S\$0.3351 were issued following the completion of the placement. The placement shares were issued free from all claims, charges, liens and other encumbrances whatsoever and rank pari passu in all respects with and carry all rights similar to the existing issued shares.

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

The Company did not have any outstanding options, treasury shares, convertibles or subsidiary holdings as at 30 September 2021 and 30 September 2020.

19. Trade and other payables

	30 September 2021 S\$'000	30 September 2020 S\$'000
Trade payables		
- Third parties	5,086	14,146
- Associates and Joint Venture	149	4
	<hr/> 5,235	<hr/> 14,150
Contract liabilities		
- Rental received in advance	174	394
- Advances received from customers	2,298	1,766
	<hr/> 2,472	<hr/> 2,160
Other payables and accruals		
- Goods and services tax payables	1,029	1,304
- Loan from shareholder of a non-wholly owned subsidiary	717	-
- Provision for directors' fees	60	54
- Accruals	10,349	9,927
- Accrued rental expenses	82	129
- Rental deposits received from customers	11,374	10,850
- Rental deposits received from related parties	38	48
- Withholding tax	95	61
- Sundry creditors *	3,941	5,018
- Other payables	22	21
	<hr/> 35,414	<hr/> 43,722
Less:		
- Non-current portion: other payables	(22)	(21)
Total trade and other payables included in current liabilities	<hr/> <hr/> 35,392	<hr/> <hr/> 43,701

* Include loans of approximately S\$2,658,000 from external parties as at 30 September 2021. The parties are registered as shareholders of a subsidiary on 1 October 2021. Refer to note 22 for further information.

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

	30 September 2021 S\$'000	30 September 2020 S\$'000
0 to 30 days	3,585	7,420
31 to 60 days	949	2,975
61 to 90 days	219	1,162
Over 90 days	482	2,593
	<hr/> 5,235	<hr/> 14,150

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

20. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2021 and 30 September 2020:

	Group		Company	
	30 September 2021 S\$'000	30 September 2020 S\$'000	30 September 2021 S\$'000	30 September 2020 S\$'000
Financial assets				
Cash and bank balances, fixed deposits and trade and other receivables (excluding goods and services tax), lease receivables and loans to associates and joint ventures	109,945	131,407	42,347	38,719
Financial liabilities				
Trade and other payables (excluding goods and services tax, contract liabilities and withholding taxes), bank borrowings and lease liabilities	225,532	206,294	3,612	2,251

21. Borrowings

	30 September 2021 S\$'000	30 September 2020 S\$'000
Amount repayable in one year or less (secured and guaranteed)		
- Bank borrowings	11,556	10,725
- Lease liabilities	37,706	33,193
	49,262	43,918
Amount repayable after one year (secured and guaranteed)		
- Bank borrowings	89,822	55,997
- Lease liabilities	54,630	66,182
	144,452	122,179
Total borrowings	193,714	166,097

The Group does not have any unsecured borrowings and debt securities as at 30 September 2021 and 30 September 2020.

Details of any collaterals:

- Bank borrowings of approximately S\$101.4 million as at 30 September 2021 (30 September 2020 – S\$66.7 million) obtained by our subsidiaries are secured by (i) legal mortgage of leasehold properties at 72 Eunos Avenue 7, 100 Eunos Avenue 7, 71 Lorong 23 Geylang, 7 Gul Avenue, 75 Beach Road, 320 Balestier Road, 115 Geylang Road and Axis Residences in Cambodia; (ii) corporate guarantees provided by the Group; (iii) assignment of rental proceeds of the mortgaged properties; and (iv) personal guarantees provided by directors and shareholders of certain non-wholly owned subsidiaries of the Company, who are not controlling shareholders of the Company (the “**Subsidiaries Directors**”), where applicable.
- Certain lease liabilities of approximately S\$3.8 million (30 September 2020 – S\$4.6 million) of the Group are secured by the underlying assets of certain plant and machinery, logistics equipment and motor vehicles, personal guarantees provided by the Subsidiaries Directors and corporate guarantees provided by the Group.

22. Subsequent events

The Group entered into an option to purchase on 14 July 2021 to acquire a property at 55 Tuas South Avenue 1, Singapore, for a consideration of S\$21 million. On 1 October 2021, the Group entered into a joint venture agreement with two other joint venture partners to acquire the aforementioned property, thus reducing the shareholding interest held by the Group to 60%. On the same day, the acquisition of the property was also completed in accordance with the terms and conditions as set out in the option to purchase. Please refer to the announcement of the Company dated 3 October 2021 for further details.

On 5 November 2021, Coliwoo Holdings Pte. Ltd. and Four Star Industries Pte Ltd entered into an addendum to revise certain terms in the joint venture agreement such as the board composition and management of 471 Balestier Pte. Ltd., and the remaining term of the joint venture agreement remained the same. As a result, 471 Balestier Pte. Ltd. (the "**Balestier JV Company**") will be equity-accounted as a joint venture of the Group instead of a non-wholly owned subsidiary of the Group, and the Balestier JV Company was deconsolidated from the Group. At the time of entering into the addendum, the Balestier JV Company has yet to commence operations. Accordingly, there was no gain or loss on disposal of investment in subsidiary as there is no difference between the net disposal proceeds (which include the value of the interest retained) and the carrying amount of the investment. On the same day, the acquisition of the property at 471/A/B/C and 473/A/B/C Balestier Road, Singapore, was also completed in accordance with the terms and conditions as set out in the option to purchase. Please refer to the announcement of the Company dated 5 November 2021 for further details.

Management Discussion and Analysis

Business Review

In FY2021, the Space Optimisation Business had renewed a total of seven master leases, comprising five industrial properties' master leases, one commercial property master lease and one residential property master lease. Furthermore, its mixed-use development supporting commercial spaces, co-living residential apartments and recreational facilities at 1557 Keppel Road had completed renovation and became fully operational in the third quarter of FY2021. Operations has also commenced at its joint venture properties in Singapore at 5 Toa Payoh and 202 Kallang Bahru in the first half and second half of FY2021 respectively. The former offers storage of cars, spare parts, vehicle inspection (without servicing and repair activities) and ancillary office while the latter offers Work+Store self-storage facilities.

As at 30 September 2021, the occupancy rates across certain properties (excluding joint venture properties) under the Space Optimisation Business are as follows:

Industrial Properties	
- Work+Store space:	98.9%
- Industrial space:	93.5%
Commercial Properties	
- Commercial space:	84.8%
Residential Properties	
- Co-living space (Singapore):	99.5%

To further expand its offerings under the Space Optimisation Business, the Group (together with its joint venture companies) had acquired a few properties in Singapore in FY2021, namely at 320 Balestier Road, 40 and 42 Amber Road (joint venture property), 75 Beach Road and 115 Geylang Road. These properties will be operated as co-living spaces upon the completion of renovation expected to be between the second and third quarters of the financial year ending 30 September 2022 ("**FY2022**").

The Facilities Management Business which primarily provides integrated facilities management services, carpark management services and dormitory management services, continues to perform better, driven by (i) the expansion of the carpark business arising from the joint venture acquisition of Bukit Timah Shopping Centre carpark which was completed in December 2020 and the commencement of operations of 33 new carparks in January 2021 awarded by JTC Corporation; and (ii) increase in facilities management services amid the COVID-19 pandemic.

Our Logistics Services Business which provides transportation services and container depot services continues to grow in FY2021.

Industry Overview

Space Optimisation Business

According to JTC Market Report for the industrial property market (3Q2021)¹, the occupancy rate of the overall industrial property market stood at 90.1% which remained unchanged compared to the previous quarter but 0.5 percentage points higher compared to the previous year. In line with the broad recovery of the economy, prices and rentals have continued to rebound. In the third quarter of 2021, price and the rental indices of all industrial space rose by 0.1% and 0.7% respectively as compared to the previous quarter, and 3.9% and 1.9% respectively compared to the previous year.

Moving over to the residential leasing market, Savills Research² reported that following two consecutive quarters of rental growth, private home rents continued to trend up in the second quarter of 2021. The URA rental index for all private residential properties recorded a strong 2.9% quarter-on-quarter increase. An increasing demand from young single locals who wish to break free from their parents' home to enjoy greater privacy and independence to work-from-home are also spurring leasing demand for both co-living, single independent unit rooms and small format apartments.

Logistics Services Business

Based on the Singapore Economic Development Board monthly manufacturing performance for September 2021, the manufacturing output of chemicals grew 12.4% year-on-year in September 2021³. The Group's trucking business is expected to remain stable in FY2022, attributable to the Group's competitive pricing, on-time delivery and good relationships with our customers.

According to S&P Global Platts⁴, Singapore's container throughput was up 3.4% in the first nine months of 2021 from a year earlier and 2.4% higher compared with the same period of 2019 to just over 28 million twenty-foot equivalent units. However, in September 2021, container throughput was down 2.8% year-on-year which may be due to shipment and logistics bottlenecks with transshipment containers spending more time at Singapore port before being loaded on ships. In Thailand, overall imports grew 26.2% year-on-year by value in the first six months of 2021, while exports grew 15.5% to US\$132 billion⁵. Nevertheless, the Group's container depot business expects to remain cautious in view of the business uncertainties brought about by the COVID-19 pandemic.

¹ <https://stats.jtc.gov.sg/content/static/Documents/JTC%20Quarterly%20Market%20Report%20for%203Q2021.pdf>

² <https://pdf.savills.asia/asia-pacific-research/singapore-research/singapore-residential/singapore-residential-leasing-briefing-2021-q2.pdf>

³ https://www.edb.gov.sg/content/dam/edb-en/about-edb/media-releases/manufacturing-statistics/Monthly_Manufacturing_Activities/monthly-manufacturing-performance-september-2021-Final.pdf

⁴ <https://www.spglobal.com/platts/en/market-insights/latest-news/shipping/102121-singapore-container-throughput-up-34-in-jan-sept-down-28-in-sept-amid-delays>

⁵ <https://www.bangkokpost.com/business/2172515/hutchison-ports-records-10-increase-in-cargo-volumes>

Business Outlook

As the world progressively recovers from the Covid-19 pandemic, the Group anticipates certain headwinds in the path to full recovery. The recent disruption to the global supply chain including higher construction cost, construction delays as well as rising electricity and operating costs and an uncertain interest rate environment may cause operating costs to increase for the Group's business.

Given the uncertain economic conditions ahead, the Group will exercise caution in implementing our growth strategy and be more selective in our investments target while striving to deliver our space at a competitive price to our customers.

For the Space Optimisation Business in FY2022, the Group intends to fully operationalize the 4 co-living properties acquired in FY2021 and the 471 Balestier co-living hotel property acquired in the first quarter of FY2022. The Group also expects a full year of revenue contribution from its 2 newly acquired industrial joint venture properties; namely at 202 Kallang Bahru and 55 Tuas South Avenue 1.

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

For the Logistics Services Business, the Group will continue to look for more opportunities to grow its transportation fleet, container depot network and expand its logistics customer base in Singapore, Malaysia and in the ASEAN region.

Recently on 24 November 2021, the Company announced that it is exploring the possibility to spin-off its Logistics Services Business via a proposed listing on Catalist of the SGX-ST. Submissions to SGX-ST and SEHK have been made and are still considering the Company's respective applications, and no formal listing application has been submitted to any relevant regulatory authorities in Singapore. The Company will announce any material developments on the proposed spin-off and proposed listing of the Logistics Services Business as and when appropriate.

Financial Review

For the year ended 30 September 2021 (“FY2021”) vs year ended 30 September 2020 (“FY2020”)

Revenue

	FY2021 S\$'000	FY2020 S\$'000	Variance	
			S\$'000	%
Industrial Properties	17,663	26,886	(9,223)	(34.3)
Commercial Properties	7,735	15,606	(7,871)	(50.4)
Residential Properties				
- Co-living (Singapore)	10,989	9,223	1,766	19.1
- 85 SOHO (Overseas)	1,967	1,644	323	19.6
- Dormitory set up & retrofit	42	16,118	(16,076)	(99.7)
	12,998	26,985	(13,987)	(51.8)
Space Optimisation Business	38,396	69,477	(31,081)	(44.7)
Facilities Management Business	55,419	39,551	15,868	40.1
Logistics Services Business	27,162	25,185	1,977	7.8
Total	120,977	134,213	(13,236)	(9.9)

The Group’s revenue decreased by approximately S\$13.2 million or 9.9% from approximately S\$134.2 million in FY2020 to approximately S\$120.9 million in FY2021 primarily due to the decrease in revenue from the Space Optimisation Business which was partially offset by the increase in revenue from the Facilities Management Business and Logistics Services Business.

(a) Space Optimisation Business

Industrial Properties

Revenue derived from Industrial Properties decreased by approximately S\$9.2 million or 34.3% from approximately S\$26.8 million in FY2020 to approximately S\$17.6 million in FY2021 mainly due to (i) decrease in revenue from subleases as a result of the expiry of four master leases between the second to fourth quarters of FY2020; and (ii) more derecognition of revenue from subleases classified as finance lease pursuant to IFRS 16.

Commercial Properties

Revenue derived from Commercial Properties decreased by approximately S\$7.9 million or 50.4% from approximately S\$15.6 million in FY2020 to approximately S\$7.7 million in FY2021 mainly due to (i) decrease in revenue from subleases as a result of the expiry of three master leases during FY2021; (ii) renewal of subleases at lower rates; (iii) decrease in revenue from 1557 Keppel Road Singapore as the property had undergone progressive renovations from the second quarter of FY2020 to the third quarter of FY2021; and (iv) more derecognition of revenue from subleases classified as finance lease pursuant to IFRS 16.

Residential Properties

Revenue derived from Residential Properties decreased by approximately S\$14.0 million or 51.8% from approximately S\$27.0 million in FY2020 to approximately S\$13.0 million in FY2021 mainly due to the absence of a non-recurring revenue of approximately S\$16.1 million from the setup and retrofitting of the dormitory business in the second half of FY2020. This was partially offset by an increase in revenue of approximately S\$1.8 million from our co-living business in Singapore and S\$0.3 million from our overseas Residential Properties.

The increase in revenue from our co-living business in Singapore arose mainly from (i) the commencement of operations of the new co-living space at 1557 Keppel Road which started generating revenue from the third quarter of FY2021 after completion of progressive renovations; and (ii) our master lease at 1A Lutheran Road which started generating revenue from the second quarter of FY2020.

For the overseas Residential Properties, the increase in revenue was mainly due to the commencement of operations of the new serviced residence in Cambodia which started generating revenue from the first quarter of FY2021 but was partially offset by the decrease in revenue from our serviced residence in Myanmar due to lower occupancy rates.

(b) Facilities Management Business

Revenue derived from our Facilities Management Business increased by approximately S\$15.9 million or 40.1% from approximately S\$39.5 million in FY2020 to approximately S\$55.4 million in FY2021 mainly due to (i) the increase in revenue from the management of new carparks in Singapore secured in the second quarter of FY2021; and (ii) increase in facilities management services amid the COVID-19 pandemic.

(c) Logistics Services Business

Revenue derived from our Logistics Services Business increased by approximately S\$2.0 million or 7.8% from approximately S\$25.2 million in FY2020 to approximately S\$27.2 million in FY2021 mainly due to increase in transportation services provided from the trucking business.

Cost of Sales

Cost of sales decreased by approximately S\$16.1 million or 22.9% from approximately S\$70.5 million in FY2020 to approximately S\$54.4 million in FY2021.

The decrease of approximately S\$24.7 million was mainly due to a decrease in (i) depreciation of right-of-use assets and property, plant and equipment; (ii) set up and retrofit costs which corresponded to the absence of a non-recurring revenue from the setup and retrofitting of the dormitory business in the second half of FY2020; and (iii) rental costs arising from (a) the expiry of four master leases between the second to fourth quarters of FY2020 and two master leases in FY2021; and (b) renewal of leases previously classified as short-term leases in FY2020 which have been capitalised as lease liabilities in FY2021, with partial derecognition of rental costs to other income (gains from subleases) as a result of subleases classified as finance leases pursuant to IFRS 16.

The decrease was partially offset by the increase of approximately S\$8.6 million in (i) staff costs due to increase in number of staff and upkeep and maintenance costs mainly from the Facilities Management Business that is in line with the increase in revenue; (ii) container depot management charges; and (iii) other expenses.

Gross Profit

In view of the above mentioned, gross profit increased by approximately S\$2.9 million from approximately S\$63.6 million in FY2020 to approximately S\$66.5 million in FY2021 mainly due to an improvement in the profitability of the Space Optimisation Business; Industrial and Residential - Singapore co-living segment, Facilities Management Business and Logistics Services Business, along with lowered cost of sales.

Other Income

Other income decreased by approximately S\$1.5 million or 9.1% from approximately S\$17.1 million in FY2020 to approximately S\$15.6 million in FY2021 mainly due to (i) decrease in gains from subleases of approximately S\$2.3 million which were derived based on differences between the right-of-use asset derecognised and the net investment in sublease, pursuant to IFRS 16; and (ii) decrease in forfeiture of tenants' deposit of approximately S\$0.9 million. This was partially offset by higher net rental rebates received from Governments and landlords of approximately S\$1.5 million recorded under the Space Optimisation Business.

Other Operating Expenses

Other operating expenses decreased by approximately S\$2.4 million or 76.2% from approximately S\$3.2 million in FY2020 to approximately S\$0.8 million in FY2021 mainly due to (i) decrease in impairment losses on receivables of approximately S\$2.1 million under the Space Optimisation Business; and (ii) decrease in foreign exchange losses of approximately S\$0.5 million. This was partially offset by the loss on lease modification of approximately S\$0.4 million due to a change in the carrying amount of lease receivables.

Selling and Distribution Expenses

Selling and distribution expenses increased slightly by approximately S\$0.2 million or 15.1% from approximately of S\$1.4 million in FY2020 to approximately S\$1.6 million in FY2021 due to increase in marketing expenses for the Space Optimisation Business.

Administrative Expenses

Administrative expenses increased by approximately S\$2.2 million or 7.2% from approximately S\$30.4 million in FY2020 to approximately S\$32.6 million in FY2021 mainly due to increase in (i) staff costs of approximately S\$1.5 million in line with the increase in revenue from Facilities Management Business; and (ii) other expenses of approximately S\$1.2 million such as IT maintenance expenses, insurance fees, consultancy fees, audit fees and site related expenses with the increase in companies under our portfolio. These were partially offset by the decrease in depreciation of property, plant and equipment of approximately S\$0.5 million mainly due to depreciation of renovation being fully depreciated during FY2021 at certain sites under the Space Optimisation Business.

Finance Cost

Finance cost decreased slightly by approximately S\$0.3 million or 5.1% from approximately S\$5.1 million in FY2020 to approximately S\$4.8 million in FY2021 mainly due to decrease in interest expenses on lease liabilities of approximately S\$0.6 million. This was partially offset by increase in interest expenses of approximately S\$0.3 million due to the increase in bank borrowings.

Share of Results of Associates and Joint Ventures

Share of results of associates and joint ventures increased by approximately S\$3.1 million from approximately S\$0.5 million in FY2020 to approximately S\$3.6 million in FY2021 mainly due to a net fair value loss on investment properties of approximately S\$1.3 million in FY2020 as compared to a net fair value gain on investment properties of approximately S\$1.8 million in FY2021.

Fair Value Loss on Investment Properties

Fair value loss on investment properties decreased by approximately S\$0.2 million or 1.8% from approximately S\$11.8 million in FY2020 to approximately S\$11.6 million in FY2021 mainly due to lower fair value loss on investment properties.

Profit before Income Tax

As a result of the aforementioned, the Group's profit before income tax increased by approximately S\$4.9 million or 16.8% from approximately S\$29.3 million in FY2020 to approximately S\$34.2 million in FY2021.

Income Tax Expense

Income tax expenses increased by approximately S\$0.8 million or 16.6% from approximately S\$4.6 million in FY2020 to approximately S\$5.4 million in FY2021 mainly due to higher taxable profit.

Profit for the Year

As a result of the above, the Group's net profit increased by approximately S\$4.2 million or 16.9% from approximately S\$24.7 million in FY2020 to approximately S\$28.9 million in FY2021.

Review of Statement of Financial Position

Non-current assets

Non-current assets increased by approximately S\$51.8 million from approximately S\$234.9 million as at 30 September 2020 to approximately S\$286.7 million as at 30 September 2021 mainly due to the factors set out below.

Property, plant and equipment ("PPE") increased by approximately S\$13.8 million due to (i) additions of approximately S\$20.1 million for the acquisition of 75 Beach Road levels 3 and 4, renovation costs incurred for our new co-work co-live project in Singapore under the Space Optimisation Business and new carparks managed under the Facilities Management Business; and (ii) revaluation gains from our logistics property of approximately S\$0.9 million. This was partially offset by depreciation of PPE of approximately S\$7.1 million.

Investment properties increased by approximately S\$51.0 million mainly due to (i) purchase of properties at 320 Balestier Road, 115 Geylang Road and 75 Beach Road levels 5 and 6 for approximately S\$45.1 million; and (ii) net additions to investment properties (right-of-use) of approximately S\$5.4 million mainly from the Industrial Properties; (iii) reclassification of approximately S\$12.0 million from right-of-use assets; and (iv) foreign currency translation gain of approximately S\$0.1 million. These were partially offset by fair value loss of approximately S\$11.6 million.

Right-of-use assets decreased by approximately S\$4.6 million mainly due to (i) depreciation of right-of-use assets of approximately S\$11.7 million; and (ii) reclassification of approximately S\$12.0 million to investment properties (right-of-use). This was partially offset by net additions of approximately S\$19.1 million mainly from new carparks managed under the Facilities Management Business.

Investment in associates and joint ventures increased by approximately S\$3.5 million mainly arising from the share of profit of associates and joint ventures recognised in FY2021 of approximately S\$3.6 million and share capital injection of S\$0.5 million. This was partially offset by dividends received from an associated company of approximately S\$0.6 million.

Lease receivables decreased by approximately S\$12.3 million mainly due to receipts in FY2021.

Current assets

Current assets decreased by approximately S\$8.3 million from approximately S\$108.8 million as at 30 September 2020 to approximately S\$100.5 million as at 30 September 2021 mainly due to the factors set out below.

Trade and other receivables decreased by approximately S\$11.6 million mainly due to decrease in trade receivables of approximately S\$20.9 million mainly due to the receipt of payment from our dormitory business. This was partially offset by (i) increase in other receivables of approximately S\$7.5 million which was largely due to payment of deposit and goods and services tax for the purchase of property at 55 Tuas South Avenue 1, Singapore; and (ii) decrease in allowance for impairment of trade receivables of approximately S\$1.8 million.

Grant receivables relating to job support scheme receivable from the Singapore Government decreased by approximately S\$1.1 million due to payouts received.

Loans to associates and joint ventures increased by approximately S\$4.2 million are mainly for the partial payment of acquisition of a residential property in Singapore under Coliwoo East Pte. Ltd. and carpark property in Singapore under Metropolitan Parking (BTSC) Pte. Ltd..

Prepayments decreased by approximately S\$0.4 million mainly due to lower prepaid rental expenses as at 30 September 2021.

Lease receivables increased by approximately S\$2.9 million due to recognition of receivables from new subleases.

Cash and bank balances and fixed deposits decreased by approximately S\$2.3 million.

Non-current liabilities

Non-current liabilities increased by approximately S\$22.8 million from approximately S\$126.0 million as at 30 September 2020 to approximately S\$148.8 million as at 30 September 2021 mainly due to the factors set out below.

Bank borrowings increased by approximately S\$33.8 million mainly for the purchase of properties at 320 Balestier Road, 75 Beach Road and 115 Geylang Road and renovation for the Group's co-work co-live project in Singapore.

Lease liabilities decreased by approximately S\$11.5 million mainly due to repayments in FY2021.

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

Current liabilities

Current liabilities decreased by approximately S\$4.5 million from approximately S\$94.2 million as at 30 September 2020 to approximately S\$89.7 million as at 30 September 2021 mainly due to the factors set out below.

Trade and other payables decreased by approximately S\$8.3 million largely due to decrease in trade payables of approximately S\$8.9 million relating to the dormitory business and payment to suppliers. This was partially offset by increase in other payables of approximately S\$0.6 million.

Provisions decreased by approximately S\$1.0 million mainly due to (i) reclassification of provision of reinstatement cost from current liabilities to non-current liabilities as mentioned above; and (ii) utilisation of provision of reinstatement cost of approximately S\$0.5 million.

Bank borrowings increased by approximately S\$0.8 million mainly for the purchase of properties at 320 Balestier Road, 75 Beach Road and 115 Geylang Road.

Lease liabilities increased by approximately S\$4.5 million mainly due to recognition of liabilities payable to landlords for lease arrangements relating to Industrial Properties under the Space Optimisation Business and new carparks managed under our Facilities Management Business.

Current tax payable increased by approximately S\$0.4 million mainly due to income tax provision for FY2021.

Review of Statement of Cash Flows

In FY2021, the Group recorded net cash generated from operating activities of approximately S\$56.9 million, which was a result of operating profit before changes in working capital of approximately S\$60.4 million, decrease in trade and other receivables of approximately S\$12.0 million and decrease in trade and other payables of approximately S\$10.7 million, adjusted for net income tax paid of approximately S\$4.8 million.

Net cash used in investing activities amounted to approximately S\$44.1 million, which was mainly due to (i) additions to PPE of approximately S\$20.0 million for the acquisition of 75 Beach Road level 3 and 4, renovation for our new co-work co-live project in Singapore and new carparks managed in Singapore; (ii) additions to investment properties of approximately S\$42.4 million for the purchase of property at 320 Balestier Road, 115 Geylang Road and 75 Beach Road level 5 and 6; and (iii) loans to joint ventures and associates of approximately S\$4.0 million mainly for the partial payment of acquisition of a residential property and a carpark property in Singapore. These were partially offset by (i) receipts from lease receivables of approximately S\$20.2 million; (ii) interest received from lease receivables of approximately S\$1.1 million; (iii) dividend received from associate of approximately S\$0.6 million; and (iv) proceeds from disposals of PPE of approximately S\$0.4 million.

Net cash used in financing activities amounted to approximately S\$15.1 million, which were due to (i) repayment of bank borrowings of approximately S\$14.4 million; (ii) repayment of lease liabilities of approximately S\$39.9 million; (iii) interest expenses on bank borrowings and lease liabilities paid of approximately S\$4.8 million; and (iv) dividend paid to shareholders of approximately S\$7.0 million. These were partially offset by (i) proceeds from bank borrowings of approximately S\$49.0 million for the purchase of property at 320 Balestier Road, 115 Geylang Road, 75 Beach Road and renovation costs for our co-work co-live project in Singapore; and (ii) proceeds from issuance of share of approximately S\$2.1 million.

As a result of the above, cash and cash equivalents decreased by approximately S\$2.3 million, amounting to approximately S\$36.8 million as at 30 September 2021.

Liquidity and Financial Resources

During FY2021, the Group financed its operations primarily through a combination of cash flow generated from our operations, bank borrowings, finance leases and placement proceeds from the issuance of the Company's shares on 24 June 2021.

The Group primarily obtained bank borrowings to finance its acquisition of properties and logistics equipment. The Group also had revolving loans for its short-term finance needs. The Group's borrowings as at 30 September 2021 were denominated in Singapore dollars, United States dollars and Renminbi with interest charged on these borrowings ranging from 1.40% to 6.00% per annum. As at 30 September 2021, the Group had outstanding bank borrowings of S\$101.4 million. These borrowings were secured by (i) legal mortgage of leasehold properties at 72 Eunos Avenue 7, 100 Eunos Avenue 7, 71 Lorong 23 Geylang, 7 Gul Avenue, 75 Beach Road, 320 Balestier Road, 115 Geylang Road in Singapore and Axis Residences in Cambodia; (ii) corporate guarantees provided by the Group; (iii) assignment of rental proceeds of the mortgaged properties; and (iv) personal guarantees provided by the Subsidiaries Directors, where applicable.

As at 30 September 2021, cash and cash equivalents held by the Group were mainly cash in the banks and on hand denominated in Singapore dollars, Hong Kong dollars ("HK\$"), Indonesian rupiah ("IDR"), Renminbi and Thai baht ("THB") and deposits denominated in Singapore dollars that are readily convertible into cash.

Gearing Ratio

Gearing ratio is equal to interest-bearing debt divided by total capital and multiplied by 100%. Total capital is calculated as interest-bearing debt plus total equity. Gearing ratio as at 30 September 2021 was 56.6%, a slight decrease from 57.3% as at 30 September 2020.

Lease Liabilities

Since 1 October 2019, the Group has adopted IFRS 16 "Leases" ("IFRS 16") without restating comparatives as permitted under the standard. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rental are recognised. The only exceptions are short-term and low-value leases.

As at 30 September 2021, the Group had lease liabilities of S\$92.3 million in respect of the Group's leased properties, plant and machinery, logistics equipment and motor vehicles. Certain lease liabilities of the Group are secured by the underlying assets of certain plant and machinery, logistics equipment and motor vehicles, personal guarantees provided by the Subsidiaries Directors and corporate guarantees provided by the Group.

Capital Commitment

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

	30 September 2021	30 September 2020
	S\$'000	S\$'000
Investment property	1,005	-
Property, plant and equipment	1,884	4,948
	<u>2,889</u>	<u>4,948</u>

Capital Expenditure

During FY2021, the Group's capital expenditure consists of additions to property, plant and equipment and investment properties amounting to approximately S\$66.8 million for the purchase of properties at 320 Balestier Road, 75 Beach Road and 115 Geylang Road and renovation costs for the Space Optimisation Business and purchase of logistics and carpark equipment (FY2020: approximately S\$27.7 million).

Contingent Liabilities

As at 30 September 2021, the Group did not have any material contingent liabilities.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this announcement, there was no material acquisition and disposal of subsidiaries, associates and joint ventures for FY2021.

Guarantee Performance in relation to the Acquisitions

The Group did not enter into any acquisition, which is required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HK Listing Rules"), that the party in contract required to commit or guarantee on the financial performance in any kinds for FY2021.

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 FY2021.

Off-balance Sheet Arrangements

For FY2021, the Group did not have any off-balance sheet arrangements.

Securities Investments

The Group did not have any securities investment in any investee company with a value of 5% or more of the total assets of the Group as at 30 September 2021, which is required to be disclosed under the HK Listing Rules.

Future Plans for Material Investment and Capital Assets

Save as disclosed in the prospectus of the Company dated 15 December 2017 and this announcement, the Group did not have any plans for material investment and capital assets as at 30 September 2021. The Company will make further announcements in accordance with HK Listing Rules and Catalist Rules, where applicable, if any investments and acquisition opportunities materialise.

Exposure to Fluctuations in Exchange Rates

The Group mainly operates in Singapore, Indonesia, Thailand, Myanmar, Malaysia, Hong Kong and Cambodia during FY2021. Currency exposure arises within entities of the Group when transactions are mainly denominated in foreign currencies such as United States dollars (“USD”), IDR, HK\$ and THB. In addition, the Group is exposed to currency translation risk upon translation of the net assets in foreign operations into the Group’s reporting currency in SGD. During FY2021, the Group recorded an exchange loss of S\$72,000.

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

Employees and Remuneration Policies

As at 30 September 2021, there were 563 (as at 30 September 2020: 633) employees in the Group. The remuneration to its employees includes salaries and allowances, which is determined based on their performance, experience and prevailing industry practices. The compensation policies and packages are reviewed on a regular basis.

Significant Event after the Reporting Period

Saved as disclosed in this announcement, there was no significant event relevant to the business or financial performance of the Group that has come to the attention of the Directors after FY2021.

Use of Proceeds from Placement

Pursuant to placement agreement dated 10 June 2021 which was completed and announced on 24 June 2021, the Company had allotted and issued 6,500,000 ordinary shares at a price of S\$0.3351 (equivalent to HK\$1.9638) per share and raised approximately S\$2.2 million in total gross proceeds (the “Placement”). The net proceeds (after deducting related professional fees and related expenses) from the placement is approximately S\$2.1 million (the “Net Proceeds”).

A breakdown of the Net Proceeds utilised for working capital as at the date of this announcement are as follows:

Use of Net Proceeds	Amount Utilised S\$'000
Professional fees	17
Renovation costs for properties under the Space Optimisation Business	1,550
Total	1,567

The use of the Net Proceeds is in accordance with the intended use as disclosed in the Company’s announcement dated 24 June 2021. The Company will make periodic announcements as and when the balance of the Net Proceeds is materially utilised.

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

During FY2021, the Company had issued 6,500,000 placement shares on 24 June 2021 under the Placement. Following the completion, the total number of issued shares of the Company has increased from 402,445,400 shares to 408,945,400 shares. Other than the said placement of shares by the Company, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during FY2021.

Save for the issuance of shares on 24 June 2021 as disclosed above, there has been no change to the shares in issue and capital structure of the Company.

Corporate Governance

The Company has adopted the code provisions of the corporate governance code in Appendix 14 (the "HK CG Code") to the HK Listing Rules as part of its corporate governance code effective upon the HK Listing, 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 FY2021 except for code provision A.2.1 under the HK CG Code. Under code provision A.2.1 of the HK CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Group does not have the role of chief executive officer but has the role of managing Director, which is responsible for the day-to-day management of business and currently performed by Mr. Lim Lung Tieng ("Mr. Kelvin Lim"), who is also the executive chairman of the Board. Throughout the Group's business history, Mr. Kelvin Lim has held the key leadership position of the Group since 1998 and has been deeply involved in the formulation of corporate strategies and management of business and operations of the Group. Taking into account the consistent leadership within the Group and in order to enable more effective and efficient overall strategic planning and continuation of the implementation of such plans, the Directors (including the independent non-executive Directors) consider that Mr. Kelvin Lim is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Group and our shareholders as a whole.

Model Code of securities transactions by directors

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

The Company and its Officers (including the Directors, Management and Executives) are not allowed to deal in the Company's shares during the period commencing 30 days immediately before the announcement of the Company's quarterly and 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 FY2021.

Audit Committee

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

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

The Audit Committee has reviewed the consolidated results of the Group for FY2021 and is of the opinion that such results complied with the applicable accounting standards, the requirements under the HK Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

Scope of work of PricewaterhouseCoopers

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, and the related notes thereto for the year ended 30 September 2021 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers LLP, to the amounts set out in the Group's audited consolidated financial statements for the reporting year. The work performed by PricewaterhouseCoopers LLP in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board ("IAASB") and consequently no assurance has been expressed by PricewaterhouseCoopers LLP on this announcement.

Public Float

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

Annual General Meeting

The annual general meeting of the Company (the “AGM”) will be held on 28 January 2022 (Friday). The notice of the AGM will be published on the website of SEHK (www.hkexnews.hk), SGX-ST (www.sgx.com) and the website of the Company (www.lhngroup.com), and will also be sent to the Shareholders, together with the Company’s annual report, in due course.

Closure of Register of Members

For determining the entitlement to attend and vote at the AGM

For Shareholders in Singapore

The Share Transfer Books and Register of Members of the Company will be closed at **5:00 p.m. on Tuesday, 25 January 2022** for the purpose of determining shareholders’ entitlements to attend the AGM. Duly completed registrable transfers in respect of the Shares received by the Company’s Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 up to **5:00 p.m. on Monday, 24 January 2022** will be registered to determine shareholders’ entitlements to attend the AGM.

For Shareholders in Hong Kong

The branch register of members of the Company in Hong Kong will be closed from **Tuesday, 25 January 2022 to Friday, 28 January 2022** (both days inclusive), during which period no transfer of Shares of the Company will be registered in Hong Kong. In order to determine shareholders’ entitlements to attend and vote at the AGM, all share transfers in Hong Kong, accompanied by the relevant share certificates, must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than **4:30 p.m. on Monday, 24 January 2022**.

For the purpose of determination of shareholders registered under the Singapore principal register of members and the Hong Kong branch register of members of the Company, all necessary documents, remittances accompanied by the relevant share certificates in respect of removal of Shares between the two (2) register of members, must be submitted no later than **5:00 p.m. and 4:30 p.m. on Monday, 17 January 2022** to the Company’s Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Singapore shareholders) and the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong (for Hong Kong shareholders), respectively.

Other information required by Appendix 7C of the Catalist Rules

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

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

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

Not applicable.

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

There was no forecast or prospect statement previously disclosed to shareholders.

4. Dividend Information

- (a) **Whether a final ordinary dividend has been declared:** Yes

- (b) (i) **Amount per share:** 1.0 Singapore cent (equivalent to HK\$0.0570)

(ii) **Previous corresponding period:** 1.0 Singapore cent (equivalent to HK\$0.0579)

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

Tax-exempt (one-tier).

- (d) **Date payable**

Subject to shareholders' approval at the upcoming annual general meeting, the proposed final dividend will be paid on Thursday, 24 February 2022.

- (e) **Books closure date**

For Shareholders in Singapore

The Share Transfer Books and Register of Members of the Company will be closed at **5:00 p.m. on Thursday, 10 February 2022** for the purpose of determining shareholders' entitlements to the proposed final dividend. Duly completed registrable transfers in respect of the Shares received by the Company's Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 up to **5:00 p.m. on Thursday, 10 February 2022** will be registered to determine shareholders' entitlements to the proposed final dividend.

For Shareholders in Hong Kong

The branch register of members of the Company in Hong Kong will be closed between **Friday, 11 February 2022 and Monday, 14 February 2022** (both days inclusive), during which period no transfer of Shares of the Company will be registered in Hong Kong. In order to determine shareholders' entitlements to the proposed final dividend, all share transfers in Hong Kong, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than **4:30 p.m. on Thursday, 10 February 2022**.

For the purpose of determination of shareholders registered under the Singapore principal register of members and the Hong Kong branch register of members of the Company, all necessary documents, remittances accompanied by the relevant share certificates in respect of removal of Shares between the two (2) register of members, must be submitted no later than **5:00 p.m. and 4:30 p.m. on Friday, 28 January 2022** to the Company's Singapore principal share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Singapore shareholders) and the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong shareholders), respectively.

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

Not applicable.

6. Breakdown of Group's revenue and profit/(loss) after tax for first half year and second half year.

	FY2021 S\$'000	FY2020 S\$'000	Increase/(Decrease) %
(a) Sales reported for first half year	64,478	51,619	24.9
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	14,809	3,176	366.3
(c) Sales reported for second half year	56,499	82,594	(31.6)
(d) Operating profit after tax before deducting non-controlling interest reported for second half year	13,254	20,968	(36.8)

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

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

Name of Interested Person	Aggregate Value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate Value of all interested person transactions conducted during the financial year under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Total	Nil	Nil

Note: There were interested person transactions during the period but the individual transactions were less than S\$100,000.

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

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Detail of changes in duties and position held, if any, during the year
Ong Siang Lim Jeremy	42	Brother-in-law of Kelvin Lim and Jess Lim	Senior manager car park management, responsible to oversee the car park management services / 2016	N.A.

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

During FY2021 and up to the date of this announcement, the Group had incorporated the following subsidiaries and joint ventures:

S/N	Company Name	Place of Incorporation	Issued and Paid-up Capital	Principal Activities	Interest Held by the Group	Date of announcement
1.	Coliwoo East Pte. Ltd.	Singapore	S\$1,000,000	Space optimisation	50%	26 November 2020, 24 March 2021, 9 June 2021
2.	LHN SB 2 Pte. Ltd.	Singapore	S\$1	Space optimisation	100%	12 April 2021, 3 May 2021, 24 June 2021, 12 July 2021
3.	Emerald Properties Pte. Ltd.	Singapore	S\$1	Space optimisation	100%	28 April 2021, 21 July 2021
4.	LHN SB 1 Pte. Ltd.	Singapore	S\$1	Space optimisation	100%	-
5.	LHN Industries Pte. Ltd.	Singapore	S\$1	Space optimisation	100%	-
6.	White Opal Properties Pte. Ltd.	Singapore	S\$1	Space optimisation	100%	-
7.	Erinite Properties Pte. Ltd.	Singapore	S\$1	Space optimisation	100%	-
8.	Coliwoo Investments Pte. Ltd.	Singapore	S\$1	Other holding companies	100%	-
9.	Chrysolite Industries Pte. Ltd.	Singapore	S\$200,000	Space optimisation	60%	14 July 2021, 3 October 2021
10.	471 Balestier Pte. Ltd.	Singapore	S\$200,000	Space optimisation	70%	23 September 2021, 5 November 2021
11.	Coliwoo Property Management Pte. Ltd.	Singapore	S\$1	Space optimisation	100%	-
12.	Zircon Properties Pte. Ltd.	Singapore	S\$1	Space optimisation	100%	-
13.	LHN Logistics Pte. Ltd.	Singapore	S\$1	Other holding companies	100%	-

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

Please refer to pages 24 to 25 of this announcement.

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

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

12. Publication of Financial Information

The annual results announcement for FY2021 is published on the website of SEHK (www.hkexnews.hk), SGX-ST (www.sgx.com) and the website of the Company (www.lhngroup.com). The annual report of the Company for FY2021 will be despatched to shareholders of the Company and published on the above websites in due course.

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

Singapore, 26 November 2021

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