LHN GROUP
SPACE OPTIMISED
(Company Registration No.: 201420225D)
(Incorporated in the Republic of Singapore on 10 July 2014)

LHN Limited
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For Immediate Release

LHN Delivers Strong Revenue Growth in FY2024, Fuelled by Strong Performance of Co-living Business

- **FY2024 revenue surged by 29.2% y-o-y to S$121.0 million, with significant contributions from the Space Optimisation Business**
- **Net profit attributable to equity holders increased by 23.8% to S$47.3 million, demonstrating the Group's resilience amidst market challenges**
- **Residential Properties (Co-living) saw remarkable growth, with revenue from Singapore projects climbing 85.5% y-o-y**
- **Declares a final dividend and special dividend of 1.0 Singapore cent each; total DPS of 3.0 Singapore cents in FY2024**

SINGAPORE, 25 November 2024 - LHN Limited (SGX: 41O / SEHK: 1730) ("**LHN**" or the "**Company**", and together with its subsidiaries, the "**Group**") announced today its results for the financial year ended 30 September 2024 ("**FY2024**"). The Group reported a robust 29.2% year-on-year ("**y-o-y**") increase in revenue to S$121.0 million in FY2024, from S$93.6 million in the financial year ended 30 September 2023 ("**FY2023**"), as shown in Table 2. The Group's Space Optimisation Business revenue rose by 37.7% y-o-y, while its Facilities Management Business recorded a 13.4% y-o-y increase and the Energy Business saw a substantial 190.1% y-o-y jump in revenue during FY2024.

FY2024 Financial Highlights (Table 1)

S$'000 (except per share)	FY2024	FY2023	Y-o-Y % change
Revenue	121,021	93,644	29.2%
Gross profit	62,213	51,865	20.0%
Gross profit margin	51.4%	55.4%	NM
Net profit attributable to equity holders of the Company from continuing operations	47,290	18,537	155.1%
Net profit attributable to equity holders of the Company from discontinued operations	-	19,674	NM
Total net profit attributable to equity holders of the Company from continuing and discontinued operations	47,290	38,211	23.8%
Total DPS (SG cents)	3.0	3.0	-

NM - Not meaningful
DPS - Dividend per share

Net profit attributable to equity holders of the Company rose to S$47.3 million for FY2024, up from S$38.2 million in the previous financial year. This increase was primarily driven by robust revenue expansion in the Group's co-living segment. Another factor was a net fair value gain ("**FV Gain/(Loss)**") of S$14.7 million associated with the Group's investment properties and those of its joint ventures in FY2024, compared to fair value losses of S$8.7 million in FY2023.

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Segmental Revenue Breakdown (Table 2)

	FY2024 S$'000	FY2023 S$'000	Variance S$'000	Variance %
Industrial Properties	25,321	25,192	129	0.5
Commercial Properties	4,314	5,911	(1,597)	(27.0)
Residential Properties				
- Co-living (Singapore)	52,425	28,257	24,168	85.5
- 85 SOHO (Overseas)	1,147	1,074	73	6.8
	53,572	29,331	24,241	82.6
Space Optimisation Business	83,207	60,434	22,773	37.7
Facilities Management Business	35,548	31,340	4,208	13.4
Energy Business	1,581	545	1,036	190.1
Corporate	685	1,325	(640)	(48.3)
Total revenue	**121,021**	**93,644**	**27,377**	**29.2**

Adjusted Segmental Profit before Taxation Breakdown (Table 3)

	FY2024 S$'000	FY2023 S$'000	Variance S$'000	Variance %
Industrial Properties	16,255	19,713	(3,458)	(17.5)
Commercial Properties	926	1,319	(393)	(29.8)
Residential Properties				
- Co-living (Singapore)	15,273	11,435	3,838	33.6
- 85 SOHO (Overseas)	(958)	(1,825)	867	47.5
	14,315	9,610	4,705	49.0
Space Optimisation Business	31,496	30,642	854	2.8
Property Development	(38)	(7)	(31)	(442.9)
Facilities Management Business	2,271	4,929	(2,658)	(53.9)
Energy Business	677	370	307	83.0
Corporate	(118)	8,356*	(8,474)	NM
Adjusting for/(deducting):				
FV Gain/(Loss)	14,737	(8,666)	23,403	NM
Other one-off items**	2,396	5,546	(3,150)	(56.8)
Discontinued businesses***	-	3,119	(3,119)	(100.0)
Total profit before tax from continuing and discontinued operations	**51,421**	**44,289**	**7,132**	**16.1**

** Includes the gain on disposal of the Logistics Group.*
*** Includes gain/(loss) on disposal of associate and joint ventures, gain on disposal of associate's property, plant and equipment ("**PPE**") and impairment loss on PPE.*
**** Includes operating profit/(loss) before tax from the Logistics Group.*

Business Review

Space Optimisation Business

The Space Optimisation Business continued to be the primary revenue driver for the Group in FY2024, generating S$83.2 million, up 37.7% y-o-y from S$60.4 million in FY2023. This growth was mainly attributed to Singapore's strong demand for co-living spaces. The co-living business in Singapore experienced a significant boost, with revenue increasing by 85.5% y-o-y to S$52.4 million from S$28.3 million in FY2023, driven by high occupancy rates and following the Group's expansion of co-living capacity to meet market demand (Tables 4 and 5).

Despite the revenue growth, adjusted segmental profit before FV Gain/(Loss) increased marginally to S$31.5 million in FY2024, compared to S$30.6 million in FY2023. While the co-living business drove revenue growth and contributed positively to profit, these gains were offset by lower profit contributions from industrial and commercial properties.

The Group's strategic focus on expanding its co-living portfolio has been instrumental in capturing the strong demand for co-living spaces.

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Number of Keys by Projects (Table 4)

As at	Co-living - Singapore Projects		85 SOHO - Overseas Projects		Total
	Master Lease / Management Contract	Owned / Joint Venture	Master Lease	Owned / Joint Venture	
30 September 2024	1,864	677	246	108	2,895

As at 30 September 2024, the Space Optimisation Business had the following occupancy rates across certain properties (excluding joint venture properties and those under progressive handover).

Occupancy Rates of Space Optimisation Properties (Table 5)

Industrial Properties	
Work+Store space:	99.0%
Industrial space:	98.5%
Commercial Properties	
Commercial space:	96.5%
Residential Properties	
Co-living space (Singapore):	97.5%

Property Development Business
The property at 55 Tuas South was completed on schedule and received its Temporary Occupation Permit in September 2024. Units are now available for sale with revenue contributions anticipated in the next financial year.

Facilities Management Business
The Facilities Management Business revenue grew by 13.4% y-o-y to S$35.5 million in FY2024, driven by the addition of new contracts from the cleaning related services business and the expansion of the car park business.

The Group secured 125 new facilities management contracts and renewed 117 contracts under its subsidiary, Industrial & Commercial Facilities Management Pte. Ltd..

The car park business added 24 new car parks, with over 1,000 lots in Singapore and two car parks with over 500 lots in Hong Kong. In total, the Group operates 99 car parks with over 27,000 lots in Singapore and three car parks with over 1,000 lots in Hong Kong.

However, adjusted segmental profit for the Facilities Management Business declined by 53.9% y-o-y to S$2.3 million. This was impacted by the new car park projects secured in Hong Kong in FY2024, which did not perform up to expectation.

Energy Business
The Group's Energy Business saw significant growth in FY2024, with revenue rising 190.1% y-o-y to S$1.6 million from S$0.5 million in FY2023 and achieving S$0.7 million in adjusted segmental profit, an 83.0% y-o-y increase from S$0.4 million in FY2023.

The Energy Business provides renewable energy solutions to industrial clients, including electricity supply agreements, solar energy system installations and electric vehicle ("**EV**") charging stations. As at 30 September 2024, the Group's total solar energy capacity reached approximately 8.8 MW with 44 main energy contracts, which includes 20 new solar energy contracts with a combined capacity of approximately 4.9 MW secured in FY2024. Currently, the Group operates 23 EV charging points through its subsidiaries and joint venture projects.

Divestments and Capital Recycling
In line with the Group's capital recycling strategy, the Group completed key transactions in the fourth quarter of FY2024. On 31 July 2024, the Group's 40% associated company sold the car park at Bukit Timah Shopping Centre, located at 170 Upper Bukit Timah Road (sale price of S$22 million) and invested in a 50% joint venture which purchased Wilmar Place, located at 50 Armenian Street (purchase price of S$26.5 million) which will be operated under the Coliwoo co-living brand.

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These transactions reflect the Group's commitment to reallocating capital to expand its Coliwoo co-living brand.

Overall
The Group's total profit before tax from continuing and discontinued operations for FY2024 rose by 16.1% y-o-y to S$51.4 million in FY2024 from S$44.3 million in FY2023, driven by robust growth in the Group's co-living segment and net fair value gain.

The Group has proposed to pay out a special dividend and a final dividend of 1.0 Singapore cent each per share (subject to approval by shareholders at the forthcoming annual general meeting). Including the previously declared interim dividend of 1.0 Singapore cent per share, the total DPS for FY2024 amounts to 3.0 Singapore cents per share.

Business Outlook

For the **Space Optimisation Business**, the Group remains focused on expanding its co-living portfolio through a robust pipeline of projects to capture the growing demand for flexible and affordable accommodation. In the financial year ending 30 September 2025 ("**FY2025**"), the Group expects to expand its Coliwoo offerings with new developments, including the launch of 48 and 50 Arab Street, the GSM Building at 141 Middle Road and 260 Upper Bukit Timah Road. These properties will add over 250 keys to its current operations.

As part of its capital recycling strategy, the Group's recent acquisitions and reinvestments, such as the purchase of Wilmer Place, enable it to channel resources into high-growth areas like co-living. The ongoing conversion of floors in the GSM Building to residential space aligns with the Group's goal of adding approximately 800 keys annually, supporting its long-term growth objectives in the co-living sector.

For the **Facilities Management Business**, the Group will continue to improve efficiency and service quality through investments in technology while seeking more external facilities management contracts. The Group will also expand its car park business through securing more vehicle parking management contracts in Singapore.

The **Energy Business** is well-positioned to support Singapore's green initiatives, with solar energy capacity reaching approximately 8.8 MW as at 30 September 2024. Additional solar contracts and electric vehicle charging projects are expected to continue driving growth for the segment.

The Group is well-positioned to capture robust market demand for co-living spaces with its growing number of keys under management. Coupled with its balanced approach to capital recycling, the Group is poised to deliver long-term sustainable value to shareholders.

"The Group's strong growth in FY2024 reaffirms our strategic direction in refining our co-living offerings and capital recycling approach," *said Kelvin Lim, Executive Chairman, Executive Director & Group Managing Director of LHN Limited.* ***"As we move into FY2025, we remain committed to leveraging demand for sustainable, flexible living and workspaces while continuing our innovation and efficiency efforts in renewable energy and facilities management."***

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About LHN Limited

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

The Group currently has four (4) main business segments, namely: (i) Space Optimisation Business; (ii) Property Development Business; (iii) Facilities Management Business; and (iv) Energy Business.

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

The Property Development Business engages in (a) property development activities such as the acquisition, development and/or sale of various types of properties; and (b) property investment activities relating to the business of property development, property investment and property management.

The Group's Facilities Management Business offers car park management services and property maintenance services such as cleaning, provision of amenities and utilities, and repair and general maintenance principally to the properties it leases and manages, as well as to external parties.

The Group's Energy Business offers sustainable energy solutions, including the electricity retailing business, provision of electric vehicle charging stations and installation of solar power systems for properties we manage and for our customers.

The Group has business operations in Singapore, Indonesia, Myanmar, Cambodia and Hong Kong.

Issued for and on behalf of LHN Limited

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