LHN GROUP
SPACE OPTIMISED

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

# RESPONSES TO QUESTIONS RECEIVED FOR ANNUAL GENERAL MEETING TO BE HELD ON 24 JANUARY 2025

The Board of Directors (the "**Board**") of LHN Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the notice of annual general meeting dated 31 December 2024 in relation to the Company's annual general meeting to be held on 24 January 2025 (the "**AGM**").

The Company would like to thank all shareholders of the Company (the "**Shareholders**") for their active participation in the upcoming AGM by submitting their questions in advance.

The Company has consolidated the substantial and relevant questions to the proposed resolutions to be tabled in the AGM submitted by Shareholders and have set out our responses to the questions in Annex A of this announcement.

By Order of the Board

Lim Lung Tieng
Executive Chairman and Group Managing Director
17 January 2025

**Annex A**

**Responses to Questions from Shareholders**

**Question 1:**
*Page 139, we currently have exposure to Myanmar.*

*(a) What do we have in Myanmar?*

*(b) How is the country risk managed? There is political instability recently in the country; is our asset safeguarded? (The former Chairman & CEO of Singapore listed company Yoma Strategic (a Myanmar nation) is put on house arrest and the assets 'frozen')?*

**Company's Response:**
(a) The Group currently manages one block of serviced residences in Myanmar via a management service arrangement. We do not own any property in Myanmar.

(b) The Group constantly monitors the situation in Myanmar. The revenue generated from the Group's Myanmar operations contributed less than 1% to the Group's total revenue for the financial year ended 30 September 2024 and the total assets recorded from the Group's operations in Myanmar also contributed less than 1% to the total assets of the Group as at 30 September 2024, thus the exposure in Myanmar is not significant to the Group.

**Question 2:**
*Page 137, Facility Management. There is a sharp drop in revenue from FM:*

*(a) Is it due to the sale of car park?*

*(b) Is it further hit by higher finance costs?*

*(c) What is the interest rate vs previous year? (in %)*

*(d) Going forward, what is the plan for FM? Expanding or further contracting?*

**Company's Response:**
To clarify, the Facilities Management Business revenue grew by approximately S$4.2 million year-on-year ("**y-o-y**") to S$35.5 million in FY2024 while profit before tax declined by approximately S$7.5 million y-o-y to S$4.7 million. The decrease in profit before tax was mainly due to (i) the absence of one-off gain from the Group's disposal of an associate (Getgo Technologies Pte. Ltd.) recorded in FY2023; and (ii) the new car park projects secured in Hong Kong in FY2024, which did not perform up to expectation.

(a) No. Please refer to the abovementioned reasons for the y-o-y decrease in profit before tax.

(b) Finance cost increased by approximately S$0.2 million y-o-y to S$0.6 million in FY2024 which resulted in a partial decrease in profit before tax. In addition, please refer to the abovementioned reasons for the y-o-y decrease in profit before tax.

(c) The increase in finance cost of approximately S$0.2 million was mainly due to an increase in interest expense on lease liabilities from lease arrangements as a result of an increase in the number of car parks managed and higher interest rates due to the renewal of certain car park leases in FY2024. Interest charged on these lease liabilities range from 1.48% to 4.59% per annum during FY2024 (FY2023: 1.48% to 4.59% per annum).

(d) The Group will continue to seek more growth for its facilities management business by securing more external facilities management contracts and vehicle parking management contracts in Singapore while maintaining operations and costs efficiency and service quality through investments in technology to automate its business operations.

**Question 3:**
*Page 137, Energy.*

*(a)* *Is this mainly for EV charging?*

*(b)* *Can the Board elaborate on future plans for EV business or energy-related businesses? Are there plans to tap solar or clean energy for our real estate operations?*

**Company's Response:**
(a) The financial results of the Energy Business mainly come from the solar energy and electricity businesses.

(b) The Energy Business provides renewable energy solutions to industrial clients, including electricity supply agreements, solar energy system installations and electric vehicle charging stations. The Group expects additional solar contracts and electric vehicle charging projects to continue driving growth for this segment.

Since the establishment of LHN Energy in 2018, we have incorporated solar and clean energy solutions into our real estate operations. With strong synergy among the Group's various business sectors, we have better control over integrating technology and renewable energy solutions into the properties and car parks we manage. Whenever feasible, we install solar panel systems and EV charging stations to harness clean energy, reduce our carbon footprint, and provide our tenants and clients with solutions to minimise their environmental impact. Some properties in our portfolio have both solar energy panels and EV charging stations, including 202 Kallang Bahru, 38 Ang Mo Kio Industrial Park 2, 10 Raeburn Park, etc.

**Question 4:**
*Page 137, Commercial business. The commercial sector is also badly hit vs previous years.*

*(a)* *Is it due to high finance cost?*

*(b)* *Can the Board elaborate future plans for this business of the company?*

**Company's Response:**
(a) Yes, it is due to higher finance costs as well as some operating costs.

(b) The Group will continue to explore opportunities to grow and expand in Singapore.

**Question 5:**
*Page 139, with the company operating in various countries, does the company have a hedging strategy especially for Myanmar, IDR, Cambodia currencies?*

**Company's Response:**
The Group will consider hedging if it is appropriate or necessary to do so.

**Question 6:**
*Page 142, Site maintenance and preparation expense had jumped by 10MM. What is the cause of such increment vs previous year?*

**Company's Response:**
The y-o-y increase in site maintenance and preparation costs was in line with the increase in the Group's revenue due to more services provided in FY2024.

**Question 7:**
*On the section of the Chairman message, page 7 of the 2024 Annual Report, please share with us whether the upcoming completion of the Johor Singapore Rapid Transit System ("**RTS**") will have any significant impact on LHN's business?*

**Company's Response:**
The RTS Link, scheduled to start operations in 2027, promises to enhance connectivity between Johor Bahru and Singapore, reducing cross-border travel time to a mere six minutes. This enhanced accessibility may encourage daily commuting, potentially leading to reduced demand for rental properties in Singapore, particularly for lower to mid-tier rental options in areas popular among Malaysian workers. However, we anticipate that properties catering to expatriates and affluent locals will remain relatively unaffected. Since the RTS Link is expected to affect mainly lower to mid-tier properties in northern Singapore, and our residential portfolio currently does not occupy this segment, we anticipate minimal impact on our Space Optimisation Business.