

For Immediate Release

**LHN Reports Strong Momentum in its Core Business Segments,
Eyes Steady Growth for Rest of 2HFY2023**

- **Coliwoo reports strong occupancies with total keys of 2,064 under management as of end-3QFY2023**
- **Secured 57 facilities management contracts since May 2023**
- **Divestments that include the disposal of LHN Logistics will boost cashflows in the second half of our financial year ending 30 September 2023 (“2HFY2023”)**

SINGAPORE, 14 September 2023 – LHN Limited (SGX: 410/SEHK: 1730) (“LHN” or the “Company”, and together with its subsidiaries, the “Group”), wishes to provide shareholders with a voluntary update on its recent operational performance.

Space Optimisation Business

For the Group’s space optimisation business, it is on track for a strong performance in the residential segment for 2HFY2023, primarily driven by Coliwoo’s co-living business, which comprises student hostels, serviced apartments, residences, and hotels. As of 30 June 2023 (“3QFY2023”), the Group managed a total of 2,064 keys, spread across its Singapore co-living projects as well as 85 SOHO. Table 1 below provides a breakdown of master leases and owned/joint venture properties across these two geographical regions.

No. of Keys by Projects (Table 1)

Period	Co-living – Singapore Projects		85 SOHO – Overseas Projects		Total
	Master Lease	Owned/ Joint Venture	Master Lease	Owned/ Joint Venture	
3QFY2023	1,387	294	275	108	2,064

Occupancy rates for its key projects remained strong in 3QFY2023. Coliwoo Orchard, the largest co-living residence in the Orchard Road belt, saw occupancy levels of 90%, while Coliwoo Lavender and Coliwoo 298 River Valley enjoyed occupancy rates of 85% and 100% respectively, as of 7 September 2023. Average rental rates across its Coliwoo projects ranged from S\$2,200 to S\$3,500 during 3QFY2023.

The construction and/or renovation of 404 Pasir Panjang, as well as 48 and 50 Arab Street, which will be turned into co-living spaces, remains on track to be operational in the second quarter of our financial year ending 30 September 2024.

Property Development Business

The industrial property at 55 Tuas South is currently in the Sub-Structure and Foundation Works phase and remains on track to be operational in the fourth quarter of our financial year ending 30 September 2024.

Facilities Management Business

LHN aims to expand its market share by establishing itself as a trusted and reliable supplier of various facilities management services, including cleaning, pest control, sanitising, and fumigation. Since May 2023, the Group has successfully secured 35 new facilities management contracts and retendered 22 contracts under its subsidiary, Industrial & Commercial Facilities Management Pte. Ltd. (“**ICFM**”), which offers hassle-free, comprehensive integrated facilities management services.

The Group also aims to become a leading service and solutions provider for car parks in Singapore and Hong Kong by offering smart parking solutions to optimise space utilisation. Its car park capacity continues to grow, following the launch of six car park projects since May 2023 with 760 vehicle parking lots.

Energy Business

The Group is actively expanding its energy business portfolio. To date, LHN Energy has successfully installed and manages a total of 21 solar energy projects with a combined capacity of 3.1 megawatts of renewable energy. Another four projects are currently in progress and are expected to contribute 0.6 megawatts.

Furthermore, in July 2023, the Group signed a 15-year power purchase agreement with Management Corporation Strata Title No. 695 (“**MCST 695**”), where LHN Energy Resources Pte. Ltd., a wholly-owned subsidiary of the Group, will invest, supply and install an approximate 352 kilowatts peak Solar PV System on the rooftop of MCST 695’s building, Textile Centre, at 200 Jalan Sultan.

The system is in the progress of installation and is expected to be operational by the end of October 2023. Comprising 618 solar panels, the system is expected to deliver up to 369 megawatt-hours of electricity annually.

LHN Energy Resources Pte. Ltd. will own and maintain the system over the term of the contract and views this project as an example of how strata buildings may also tap into solar energy to reduce running costs.

Logistics Services Business

In August 2023, the Group completed the sale of its entire 84.05% shareholding in LHN Logistics Limited to Milkyway International Chemical Supply Chain Pte. Ltd., a subsidiary of Milkyway Chemical Supply Chain Service Co., Ltd., for S\$31.9 million. The net cash infusion of S\$28.8 million (being S\$31.9 million proceeds received less S\$3.1 million for the JTC fee borne by LHN Group Pte. Ltd.) will reduce its net gearing ratio and will be used for other general working capital purposes.

Capital Recycling Initiatives

Besides the divestment of LHN Logistics Limited, the Group has also been very active in its capital recycling initiatives since the start of 2023. In January 2023, the Group divested its 20% stake in car-sharing platform GetGo Technologies Pte. Ltd. for S\$7.9 million. This was followed by the sale of the Group’s 50% stake in Coliwoo East Pte. Ltd. in April 2023 for net proceeds of S\$11.8 million.

These capital recycling initiatives are carried out to ensure a healthy balance sheet and fund the growth of its Coliwoo business. The aggregate cash proceeds received from these capital recycling initiatives amounted to S\$48.5 million. The Group continues to be on the lookout for asset divestment opportunities that will enhance shareholders value.

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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, with the ability to generate value for its landlords and tenants through its expertise in space optimisation, headquartered in Singapore.

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 are then leased out by the Group to its tenants. Space optimisation generally allows the Group to enhance the value of properties by increasing their net lettable area as well as potential rental yield per square feet.

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

Issued for and on behalf of LHN Limited

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