

(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 30 JANUARY 2026**

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 8 January 2026 in relation to the Company’s annual general meeting to be held on 30 January 2026 (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 Executive Director
23 January 2026

Annex A

Responses to Questions from Shareholders

Question 1:

The Company's fair value adjustments on investment properties, which have exhibited significant fluctuations in both magnitude and direction over the past five financial years, have alternated between net gains and net losses each year, producing a pronounced "yo-yo" pattern in reported earnings. Could the Board please explain the key factors contributing to these pronounced year-on-year swings, particularly given that the Company's property portfolio is predominantly Singapore-based, where property market trends are generally more gradual?

Company's Response:

The net fair value gains on investment properties were mainly attributable to increase in valuation from properties that underwent asset enhancement works as well as properties that generated higher income stream and occupancy rates due to higher demand for our space. Net fair value losses on investment properties were primarily due to absence of these asset transformations and lower valuation resulting from the shortening of lease tenures.

Question 2:

Going forward, should shareholders expect similar volatility in fair value adjustments, or are there measures being considered to stabilise reported earnings arising from these valuations?

Company's Response:

Fair value adjustments on investment properties may fluctuate year-on-year as valuations of investment properties are affected by various external factors such as capitalisation rates, long-term rental growth rates and transacted prices of comparable properties in addition to the factors mentioned in the Company's Response to Question 1.

Question 3:

How does the Board ensure that the valuation assumptions applied by the external valuers are reasonable, consistent, and free from bias, and how is this monitored by the Audit Committee?

Company's Response:

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at each reporting date based on the properties' highest and best use. Changes in fair values are analysed at each reporting date by the Audit and Risk Committee. In addition, the Company's independent auditor ("Auditor") performed audit procedures that focuses on the valuation process and included the following:

- evaluated the competency and independence of the external valuers engaged by management;
- held discussions with the external valuers to understand the valuation techniques adopted, areas of key judgements and reasons for significant changes in fair values;
- tested the integrity of underlying information including lease and financial information provided to the external valuers; and
- assessed the reasonableness of key inputs used by the valuers in the valuation techniques, focusing on
 - reasonableness of the discount rate, terminal yield and capitalisation rate to those adopted for similar properties and against prior year;
 - the appropriateness of the transacted price of comparable properties and gross development value adopted, taking into account the property's nature, location and tenure; and
 - the appropriateness of the cost to complete, taking into account the contract sum awarded and cost incurred to date.

From the procedures performed, the Auditor noted that the external valuers are members of recognised bodies for professional valuers and valuation techniques adopted to be in line with generally accepted market practices. The key inputs applied were also noted to be within range of market data.