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

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DISPOSAL OF INDIRECT INTEREST IN METROPOLITAN PARKING PTE. LTD.

1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of LHN Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that LHN Parking (GMT) Pte. Ltd. ("**LHNPGMT**"), an indirect subsidiary of the Company, and Two Three Investment Pte. Ltd. ("**TTI**"), and together with LHNPGMT, the ("**Sellers**") have entered into a share sale and purchase agreement dated 7 August 2026 (the "**SPA**") with Millennial Development Pte. Ltd. (the "**Buyer**") in relation to the sale of the entire issued and paid-up share capital of Metropolitan Parking Pte. Ltd. (the "**Target Company**") for an aggregate consideration of S$28,500,000 plus a variable amount based on the net asset value of the Target Company. Accordingly, both LHNPGMT and TTI will be selling their entire stakes in the Target Company based on their proportionate shareholding in the Target Company of 50% each (the "**Transaction**").

2. DETAILS OF THE TRANSACTION

2.1. Information on the Buyer

The Buyer is a company incorporated under the laws of the Republic of Singapore, which is a holding company of firms engaged in non-financial and insurance activities. It is owned by two individual shareholders holding 50% each. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Buyer is an independent third party vis-a-vis the Group.

2.2. Information on TTI

TTI is a company incorporated under the laws of the Republic of Singapore. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, TTI is an independent third party vis-a-vis the Group.

2.3. Information on the Target Company

As at the date of this announcement, the Target Company has an issued and paid-up share capital of S$200,000 comprising 200,000 ordinary shares (the "**Sale Shares**") and is held as to 50% by LHNPGMT and 50% by TTI.

The Target Company is a company incorporated under the laws of the Republic of Singapore and is principally engaged in carpark management and operation services. It is the legal and beneficial owner of the carpark property situated at 6001 Beach Road, Golden Mile Tower, Singapore 199589 (the "**Property**").

If the Transaction is completed, the Group will no longer have any interest in the Target Company, and the Target Company will cease to be a joint venture of the Group.

2.4. Sale and Purchase of the Sale Shares

Pursuant to the SPA, the Sellers have agreed to sell, and the Buyer has agreed to purchase, all of the issued and paid-up shares in the Target Company, free from all encumbrances and together with all rights attaching thereto as at completion. The key terms and conditions of the SPA are summarised below.

Consideration	:	The total consideration for the Sale Shares shall be an amount in cash equivalent to the aggregate of: (a) S$28,500,000 (the "**Purchase Price**"); and (b) the Proforma Net Asset[1], (collectively, the "**Consideration**"). The SPA also provides for a post-completion adjustment based on the difference between the Closing Net Asset[2] and the Proforma Net Asset (the "**Net Asset Adjustment**" as defined below). **<u>Net Asset Adjustment</u>** (a) If the Net Asset Adjustment is a positive number, the Retention Sum[3] shall be released to the Sellers and the Buyer shall, within 10 business days from the date of issue of the Completion Accounts[4], pay the quantum thereof without any interest to the Sellers. (b) If the Net Asset Adjustment is a negative number and: (i) the Net Asset Adjustment is less than the Retention Sum, the Sellers shall refund the difference between the Net Asset Adjustment and the Retention Sum (without any interest) to the Buyer within 10 business days from the date of issue of the Completion Accounts, and upon the Buyer's receipt of the said difference, the Buyer's lawyers shall notify the Sellers' lawyers to release the Retention Sum to the Sellers; or (ii) the Net Asset Adjustment is more than the Retention Sum, the Sellers' lawyers shall forthwith refund the Retention Sum to the Buyer and the Sellers shall pay the difference between the Net Asset Adjustment and the Retention Sum (without any interest) to the Buyer within 10 business days from the date of issue of the Completion Accounts. As at the date of this announcement, the Company is unable to determine the value of the Closing Net Asset and/or the Proforma Net Asset. In respect of the sale of 50% of the Sale Shares (the "**LHNPGMT Sale Shares**"), LHNPGMT is expected to receive the sum of S$14,250,000 (being 50% of the Purchase Price) plus 50% of the Closing Net Asset. The consideration for the Sale Shares was determined after arm's length negotiations on normal commercial terms, on a willing buyer and willing seller basis after taking into consideration, among others, the desktop valuation of the Property, commissioned by the Target Company as at 31 March 2026 of S$28,500,000 performed by an independent valuer, using the direct comparison method, income capitalisation method and replacement cost method. The Property was valued taking into consideration prevailing market conditions around the date of valuation, based on vacant possession and assuming free from all encumbrances.
Payment Terms	:	The Consideration is or will be satisfied (as the case may be) as follows: (a) an earnest deposit of S$285,000 (being 1% of the Purchase Price) had been paid by the Buyer upon execution of the letter of intent and is to be applied towards the Purchase Price;

[1] "**Proforma Net Asset**" means the net asset to be determined based on the proforma balance sheet of the Target Company, subject to adjustments if applicable.

[2] "**Closing Net Asset**" means the amount of the Target Company's net asset as stated in the Completion Accounts.

[3] "**Retention Sum**" means the retention of S$30,000 pending finalisation of the Completion Accounts.

[4] "**Completion Accounts**" means the management accounts of the Target Company in respect of the period commencing on the day after the balance sheet date (being 30 September 2026) and ending on the date on which Closing takes place.

		(b) a further deposit of S$1,140,000 (being 4% of the Purchase Price) is payable upon signing of the SPA; and (c) on completion, the balance of the Consideration is to be applied, among other things, towards: (i) redemption of the outstanding banking facilities of the Target Company with Maybank Singapore Limited (the "**Bank**"); (ii) repayment of the shareholders' loans provided to the Target Company by the Sellers and interest accrued thereon up to the completion; (iii) the Retention Sum; and (iv) payment of the balance sums due to the Sellers in their agreed proportions.
Conditions Precedent	:	Completion of the Transaction is subject to, inter alia, the following conditions precedent being fulfilled or waived in accordance with the SPA: (a) the Buyer being satisfied with its due diligence on the Target Company and the Property; (b) no material adverse change occurring prior to completion; (c) the Bank does not enforce any of the facility granted to the Target Company before completion; (d) all necessary corporate approvals of the Sellers and, where applicable, their shareholders being obtained; (e) no written notice of acquisition or written notice of intended acquisition of the Property affecting 10% or more of the land area of the Property; (f) where applicable, the requisite consent of the head lessor being obtained; (g) the Target Company having no employees as at completion; and (h) termination of the existing complimentary season parking granted to the staff / vendors of the Sellers.
Limitation of Liability	:	The Sellers' liability for breach of the warranties is limited to direct and actual Losses[5] proven by the Buyer and such claim shall be delivered to the Sellers on or prior to the date falling 18 months from the completion.
Tax Covenants	:	The Sellers shall be liable for a period of five (5) years after the completion, all pre-completion Tax[6] liabilities of the Target Company.
Closing	:	Subject to the terms and conditions of the SPA, completion is to take place within 12 weeks from the date of the SPA.

3. RATIONALE FOR THE TRANSACTION

The Company views the disposal of the Target Company as being beneficial to the Group after taking into consideration the agreed terms and conditions of the Transaction, as well as the expected resultant increase in the cashflow of the Group which would allow the Group to have additional working capital to operate and expand its businesses. This is also part of the Group's "capital recycling" strategy whereby fair value gains of the properties are realised at an opportune time and such realised gains are "recycled" into the business of the Group (including deploying them for projects or properties with better returns).

[5] includes, in respect of any matter, event or circumstance, all demands, claims, actions, proceedings, damages, payments, fines, penalties, losses, costs (including legal costs), expenses (including taxation), disbursements or other liabilities in any case of any nature whatsoever, that is directly caused, provided that the same does not exceed the Purchase Price.

[6] means all forms of taxation, withholdings, duties, imposts, levies, social security contributions and rates imposed by any local, municipal, governmental, state, federal or other body or authority in Singapore or elsewhere, in all cases being in the nature of taxation, and any interest, penalty, surcharge or fine in connection therewith.

4. CHAPTER 10 OF THE LISTING MANUAL

The relative figures for the Transaction computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") and based on the latest announced consolidated financial statements of the Group for the half year ended 31 March 2026 ("**1H2026**") are as follows:

	Bases Under Rule 1006	Relative Figure (%)
(a)	The net asset value ("**NAV**") of the assets to be disposed of, compared with the Group's NAV. This basis is not applicable to an acquisition of assets.	0.30%(1)
(b)	The net profits / (loss)(2) attributable to the assets acquired or disposed of, compared with the Group's net profits.	(0.03)%(3)
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares.	5.71%(4)
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	N.A.
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil & gas company, but not to an acquisition of such assets.	N.A.

Notes:

(1) Net asset value of the assets to be disposed of and the net asset value of the Group as at 31 March 2026 were approximately S$1,144,000 and S$381,005,000 respectively.

(2) Means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

(3) Based on the unaudited net loss of approximately S$9,000 for 1H2026 of the assets to be disposed of, and the Group's net profits of S$25,921,000 for 1H2026.

(4) Based on the amount of S$14,250,000 (being the Group's 50% share of the Purchase Price) and the market capitalisation of the Company being approximately S$249,516,000, which is calculated based on the weighted average price of S$0.5728 per share in the Company ("**Share**") on 6 August 2026 (being the market day preceding the date of the SPA) and 435,607,470 Shares in issue as at 6 August 2026 (being the market day preceding the date of the SPA). While the Company is unable to determine the value of the Closing Net Asset and/or the Proforma Net Asset as at the date of this announcement, the value is not expected to be material compared with the Purchase Price and the current relative figure under Rule 1006(c) of 5.71% is not expected to increase by more than 1% after taking into consideration the Closing Net Asset and/or the Proforma Net Asset.

As stated in note (3) above, the Transaction constitutes a disposal of a loss-making asset by an issuer (whether profitable or loss-making). As such, the relative figure computed pursuant to Rule 1006(b) of the Listing Manual is a negative figure as the numerator is a negative figure whilst the denominator is a positive figure.

In respect of paragraph 4.4(e)(i) of Practice Note 10.1 of the Listing Manual, the absolute relative figures computed on the basis of each of Rule 1006(a) and Rule 1006(c) of the Listing Manual does not exceed 20% and Rule 1006(e) of the Listing Manual is not applicable. In respect of paragraph 4.4(e)(ii) of Practice Note 10.1 of the Listing Manual, the net loss attributable to the Group in absolute figure does not exceed 10% of the consolidated net profit of the Group.

Accordingly, the Transaction is a discloseable transaction under Chapter 10 of the Listing Manual and as such, the approval of shareholders of the Company is not required.

5. FINANCIAL EFFECTS OF THE TRANSACTION

The financial effects of the Transaction set out below are for illustrative purposes only and are not intended to reflect the actual future financial position of the Company or the Group after completion of the Transaction. The financial effects of the Transaction on the Company as set out below are based on the Group's latest audited financial statements for FY2025 and the following assumptions:

(a) the financial effects on the Group's net tangible asset ("**NTA**") per Share have been computed assuming that the completion of the Transaction took place on 30 September 2025 and the value of the Closing Net Asset and/or Proforma Net Asset used is as at 30 September 2025; and

(b) the financial effects on the Group's earnings per Share have been computed assuming that the completion of the Transaction took place on 1 October 2024 and the value of the Closing Net Asset and/or Proforma Net Asset used is as at 1 October 2024.

5.1. Share Capital

As no new Shares will be issued by the Company in connection with the Transaction, the Transaction will have no impact on the Company's issued share capital.

5.2. NTA per Share

	Before the Transaction	After the Transaction
NTA attributable to the Shareholders (S$'000)	264,680	264,237
Number of Shares ('000)	427,408	427,408
NTA per Share (cents)	61.93	61.82

5.3. Earnings per Share

	Before the Transaction	After the Transaction
Profit after taxation and non-controlling interests (S$'000)	20,066	19,546
Weighted average number of Shares ('000)	421,376	421,376
Earnings per Share (cents)	4.76	4.64

6. VALUE OF THE LHNPGMT SALE SHARES

6.1. Based on the unaudited accounts of the Target Company as at 31 March 2026, the book value and the NTA value of the LHNPGMT Sale Shares is approximately S$1.1 million.

6.2. The open market value of the LHNPGMT Sale Shares is not available as the shares of the Target Company are not publicly traded.

6.3. Based on the Group's latest financial statements for 1H2026, the excess of the proceeds from the Transaction to be received by the Group over the book value of the LHNPGMT Sale Shares as at 31 March 2026 is approximately S$13.1 million. The Group expects to receive estimated net proceeds from the Transaction (which, for the avoidance of doubt, already take into consideration repayment of bank loan outstanding amount and related costs) of approximately S$4.5 million.

6.4. Subject to final adjustment of the Consideration, it is expected that the Group will recognise an estimated loss of approximately S$0.2 million (being related costs incurred for the Transaction) upon the completion of the Transaction for the financial year ending 30 September 2026 (which is calculated by reference to the carrying value of the Target Company as at 31 March 2026) as the Group had already recognised net fair value gain from the Property in the previous financial years.

7. INTENDED USE OF SALE PROCEEDS

The proceeds from the Transaction are intended to be used for general working capital including funding expenses relating to new and ongoing projects or properties.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or substantial shareholders of the Company (other than in his capacity as Director or Shareholder of the Company) have any interest, direct or indirect, in the Transaction.

9. SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts on the Transaction, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this announcement.

12. FURTHER INFORMATION

The Company will make further announcements in relation to the Transaction as and when there are material developments.

By Order of the Board
Lim Lung Tieng
Executive Chairman and Executive Director
7 August 2026