
**ACQUISITION IN THE ORDINARY COURSE OF BUSINESS - ACQUISITION OF
49% OF THE ISSUED AND PAID-UP SHARE CAPITAL IN LUM CHANG (SUZHOU)
INVESTMENTS PTE LTD**

1. INTRODUCTION

The Board of Directors of Lum Chang Holdings Limited (the “**Company**”) wishes to announce that the Company had on 27 June 2019 completed the acquisition of 12,250 ordinary shares (the “**Sale Shares**”) representing 49% of the issued and paid-up share capital in Lum Chang (Suzhou) Investments Pte Ltd (“**LCSZ**”) (the “**Acquisition**”) from AF Global Limited (“**AFGL**”).

2. INFORMATION ON LUM CHANG (SUZHOU) INVESTMENTS PTE LTD

LCSZ was incorporated in Singapore on 11 November 1993 and was used as a vehicle for the Company and AFGL (then known as LC Development Ltd) to participate in the Singapore consortium known as Singapore-Suzhou Township Development, which is a co-investor in Suzhou Industrial Park, a joint project by the Singapore and Chinese governments (the “**Project**”).

Prior to the Acquisition, the shareholding structure of LCSZ was as follows:

Shareholders	Ordinary shares	
	No. of shares	% holdings
Lum Chang Holdings Limited	12,750	51.00%
AF Global Limited	12,250	49.00%
Total	25,000	100.00%

Upon completion of the Acquisition, LCSZ became a wholly-owned subsidiary of the Company.

3. RATIONALE FOR THE ACQUISITION

The Acquisition is in the ordinary course of business of the Group and was undertaken to consolidate the Company's shareholding in LCSZ. As such, the Proposed Acquisition will not constitute a “transaction” for the purposes of Chapter 10 of the listing manual of the Singapore Exchange Securities Trading Limited.

It is the intention of the Company to continue its involvement in the Project and hold LCSZ for long term investment purposes.

4. CONSIDERATION

The consideration payable for the Acquisition (the “**Consideration**”) was S\$1,600,000 (comprising the price of the Sale Shares at approximately S\$1,389,000 and repayment of an existing loan of approximately S\$211,000 (including accrued interest) owed by LCSZ to AFGL). The price of the Sale Shares was arrived at based on a willing buyer-willing seller basis after taking into consideration the projected net tangible assets (“**NTA**”) of LCSZ of approximately S\$2,769,000 as at 30 June 2019.

The Consideration was satisfied by a combination of internal resources and external borrowings.

5. FINANCIAL EFFECTS

The Acquisition is not expected to have any material impact on the NTA or earnings per share of the Group for the financial year ending 30 June 2019.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the above-mentioned transaction.

7. DOCUMENTS FOR INSPECTION

A copy of the S&P Agreement is available for inspection during normal business hours at the Company’s registered office at 14 Kung Chong Road, #08-01 Lum Chang Building, Singapore 159150 for a period of 3 months from the date of this announcement.

BY ORDER OF THE BOARD

Tony Fong
Tan Eng Chan Gerald
Company Secretaries
27 June 2019