
REALLOCATION AND UPDATE ON USE OF PROCEEDS FROM TERM LOAN AND CONVERTIBLE LOAN

The Board of Directors (the “**Board**”) of Lum Chang Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 25 June 2021 (“**Previous Announcement**”) in relation to the Company’s entry into a Term Loan Agreement and a Convertible Loan Agreement with Risa Partners, Inc. for an aggregate amount of \$40,000,000.

Unless otherwise defined, capitalized items used in this announcement shall bear the same meanings as ascribed to them in the Previous Announcement.

As disclosed in the Previous Announcement, the net proceeds of the Term Loan and the Convertible Loan, after deducting estimated expenses, is approximately \$39,900,000 (the “**Net Proceeds**”), of which (a) approximately 80% of such proceeds will be used to repay existing borrowings; and (b) approximately 20% of such proceeds will be used for general corporate purposes.

The Board wishes to announce a change in the allocation of the Net Proceeds and provide an update on the use of the Net Proceeds.

The Company has reallocated 90% of the Net Proceeds to repay existing borrowings and the balance 10% for general corporate purposes. The Board is of the view that the reallocation of the Net Proceeds by repaying more of the existing borrowings is in the interests of the Company and its shareholders as this will reduce the borrowing costs of the Company.

As at the date of this announcement, the reallocation and use of the Net Proceeds are as follows:

Use of Net Proceeds	Original amount allocated (\$'000)	Amount reallocated (\$'000)	Revised allocation (\$'000)	Amount Utilised (\$'000)	Amount unutilised (\$'000)
Repay existing borrowings	32,000 (80%)	4,000 (10%)	36,000 (90%)	36,000	-
General corporate purposes ⁽¹⁾	7,900 (20%)	(4,000) (10%)	3,900 (10%)	3,000	900
Total	39,900	-	39,900	39,000	900

Note:

(1) Comprised interest payments and overheads.

The Company will make further announcements on the use of the remaining Net Proceeds as and when they are materially disbursed and provide a status report on the use of the Net Proceeds in its annual report.

BY ORDER OF THE BOARD

Tony Fong
Tan Eng Chan Gerald
Company Secretaries
28 September 2021