APPENDIX DATED 28 SEPTEMBER 2015

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of Lum Chang Holdings Limited, you should immediately forward this Appendix to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, opinions expressed or reports contained in this Appendix.

LUM CHANG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 198203949N)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 28 SEPTEMBER 2015

IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Appendix:-

"**Act**"	:	Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
"**AGM**"	:	Annual general meeting of the Company
"**Beverian**"	:	Beverian Holdings Pte Ltd
"**Board**"	:	The board of directors of the Company
"**CDP**"	:	The Central Depository (Pte) Limited
"**Company**"	:	Lum Chang Holdings Limited
"**Controlling Shareholder**"	:	A person who holds directly or indirectly 15% or more of the total number of issued Shares excluding Treasury Shares in the Company (unless the SGX-ST determines otherwise) or a person who in fact exercises control over the Company, as defined under the Listing Manual
"**Directors**"	:	The directors of the Company as at the Latest Practicable Date
"**EPS**"	:	Earnings per Share
"**FY2015**"	:	Financial year ended 30 June 2015
"**Group**"	:	The Company and its subsidiaries
"**Latest Practicable Date**"	:	14 September 2015, being the latest practicable date prior to the printing of this Appendix
"**LCI**"	:	Lum Chang Investments Pte Ltd
"**Listing Manual**"	:	The listing manual of the SGX-ST, as may be amended or modified from time to time
"**Market Day**"	:	A day on which the SGX-ST is open for securities trading
"**NAV**"	:	Net asset value
"**Off-Market Share Purchase**"	:	A Share Purchase (if effected otherwise than on the SGX-ST) pursuant to an equal access scheme (as defined under Section 76C of the Act) for the purchase of Shares from the Shareholders
"**On-Market Share Purchase**"	:	A Share Purchase effected on the SGX-ST through the ready market, through one or more duly licensed stockbrokers appointed by the Company for the purpose

"**Registrar**"	:	Registrar of Companies appointed under the Act and includes any Deputy or Assistant Registrar of Companies
"**Securities Account**"	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Registered holders of Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts are credited with the Shares
"**Share Options**"	:	Employee share options granted pursuant to the LCH Share Option Scheme (which was approved and adopted by the Shareholders at the extraordinary general meeting of the Company held on 26 October 2007)
"**Share Purchase**"	:	Purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate
"**Share Purchase Mandate**"	:	General mandate given by Shareholders to authorise the Board to purchase or otherwise acquire Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set forth in the Act and the Listing Manual
"**Shares**"	:	Ordinary shares in the capital of the Company
"**SIC**"	:	Securities Industry Council of Singapore
"**Substantial Shareholder**"	:	A person who has an interest in not less than 5% of the issued voting Shares of the Company
"**Take-over Code**"	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively
"**%**"	:	Percentage or per centum

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 130A of the Act.

The term "**Treasury Shares**" shall have the meaning ascribed to it in Section 4 of the Act.

The term "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Act.

Words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

DEFINITIONS

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or the Listing Manual or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the Act or the Listing Manual or any such statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and dates in this Appendix shall be a reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1 INTRODUCTION

1.1 At the AGM held on 28 October 2014, the Shareholders approved the renewal of the Share Purchase Mandate (the "**2014 Share Purchase Mandate**") to enable the Company to purchase or otherwise acquire its issued Shares as permitted under and in accordance with the provisions of the Act. The rationale for, the authority and limits on, and the financial effects of, the 2014 Share Purchase Mandate were set out in the Company's Appendix to the Notice of AGM dated 25 September 2014 to Shareholders.

1.2 The 2014 Share Purchase Mandate was expressed, *inter alia*, to continue in force until (i) the date on which the next AGM is held or required by law to be held; or (ii) the date on which the Share Purchases are carried out to the full extent mandated; or (iii) the date on which the authority conferred by the 2014 Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting, whichever is the earliest.

1.3 The 2014 Share Purchase Mandate would be expiring on 30 October 2015, being the date of the forthcoming AGM. Accordingly, the Directors propose that Shareholders' approval for the renewal of the Share Purchase Mandate be sought at the AGM on 30 October 2015.

1.4 The purpose of this Appendix is to provide Shareholders with information relating to the proposed renewal of the Share Purchase Mandate.

2 RATIONALE FOR THE SHARE PURCHASE MANDATE

2.1 The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

(a) to enable the Board to return the Group's surplus funds, which are in excess of the foreseeable financial and investment needs of the Group, to Shareholders effectively and expediently and to enhance the earnings per Share of the Company when circumstances permit;

(b) in line with international practice, the Share Purchase Mandate will give the Company greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner; and

(c) the Share Purchase Mandate allows the Board to purchase Shares when the Shares are under-valued, which would help to buffer short-term share price volatility and offset the effects of share price speculation.

2.2 The Share Purchase Mandate authorises a purchase of Shares of up to 10% of the total number of issued Shares (excluding Treasury Shares) during the duration referred to in Section 3.2(a) of this Appendix. The purchase or acquisition of Shares would be made only as and when the Board considers it to be in the best interests of the Company and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST.

2.3 The Board will use their best efforts to ensure that after a Share Purchase, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

3 AUTHORITY AND LIMITS ON THE SHARE PURCHASE MANDATE

The authority and limits placed on Share Purchases under the proposed Share Purchase Mandate, if renewed at the AGM on 30 October 2015, are summarised below:-

3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares (excluding Treasury Shares) which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares as at the date of the forthcoming AGM at which approval for the renewal of the Share Purchase Mandate is being sought. Under the Act, any Shares which are held as Treasury Shares will be disregarded for the purpose of computing the 10% limit.

For illustrative purposes only, on the basis of 383,548,304 issued Shares (excluding 1,481,300 Treasury Shares) as at the Latest Practicable Date, and assuming that no further Shares are issued or purchased by the Company on or before the date of the AGM, not more than 38,354,830 issued Shares (representing 10% of the total number of issued Shares as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate during the duration referred to in Section 3.2(a) of this Appendix.

3.2 Duration of Authority

(a) Share Purchases may be made, at any time and from time to time, on and from the date of the AGM at which the proposed renewal of the Share Purchase Mandate is approved, up to:-

(i) the date on which the next AGM is held or required by law to be held;

(ii) the date on which Share Purchases are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest.

(b) The authority conferred on the Board by the Share Purchase Mandate to purchase Shares, if renewed at the AGM on 30 October 2015, may be renewed at the next AGM in 2016.

3.3 Manner of Share Purchases

(a) Share Purchases may be made by way of:-

(i) an On-Market Share Purchase; and/or

(ii) an Off-Market Share Purchase.

(b) The Board may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. However, an Off-Market Share Purchase effected in accordance with an equal access scheme must satisfy all the following conditions:-

(i) offers under the scheme are to be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers shall be the same, except that there shall be disregarded:-

(1) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;

(2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and

(3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

(c) In addition, the Listing Manual provides that, in making an Off-Market Share Purchase, the Company must issue an offer document to all Shareholders containing at least the following information:-

(i) the terms and conditions of the offer;

(ii) the period and procedures for acceptance;

(iii) the reasons for the proposed Share Purchase;

(iv) the consequences, if any, of the Share Purchase that will arise under the Take-over Code or other applicable take-over rules;

(v) whether the Share Purchase, if made, could affect the listing of the Shares on the SGX-ST;

(vi) details of any Share Purchases made by the Company during the previous 12 months (whether On-Market Share Purchases or Off-Market Share Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and

(vii) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

3.4 Maximum Purchase Price

(a) The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Board.

(b) However, the purchase price to be paid for the Shares pursuant to the Share Purchase Mandate must not exceed:-

(i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and

(ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price of the Shares,

(the "**Maximum Price**") in either case, excluding related expenses of the Share Purchase.

(c) For the above purposes, "**Average Closing Price**" means the average of the closing market prices of the Shares over the last 5 Market Days, on which transactions in the Shares were recorded, before the day on which the On-Market Share Purchase was made or before the date of the Company's announcement of an offer for an Off-Market Share Purchase, as the case may be, and deemed to be adjusted for any corporate action that occurs after the relevant 5 Market Days.

4 STATUS OF PURCHASED SHARES

4.1 Under Section 76B of the Act, any Share purchased or acquired by the Company shall be deemed cancelled immediately on such purchase or acquisition (and all rights and privileges attached to that Share will expire on cancellation), unless held as a Treasury Share. All Shares purchased by the Company, unless held as Treasury Shares, will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

4.2 Under the Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Some of the provisions on Treasury Shares under the Act are summarised below:-

(a) Maximum Holdings

The number of Shares held as Treasury Shares shall not at any time exceed 10% of the total number of issued Shares (which includes Treasury Shares) and the Company shall be entered in the Register of Members or the Depository Register, as the case may be, as the member holding those Shares.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote in respect of Treasury Shares and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of the Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. Also, a sub-division or consolidation of any Treasury Share into Treasury Shares of a greater or smaller number is allowed so long as the total value of the Treasury Shares after the sub-division or consolidation is the same as before the sub-division or consolidation, as the case may be.

(c) Disposal and Cancellation

Where Shares purchased or acquired by the Company are held as Treasury Shares, the Company may at any time:-

(i) sell the Treasury Shares (or any of them) for cash;

(ii) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to an employees' share scheme;

(iii) transfer the Treasury Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the Treasury Shares (or any of them); or

(v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister of Finance.

4.3 The Shares purchased under the Share Purchase Mandate will be held as Treasury Shares or cancelled by the Company taking into consideration the prevailing circumstances and requirements of the Company at the relevant time.

4.4 In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares, stating the following:-

(a) date of the sale, transfer, cancellation and/or use;

(b) purpose of such sale, transfer, cancellation and/or use;

(c) number of Treasury Shares sold, transferred, cancelled and/or used;

(d) number of Treasury Shares before and after such sale, transfer, cancellation and/or use;

(e) percentage of the number of Treasury Shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and

(f) value of the Treasury Shares if they are used for a sale or transfer, or cancelled.

5 REPORTING REQUIREMENTS

5.1 Within 30 days of the passing of a Shareholders' resolution to approve or renew the Share Purchase Mandate, the Company shall lodge a copy of such resolution with the Registrar.

5.2 The Company shall lodge with the Registrar a notice of Share Purchase in the prescribed form within 30 days of any Share Purchase. Such notification shall include the date of the purchase or acquisition, the number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Treasury Shares held, the Company's issued share capital before and after the Share Purchase, the amount of consideration paid by the Company for the Share Purchase, whether the Shares were purchased or acquired out of the profits or the capital of the Company and such other particulars as may be required in the prescribed form.

5.3 Within 30 days of the cancellation or disposal of Treasury Shares in accordance with the Act, the Company shall lodge with the Registrar a notice of the cancellation or disposal of Treasury Shares with such particulars as may be required in the prescribed form.

6 SOURCE OF FUNDS

6.1 The Company may only apply funds for Share Purchases in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash and in the case of an On-Market Share Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

6.2 The Act stipulates that Share Purchases may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the Share Purchases is made out of profits, such consideration will correspondingly reduce the amount of profits available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the Share Purchases is made out of capital, the amount of the Company's capital will be reduced correspondingly but the amount of profits available for the distribution of cash dividends by the Company will not be reduced.

6.3 The Company intends to use internal sources of funds or external borrowings, or a combination of both, to finance Share Purchase(s). The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that it would materially affect the working capital requirements of the Group. The purchase or acquisition of the Shares will only be effected after considering relevant factors such as the working capital requirements of the Group, the availability of financial resources and the prevailing market conditions.

7 FINANCIAL EFFECTS

7.1 The financial effects on the Company and the Group arising from Share Purchases will depend on, *inter alia*, whether the Share Purchases are made by way of On-Market Share Purchases or Off-Market Share Purchases, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

7.2 **For illustrative purposes only**, the financial effects on the Company and the Group arising from Share Purchases, based on the audited financial statements of the Company and the Group for FY2015, are set out in Section 7.2(i) and based on the following assumptions:-

(a) pursuant to the Share Purchase Mandate, the Company may purchase or acquire a maximum of 38,354,830 Shares (representing 10% of the 383,548,304 Shares as at the Latest Practicable Date);

(b) in the case of On-Market Share Purchases, assuming the Company purchases or acquires 38,354,830 Shares at a Maximum Price of S$0.395 (being 5% above the Average Closing Price prior to the Latest Practicable Date), the maximum amount of funds (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) required for effecting such On-Market Share Purchases would amount to approximately S$15.150 million;

(c) in the case of Off-Market Share Purchases, assuming the Company purchases or acquires 38,354,830 Shares at a Maximum Price of S$0.451 (being 20% above the Average Closing Price prior to the Latest Practicable Date), the maximum amount of funds (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) required for effecting such Off-Market Share Purchases would amount to approximately S$17.298 million;

(d) the Share Purchases were made out of the Company's capital as the Company has decided that any Share Purchases made under the Share Purchase Mandate for which approval is sought, will be made out of capital;

(e) the Share Purchases took place on 1 July 2014; and

(f) the Share Purchases were financed entirely by internal funds of the Company.

(i) On-Market Share Purchases

	Group			Company		
	Before Share Purchases	After Share Purchases		Before Share Purchases	After Share Purchases	
	S$'000	Share Purchases cancelled S$'000	Share Purchases held as Treasury Shares S$'000	S$'000	Share Purchases cancelled S$'000	Share Purchases held as Treasury Shares S$'000
As at 30 June 2015						
Share capital	86,604	71,454	86,604	86,604	71,454	86,604
Other reserves	20,163	20,163	20,163	3,429	3,429	3,429
Accumulated profit	104,098	104,037	104,037	16,376	25,099	25,099
Treasury Shares (7)	(253)	(253)	(15,403)	(253)	(253)	(15,403)
	210,612	195,401	195,401	106,156	99,729	99,729
Non-controlling Interests	1,359	1,359	1,359	–	–	–
Total Equity	211,971	196,760	196,760	106,156	99,729	99,729
NAV	210,612	195,401	195,401	106,156	99,729	99,729
Current assets	253,867	238,656	238,656	47,512	41,085	41,085
Current liabilities	238,827	238,827	238,827	166,627	166,627	166,627
Non-current assets	270,200	270,200	270,200	225,494	225,494	225,494
Non-current liabilities	73,269	73,269	73,269	223	223	223
Total borrowings	81,858	81,858	81,858	20,327	20,327	20,327
Cash and cash equivalents	44,733	29,522	29,522	6,988	561	561
Net debt/(cash) (1)	37,125	52,336	52,336	13,339	19,766	19,766
Net Profit for FY2015 attributable to equity holders of the Company	29,811	29,750	29,750	(5,797)	2,926	2,926
Number of Shares as at 30 June 2015	384,203,604	345,848,774	345,848,774	384,203,604	345,848,774	345,848,774
Weighted average number of Shares for FY2015	382,131,283	343,776,453	343,776,453	382,131,283	343,776,453	343,776,453
Financial Ratios						
NAV per Share (cents) (2)	54.82	56.50	56.50	27.63	28.84	28.84
Gross debt gearing (%) (3)	38.62	41.60	41.60	19.15	20.38	20.38
Net debt gearing (%) (4)	17.51	26.60	26.60	12.57	19.82	19.82
Current ratio (times) (5)	1.06	1.00	1.00	0.29	0.25	0.25
EPS – Basic (cent) (6)	7.80	8.65	8.65	(1.52)	0.85	0.85

Notes:-

(1) "**Net debt/(cash)**" represents total borrowings less cash and cash equivalents.

(2) "**NAV per Share**" represents NAV divided by the number of Shares (excluding Treasury Shares) as at 30 June 2015.

(3) "**Gross debt gearing**" represents total borrowings divided by Total Equity.

(4) "**Net debt gearing**" represents net debt divided by Total Equity.

(5) "**Current ratio**" represents current assets divided by current liabilities.

(6) "**EPS – Basic**" represents net profit after tax for FY2015 attributable to equity holders of the Company divided by the weighted average number of Shares for FY2015.

(7) "**Treasury Shares**" represents Shares purchased pursuant to the Share Purchase Mandate which were not cancelled.

(ii) Off-Market Share Purchases

	Group			Company		
	Before Share Purchases	After Share Purchases		Before Share Purchases	After Share Purchases	
	S$'000	Share Purchases cancelled S$'000	Share Purchases held as Treasury Shares S$'000	S$'000	Share Purchases cancelled S$'000	Share Purchases held as Treasury Shares S$'000
As at 30 June 2015						
Share capital	86,604	69,306	86,604	86,604	69,306	86,604
Other reserves	20,163	20,163	20,163	3,429	3,429	3,429
Accumulated profit	104,098	104,029	104,029	16,376	27,255	27,255
Treasury Shares [7]	(253)	(253)	(17,551)	(253)	(253)	(17,551)
	210,612	193,245	193,245	106,156	99,737	99,737
Non-controlling Interests	1,359	1,359	1,359	–	–	–
Total Equity	211,971	194,604	194,604	106,156	99,737	99,737
NAV	210,612	193,245	193,245	106,156	99,737	99,737
Current assets	253,867	236,500	236,500	47,512	41,093	41,093
Current liabilities	238,827	238,827	238,827	166,627	166,627	166,627
Non-current assets	270,200	270,200	270,200	225,494	225,494	225,494
Non-current liabilities	73,269	73,269	73,269	223	223	223
Total borrowings	81,858	81,858	81,858	20,327	20,327	20,327
Cash and cash equivalents	44,733	27,366	27,366	6,988	569	569
Net debt/(cash) [1]	37,125	54,492	54,492	13,339	19,758	19,758
Net Profit for FY2015 attributable to equity holders of the Company	29,811	29,742	29,742	(5,797)	5,082	5,082
Number of Shares as at 30 June 2015	384,203,604	345,848,774	345,848,774	384,203,604	345,848,774	345,848,774
Weighted average number of Shares for FY2015	382,131,283	343,776,453	343,776,453	382,131,283	343,776,453	343,776,453
Financial Ratios						
NAV per Share (cents) [2]	54.82	55.88	55.88	27.63	28.84	28.84
Gross debt gearing (%) [3]	38.62	42.06	42.06	19.15	20.38	20.38
Net debt gearing (%) [4]	17.51	28.00	28.00	12.57	19.81	19.81
Current ratio (times) [5]	1.06	0.99	0.99	0.29	0.25	0.25
EPS – Basic (cent) [6]	7.80	8.65	8.65	(1.52)	1.48	1.48

Notes:-

(1) "**Net debt/(cash)**" represents total borrowings less cash and cash equivalents.

(2) "**NAV per Share**" represents NAV divided by the number of Shares (excluding Treasury Shares) as at 30 June 2015.

(3) "**Gross debt gearing**" represents total borrowings divided by Total Equity.

(4) "**Net debt gearing**" represents net debt divided by Total Equity.

(5) "**Current ratio**" represents current assets divided by current liabilities.

(6) "**EPS – Basic**" represents net profit after tax for FY2015 attributable to equity holders of the Company divided by the weighted average number of Shares for FY2015.

(7) "**Treasury Shares**" represents Shares purchased pursuant to the Share Purchase Mandate which were not cancelled.

The financial effects set out above are purely for illustrative purposes only. Although the proposed Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares (excluding Treasury Shares), the Company may not necessarily purchase or acquire, or be in a position to purchase or acquire, 10% of the total number of issued Shares (excluding Treasury Shares) in full. In particular, the Directors do not intend to exercise the Share Purchase Mandate up to the maximum limit or to such an extent where such exercise would materially and adversely affect the financial position of the Group. In addition, the Company may (i) cancel all or part of the Shares repurchased; or (ii) hold all or part of the Shares repurchased in treasury.

8 TAX IMPLICATIONS ARISING FROM SHARE PURCHASES

Shareholders who are in doubt as to their respective tax positions or any tax implications of Share Purchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

9 LISTING MANUAL

9.1 Listing Rules

The Listing Manual specifies that a listed company shall notify the SGX-ST of any Share Purchase:-

(a) in the case of an On-Market Share Purchase, not later than 9.00 a.m. on the Market Day following the day on which the On-Market Share Purchase was made; and

(b) in the case of an Off-Market Share Purchase, not later than 9.00 a.m. on the second Market Day after the close of acceptance of the offer for the Off-Market Share Purchase.

The notification of such Share Purchases to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

While the Listing Manual does not expressly prohibit purchase of shares by a listed company during any particular time or times, the Company will not purchase or acquire any Shares pursuant to the Share Purchase Mandate after a price sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as the price sensitive information has been publicly announced. In particular, the Company will not buy any Shares during the period commencing:-

(a) 2 weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year; and

(b) 1 month before the announcement of the Company's full year financial statements,

and ending on the date of announcement of the relevant results.

9.2 Listing Status of the Shares

The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued Shares (excluding Treasury Shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The "**public**", as defined under the Listing Manual, are persons other than the directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries, as well as the associates of such persons.

Based on the Registers of Directors' Shareholdings maintained by the Group and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, there are 234,492,829 Shares representing approximately 61.14% of the total number of issued Shares (excluding 1,481,300 Treasury Shares) in the hands of public Shareholders. Assuming the Company exercises the Share Purchase Mandate in full and purchases 10% of the total number of issued Shares (excluding Treasury Shares) through On-Market Share Purchases from the public, the number of Shares in the hands of the public would be reduced to 196,137,999 Shares, representing approximately 56.82% of the total number of issued Shares (excluding 1,481,300 Treasury Shares). Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the orderly status and/or listing status of the Shares on the SGX-ST.

In undertaking any Share Purchases, the Board will use its best efforts to ensure that, notwithstanding such Share Purchases, a sufficient float in the hands of the public will be maintained so that the Share Purchases will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

10 TAKE-OVER CODE IMPLICATIONS ARISING FROM SHARE PURCHASES

10.1 Obligation to make a Take-over Offer

The resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following any Share Purchases, will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**"). Consequently, depending on the number of Shares purchased by the Company and the Company's total number of issued Shares at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make an offer under Rule 14.

10.2 Persons Acting in Concert

Under the Take-over Code, "persons acting in concert" or "concert parties" comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert with one another:-

(a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and

(b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with one another, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders (including directors of the Company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code ("**Appendix 2**").

10.3 Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such directors and their concert parties would increase to 30% or more, or, in the event that such directors and their concert parties hold between 30% and 50% of the voting rights in the Company, the voting rights of such directors and their concert parties would increase by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such directors and their concert parties, Treasury Shares shall be excluded.

Under Appendix 2, a Shareholder not acting in concert with the directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the voting rights in the Company, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Shareholders and their concert parties will be subject to the provisions of Rule 14 if they acquire any Shares after the Company's Share Purchases. For the purpose of the Take-over Code, an increase in the percentage of voting rights as a result of the Share Purchases will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights by more than 1% in any period of 6 months.

If the Company decides to cease the purchase of Shares before it has purchased in full such number of Shares authorised by the Shareholders at the latest annual general meeting, the Company will promptly inform the Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14.

10.4 Directors' and Substantial Shareholders' Interests

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the Latest Practicable Date, the shareholdings of the Directors and the Substantial Shareholders before and after the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate, assuming (i) the Company purchases the maximum 10% of the total number of issued Shares (excluding Treasury Shares), and (ii) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or which they are deemed interested in, will be as follows:-

	← Before Share Purchases (No. of Shares) →					
	Direct Interest	Deemed Interest	Total Interest	Before Share Purchases %[1]	After Share Purchases %[2]	Number of Shares comprised in outstanding Share Options
Director						
Raymond Lum Kwan Sung	14,701,397	59,839,742[3]	74,541,139	19.43	21.59	–
David Lum Kok Seng	10,938,436	63,423,900[4]	74,362,336	19.39	21.54	–
Tony Fong	–	17,000[5]	17,000	n/m[6]	n/m[6]	300,000
Kenneth G R MacLennan	–	–	–	–	–	–
Peter Sim Swee Yam	10,000	–	10,000	n/m[6]	n/m[6]	–
Dr Willie Lee Leng Ghee	–	–	–	–	–	–
Daniel Soh Chung Hian	–	–	–	–	–	–
Substantial Shareholder						
Raymond Lum Kwan Sung	14,701,397	59,839,742[3]	74,541,139	19.43	21.59	–
David Lum Kok Seng	10,938,436	63,423,900[4]	74,362,336	19.39	21.54	–
LCI	59,839,742	–	59,839,742	15.60	17.34	–
Beverian	63,423,900	–	63,423,900	16.54	18.37	–

Notes:-

(1) As a percentage of the total number of issued Shares as at the Latest Practicable Date, comprising 383,548,304 Shares (excluding 1,481,300 Treasury Shares).

(2) As a percentage of the total number of issued Shares, comprising 345,193,474 Shares (assuming that the Company purchases the maximum number of 38,354,830 Shares under the Share Purchase Mandate and excluding Treasury Shares).

(3) Includes the deemed interest in 59,839,742 Shares owned by LCI.

(4) Includes the deemed interest in 63,423,900 Shares owned by Beverian.

(5) Includes the deemed interest in 17,000 Shares registered under nominee company.

(6) "**n/m**" denotes not meaningful.

As at the Latest Practicable Date, Raymond Lum Kwan Sung, the Executive Chairman, directly holds approximately 3.83% of the Shares. LCI, a company in which he has a direct interest of approximately 53.33% and in which his spouse and children have an aggregate direct interest of approximately 46.67%, directly holds approximately 15.60% of the Shares. David Lum Kok Seng, the Managing Director and the brother of Raymond Lum Kwan Sung, directly holds approximately 2.85% of the Shares and Beverian, a company in which he has a direct interest of 99.00%, and in which his son has a direct interest of 1.00%, directly holds approximately 16.54% of the Shares. In addition, Adrian Lum Wen Hong (son of David Lum Kok Seng and nephew of Raymond Lum Kwan Sung), who holds the position of Director, Property Development of the Company, directly holds approximately 0.03% of the Shares. Raymond Lum Kwan Sung, David Lum Kok Seng, LCI, Beverian and Adrian Lum Wen Hong (collectively, "**Lum and company**") are presumed to be parties acting in concert in relation to the Company in respect of their combined direct and deemed holdings of approximately 38.85% of the Shares.

In the event that the Company purchases up to 10% of its Shares (excluding Treasury Shares) pursuant to the Share Purchase Mandate, the aggregate holdings of Lum and company in the Shares may increase by more than 1% in any period of 6 months. Under the Take-over Code, Lum and company and their concert parties would incur a mandatory take-over obligation for the Shares.

In the event that the Company:

(a) allots and issues Shares whether by way of rights, bonus or otherwise;

(b) makes or grants offers, agreements or options (including the exercise of options under the LCH Share Option Scheme) that might or would require Shares to be issued, including but not limited to the creation or issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time to such persons, upon such terms and conditions and for such purposes as the directors of the Company may deem fit (within the authority given by the Shareholders and in accordance with the Act and the Listing Manual);

(c) sells such number of its Treasury Shares for cash as permitted under the Act; and/or

(d) transfers such number of its Treasury Shares for the purposes as permitted under the Act,

such that the aggregate voting rights of Lum and company in the Company falls below 30%, and the Company buys back such number of its issued Shares as permitted under the Share Purchase Mandate, resulting in the aggregate voting rights held by Lum and company at such time increasing to 30% or more, Lum and company will be required to make a mandatory offer pursuant to Rule 14.

Other than the foregoing, the Directors are not aware of any fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert (whether with Lum and company or otherwise) such that their respective interests in the Shares should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a Share Purchase.

Shareholders are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity as to whether an obligation on their part, if any, to make a mandatory take-over offer under the Take-over Code would arise by reason of any Share Purchases by the Company.

11 DETAILS OF SHARE PURCHASES DURING THE PREVIOUS 12 MONTHS

The Company has purchased 1,260,300 Shares, representing approximately 0.3286% of the total issued shares as at the AGM held on 28 October 2014, by way of On-Market Share Purchases in the last 12 months up to the Latest Practicable Date. The highest and lowest price paid was S$0.385 and S$0.370 per Share respectively. The total consideration paid for the Shares (including brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) was S$478,863.69. As at the Latest Practicable Date, the Company has 1,481,300 Treasury Shares which can be utilised as set out in paragraph 4.2(c) above.

12 DIRECTORS' RECOMMENDATION

Having considered the rationale for the renewal of the Share Purchase Mandate, the Directors are of the opinion that the Share Purchase Mandate is in the interests of the Company and accordingly recommend that Shareholders vote in favour of ordinary resolution 8 relating to the proposed renewal of the Share Purchase Mandate as set out in the notice of AGM in the Company's Summary Financial Report for FY2015.

13 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix 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 Appendix in its proper form and context.

Yours faithfully
For and on behalf of the Board of Directors of
Lum Chang Holdings Limited

Raymond Lum Kwan Sung
Executive Chairman