LUM CHANG HOLDINGS LIMITED

SUMMARY FINANCIAL REPORT 2019

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Corporate Profile



From its modest beginnings as a sole proprietorship in the 1940s, Lum Chang has grown to become a leading construction firm listed on the Singapore Exchange, backed by a portfolio of projects valued at over $10.5 billion.

With firm foundations built upon more than seven decades in construction, the Group has evolved and expanded its businesses to include property development, investment and interior finishing works. The success of the Group is recognised through its impressive diversity of award-winning residential and commercial developments in Singapore and Malaysia.

Recognising that sustainability should be an inherent part of its business, the Group strives to integrate its uncompromising commitment to quality, health and safety, and the environment into its business operations. It works closely with key stakeholders to implement initiatives that will minimise the environmental impact that may be associated with its business activities. It has also incorporated innovative green solutions into its business practices and development projects.

Guided by sound management strategies and good corporate governance, the Company has been rewarded with steadfast and sustained growth, and a solid reputation for quality and reliability. With a proven track record, a keen eye for investment opportunities and its strategic network of business alliances, Lum Chang remains committed to delivering its best to shareholders, clients and associates, employees and the community as a whole.

Corporate Data

BOARD OF DIRECTORS

Raymond Lum Kwan Sung
Executive Chairman

David Lum Kok Seng
Managing Director

Tony Fong
Executive Director

Kelvin Lum Wen Sum
Non-independent
Non-executive Director

Peter Sim Swee Yam
Lead Independent Director

Dr Willie Lee Leng Ghee
Independent Director

Daniel Soh Chung Hian
Independent Director

Andrew Chua Thiam Chwee
Independent Director

Clement Leow Wee Kia
Independent Director

REGISTERED OFFICE

14 Kung Chong Road
#08-01 Lum Chang Building
Singapore 159150
Tel: (65) 6273 8888
Fax: (65) 6933 6688
Email: lch@lumchang.com.sg
www.lumchang.com.sg

REGISTRARS & TRANSFER OFFICE

Tricor Barbinder
Share Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road
#02-00
Singapore 068898

COMPANY REGISTRATION NO.

198203949N

AUDIT AND RISK COMMITTEE

Daniel Soh Chung Hian
Chairman

Peter Sim Swee Yam
Dr Willie Lee Leng Ghee
Andrew Chua Thiam Chwee
Clement Leow Wee Kia

NOMINATING COMMITTEE

Dr Willie Lee Leng Ghee
Chairman

Peter Sim Swee Yam
Daniel Soh Chung Hian
Raymond Lum Kwan Sung

REMUNERATION COMMITTEE

Peter Sim Swee Yam
Chairman

Dr Willie Lee Leng Ghee
Andrew Chua Thiam Chwee

COMPANY SECRETARIES

Tony Fong
Tan Eng Chan Gerald

INDEPENDENT AUDITOR

PricewaterhouseCoopers LLP
Public Accountants
and Chartered Accountants
Singapore
Audit Partner
Lam Hock Choon
(effective from the financial year ended
30 June 2017)

PRINCIPAL BANKERS

CIMB Bank Berhad

Citibank, N.A.

Hong Leong Finance Limited

Malayan Banking Berhad

Oversea-Chinese Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited

United Overseas Bank Limited

Chairman's Statement

REVIEW OF BUSINESS OPERATIONS

On behalf of the Board of Directors, it is my pleasure to present the financial report of Lum Chang for the financial year ended 30 June 2019.

After a positive start in 2018, the global economy slowed notably in the second half due to a confluence of trade tensions and geopolitical concerns. Reflecting the slowdown in global economic activity, Singapore's GDP growth slowed to 3.1% in 2018 down from the 3.7% experienced in 2017. The local construction sector contracted by 3.7%, comparatively at a slower rate than the previous year's 11.5%, with support coming mainly from public sector demand.

Against the backdrop of continued challenging market conditions and uncertain political climate, the Group managed to deliver a creditable performance for the financial year ended 30 June 2019.

For the year under review, the Group reported an 8.4% drop in revenue to $240.3 million from $262.3 million in FY2018. Concurrently, net profit attributable to shareholders decreased 5.3% to $23.3million from $24.6 million over the same period.

DIVIDENDS

In appreciation of the continued trust and support of the shareholders, the Board is pleased to recommend a final dividend payout of 1.5 cents per share to be approved by Shareholders at the forthcoming Annual General Meeting. If approved, the total dividend paid out for the financial year including the 0.3 cents per share paid out in March 2019, is 1.8 cents per share.

PROPERTY & INVESTMENT

To mark its structural completion, Tekka Place, the Group's joint venture redevelopment project at Serangoon Road, held a topping out ceremony in March earlier this year. The integrated development comprises 320 serviced residences and a retail mall with approximately 69,000 square feet of net lettable area. Leasing activities for the retail mall is underway and Tekka Place is expected to complete in the fourth quarter of 2019.

Construction for One Tree Hill Collection – the Group's prestigious residential project, is progressing according to schedule. The development, located at the junction of One Tree Hill and Jalan Arnap, comprises 12 semi-detached and two bungalows. To date, three semi-detached units have been sold and the project is expected to complete in the second half of next year.

Subdued consumer sentiment, tightening of housing loans by banks and oversupply issues continued to impact the Malaysian property market during the year under review. The Group continued to focus on marketing efforts, selling seven units at Twin Palms Sungai Long during the year under review, bringing the total number of units sold todate to 398, or 90% of the 444 units launched so far. Twin Palms Sungai Long has a total of 573 units.

Due to market sentiment, the Group has put development plans of the Petaling Jaya mixed-use project on hold. We will continue to monitor market conditions while concurrently exploring other development options.

In March 2019, the Group completed the disposal of part of the land at Kelaty House, intended to accommodate the student hostel component of the development. The transaction yielded a gain of approximately $8.9 million. Construction on the serviced residences component of the project started in first quarter 2019 and is expected to complete in 2021. The Group also divested its minority stake in Main Airport Centre, the freehold multi-tenanted office building in Frankfurt, realising a gain of approximately $1.1 million. The completion of the sale is expected by the later part of September 2019.

CONSTRUCTION

Our Construction arm continued to remain the Group's major revenue driver, reporting revenue of $222.8 million, marking a decrease of 8.4% over the last financial year.

The Division clinched a major contract from the Land Transport Authority and a couple of interior contracting projects, strengthening our order book from $648.3 million at the end of the last financial year to $1.3 billion as at 30 June 2019. The $799 million LTA contract entails the design and construction of the North-South Corridor in Ang Mo Kio, while our new Division, LC Interior, was awarded contracts for conservation works at St James Power Station and architectural works for two MRT stations, namely the T311 Bedok South station project along the Thomson East Coast Line and the T315 Tanah Merah station, worth a total of $79.2 million.

During the financial year, we obtained TOP for the residences and the community club of Northpoint City while construction for ongoing projects are progressing according to schedule. These include the Tanah Merah Station Contract T315, PSA's corporate headquarters and JTC's industrial development at Woodlands North Coast.

Despite being completed in 2017, Kampung Admiralty continued to garner a slew of industry awards, both local and international. These include the prestigious World Building of the Year 2018 Award at the World Architecture Festival in Amsterdam, the Housing Development Board (HDB) Construction Award 2018, the Building and Construction Authority (BCA) Construction Excellence and the BCA Construction Productivity Platinum Awards.

Attesting to our efforts to promote and uphold workplace safety, LCBC was also recognised at the Workplace Safety and Health (WSH) Awards 2019, with the Silver WSH Performance award, while three of its projects were lauded with the Safety and Health Award Recognition for Projects. To cap off an exciting year, the Tanah Merah Station project was crowned with the LTA Challenge Shield, the highest acolade at the Authority's Annual Safety, Health and Environmental Award Convention (ASAC).

In line with the Government's push for digitalisation within the sector, LCBC will continue investing in technologies and training, and increasingly use modular and digital solutions. With proper application, enhanced BIM modelling, virtual reality and drones will lower cost, improve quality and productivity, and enhance safety.

SHARE BUY-BACK AND EMPLOYEE SHARE OPTION SCHEME

The Company purchased 1,994,000 of its own shares during the financial year ended 30 June 2019. The 2007 Employee Share Option Scheme has expired and the Group does not intend to set up a new scheme in the near future.

CONCLUSION

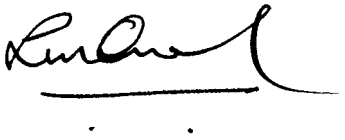
The Ministry of Trade and Industry on 13 August 2019, cut its full-year growth forecast, now expecting Singapore's GDP to come in between 0% and 1%. This downgrade suggests that Singapore is anticipating its slowest full-year growth in a decade. In addition, with the protracted trade tensions between the United States and China, political unrest in Hong Kong, and uncertain global economic conditions, the Group expects the business outlook in FY2020 to remain challenging.

That said, the BCA expects a steady improvement in construction demand over the next two years. Demand is projected to reach between $27 billion and $34 billion per year in 2020 and 2021, boosted by major infrastructure projects like the Cross Island Lines, the North-South Corridor, Jurong Lake District developments and various Changi Airport projects.

And while we are cognizant that we operate in a highly competitive market marked by rising costs and manpower shortage, LCBC's strong market credibility and depth of expertise, puts us in a strong position to pursue viable projects. We will nonetheless, continue to be selective and strategic in our tender bids.

Despite cautious sentiment in the local property market amidst low economic growth and cooling measures, we remain on the lookout for suitable property development and investment opportunities that align with the Group's risk appetite. In parallel with these efforts, the Group will continue to review overall cost structure and remain disciplined in capital management.

On behalf of the Board, our heartfelt appreciation goes out to our shareholders, clients and business associates for the unwavering support they have shown the Group over the years. I would also like to thank my fellow Board colleagues for their wisdom, guidance and continued advice, and our management team and staff for their dedicated efforts in a challenging market.



Raymond Lum Kwan Sung
Executive Chairman
12 September 2019

Summary Directors' Statement

for the Financial Year Ended 30 June 2019

Important note

The summary directors' statement as set out on pages 7 to 10 and the summary financial statements as set out on pages 12 to 21 contain only a summary of the information derived from the Directors' Statement and financial statements in the Company's Annual Report. It does not contain sufficient information to allow for a full understanding of the financial performance of the Group and financial position of the Company and the Group.

For further information, the full financial statements, the Independent Auditor's Report on those statements and the Directors' Statement in the Annual Report should be consulted. Shareholders may request for a copy of the Annual Report at no cost. Please use the Request Slip at the end of this Summary Financial Report.

Summary directors' statement

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2019 and the balance sheet of the Company as at 30 June 2019.

Directors

The directors of the Company in office at the date of this statement are as follows:

Mr Raymond Lum Kwan Sung

Mr David Lum Kok Seng

Mr Tony Fong

Mr Kelvin Lum Wen Sum

Mr Peter Sim Swee Yam

Dr Willie Lee Leng Ghee

Mr Daniel Soh Chung Hian

Mr Andrew Chua Thiam Chwee

Mr Clement Leow Wee Kia

Principal activities

The principal activities of the Company are the holding of investments and provision of management services to the Group.

The principal activities of its subsidiaries during the financial year consist of construction, project management, property development for sale and property investment.

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" on page 9 of this report.

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee			Holdings in which a director is deemed to have an interest		
	At 21.7.2019	**At 30.6.2019**	**At 1.7.2018**	**At 21.7.2019**	**At 30.6.2019**	**At 1.7.2018**
The Company:						
Lum Chang Holdings Limited						
(Ordinary shares)						
Raymond Lum Kwan Sung	**15,528,397**	**15,528,397**	15,528,397	**59,954,942**	**59,954,942**	59,839,742
David Lum Kok Seng	**10,938,436**	**10,938,436**	10,938,436	**70,368,300**	**70,368,300**	68,357,100
Tony Fong	**300,000**	**300,000**	300,000	**17,000**	**17,000**	17,000
Peter Sim Swee Yam	**10,000**	**10,000**	10,000	**-**	**-**	-
Lum Chang Holdings Limited						
($50 million 5.5% fixed rate notes due 2019)						
Raymond Lum Kwan Sung	**-**	**-**	2,500,000	**-**	**-**	-
David Lum Kok Seng	**-**	**-**	-	**-**	**-**	2,500,000
($40 million 5.8% fixed rate notes due 2021)						
Raymond Lum Kwan Sung	**3,500,000**	**3,500,000**	-	**-**	**-**	-
David Lum Kok Seng	**-**	**-**	-	**3,000,000**	**3,000,000**	-
Kelvin Lum Wen Sum	**1,000,000**	**1,000,000**	-	**-**	**-**	-
Dr Willie Lee Leng Ghee	**500,000**	**500,000**	-	**-**	**-**	-
Subsidiary of Lum Chang Holdings Limited:						
UK Property Investment Pte Ltd						
(Ordinary shares)						
Raymond Lum Kwan Sung	-	-	-	**15**	**15**	15
David Lum Kok Seng	-	-	-	**15**	**15**	15

(b) Mr David Lum Kok Seng, who by virtue of his interest of not less than 20% of the issued capital of the Company, is deemed to have an interest in the whole of the share capital of the Company's subsidiaries.

Share options

(a) Lum Chang Employee Share Option Scheme 2007 (the "Option Scheme 2007")

The Option Scheme 2007 for key management personnel and employees of the Group had expired on 26 October 2017 and the exercise period for the last batch of options granted in 2013 had lapsed on 20 September 2018.

During the financial year, 270,000 treasury shares of the Company were reissued upon the exercise of the options by:

	No. of ordinary shares	Exercise price
Holders of		**$**
2013 Options	270,000	0.32

There was no outstanding share option as at 30 June 2019.

Audit and Risk Committee

The members of the Audit and Risk Committee at the end of the financial year were as follows:

Daniel Soh Chung Hian, Chairman

Peter Sim Swee Yam

Dr Willie Lee Leng Ghee

Andrew Chua Thiam Chwee

Clement Leow Wee Kia

The Audit and Risk Committee carries out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2019 before their submission to the Board of Directors, as well as the Independent Auditor's Report on the balance sheet of the Company and the consolidated financial statements of the Group.

The Audit and Risk Committee has recommended to the Board of Directors that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Unusual items during and after the financial year

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen during the financial year or in the interval between the end of the financial year and the date of this report which would substantially affect the results of the operations of the Group for the financial year in which this report is made, or render any amount stated in the balance sheet of the Company and the consolidated financial statements of the Group misleading or affect the ability of the Company and of the Group in meeting their obligations as and when they fall due.

The summary directors' statement as set out on pages 7 to 10 and the summary financial statements as set out on pages 12 to 21 were approved by the Board of Directors and signed on its behalf by

Raymond Lum Kwan Sung
Director

David Lum Kok Seng
Director

12 September 2019

Report of the Independent Auditor on the Summary Financial Statements

to the Members of Lum Chang Holdings Limited

Opinion

The summary financial statements of Lum Chang Holdings Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 June 2019, the consolidated income statement and the statement of comprehensive income of the Group for the financial year then ended, and related notes, are derived from the audited financial statements of the Group for the financial year then ended.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements and the Directors' Statement of the Group for the financial year ended 30 June 2019 from which they are derived and comply with the requirements of Section 203A of the Companies Act, Chapter 50 ("the Act") and the regulations made thereunder applicable to summary financial statements.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the Singapore Financial Reporting Standards International ("SFRS(I)s"). Reading the summary financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on those financial statements in our report dated 12 September 2019. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the financial year ended 30 June 2019.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with Section 203A of the Act. In preparing the summary financial statements, Section 203A of the Act requires that the summary financial statements be derived from the annual financial statements and the Directors' Statement for the financial year ended 30 June 2019 and be in such form and contain such information as may be specified by regulations made thereunder applicable to summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with Singapore Standard on Auditing ("SSA") 810 (Revised), Engagements to Report on Summary Financial Statements.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 12 September 2019

Consolidated Income Statement

for the Financial Year Ended 30 June 2019

	Note	Group 2019 $'000	2018 $'000
Revenue	2	**240,251**	262,327
Cost of sales		**(206,032)**	(209,067)
Gross profit		**34,219**	53,260
Other income	3(a)	**3,619**	2,841
Other gains - net	3(b)	**13,205**	5,586
Expenses			
- Distribution and marketing		**(836)**	(905)
- Administrative and general		**(29,665)**	(29,536)
- Finance		**(8,249)**	(6,401)
Share of profits of associated companies		**167**	176
Share of profits of joint ventures		**16,217**	7,387
Profit before income tax		**28,677**	32,408
Income tax expense		**(1,151)**	(5,490)
Net profit		**27,526**	26,918
Net profit attributable to:			
Equity holders of the Company		**23,287**	24,639
Non-controlling interests		**4,239**	2,279
		27,526	26,918
Earnings per ordinary share attributable to the equity holders of the Company (cents per share)	4		
- Basic		**6.11**	6.45
- Diluted		**6.11**	6.45

Consolidated Statement of Comprehensive Income

for the Financial Year Ended 30 June 2019

	Group	
	2019	**2018**
	$'000	**$'000**
Net profit	**27,526**	26,918
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences arising from consolidation		
- (Losses)/gains	**(6,136)**	3,432
- Reclassification	**(152)**	30
Available-for-sale financial assets		
- Fair value losses	**-**	(262)
Share of other comprehensive (loss)/income of associated companies	**(16)**	22
	(6,304)	3,222
Items that will not be reclassified subsequently to profit or loss:		
Financial assets, at fair value through other comprehensive income ("FVOCI")		
- Fair value gains	**9,053**	-
Other comprehensive income for the year, net of tax	**2,749**	3,222
Total comprehensive income for the year	**30,275**	30,140
Total comprehensive income attributable to:		
Equity holders of the Company	**26,827**	27,884
Non-controlling interests	**3,448**	2,256
	30,275	30,140

Balance Sheet - Group

As at 30 June 2019

	Note	**30 June 2019 $'000**	30 June 2018 $'000	1 July 2017 $'000
ASSETS				
Current assets				
Cash and cash equivalents		**134,326**	94,225	130,760
Financial assets, at FVPL		**4,734**	-	-
Trade and other receivables		**56,378**	63,027	51,246
Contract assets		**46,276**	16,512	27,868
Tax recoverable		**1,191**	1,214	1,174
Properties held for sale		**338**	1,289	4,065
Development properties		**119,052**	119,930	44,593
Other current assets		**10,638**	1,150	7,384
		372,933	297,347	267,090
Non-current assets				
Trade and other receivables		**80,776**	74,116	75,251
Club memberships		**353**	321	342
Available-for-sale financial assets		**-**	7,383	7,642
Financial assets, at FVOCI		**16,436**	-	-
Investments in joint ventures		**33,205**	8,478	1,989
Investments in associated companies		**559**	1,909	11,542
Investment properties		**144,296**	180,658	171,383
Property, plant and equipment		**25,672**	25,389	26,784
Deferred income tax assets		**4,189**	2,821	2,878
Other non-current assets		**1,248**	957	1,127
		306,734	302,032	298,938
Total assets		**679,667**	599,379	566,028
LIABILITIES				
Current liabilities				
Trade and other payables		**121,138**	113,647	158,298
Contract liabilities		**39,981**	-	12,188
Current income tax liabilities		**2,914**	5,422	4,784
Borrowings		**9,472**	50,992	23,661
		173,505	170,061	198,931
Non-current liabilities				
Trade and other payables		**25,891**	23,869	29,500
Borrowings		**203,259**	148,247	105,013
Deferred income tax liabilities		**388**	554	662
		229,538	172,670	135,175
Total liabilities		**403,043**	342,731	334,106
NET ASSETS		**276,624**	256,648	231,922
EQUITY				
Capital and reserves attributable to the equity holders of the Company				
Share capital	5	**86,572**	86,574	86,579
Treasury shares	5	**(1,620)**	(1,025)	(1,273)
Capital and other reserves		**26,922**	23,281	20,066
Retained profits		**145,277**	129,015	110,103
		257,151	237,845	215,475
Non-controlling interests		**19,473**	18,803	16,447
Total equity		**276,624**	256,648	231,922

Balance Sheet - Company

As at 30 June 2019

	Note	30 June 2019 $'000	30 June 2018 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**6,707**	7,027
Trade and other receivables		**52,085**	64,007
Other current assets		**157**	154
		58,949	71,188
Non-current assets			
Trade and other receivables		**160,186**	136,846
Club memberships		**370**	225
Investments in subsidiaries		**72,285**	71,796
Property, plant and equipment		**1,271**	1,263
		234,112	210,130
Total assets		**293,061**	281,318
LIABILITIES			
Current liabilities			
Trade and other payables		**127,967**	116,134
Current income tax liabilities		**154**	69
Borrowings		**8,030**	49,916
		136,151	166,119
Non-current liabilities			
Borrowings		**39,948**	-
		39,948	-
Total liabilities		**176,099**	166,119
NET ASSETS		**116,962**	115,199
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	5	**86,572**	86,574
Treasury shares	5	**(1,620)**	(1,025)
Capital and other reserves		**3,182**	3,194
Retained profits		**28,828**	26,456
Total equity		**116,962**	115,199

Notes to the Summary Financial Statements

for the Financial Year Ended 30 June 2019

1. Dividends

	Group and Company	
	2019	2018
	$'000	$'000
Interim dividend of 0.3 cents (2018: 0.3 cents) per ordinary share, paid in respect of the financial year ended 30 June 2019 (2018: 30 June 2018)	**1,141**	1,145
Final dividend of 1.5 cents (2018: 1.2 cents) per ordinary share, paid in respect of the financial year ended 30 June 2018 (2018: 30 June 2017)	**5,737**	4,582
Total dividends paid	**6,878**	5,727

The directors have proposed a final dividend for 2019 of 1.5 cents per share, amounting to approximately $5,707,000. These financial statements do not reflect these proposed dividends, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2020.

2. Revenue

	Group		
	At a point in time	**Over time**	**Total**
2019	**$'000**	**$'000**	**$'000**
Revenue from construction contracts			
- Non-related parties	**-**	**193,320**	**193,320**
- Joint venture	**-**	**28,390**	**28,390**
- Related party	**-**	**96**	**96**
Revenue from sale of properties	**939**	**11,697**	**12,636**
Management and technical assistance fees from			
- Related party	**-**	**112**	**112**
- Non-related parties	**-**	**411**	**411**
- Joint ventures	**-**	**198**	**198**
Rental income	**-**	**5,020**	**5,020**
Dividend income from financial assets, at FVOCI	**68**	**-**	**68**
	1,007	**239,244**	**240,251**

2. Revenue (continued)

	Group		
	At a point in time	Over time	Total
2018	$'000	$'000	$'000
Revenue from construction contracts			
- Non-related parties	-	236,060	236,060
- Joint venture	-	6,307	6,307
Revenue from sale of properties	5,043	8,334	13,377
Management and technical assistance fees from			
- Related party	-	47	47
- Non-related parties	-	205	205
- Joint ventures	-	228	228
Rental income	-	5,942	5,942
Dividend income from available-for-sale financial assets	161	-	161
	5,204	257,123	262,327

3(a). Other income

	Group	
	2019	2018
	$'000	$'000
Interest income		
- Bank deposits	**821**	707
- Others	**31**	51
	852	758
Government grants	**1,593**	776
Maintenance fees from development properties	**568**	568
Others - net	**606**	739
	3,619	2,841

3(b). Other gains - net

	Group	
	2019	2018
	$'000	$'000
Currency translation gain – net	**82**	1
Fair value gain on investment properties	**287**	5,426
Gain on disposal of investment property	**12,723**	-
Gain on disposal of property, plant and equipment – net	**70**	162
Gain/(loss) on disposal of club memberships	**57**	(3)
Loss on liquidation of a subsidiary	**(14)**	-
	13,205	5,586

4. Earnings per share

	Group	
	2019	2018
Net profit attributable to equity holders of the Company ($'000)	**23,287**	24,639
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**381,208**	381,845
Adjustments for share options ('000)	**-**	236
Weighted average number of ordinary shares for diluted earnings per share ('000)	**381,208**	382,081
Earnings per share (in cents per share)		
- Basic	**6.11**	6.45
- Diluted	**6.11**	6.45

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. There are no potential dilutive ordinary shares as at 30 June 2019. As at 30 June 2018, the Company has one category of dilutive potential ordinary shares in the form of share options under the Option Scheme 2007.

For share options, the weighted average number of shares in issue is adjusted for the number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds. No adjustment is made to the net profit.

5. Share capital and treasury shares

	No. of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Issued share capital $'000	Treasury shares $'000
Group and Company				
2019				
Beginning of financial year	385,030	(2,819)	86,574	(1,025)
Purchase of treasury shares	-	(1,994)	-	(696)
Treasury shares reissued	-	270	(2)	101
End of financial year	**385,030**	**(4,543)**	**86,572**	**(1,620)**
2018				
Beginning of financial year	385,030	(3,489)	86,579	(1,273)
Treasury shares reissued	-	670	(5)	248
End of financial year	385,030	(2,819)	86,574	(1,025)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares (except treasury shares) carry one vote per share and carry a right to dividends as and when declared by the Company.

The Company did not issue any ordinary shares during the financial years ended 30 June 2019 and 30 June 2018.

(a) Treasury shares

During the financial year, the Company acquired 1,994,000 (2018: Nil) shares in the Company in the open market. The total amount paid to acquire the shares was $696,000 (2018: $Nil) and this was presented as a component within shareholders' equity.

During the financial year ended 30 June 2019, 270,000 (2018: 670,000) treasury shares of the Company were reissued pursuant to the Option Scheme 2007 for a total cash consideration of $87,000 (2018: $213,000) upon the exercise of options by:

	No. of ordinary shares		Exercise price
Holders of	**2019**	2018	**$**
2013 Options	**270,000**	670,000	0.32

The cost of treasury shares reissued amounted to $101,000 (2018: $248,000). The gain/(loss) on reissue of the treasury shares is recognised directly in share capital account.

5. Share capital and treasury shares (continued)

(b) Share options

Share options were granted to key management personnel and employees with more than 12 months of service with the Group under the Option Scheme 2007 which became operative on 26 October 2007. The scheme had expired on 26 October 2017 after being in place for 10 years and the exercise period for the last batch of options granted in 2013 had lapsed on 20 September 2018.

Movement in the number of unissued ordinary shares under option and their exercise prices are as follows:

	← No. of ordinary shares under option →						
	Beginning of financial year	**Granted during financial year**	**Forfeited during financial year**	**Exercised during financial year**	**End of financial year**	**Exercise price**	**Exercise period**
Group and Company							
2019							
2013 Options	1,390,000	-	(1,120,000)	(270,000)	-	$0.32	21.09.2015 to 20.09.2018
	1,390,000	-	(1,120,000)	(270,000)	-		
2018							
2013 Options	2,235,000	-	(175,000)	(670,000)	1,390,000	$0.32	21.09.2015 to 20.09.2018
2012 Options	400,000	-	(400,000)	-	-	$0.27	28.07.2014 to 27.07.2017
	2,635,000	-	(575,000)	(670,000)	1,390,000		

There was no outstanding share options as at 30 June 2019. Out of the unexercised options for 1,390,000 shares as at 30 June 2018, options for 1,390,000 shares are exercisable as at 30 June 2018. Options exercised during the financial year ended 30 June 2019 resulted in 270,000 (2018: 670,000) treasury shares being reissued at the exercise price of $0.32 per share. The weighted average share price during the year was $0.34 (2018: $0.37) per share.

6. Related party transactions

The following transactions between the Group and related parties took place during the financial year:

(a) Sales and purchases of goods and services

	Group	
	2019	2018
	$'000	$'000
Joint ventures and related parties		
Revenue from construction contracts	**28,486**	6,307
Management services fees	**310**	275
Project management fees	**396**	396

(b) Key management remuneration

The key management remuneration includes fees, salary, bonus, commission and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group and the Company, and where the Group or the Company did not incur any costs, the value of the benefit. The key management remuneration is as follows:

	Group	
	2019	2018
	$'000	$'000
Salaries and other short-term employee benefits	**9,077**	8,954
Post-employment benefits – contribution to CPF	**119**	111
	9,196	9,065

Included in above is total remuneration to directors of the Company amounting to $5,379,000 (2018: $5,419,000).

7. Adoption of SFRS(I)

With effect from 1 July 2018, the Group has adopted all applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and has applied them retrospectively. Accordingly, the comparatives have been restated to take into account adjustments relating to SFRS(I) 1, *First-time Adoption of SFRS(I)*, SFRS(I) 1-23 *Borrowing costs*, SFRS(I) 15, *Revenue from Contracts with Customers* and SFRS(I) 9, *Financial Instruments*.

Extract of the Independent Auditor's Report on the Full Financial Statements

An unmodified audit report dated 12 September 2019 has been issued on the full financial statements of Lum Chang Holdings Limited and its subsidiaries for the financial year ended 30 June 2019. The audit report is reproduced as follows:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUM CHANG HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Lum Chang Holdings Limited ("the Company") and its subsidiaries ("the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards International ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the balance sheet of the Group as at 30 June 2019;
- the balance sheet of the Company as at 30 June 2019;
- the consolidated income statement of the Group for the financial year then ended;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on the Audit of the Financial Statements (continued)

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matter that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 30 June 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Accounting for construction contracts *Refer to Note 3* (Critical accounting estimates, assumptions and judgements) and Note 13* (Contract assets and liabilities) to the financial statements.*	
During the financial year ended 30 June 2019, revenue from construction contracts amounted to $221.8 million and it represented 92.3% of the total revenue of the Group.	We have performed the following audit procedures to address the key audit matter: We have obtained an understanding of the projects under construction through discussions with management and examination of project documentation (including contracts and correspondences with customers).
The Group accounts for its contract revenue and contract costs over time by reference to the Group's progress towards completing the contract.	In relation to total contract revenue, our audit procedures include the following: a. Traced total contract sums to contract and variation orders entered into by the Group and its customer; b. Traced value of work performed to the surveyor/architect certification and assessed the competence of the surveyor/architect; c. Recomputed the measure of progress of the construction contracts; d. Assessed the adequacy of provision for liquidated damages to be net off against contract revenue recognised (where relevant); and e. Assessed the reasonableness of the revenue recognised via discussion with the project teams, obtaining corroborating evidence such as correspondences with the customer.

Our Audit Approach (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Accounting for construction contracts (continued) Significant judgement is required to estimate the total construction contract costs, variation or claims recognised as contract revenue, and provision for liquidated damages that will affect the stage of completion and the revenue and profit margins recognised from construction contracts. Accordingly, we have assessed the accounting for construction contract as a key audit matter.	In relation to total contract cost, our audit procedures include the following: a. Reviewed the actual costs incurred by tracing to supplier invoices or sub-contractor progress billings; and b. Reviewed management's estimates of total construction costs and cost to complete via the following: i. Substantiated to quotations and contracts entered for sub-contracting costs. ii. Reviewed the estimation of the materials, labour and other construction costs with reference to the progress of the project. iii. Discussed with the project team and comparing the percentage of costs incurred over the total contract costs incurred against the measure of progress of the construction contracts. Based on the audit procedures performed above, we have assessed management's estimates to be reasonable. We also recomputed the cumulative contract revenue and the contract cost for the current financial year as well as the amount of foreseeable loss (where relevant) for each project, and traced to the accounting records with no exceptions noted. We have also assessed the disclosures in the financial statements in relation to the sensitivity of contract revenue and contract costs of uncompleted contracts to the construction contract estimates to be appropriate.

Our Audit Approach (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties *Refer to Note 3* (Critical accounting estimates, assumptions and judgements) and Note 22* (Investment Properties) to the financial statements.* The Group's investment properties carried at fair value amount to $144.3 million at 30 June 2019 and account for 21.2% of the Group's total assets. The disclosures relating to these investment properties are included in notes to the financial statements. Management uses external valuers to support its determination of the individual fair value of its investment properties annually. The valuation of investment properties is considered a key audit matter due to the complexity involved in the valuation which involves assumption and estimates in light of current market conditions.	We considered the objectivity, independence and expertise of the external valuers used by management. We assessed the appropriateness of the valuation techniques used against our understanding of the industry, and found them to be appropriate for the relevant investment properties. We challenged management about the key assumptions and estimated inputs used in the valuation model. The key assumptions and estimated inputs included adopted value, estimated rental value, yield rate, total gross development value, and total estimated cost to completion. Our work done included consideration of externally derived data. We found the explanations provided to us by management to be satisfactory. We have also assessed the adequacy of the disclosures relating to the assumptions, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations.

Other Information

Management is responsible for the other information. The other information comprises the Chairman's Statement, Group Financial Highlights, Five-Year Financial Summary, Corporate Governance and the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors' responsibilities included overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the management, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Lam Hock Choon.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 12 September 2019

* The notes are as stated in the Independent Auditor's Report dated 12 September 2019 included in Lum Chang Holdings Limited and its subsidiaries' financial statements for the financial year ended 30 June 2019.

Statistics of Shareholdings

As at 5 September 2019

Issued and Fully Paid-Up Capital	- $86,572,309
Class of Shares	- Ordinary Shares
	- 380,486,304 (with voting rights)
Voting Rights	- 1 vote per share

DISTRIBUTION OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	% [1]
1 - 99	285	2.70	13,141	0.00
100 - 1,000	1,484	14.05	781,319	0.21
1,001 - 10,000	6,048	57.25	28,763,731	7.56
10,001 - 1,000,000	2,725	25.80	108,465,009	28.51
1,000,001 and above	21	0.20	242,463,104	63.72
TOTAL	**10,563**	**100.00**	**380,486,304**	**100.00**

TWENTY LARGEST SHAREHOLDERS	NO. OF SHARES	% [1]
Hong Leong Finance Nominees Pte Ltd	64,000,000	16.82
United Overseas Bank Nominees Pte Ltd	32,368,131	8.51
Citibank Nominees Singapore Pte Ltd	29,184,709	7.67
Four Seas Nominees Pte Ltd	29,000,000	7.62
Lum Kwan Sung	15,531,080	4.08
DBS Nominees Pte Ltd	14,529,274	3.82
Lum Kok Seng	10,944,964	2.88
Beverian Holdings Pte Ltd	10,368,300	2.73
Lum Chang Investments Pte Ltd	6,954,942	1.83
OCBC Nominees Singapore Pte Ltd	5,957,499	1.57
Leung Kai Fook Medical Co. Pte Ltd	4,591,000	1.21
Phillip Securities Pte Ltd	3,429,268	0.90
Raffles Nominees (Pte) Limited	2,847,336	0.75
Loh Tee Pheng	2,350,000	0.62
Tang Woon Ee	1,743,700	0.46
Tan Thian Hwee	1,723,000	0.45
UOB Kay Hian Pte Ltd	1,546,476	0.41
Chiam Hock Poh	1,543,400	0.41
Ow Yong Heng Leong	1,482,000	0.39
Leh Bee Hoe	1,214,000	0.32
	241,309,079	**63.45**

SUBSTANTIAL SHAREHOLDERS (INCLUDING DEEMED INTERESTS)	NO. OF SHARES	% [1]
Raymond Lum Kwan Sung	75,483,339 [2]	19.84
Lum Chang Investments Pte Ltd	59,954,942	15.76
David Lum Kok Seng	81,306,736 [3]	21.37
Beverian Holdings Pte Ltd	70,368,300	18.49
Edlyn Lum Wen Ee	59,954,942 [2]	15.76
Emlyn Lum Wen Yan	59,954,942 [2]	15.76
Saray Developed Markets Value Fund	20,349,500	5.35

Based on information available to the Company as at 5 September 2019, approximately 59% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

Notes: (1) Percentage computed is based on 380,486,304 shares in issue (excluding treasury shares which have no voting rights).
(2) Raymond Lum Kwan Sung, Edlyn Lum Wen Ee and Emlyn Lum Wen Yan are deemed interested in 59,954,942 shares held directly by Lum Chang Investments Pte Ltd and through its nominee accounts.
(3) David Lum Kok Seng is deemed interested in 70,368,300 shares held directly by Beverian Holdings Pte Ltd and through its nominee accounts.

Notice of Annual General Meeting and Books Closure

Lum Chang Holdings Limited (incorporated in the Republic of Singapore) Company Registration No. 198203949N

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **37th Annual General Meeting** of the Company will be held at Orchard Rendezvous Hotel (formerly known as Orchard Parade Hotel), Antica I & II, Level 2, 1 Tanglin Road, Singapore 247905 on **29 October 2019, Tuesday** at **10.30 a.m.** to transact the following business:-

As Ordinary Business:

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 30 June 2019 and the Auditor's Report thereon.

   (Resolution 1)

2. To declare a Final tax exempt (one-tier) Dividend of 1.5 cents per share as recommended by the Directors for the year ended 30 June 2019.

   (Resolution 2)

3. To approve the amount of S$377,000 proposed as Directors' fees for the year ended 30 June 2019 (year ended 30 June 2018: S$326,000).

   (Resolution 3)

4. To re-elect the following Directors, retiring by rotation under Article 107(2) of the Company's Constitution and who, being eligible, offer themselves for re-election:-

   (a) Mr Raymond Lum Kwan Sung *(Resolution 4)*

   (b) Mr Kelvin Lum Wen Sum *(Resolution 5)*

   (c) Dr Willie Lee Leng Ghee *(Resolution 6)*

   Note: (a) Mr Raymond Lum Kwan Sung, the Executive Chairman, when re-elected, will remain as a member of the Nominating Committee.

   (b) Mr Kelvin Lum Wen Sum, when re-elected, will remain as a Non-independent Non-executive Director of the Company.

   (c) Dr Willie Lee Leng Ghee, a non-executive independent Director, when re-elected, will remain as the Chairman of the Nominating Committee and a member of the Audit and Risk Committee and the Remuneration Committee.

   (See Explanatory Note 1)

5. To re-appoint PricewaterhouseCoopers LLP as independent auditors of the Company and to authorise the Directors to fix their remuneration.

   (Resolution 7)

As Special Business:

To consider and, if thought fit, to pass the following as Ordinary Resolutions with or without modifications:-

6. **Authority to Directors to issue Shares**

"That pursuant to Section 161 of the Companies Act (Cap. 50) of Singapore, the Constitution of the Company and the listing rules of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (including any supplemental measures thereto from time to time), the Directors be and are hereby authorised to:-

(a) (i) allot and issue shares in the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively the "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of options, 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 may in their absolute discretion deem fit; and

(b) notwithstanding that the authority conferred by this Resolution may have ceased to be in force:-

(i) issue additional Instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and

(ii) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force or such additional Instruments in b(i) above,

PROVIDED ALWAYS THAT:-

(I) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution (as calculated in accordance with subparagraph (II) below), of which the aggregate number of Shares issued other than on a *pro rata* basis to existing shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with subparagraph (II) below);

(II) subject to such manner of calculation as may be prescribed by SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued under subparagraph (I) above, the total number of the issued Shares is based on the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Listing Manual; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(III) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the SGX-ST Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(IV) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(Resolution 8)
(See Explanatory Note 2)

7. **Approval for renewal of Share Purchase Mandate**

(a) "That for the purposes of Sections 76C and 76E of the Companies Act (Cap. 50) of Singapore (the **"Act"**), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (the **"Shares"**) not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market purchases (each an "**On-Market Share Purchase**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(ii) off-market purchases (each an "**Off-Market Share Purchase**") effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which the purchase of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated;

(c) in this Resolution:

"**Prescribed Limit**" means 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings as at that date); and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

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

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

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last 5 Market Days ("**Market Day**" being a day on which the SGX-ST is open for securities trading), 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 the 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; and

(d) the Directors and/or each of them be and are/is hereby authorised to complete and do all such acts and things as they and/or he may consider necessary, desirable, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."

(Resolution 9)

(See Explanatory Note 3)

8. **Any Other Business**

To transact any other business which may properly be transacted at an Annual General Meeting.

NOTICE OF BOOKS CLOSURE

NOTICE IS ALSO HEREBY GIVEN THAT subject to shareholders' approval being obtained for the proposed Final tax exempt (one-tier) Dividend of 1.5 cents per share for the financial year ended 30 June 2019 (the "**Dividend**"), the Share Transfer Books and the Register of Members of the Company will be closed on **8 November 2019** for the purpose of determining shareholders' entitlements to the Dividend.

Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services of **80 Robinson Road #02-00 Singapore 068898**, up to 5.00 p.m. on **7 November 2019** will be registered to determine shareholders' entitlements to the Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with the shares as at 5.00 p.m. on **7 November 2019** will be entitled to the Dividend.

Payment of the Dividend, if approved by shareholders, will be paid on **22 November 2019**.

BY ORDER OF THE BOARD

TONY FONG
TAN ENG CHAN GERALD

Company Secretaries
Singapore
26 September 2019

Notes:

1) A member (otherwise than a relevant intermediary) entitled to attend, speak and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead. Where such member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

2) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

   "**Relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under the Central Provident Fund Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds the shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3) A proxy need not be a member of the Company.

4) The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 14 Kung Chong Road, #08-01 Lum Chang Building, Singapore 159150 not less than 72 hours before the time appointed for holding the Annual General Meeting.

5) The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Explanatory Notes to the Resolutions:

1. Detailed information on these Directors can be found under "Board of Directors", "Present and Past Directorships" and "Corporate Governance" sections in the Company's 2019 Annual Report.

2. Ordinary resolution 8, if passed, will empower the Directors, from the date of the above Annual General Meeting until the next Annual General Meeting of the Company, to issue Shares up to an amount not exceeding (i) 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 20% may be issued other than on a *pro rata* basis to shareholders. The aggregate number of Shares which may be issued shall be based on the total number of issued Shares at the time that ordinary resolution 8 is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that ordinary resolution 8 is passed, and any subsequent bonus issue or consolidation or subdivision of Shares. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

3. Ordinary resolution 9, if passed, will enable the Directors, unless varied or revoked by the Company in general meeting, from the date of the above Annual General Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, or the date on which the purchase of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated, whichever is the earliest, to purchase Shares by way of On-Market Share Purchases and/or Off-Market Share Purchases of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of the ordinary resolution and up to the Maximum Price. The Company intends to use internal sources of funds or external borrowings, or a combination of both, to finance its purchase of Shares pursuant to the Share Purchase Mandate. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from purchase of Shares cannot be ascertained as at the date of this Notice as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and the amount (if any) borrowed by the Company to fund the purchase. The rationale for, the authority and the limits on, and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Company and the Group for the financial year ended 30 June 2019 (for illustrative purposes only) are set out in greater detail in the Appendix to the Notice of Annual General Meeting dated 26 September 2019 in relation to the proposed renewal of the Share Purchase Mandate.

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Proxy Form for Annual General Meeting

Lum Chang Holdings Limited (Incorporated in the Republic of Singapore)

Company Registration No. 198203949N

Important:

1. Relevant intermediaries as defined in Section 181 of the Companies Act (Cap. 50) of Singapore, may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy Lum Chang Holdings Limited shares, the Summary Financial Report and/or Annual Report is forwarded to them at the request of their CPF Approved Nominees solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 26 September 2019.

I/We _____ (Name) _____ (NRIC/ Passport/ UEN Number)

of _____ (Address)

being a member/members of Lum Chang Holdings Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her, the Chairman of the Annual General Meeting of the Company ("**AGM**") as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the AGM to be held at Orchard Rendezvous Hotel (formerly known as Orchard Parade Hotel), Antica I & II, Level 2, 1 Tanglin Road, Singapore 247905 on Tuesday, 29 October 2019 at 10.30 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the AGM.

No.	Resolutions	For*	Against*
	Ordinary Business		
1.	To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 30 June 2019 and the Auditor's Report thereon		
2.	To declare the payment of proposed Final Dividend		
3.	To approve Directors' Fees		
4.	To re-elect Mr Raymond Lum Kwan Sung as a Director retiring under Article 107(2) of the Company's Constitution		
5.	To re-elect Mr Kelvin Lum Wen Sum as a Director retiring under Article 107(2) of the Company's Constitution		
6.	To re-elect Dr Willie Lee Leng Ghee as a Director retiring under Article 107(2) of the Company's Constitution		
7.	To re-appoint PricewaterhouseCoopers LLP as independent auditors and to authorise the Directors to fix their remuneration		
	Special Business		
8.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act (Cap. 50) of Singapore		
9.	To approve the renewal of the Share Purchase Mandate		

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please indicate with an "X" within the relevant box provided. Otherwise, please indicate the number of votes in the boxes provided.

Dated this _____ day of _____ 2019

Total No. of shares in	No. of shares
CDP Register	
Register of Members	

_____

Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ THE NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM.

IMPORTANT (PLEASE READ NOTES BELOW BEFORE COMPLETING THIS PROXY FORM)

Notes:

1) Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore or any statutory modification thereof, as the case may be), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2) A member of the Company who is not a relevant intermediary (as defined below) is entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead at the Annual General Meeting ("**AGM**") of the Company. Where such member appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

3) A member of the Company who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one (1) proxy, the number of shares and the class of such shares in relation to which each proxy has been appointed shall be specified in the proxy form. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

   "**relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore, and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4) The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 14 Kung Chong Road, #08-01 Lum Chang Building, Singapore 159150 not less than 72 hours before the time appointed for holding the AGM.

5) A proxy need not be a member of the Company.

6) The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

7) Where an instrument appointing a proxy is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8) A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Cap. 50) of Singapore.

9) The submission of an instrument or form appointing a proxy by a member does not preclude him/her from attending and voting in person at the AGM if he/she so wishes.

10) The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register 72 hours before the time appointed for holding the AGM, as certified by the Depository to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

LUM CHANG HOLDINGS LIMITED

(the "Company")

Company Registration No. 198203949N

(Incorporated in the Republic of Singapore)

26 September 2019

Dear Shareholder

This is a copy of our Summary Financial Report ("SFR") for the financial year ended 30 June 2019 ("FY2019"). The SFR contains a review of the Group for FY2019. It also contains a summary of the audited financial statements of the Company and the Group. We will be sending you a copy of the SFR for so long as you are a shareholder of Lum Chang Holdings Limited.

The full financial statements of the Company and the Group for FY2019 are set out in a separate report called the Annual Report ("AR"). This report is available to all registered shareholders of Lum Chang Holdings Limited at no cost upon request.

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For shareholders who wish to receive a copy of the AR for FY2019 or for so long as you are a shareholder of the Company, please complete the request slip below and returning it to the Company by 4 October 2019. By failing to respond, we will take it that you do not wish to receive a copy of the AR for FY2019 and for future financial years for so long as you are a shareholder. You may, however, register or change your request by notifying the Company otherwise.

For the convenience of shareholders, a copy of the AR will also be available on our website at **www.lumchang.com.sg.**

Yours faithfully
for and on behalf of

LUM CHANG HOLDINGS LIMITED
Tony Fong
Tan Eng Chan Gerald
Company Secretaries

REQUEST SLIP

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To: Lum Chang Holdings Limited

Note: Please tick only one box

[ ] Please send me/us a copy of the Annual Report for the financial period ended 30 June 2019.

[ ] I/We do not wish to receive the Annual Report for future financial years for so long as I am/we are shareholder(s) of Lum Chang Holdings Limited.

[ ] Please send me/us a copy of the Annual Report for the financial year ended 30 June 2019 as well as for future financial years for so long as I am/we are shareholder(s) of Lum Chang Holdings Limited.

– glue here –

– glue here –

Name of shareholder(s): _____

NRIC/Passport/Company Registration number: _____

Address: _____

_____

Signature: _____ Date: _____

– glue here –

BUSINESS REPLY SERVICE
PERMIT NO. 06139

Postage will be paid by addressee. For posting in Singapore only.

Lum Chang Holdings Limited
14 Kung Chong Road
#08-01 Lum Chang Building
Singapore 159150

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