
DISPOSAL OF INTEREST IN A SUBSIDIARY

1. INTRODUCTION

The Board of Directors of Lum Chang Holdings Limited (the "**Company**") wishes to announce that its wholly owned subsidiary, Lum Chang UK Properties Limited ("**LCUKP**") had on 9 February 2015 entered into a share purchase agreement ("**SPA**") with Urban Retail V (UK) Trustee I Limited and Urban Retail V (UK) Trustee II Limited as joint trustees of The Old Court House Unit Trust (the "**Purchaser**"), to dispose of its 12,450,000 ordinary shares in Old Court House Propco Limited ("**OCHP**") representing 100% of the total issued share capital of OCHP (the "**Sale Shares**") to the Purchaser (the "**Transaction**").

OCHP is a special-purpose company incorporated in Jersey, Channel Islands which owns the freehold interest in a mixed-use property located at 42 to 60 (even) Kensington High Street, London W8 4PD.

The Transaction is in the ordinary course of the Company's business. Following the Transaction, OCHP will cease to be a subsidiary of LCUKP and the Company.

2. PRINCIPAL TERMS AND CONDITIONS

The net consideration for the sale and purchase of the Sale Shares ("**Share Consideration**") is £19.9 million (or approximately S\$41.0 million based on an exchange rate of (£1.00:S\$2.06)), and shall be satisfied by the Purchaser in cash. The Share Consideration was arrived at following arm's length negotiations on a willing-buyer and willing-seller basis after taking into consideration the unaudited net asset value ("**NAV**") of OCHP as at 30 September 2014.

Completion of the sale and purchase of the Sale Shares took place upon the execution of the SPA. Each of the Company and the Purchaser has provided the standard representations, warranties and undertakings for transactions in the nature of the Transaction in the SPA.

Based on the adjusted NAV of OCHP as at 9 February 2015 of S\$28.0 million, the gain after deducting related selling expenses is approximately S\$11.4 million.

Additionally, the Company is required to guarantee the performance of LCUKP's obligations under the SPA and to indemnify the Purchaser against any inability to enforce the SPA against LCUKP.

3. RATIONALE

The Transaction marks an opportunity for the Company to realize its investment in OCHP and the proceeds will be used to fund future investments of the Company and its subsidiaries (the "**Group**").

4. LISTING MANUAL RELEVANT FIGURES

The Transaction is in the ordinary course of the Company's business and does not constitute a transaction for the purposes of Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**").

Notwithstanding the aforesaid, the Company sets out below the relative figures for the Transaction, computed in accordance with Rule 1006 (a) to (d) of the Listing Manual based on the latest announced unaudited consolidated financial statements of the Group for the financial period ended 30 September 2014:

Rule	Base	Note	Relative Percentage
1006(a)	NAV of the assets to be disposed of, compared with the Group's NAV as at 30 September 2014	(1)	14.4%
1006(b)	Net profit attributable to the assets disposed of, compared with the Group's net profit for the three months ended 30 September 2014	(2)	8.8%
1006(c)	Share Consideration compared with the Company's market capitalization	(3)	30.3%
1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of securities previously in issue	Not applicable as the Company will not be issuing any equity shares in connection with the Transaction.	

- (1) The adjusted NAV of OCHP as at 9 February 2015 amounted to S\$28.0 million. The Group's latest announced unaudited consolidated NAV as at 30 September 2014 amounted to S\$194.0 million.
- (2) The net profit attributable by OCHP for the period ended 30 September 2014 amounted to S\$159,400 and the Group's latest announced unaudited consolidated net profit attributable to equity holders for the three month period ended 30 September 2014 was S\$1.8 million.
- (3) The Company's market capitalization of approximately S\$135.2 million is determined by multiplying 383,618,604 ordinary shares (excluding treasury shares) by the weighted average price of the shares transacted on 6 February 2015 (being the last market day immediately preceding the date of signing of the SPA) of S\$0.3524.

5. FINANCIAL EFFECTS

The financial effects of the Transaction are set out below purely for illustrative purposes:

	Note	Before the Transaction	After the Transaction
Net tangible assets* ("NTA") per ordinary share in the capital of the Company ("Share") as at 30 June 2014 (cents)	(1)	51.96	55.00
Earnings per Share for the financial year ended 30 June 2014 ("FY2014") (cents)	(2)	6.73	8.39
Net gearing as at 30 June 2014 (times)	(3)	0.2	net cash

* NTA is defined as Shareholders' Equity. Shareholders' Equity is Total Equity (as defined below) less non-controlling interests.

Notes:

- (1) The impact on NTA per Share and net gearing as illustrated in the table above are computed based on the audited balance sheet of the Group as at 30 June 2014, assuming that the Transaction had been completed on 30 June 2014.
- (2) The impact on earnings per Share as illustrated in the table above is computed based on the audited profit and loss statement of the Group for the financial year ended 30 June 2014, assuming that the Transaction had been completed on 1 July 2013 (the beginning of FY2014).
- (3) For the purposes of the above calculations, "net gearing" means total borrowings less cash and cash equivalents divided by Total Equity. Total Equity is defined as total assets less total liabilities.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors of the Company ("**Directors**") has any interest, direct or indirect, in the Transaction (other than by reason only of being a Director). In addition, as far as the Directors are aware, none of the Company's Controlling Shareholders (as defined in the Listing Manual) has any interest, direct or indirect, in the Transaction (other than by reason of their shareholding interest in the Company).

BY ORDER OF THE BOARD

Tony Fong
Company Secretary
10 February 2015

Submitted by Tony Fong, Company Secretary on 10 February 2015.