
ENTRY INTO TENANCY AGREEMENT WITH ISE FOODS HOLDINGS PTE. LTD. AS AN INTERESTED PERSON TRANSACTION

1. Introduction

The Board of Directors (the “**Board**”) of Lum Chang Holdings Limited (the “**Company**”) and its subsidiaries, collectively the “**Group**”) wishes to announce that Lum Chang Property Investments Pte. Ltd. (“**LCPI**”), a wholly-owned subsidiary of the Company, has today entered into a tenancy agreement (the “**Tenancy Agreement**”) with ISE Foods Holdings Pte. Ltd. (the “**Tenant**”) to lease a unit at 14 Kung Chong Road #07-01A Lum Chang Building Singapore 159150 (the “**Premises**”) to the Tenant for a term of ten (10) months and fourteen (14) days with an option to renew for a further term of thirteen and a half (13.5) months plus twelve (12) months (the “**Transaction**”).

2. Details of the Interested Person

Mr David Lum Kok Seng (“**Mr David Lum**”), who is the Managing Director and controlling shareholder of the Company, is also the controlling shareholder of Ellipsiz Ltd. Ellipsiz Agro Investments Pte. Ltd. (“**EAI**”), a wholly-owned subsidiary of Ellipsiz Ltd, has a 40% interest in ISE Capital Management Pte. Ltd. (“**ICM**”) and is regarded by EAI as a subsidiary. ICM in turn holds a 70% interest in the Tenant. Accordingly, the Tenant is an associate of Mr David Lum and is therefore considered an “interested person” as defined under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”) and thus, the Transaction is regarded as an interested person transaction.

3. Rationale for the Transaction

The principal activity of LCPI is property investment holding and leasing of investment properties. The Transaction was entered into in the ordinary course of the business of LCPI. The Transaction was entered into on an arm’s length basis and the rental rate for the Premises is similar to that extended by LCPI to existing third-party tenants in the same building.

4. Details of the Tenancy Agreement

Under the Tenancy Agreement, LCPI will lease the Premises commencing from 15 February 2023 until 31 December 2023 with an option to renew for a further term of thirteen and a half (13.5) months plus twelve (12) months, subject to approval from the relevant authorities which include the Jurong Town Corporation and the National Environment Agency.

5. Amount at Risk to the Group

5.1 The value of the Transaction is \$228,960 and the amount at risk to the Group arising from the Transaction is 0.11% based on the Group's latest audited net tangible assets ("NTA") of S\$209,705,000 as at 30 June 2022.

5.2 For the current financial year:

5.2.1 the current total of all transactions entered into by the Group with Mr David Lum and his associates (excluding transactions which are less than S\$100,000) is S\$8,616,960. This amounts to 4.11% of the Group's latest audited NTA; and

5.2.2 the current total of all interested person transactions entered into by the Group (excluding transactions which are less than S\$100,000) is S\$8,616,960.

6. SGX Listing Manual

Under Rule 905(2) of the Listing Manual, if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited net tangible assets, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

The Transaction falls under Rule 905(2).

7. Statement of the Audit and Risk Committee and abstention of Directors from voting

The Audit and Risk Committee of the Company has reviewed the Tenancy Agreement and is of the view that the Transaction is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders. Mr David Lum and his alternate Mr Adrian Lum Wen Hong, his associates Mr Raymond Lum Kwan Sung and Mr Kelvin Lum Wen Sum, who are Directors of the Company, had abstained from making any recommendation and approval in respect of the Transaction. In addition, Mr Clement Leow Wee Kia, an independent director of both the Company and Ellipsiz Ltd had also abstained from making any recommendation and approval in respect of the Transaction.

8. Interests of Directors and Controlling Shareholders

Save as disclosed herein, none of the other Directors or controlling shareholders of the Company has any interest, direct or indirect (other than by reason of their shareholdings and/or directorships in the Company), in the Transaction.

BY ORDER OF THE BOARD

Tony Fong
Company Secretary
14 February 2023