
PROPOSED SALE OF PROPERTY UNIT TO INTERESTED PERSON

1. Introduction

The Board of Directors (the "**Board**") of Lum Chang Holdings Limited (the "**Company**") and its subsidiaries, collectively the "**Group**") wishes to inform shareholders that Lum Chang Auriga Pte. Ltd. ("**LCA**"), a wholly owned subsidiary of the Company, has granted an option to sell a unit located at 72 Jalan Arnap, Singapore 249379 in the development project comprising a total of 14 landed units known as One Tree Hill Collection (the "**Proposed Sale**"), situated at One Tree Hill, Singapore to Ms. Lum Wen Kay, Marilyn (the "**Purchaser**"), for a consideration of S\$8,250,000 (the "**Sale Price**").

2. Interested Persons and Entity at Risk

The Purchaser is the daughter of Mr. David Lum Kok Seng ("**David Lum**") and the sister of Mr. Kelvin Lum Wen Sum ("**Kelvin Lum**"). Mr. David Lum is a director and controlling shareholder of the Company while Mr. Kelvin Lum is a non-independent non-executive director of the Company. The Purchaser is an associate of both Mr. David Lum and Mr. Kelvin Lum and regarded as an "interested person" as defined under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

3. Rationale for the Proposed Sale

The Proposed Sale was entered into on an arm's length basis and the Sale Price was negotiated on a willing-buyer and willing-seller basis, taking into consideration the prevailing market rates, as with the case of the other units in the same development project that have been sold. LCA is principally engaged in the business of residential property development. The Proposed Sale is a transaction entered into in the ordinary course of the business of LCA.

4. Amount of Risk to the Group

- 4.1 The amount at risk to the Group arising from the Proposed Sale to the Purchaser is 3.05% based on the Group's latest audited net tangible assets of S\$270,422,000 as at 30 June 2020.

- 4.2 The current total of all transactions with the Purchaser after the Proposed Sale is S\$8,250,000, excluding transactions which are less than S\$100,000. The current total of all interested person transactions, excluding transactions which are less than S\$100,000 after the Proposed Sale, is S\$9,007,746.

5. Statement of the Audit and Risk Committee and Board of Directors

The Audit and Risk Committee of the Company has reviewed the terms and conditions and approved the Proposed Sale. The Audit and Risk Committee is satisfied that the terms and conditions of the Proposed Sale (including the Sale Price) are on normal commercial terms, fair and reasonable and are not prejudicial to the interests of the Company and its minority shareholders. Similarly, the Board is also satisfied that the terms and conditions of the Proposed Sale are not prejudicial to the interests of the Company and its minority shareholders. Messrs David Lum, Raymond Lum and Kelvin Lum, who are directors of the Company, had abstained from making any recommendation and approval in respect of the Proposed Sale.

6. Interests of Directors and Controlling Shareholders

Save as disclosed herein, none of the other Directors of the Company has any interest, direct or indirect, in the Proposed Sale.

BY ORDER OF THE BOARD

Tony Fong
Tan Eng Chan Gerald
Company Secretaries
24 May 2021