
**DIVESTMENT OF 5.1% EFFECTIVE INTEREST IN
MAC PROPERTY COMPANY B.V. AND MAC CAR PARK COMPANY B.V.**

The Board of Directors of Lum Chang Holdings Limited ("**LCH**") wishes to announce that its wholly owned subsidiary, Sky Real Estate Investment Pte. Ltd. ("**SREI**"), has, through its associated company, CLI CP (Netherlands) B.V. divested all of its 5.1% effective interest in MAC Property Company B.V. and MAC Car Park Company B.V. (the "**Property Holding Entities**"), which hold a multi-tenant office building known as "Main Airport Center" located at Frankfurt, Germany (the "**Transaction**"), to a subsidiary of CapitaLand Commercial Trust ("**CCT**") for a cash consideration of EUR 8.1 million (approximately S\$12.5 million) (the "**Consideration**").

CONSIDERATION

The Consideration, which was arrived at on a willing buyer willing seller basis, is based on the agreed property value of the said Main Airport Center at EUR 265 million (the "**Agreed Property Value**") and comprises:

- (a) an amount of approximately EUR 7.2 million (approximately S\$11.1 million) representing 5.1% of the adjusted aggregate net asset value of the Property Holding Entities as at 31 March 2019; and
- (b) an amount of approximately EUR 0.9 million (approximately S\$1.4 million), representing the outstanding shareholder loans owing by the Property Holding Entities as at 31 March 2019.

The adjusted aggregate net asset value of the Property Holding Entities takes into account, amongst others, the Agreed Property Value. The transaction price payable by CCT on completion of the Transaction is subject to completion adjustments.

RATIONALE

The Transaction is in the ordinary course of business of LCH, and gives LCH an opportunity to realise its minority stake in the Property Holding Entities and recycle the capital for other investments.

COMPLETION AND CONDITIONS PRECEDENT

Subject to the fulfilment of the conditions precedent for completion of the Transaction, the Transaction is expected to be completed in the third quarter of 2019.

The aforementioned conditions precedent include, amongst others, the Transaction having been approved by the unitholders of CCT at an extraordinary general meeting of CCT.

Upon completion, SREI will have no further interest in the Property Holding Entities.

FINANCIAL EFFECTS

Upon completion, SREI is expected to recognise a net gain of approximately EUR 0.7 million (approximately S\$1.1 million).

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors of LCH or the controlling shareholders or substantial shareholders of LCH has any interest, direct or indirect (other than through their shareholdings in LCH), in the Transaction.

BY ORDER OF THE BOARD

Tony Fong

Tan Eng Chan Gerald

Company Secretaries

17 July 2019