



LIAN BENG GROUP LTD
Registration No. 199802527Z

PROPOSED ACQUISITION OF WILKIE EDGE

1. Introduction

The Board of Directors of Lian Beng Group Ltd (the "Company", and together with its subsidiaries, the "Group") wishes to announce that Lian Beng (8) Pte. Ltd. ("Purchaser"), a 50:50 joint venture company held equally by the Company and Apricot Capital Pte. Ltd., had on 3 July 2017 entered into a sale and purchase agreement ("SPA") with HSBC Institutional Trust Services (Singapore) Limited as trustee of CapitaLand Commercial Trust ("Vendor") for the proposed acquisition of Property (defined below) for an aggregate purchase consideration of S\$280 million ("Proposed Acquisition").

2. Information on the Property

Wilkie Edge, a 12-storey development comprising retail, office and 2 basement carpark of 215 carpark lots, situated at the fringe of Orchard Road and Bras Basah-Bugis Civic & Cultural District in Singapore and subject to the existing lease of #01-26 (comprised in Strata Lot U2778V of Town Subdivision 19) to DBS Trustee Limited (in its capacity as trustee of Ascott Residence Trust) for a leasehold term of 96 years, 3 months and 3 days commencing from 17 November 2008 ("the ART Lease"), with a gross floor area of 215,435 square feet (\$1,299 per sq ft) (excluding the ART Lease) and net lettable area of 154,528 square feet (\$1,812 per sq ft) (excluding the ART Lease), in the whole of lot 717C of Town Subdivision 19, comprising a leasehold title with balance lease of 88 years together with the building erected on the property, located at 8 Wilkie Road, Singapore 228095 ("Property").

3. Purchase Consideration

The aggregate purchase consideration for the purchase of Property together with the plant and equipment related to the Property ("Plant and Equipment") is S\$280 million (excluding goods and service tax (if any) applicable) ("Purchase Consideration"). The Purchase Consideration payable by the Purchaser to the Vendor was arrived based on a willing buyer-willing seller basis after taking into consideration the prevailing market conditions and the current market prices of properties in the surrounding vicinity of the Property.

The Purchase Consideration will be satisfied in cash by the Purchaser in the following manner:

- (a) deposit of S\$42 million (being equivalent to 15% of the Purchase Consideration) will be paid by the Purchaser to the Vendor within three business days after the date of the SPA;
- (b) the balance of the Purchase Consideration will be paid upon completion of the Proposed Acquisition.

The completion ("Completion") of the Proposed Acquisition is scheduled on the date falling 10 weeks after the date of the SPA or such other date that the parties may mutually agree in writing ("Completion Date").

4. Rationale

- 4.1 The Proposed Acquisition is in line with one of the Group's core business activities in property development and investments. The Group views the Proposed Acquisition as a good opportunity to participate in a strategic investment of the Property, where the Group can derive rental returns which will be added to the earnings of the Group.
- 4.2 As the Proposed Acquisition is in line with the Group's ordinary course of business and is of a revenue nature, Chapter 10 of the Singapore Exchange Securities Trading Limited's listing manual, in particular, seeking Shareholders' approval under Rule 1014 where the relative figures as computed on the bases set out in Rule 1006 exceeds 20%, does not apply to the Proposed Acquisition.

5. Material Conditions

- a) The title to the Property and the Plant and Equipment shall be free from all encumbrances on Completion.
- b) The Proposed Acquisition is subject to "Law Society of Singapore's Conditions of Sale 2012".

6. Source of Funds

The proportionate Purchase Consideration of S\$140 million to be paid by the Group will be funded through bank borrowings and/or internal resources.

7. Interest of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings (if any) in the Company. The Vendor is not related to any of the Directors or Controlling Shareholders of the Company.

BY ORDER OF THE BOARD

Ong Pang Aik
Chairman and Managing Director
3 July 2017