



LIAN BENG GROUP LTD

Registration No. 199802527Z

PROPOSED ACQUISITION OF PROPERTY IN MELBOURNE BY A SUBSIDIARY

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 Realty Pte Ltd, a wholly-owned subsidiary of the Company, and/or its nominee, had entered into 16 Contracts of Sale of Real Estate ("Contracts of Sale") with 11 vendors ("Vendors") for the proposed acquisition of the property at 50 Franklin Street, Melbourne, Australia ("Property") ("Proposed Acquisition").

2. Information on the Property

The Property is a freehold property with a net lettable area of approximately 11,447 sq m, with 18 storey office building comprising 18 strata lots situated in the central business district of Melbourne.

3. Purchase Consideration

The aggregate purchase consideration for the purchase of Property is A\$51,500,000 ("Purchase Consideration"). The Purchase Consideration was arrived at on a willing-buyer and willing-seller basis taking into account the location, condition, tenure, potential yield, potential redevelopment of the Property, prevailing market conditions and current market prices of the properties in the surrounding vicinity of the Property.

The Purchase Consideration will be satisfied in the following manner:

- (a) a deposit of A\$5,150,000 (being 10% of the Purchase Consideration) will be paid by the Company to the Vendors on the execution of the Contracts of Sale;
- (b) the balance of the Purchase Consideration of A\$46,350,000 (being 90% of the Purchase Consideration) will be paid upon completion of the Proposed Acquisition.

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

The Contracts of Sale constitutes binding contracts for the sale and purchase of the Property on the terms and conditions set forth in the Contracts of Sale. The Contracts of Sale is subject to and conditional on obtaining the approval of the Foreign Investment Review Board of Australia.

The sale and purchase of the Property shall be completed on or before 80 days from the Contracts of Sale, or such other date as the parties may mutually agree to in writing.

6. Source of Funds

The Company will be financing the purchase of the Property through bank borrowings and internal resources.

7. Financial Effects

The purchase of the Property is not expected to have any material impact on the financial performance of the Company and its subsidiaries for the current financial year ending 31 May 2017.

8. 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, save for their shareholdings (if any) in the Company.

9. Documents for Inspection

Copies of the Contracts of Sale are available for inspection during normal business hours at the registered office of the Company at 29 Harrison Road, Singapore 369648 for 3 months from the date of this Announcement.

By Order of the Board

Ong Pang Aik
Chairman and Managing Director
29 November 2016