LIAN BENG GROUP LTD
Registration No. 199802527Z

PURCHASE OF PROPERTY THROUGH TENDER

The Board of Directors (the "**Board**") of Lian Beng Group Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce that the tender submitted by Oxley-Lian Beng Venture Pte. Ltd. (the "Purchaser") for the collective purchase (the "Purchase") of the property known as Rio Casa at 344, 345, 346, 347, 348, 349 and 350, Hougang Avenue 7, Singapore (the "Property") at the purchase price of S$575,000,000 (the "Purchase Price"), had been duly accepted by the owners of the Property (the "Owners") on 24 May 2017 (the "Date of Acceptance").

The Purchaser is a joint venture company whose shareholders are KSH Development Pte. Ltd., a wholly-owned subsidiary of Kim Seng Heng Realty Pte Ltd (in turn, a wholly-owned subsidiary of KSH Holdings Limited) (35%), Oxley Holdings Limited (35%), Lian Beng Group Ltd (20%) and Apricot Capital Pte. Ltd. (10%).

Description of Property

The Property is a former HUDC estate which has been privatised. The site area is approximately 36,811.1 square metres.

The Purchaser intends to apply for the grant of a fresh 99-year lease for the Property and to redevelop the Property, subject to obtaining all the necessary approvals from the relevant authorities. An estimated differential premium of S$208 million is payable to the State for the top-up of the lease and for the development of the site to a gross plot ratio of 2.8.

Purchase Price

The Purchaser had offered to purchase the Property at the Purchase Price, after taking into account current market prices of properties in the surrounding area and the Property's redevelopment potential.

A tender fee of S$1,000,000 had been paid upon the submission of the tender offer by the Purchaser. The Purchaser shall make a payment of 5% of the Purchase Price (less the tender fee) within 7 business days after the Date of Acceptance.

The Purchaser shall make a further payment of 5% of the Purchase Price within 7 business days after the sale order approving the collective sale of the Property, whether first issued by the Strata Titles Board (the "Board"), the High Court or the Court of Appeal, or in the event that all Owners have consented to the collective sale, within 7 business days after the date of confirmation of such consent.

The sale and purchase of the Property shall be completed and the balance 90% of the Purchase Price shall be paid on the applicable date (the "Completion Date") as follows:

(i) where all Owners have consented to the collective sale as at the Date of Acceptance, the Completion Date shall be 3 months after the Date of Acceptance or date of receipt of the Top-Up Approval (as defined below), whichever is later;

(ii) where it is confirmed that all Owners have consented to the collective sale, the Completion Date shall be 3 months after the date of such confirmation or date of receipt of the Top-Up Approval, whichever is later;

(iii) where there are no objections filed at the Board or where all objections filed at the Board have been withdrawn, the Completion Date shall be 3 months after the date of the sale order issued by the Board or date of receipt of the Top-Up Approval, whichever is later;

(iv) where the sale order is made by the High Court and there is no appeal against the sale order, the Completion Date shall be 3 months after the date of the sale order or date of receipt of the Top-Up Approval, whichever is later;

(v) where the sale order is made by the High Court and there is an appeal against the sale order, the Completion Date shall be 3 months after the date of the sale order issued by the Court of Appeal affirming the sale order, or 3 months after the date of withdrawal of the appeal (whichever is applicable), or 3 months after the date of receipt of the Top-Up Approval, whichever is later; and

(vi) where neither the Board nor the High Court issues the sale order, the Completion Date shall be 3 months after the date of the sale order issued by the Court of Appeal or date of receipt of the Top-Up Approval, whichever is later.

Funding of Purchase

The Group will fund its portion of the cost of the Purchase by internal resources and bank borrowings.

Key Terms of the Purchase

In addition to the key terms of the Purchase mentioned above, other key terms include the following:

(i) the sale and purchase is subject to the Purchaser obtaining outline planning permission under the provisions of the Planning Act (Cap. 232) for developing a residential development with gross plot ratio of not less than 2.8 and written in-principle approval (the "Top-Up Approval") from the Singapore Land Authority to issue a fresh 99-year lease for the Property and lifting of certain title restriction contained in the State lease;

(ii) the sale and purchase of the Property shall be on a collective basis and is subject to the simultaneous completion of all the units in the Property;

(iii) vacant possession of the Property, including all the units thereof, shall be given to the Purchaser not later than the expiry of 6 months after the date of actual completion;

(iv) subject to the terms of the contract for the sale and purchase of the Property, the Property is sold on an "as is, where is" basis in its present state and condition; and

(v) the sale and purchase of the Property is subject to the Purchaser obtaining the approval of the Land Dealing (Approval) Unit or such other relevant authorities pursuant to the Residential Property Act (Chapter 274) for the purchase of the Property on or before the Completion Date.

Financial Effects

The Purchase is not expected to have a material impact on the earnings per share or net tangible assets per share of the Company for the current financial year ending 31 May 2017.

Interests of Directors and Controlling Shareholders

As at the date of this announcement, Ms Ong Lay Koon, the Company's Executive Director holds 350,000 ordinary shares, representing approximately 0.01% shareholding interest (direct and indirect) in Oxley Holdings Limited.

Mr. Ko Chuan Aun, an Independent Director and shareholder of the Company, is also an Independent Director of KSH Holdings Limited, which wholly owns Kim Seng Heng Realty Pte Ltd (which in turn wholly owns KSH Development Pte. Ltd.).

Save as disclosed above, as at the date of this announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Purchase, save through their shareholding (if any) in the Company.

By Order of the Board

Ong Pang Aik
Chairman and Managing Director
25 May 2017