LIAN BENG GROUP LTD
Registration No. 199802527Z

ACQUISITION OF PEI-FU INDUSTRIAL BUILDING IN THE ORDINARY COURSE OF BUSINESS BY SUBSIDIARY

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1. Introduction

Further to the announcement on 23 April 2018 in relation to the incorporation of SLB (NIR) Pte. Ltd. by SLB Development Ltd. ("**SLB**"), a subsidiary of the Company, and the subscription of shares in Oxley Kyanite Pte. Ltd. by SLB (NIR) Pte. Ltd., the Board of Directors (the "**Board**") of Lian Beng Group Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that SLB's 51% indirectly owned subsidiary, Oxley Kyanite Pte. Ltd. (the "**Purchaser**"), has on 24 April 2018 (the "**Contract Date**") exercised an option to purchase (the "**Option**") all the units in the development known as "Pei-Fu Industrial Building" at 24 New Industrial Road, Singapore 536210 (collectively, the "**Property**") from the respective owners of the said units (collectively, the "**Vendors**")(the "**Acquisition**").

2. Salient terms of the Acquisition

The total purchase price of the Property is S$76.25 million (the "**Purchase Price**") and is payable as follows:

(a) a sum of S$762,500 (the "**Option Money**") has been paid upon the grant of the Option, and a further sum of S$3,050,000 (being 5% of the Purchase Price less the Option Money) (collectively, the "**Deposit**") has been paid to the Vendors' solicitors upon the exercise of the Option;

(b) within 5 business days after the date of receipt of written notice from the Vendors' solicitors that the consent by all the subsidiary proprietors of the Property to the sale of the Property (the "**Consent**") or the order for the collective sale of the Property from the Strata Titles Boards or the High Court (the "**Sale Order**") has been obtained, a sum of S$3,812,500 (being 5% of the Purchase Price) shall be paid to the Vendors' solicitors; and

(c) the balance of the Purchase Price shall be paid on legal completion of the sale and purchase of the Property, which shall take place on the date falling 3 months:

i. after the Vendors' or the Vendors' solicitors' written notice to the Purchaser or the Purchaser's solicitors that the Sale Order has been obtained from the Strata Titles Boards or the High Court, such notice to be accompanied by a copy of the Sale Order; or

ii. after the Vendors' or the Vendors' solicitors' written notice to the Purchaser or the Purchaser's solicitors that the Consent has been obtained,

whichever is the earlier, provided that if an appeal in respect of the application for the Sale Order is filed at the Court of Appeal either by the Vendors or any objector, the date for completion shall be postponed to a date falling 3 months after the Court of Appeal has given its decision upholding the Sale Order or otherwise ordering the sale of the Property.

3. Information on the Property

The Property is a freehold industrial property with a land area of approximately 5,792.1 square metres. SLB intends to redevelop the Property, subject to obtaining all the necessary approvals from the relevant authorities.

4. Rationale for the Acquisition

The purchase of the Property is a transaction carried out in the ordinary course of the SLB's business.

5. Funding of the Acquisition

SLB's portion of the Purchase Price will be funded using its internal resources and external borrowings.

6. Financial Effects of the Acquisition

The Acquisition is not expected to have any material impact on the net tangible assets per share and earning per share of the Group for the current financial year ending 31 May 2018.

7. Interest of Directors and controlling shareholders

Ms Ong Lay Koon, Executive Director of the Company, has a shareholding interest not exceeding 1% in Oxley Holdings Limited. Save as aforesaid, none of the Directors or controlling shareholders of the Company, or their associates has any interest, direct or indirect, in the Acquisition other than through their shareholding interest in the Company (if any). The Vendors are not related to any Directors or controlling shareholders of the Company.

By Order of the Board

Ong Pang Aik
Chairman and Managing Director
24 April 2018