



LIAN BENG GROUP LTD
Registration No. 199802527Z

PROPOSED ACQUISITION OF PROPERTY AT 381 JOO CHIAT ROAD, SINGAPORE KNOWN AS OCN BUILDING

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 (Joo Chiat) Pte. Ltd., a wholly-owned subsidiary of the Company (“Purchaser”) had on 12 March 2018 accepted the option to purchase (“Option”) granted by TTAT Investment Pte. Ltd. (“Vendor”), for the proposed acquisition of property at 381 Joo Chiat Road, Singapore 427621 (“Property”) from the Vendor for an aggregate purchase consideration of S\$27 million plus goods and service tax (“Proposed Acquisition”).

2. Information on the Property

A 4-storey commercial building with attic and basement car park, comprised in Lot 9382L of Mukim 26, at 381 Joo Chiat Road, Singapore 427621, known as OCN Building with a gross floor area of approximately 2,296 sq m (“Property”).

3. Purchase Consideration

The aggregate purchase consideration for the purchase of Property is S\$27 million plus goods and service tax (“GST”) (“Purchase Consideration”). The Purchase Consideration payable by the Purchaser to the Vendor was arrived based on arm’s length negotiations between the parties 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) an option fee of S\$270,000 (being 1% of the Purchase Consideration) plus GST was paid by the Purchaser to the Vendor on the grant of the Option;
- (b) a balance deposit of S\$1,080,000 (being 5% of the Purchase Consideration less 1% option fee) plus GST will be paid to the Vendor’s solicitors on the exercise of the Option; and
- (c) the balance of the Purchase Consideration of S\$25,650,000 (being 95% of the Purchase Consideration) plus GST will be paid to the Vendor’s solicitors upon completion of the Proposed Acquisition.

The completion (“Completion”) of the Proposed Acquisition is scheduled on the date falling 10 weeks from the date of exercise of Option (“Completion Date”).

4. Rationale

- 4.1 The Proposed Acquisition is in line with one of the Group’s core business activities in property investment. 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 Proposed Acquisition is subject to “The Law Society of Singapore’s Conditions of Sale 2012”.
- b) Upon completion of the Proposed Acquisition, the Vendor shall lease the Property from the Purchaser for a period of 5 years from the Completion Date with an option to renew the lease for a further period of 3 years. A lease agreement at terms to be mutually agreed for the rental of the Property shall be entered one week before the Completion Date.

6. Source of Funds

The Purchase Consideration 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
12 March 2018