LIAN BENG GROUP LTD
Registration No. 199802527Z

PROPOSED ACQUISITION OF SEMBAWANG SHOPPING CENTRE

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-Apricot (Sembawang) Pte. Ltd. ("Purchaser"), a 50:50 joint venture company held equally by the Company and Apricot Capital Pte. Ltd., had on 18 April 2018 entered into a sale and purchase agreement ("SPA") with HSBC Institutional Trust Services (Singapore) Limited as trustee of CapitaLand Mall Trust ("Vendor") for the proposed acquisition of Property (defined below) for an aggregate purchase consideration of S$248 million ("Proposed Acquisition").

2. Information on the Property

Sembawang shopping centre is a suburban mall consisting of four (4) retail levels (including a basement level) and three (3) car park levels at the whole of Lot 669M, Lot 989A and Lot 991T, all of Mukim 19, with a leasehold tenure of 999 years with effect from 26 March 1885, comprising the premises at 604 Sembawang Road, Singapore 758459 ("Sembawang Shopping Centre"), with a gross floor area of 206,087 square feet (S$1,203 per sq ft) and a total net lettable area of 143,631 square feet (S$1,727 per sq ft) ("Property"). It has a high committed occupancy of 99% and there are 165 car park lots.

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$248 million (excluding goods and service tax (if any) applicable) ("Purchase Consideration"). The Purchase Consideration payable by the Purchaser to the Vendor was arrived at through a bidding process conducted by an appointed property consultant, 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$24.8 million (being equivalent to 10% of the Purchase Consideration) will be paid by the Purchaser to the Vendor upon signing 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 or about 18 June 2018 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 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) Sembawang Shopping Centre is sold subject to existing tenancies and licences;

b) There being no material damage or compulsory acquisition relating to Sembawang Shopping Centre prior to completion of the Proposed Acquisition; and

c) The Purchaser not receiving a reply to legal requisitions from the relevant authorities which materially and adversely affects Sembawang Shopping Centre prior to completion of the Proposed Acquisition.

6. Source of Funds

The proportionate Purchase Consideration of S$124 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
19 April 2018