



**LIAN BENG GROUP LTD**  
Registration No. 199802527Z

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## **PROPOSED ACQUISITION OF BREADTALK IHQ BUILDING**

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### **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 (Tai Seng) Pte. Ltd. (“Purchaser”), a 75%-owned subsidiary of the Company, had on 15 January 2021 entered into a put and call option agreement (“Agreement”) with BreadTalk Group Pte. Ltd. (“Vendor”) for the proposed acquisition of Property (defined below) for an aggregate purchase consideration of S\$118 million (“Proposed Acquisition”).

Upon the exercise of the put option or the call option, a binding sale and purchase agreement between the Vendor and the Purchaser shall be deemed entered into.

### **2. Information on the Property**

BreadTalk IHQ Building (“Property”) is 10-storey high, single-user industrial development with retail component at the whole of Lot 6767V of Mukim 23 located at 30 Tai Seng Street, Singapore 534013. The Property is with a land tenure of 30 years commencing 1 February 2010, with an option of a further extension of 30 years. The Property has a gross floor area of approximately 248,902 square feet, including the commercial retail units.

### **3. Purchase Consideration**

The aggregate purchase consideration for the purchase of Property together with the mechanical and electrical equipment related to the Property (“Equipment”) is S\$118 million (excluding goods and service tax (if any) applicable) (“Purchase Consideration”). The Purchase Consideration payable by the Purchaser to the Vendor was arrived based 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 by the Purchaser in the following manner:

- (a) deposit of S\$5 million will be paid by the Purchaser to the Vendor upon signing of the Agreement;
- (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 the date which is later of (i) 1 April 2021 and (ii) the date falling eight (8) weeks from the date of option exercise notice 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 The Vendor is committed to leaseback the Property as an anchor tenant for a lease term of 10 years.
- 4.3 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) There being no material damage or compulsory acquisition relating to the Property prior to completion of the Proposed Acquisition;
- b) The approval of JTC Corporation for the Proposed Acquisition;
- c) The Vendor to lease back the Property as an anchor tenant for an initial lease term of 10 years ("Initial Term"); and
- d) The Purchaser shall grant the Vendor before the end of the Initial Term, an option to buy back the Property at a price mutually agreed by both parties or renew the lease term for another 5 years at the prevailing market rent.

#### **6. Source of Funds**

The proportionate Purchase Consideration will be funded through bank borrowings and/or internal resources.

#### **7. Interest of Directors and Controlling Shareholders**

Dr Tan Khee Giap, Independent Director of the Company, is also a Director of the Vendor.

Save as disclosed, 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. Save as disclosed, 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  
15 January 2021