



聯明集團有限公司

LIAN BENG GROUP LTD

Company Registration No. 199802527Z

FOR IMMEDIATE RELEASE

Lian Beng Consortium to Acquire BreadTalk IHQ for \$118M in Sale-and-Leaseback Deal

✓ Acquisition will extend Lian Beng's investment footprint in industrial real estate



Singapore, 15 January 2021 – Homegrown building construction and property development company **Lian Beng Group** (the “Group”), together with its consortium partners, has entered into a put and call option agreement to acquire the BreadTalk IHQ Building (the “Property”) from BreadTalk Group Pte Ltd (“BreadTalk Group”) for an aggregate purchase consideration of \$118 million.

The Property will be acquired through a consortium in which Lian Beng holds a 75% direct stake through its wholly owned subsidiary. Its consortium partners, Apricot Capital Pte Ltd and 32RE Investments Pte Ltd, will hold 20% and 5% respectively.

Located at 30 Tai Seng Street, the 10-storey BreadTalk IHQ Building is a single-user industrial development with a retail component located in the Tai Seng industrial precinct. It has a gross floor area of approximately 248,902 sq ft, including the commercial retail units. The Property faces Upper Paya Lebar Road and Macpherson Road, and is within walking distance from Tai Seng MRT station. Bearing an iconic design by award-winning local architect Tan Kay Ngee, the Property mainly serves as BreadTalk Group's international headquarters, housing its flagship retail brands, corporate offices, warehouse spaces as well as test and central kitchens, with other third-party tenants among its other occupants.



The Property sits on a land parcel with a tenure of 30 years commencing 1 February 2010, and an option for a further extension of 30 years.

BreadTalk Group has committed to lease back the Property as an anchor tenant for an initial lease term of 10 years. It has the option to either buy back the Property by the end of the initial lease term at a price mutually agreed by both parties, or extend its lease by a further five years at the prevailing market rent.

Commenting on the deal, Mr Ong Pang Aik, Chairman and Managing Director of Lian Beng Group, said, “We are pleased to kick off 2021 by adding an attractive property to our investment portfolio. The acquisition will extend our investment footprint in industrial real estate and help to diversify our property portfolio. BreadTalk Group’s lease commitment and the property’s strategic location should enable us to yield positive rental returns from this investment in addition to potential capital appreciation over the longer term.”

“This transaction is part of our capital re-allocation strategy towards a more asset-light model as we continue to focus on our core F&B business. We are pleased to have come to a win-win agreement with Lian Beng Group,” said Mr George Quek, Chairman and Group CEO of BreadTalk Group Pte Ltd.

The purchase consideration was arrived at on a willing-buyer, willing-seller basis. Lian Beng will fund its share of the purchase consideration via a combination of bank borrowings and internal resources. The completion of the acquisition is conditional upon the approval of JTC Corporation.

About Lian Beng Group Ltd

Established in 1973, Lian Beng Group Ltd is one of Singapore's major home-grown construction groups with integrated civil engineering and construction support service capabilities. The Group is principally involved in the construction of residential, industrial and commercial projects, and civil engineering projects as a main contractor. As a Building and Construction Authority (BCA) Grade A1 contractor in General Building, Lian Beng is able to tender for public sector building projects of unlimited contract value, while its A2 grading in Civil Engineering allows it to tender for engineering projects of up to \$85 million in contract value.

Backed by years of experience and an impeccable track record, the Group has established a reputation for managing large-scale and complex construction projects. Lian Beng also engages in other construction-related activities, such as the provision of scaffolding and engineering services, supply of ready-mix concrete, reinforcement bar fabrication, sourcing and management of construction materials and training of foreign construction labour. Apart from construction, Lian Beng also engages in property investment, with investment projects locally and overseas. The Group also operates two local workers' dormitories, both through joint ventures. Please visit <http://www.lianbeng.com.sg> for more information.

Lian Beng Group Ltd was listed on the Mainboard of the Singapore Exchange in 1999.

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