LIAN BENG GROUP LTD
Registration No. 199802527Z

PROPOSED ACQUISITION OF PROPERTY BY A SUBSIDIARY

1. Introduction

Further to the announcement on 27 May 2015, the Board of Directors of Lian Beng Group Ltd (the "Company", and together with its subsidiaries, the "Group") wishes to announce that Lian Beng Ventures (Melbourne) Pty Ltd ("LBVM"), a wholly-owned subsidiary of the Company, had entered into a Contract of Sale & Vendors Statement ("Contract of Sale") with 247 Collins Investments Pty Ltd ("Vendor") for the proposed acquisition of the property at Units B101, 101, 201, 301, 401, 501 at 247 and 249 Collins Street, Melbourne, Australia (the "Property") ("Proposed Acquisition").

2. Information on the Property

The Property is a freehold property with a total site area of approximately 478 sq m and building area of approximately 2084.4 sq m. The Property is situated on the southern side of Collins Street, between Swanston and Elizabeth Streets of Melbourne, Australia.

3. Purchase Consideration

The aggregate purchase consideration for the purchase of Property is A$24,948,000 (inclusive of goods and service tax) ("Purchase Consideration"). The Purchase Consideration was arrived at on a willing-buyer and willing-seller basis taking into account the location, condition, tenure, potential yield, potential redevelopment of the Property and current market prices of the properties in the surrounding vicinity of the Property.

The Purchase Consideration will be satisfied in the following manner:

(a) a deposit of A$2,268,000 (being 10% of the Purchase Consideration) will be paid by the Company to the Vendor on the execution of the Contract of Sale;

(b) the balance of the Purchase Consideration of A$22,680,000 (being 90% of the Purchase Consideration) will be paid upon completion of the Proposed Acquisition.

4. Rationale

The Company views the purchase of the Property as an investment opportunity for both potential long-term capital appreciation and rental yield.

5. Material Conditions

The Contract of Sale constitutes a binding contract for the sale and purchase of the Property on the terms and conditions set forth in the Contract of Sale. The Contract of Sale is subject to and conditional on obtaining the approval of the Foreign Investment Review Board of Australia.

The Property is sold with vacant possession and the title to the Property shall be properly deduced and free from encumbrances on completion.

The sale and purchase of the Property shall be completed on or before 60 days from the Contract of Sale, or such other date as the parties may mutually agree to in writing.

6. Value of the Property

No valuation was commissioned by the Company in respect of the Property..

7. Source of Funds

The Company will be financing the purchase of the Property through bank borrowings and internal resources.

8. Financial Effects

The purchase of the Property is not expected to have any material impact on the financial performance of the Company and its subsidiaries for the current financial year ending 31 May 2016. Based on the Group's audited consolidated financial statements for the financial year ended 31 May 2014, the financial effect on the Group's earnings and net tangible assets per share will not be material.

9. Relative Figures computed based on Rule 1006 of the Listing Manual

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual are set out below:

1006 (a)	Net Asset Value Test	Not applicable as this transaction is an acquisition and not a disposal of assets.
1006 (b)	Profits Test	Not applicable as there are no net profits attributable to the Property.
1006 (c)	Consideration Test	The Purchase Consideration of A$24.9 million or approximately S$26.0 million represents approximately 9.8% of the Company's market capitalisation of approximately S$265.3 million.
1006 (d)	Equity Securities Test	Not applicable as no equity securities are to be issued as consideration for the purchase of the Properties.
1006 (e)	Reserves Test	Not applicable

Having regard to the above, the Proposed Acquisition constitutes a "Discloseable Transaction" under Rule 1010 of the Listing Manual.

10. Service Contract

No person will be appointed to the Board in connection with the Proposed Acquisition and no service contract in relation thereto will be entered into by the Company.

11. 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.

12. Documents for Inspection

A copy of the Contract of Sale in relation to the purchase of the Property is available for inspection at the registered office of the Company at 29 Harrison Road, Singapore 369648 for 3 months from the date of this Announcement.

BY ORDER OF THE BOARD

Ong Pang Aik
Chairman and Managing Director
2 June 2015