



LIAN BENG GROUP LTD

Registration No. 199802527Z

PROPOSED DISPOSAL OF A JOINT VENTURE COMPANY HELD BY AN ASSOCIATED COMPANY

The Board of Directors of Lian Beng Group Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that its 38%-owned associated company, Millennium Land Pte. Ltd ("**MLPL**") has together with its joint-venture partner, Billion Land Pte. Ltd. ("**BLPL**") (collectively, the "**Vendors**") agreed to dispose 122 Middle Investment Pte. Ltd. ("**122 MIPL**") to Nanshan Group Singapore Co Pte Ltd, an unrelated third party (the "**Purchaser**") for a consideration of S\$270 million (the "**Proposed Disposal**"). The Proposed Disposal is subject to the results of the financial and legal due diligence exercise over 122 MIPL being reasonably satisfactory to the Purchaser.

122 MIPL is held by MLPL and BLPL in the proportion of 50% and 50% respectively. 122 MIPL owns a property at 122 Middle Road, formerly Midlink Plaza, Singapore (the "**Property**"). The Property is currently being redeveloped into a hotel with commercial facilities.

The consideration for the Proposed Disposal was arrived on a willing-buyer-willing-seller basis, which has taken into account the prevailing market conditions, the carrying cost value of the Property of S\$146.4 million and the building construction cost of approximately S\$70.0 million for the building of the hotel with commercial facilities.

No valuation was commissioned in relation to the disposal of 122 MIPL. The net asset value of 122 MIPL and the carrying cost value of the Property as at 31 May 2014 is approximately S\$1.9 million and S\$146.4 million respectively.

The Proposed Disposal is expected to have a positive impact on the net earnings per share or the net tangible assets per share of the Group for the current financial year ending 31 May 2015.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the aforesaid transaction save for their shareholdings in the Company.

By Order of the Board

Ong Pang Aik
Chairman and Managing Director
10 September 2014