



**LIAN BENG GROUP LTD**

Registration No. 199802527Z

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**ACQUISITION OF SHARES IN CENTURION CORPORATION LIMITED**

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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 the Company will acquire 38 million ordinary shares, representing approximately 5.03% of the issued share capital of Centurion Corporation Limited (“CCL”) (“Acquisition”) by way of a married deal to be effected today.

**2. Consideration**

The total consideration paid by the Company for the Acquisition is S\$21.7 million and was arrived at on a willing-buyer and willing-seller basis taking into account, *inter alia*, the current quoted market price of CCL’s shares. The unaudited net tangible asset value of 38 million ordinary shares of CCL as at 31 December 2013 was S\$14.85 million.

**3. Information on CCL**

CCL is a public company listed on the Mainboard of the Singapore Exchange Securities Trading Limited, and its principal business is to own properties for use as workers’ dormitories and provide accommodation services.

CCL group is the joint venture partner of the Company in Lian Beng-Centurion (Mandai) Pte Ltd. (“LBCM”). LBCM is a 55%-owned subsidiary of the Company which owns an approximately 18,700 square metres piece of freehold industrial land in Mandai where a portion of which will be developed into dormitories.

**4. Material conditions**

There are no material conditions attached to the Acquisition.

**5. Rationale and benefit of the Acquisition**

The Acquisition is in line with Group’s core business of building construction and property development, as it is a strategic investment in a property asset related company which requires construction services from time to time. The Board is of the view that the benefits arising from the synergies would be beneficial for the Group as a construction and property group in the long run.

**6. Source of Funds**

The Company will be financing the Acquisition through bank borrowings and internal resources.

**7. Financial Effects of the Acquisition**

The Acquisition is not expected to have any material effect on the Group’s net tangible assets per share nor earning per share for the current financial year.

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

The relative figures for the 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 <sup>1</sup>	10.7%.
1006 (c)	Consideration Test <sup>2</sup>	7.7%.
1006 (d)	Equity Securities Test	Not applicable as no equity securities are to be issued as consideration for the Acquisition.
1006(e)	Proven and Probable Reserves Test	Not applicable as this basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

Notes:

1. The unaudited net profit of S\$4.8 million attributable to 38 million ordinary shares of CCL for the full year ended 31 December 2013 represents approximately 10.7% of the Group's unaudited annualized net profit of S\$45 million for the full year ending 31 May 2014.
2. The purchase consideration of S\$21.7 million for the Acquisition represents approximately 7.7% of the Company's market capitalization of approximately S\$280.8 million as at 5 March 2014.

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

## 9. Relative figures computed pursuant to Rule 704(17) of the Listing Manual

The Acquisition has resulted in the Group's aggregate cost of investment of its quoted securities exceeding a multiple of 5% of the Group's latest audited consolidated net tangible assets.

Relative figures computed pursuant to Rule 704(17) of the Listing Manual are as follows:-

	<b>Before the Acquisition</b>	<b>After the Acquisition</b>
Aggregate cost of the Group's quoted securities	S\$70.4 million	S\$92.1 million
Aggregate cost of the Group's quoted securities as a percentage of the Group's latest audited net tangible assets as at 31 May 2013	26.9%	35.1%
Total market value of the Group's quoted securities	S\$73.8 million	S\$92.7 million
Aggregate amount of provision for diminution in value of the Group's quoted securities	Nil	Nil

**10. Interest of Directors and Controlling Shareholders**

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Acquisition.

By Order of the Board

Ong Pang Aik  
Chairman and Managing Director  
6 March 2014