



LIAN BENG GROUP LTD
Registration No. 199802527Z

EXECUTION OF HEADS OF AGREEMENT

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as in the Company's announcements dated 11 April 2014, 28 April 2014 and 24 June 2014 (the "Announcements").

Further to the Announcements, the Board of Directors of Lian Beng Group Ltd ("the Company", and together with its subsidiaries, the "Group") wishes to announce that following a review of the opportunities arising from the leasehold property located at 24 Leng Kee Road, Singapore 159096 ("Leng Kee Property") and the automotive business, the Company has decided to obtain approval from its Shareholders to diversify into the automotive business ("Proposed Diversification"). Accordingly, the Company had entered into a legally binding heads of agreement ("HOA") with VinCar Leasing Pte Ltd in relation to a proposed joint venture in Wealth Assets Pte Ltd, a 80%-owned subsidiary of the Company, to carry on the automotive business ("Proposed JV").

The parties agree to enter into a definitive joint venture agreement in relation to the Proposed JV on such terms whereby the provisions contained in the HOA shall form the basis thereof on a date as the parties may mutually agree in writing.

The Proposed JV is not expected to have a material impact on the earnings per share and the net tangible assets per share of the Company for the financial year ending 31 May 2015.

None of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Proposed JV.

A Circular containing further details of the Proposed Diversification enclosing notice of Extraordinary General Meeting in connection therewith will be despatched to the Shareholders of the Company in due course.

Further announcements will be made by the Company as and when appropriate.

BY ORDER OF THE BOARD

Ong Pang Aik
Chairman and Managing Director
11 August 2014