



LIAN BENG GROUP LTD
Registration No. 199802527Z

SETTING UP OF A JOINT VENTURE FOR THE VIETNAM PROJECT

The Board of Directors (the "**Board**") of Lian Beng Group Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that Goldprime Development Pte. Ltd. ("**Goldprime**"), a wholly owned subsidiary of the Company, had entered into a shareholders' agreement ("**Shareholders' Agreement**") dated 22 October 2015 with LGB (Vietnam) Pte. Ltd. ("**LGB**"), CES-Vietnam Holdings Pte. Ltd. ("**CES**"), KH Capital Pte. Ltd. ("**KH**"), KSH Vietnam Investment Pte. Ltd. ("**KSH**") and Seacare Properties (Vietnam) Pte. Ltd. ("**SC**") (collectively, the "**Joint Venture Partners**") in relation to a joint venture in a Singapore incorporated company named LGB-NB Pte. Ltd. ("**LGB-NB**").

LGB-NB

LGB-NB has been incorporated for the purposes of, through a subsidiary of LGB-NB to be incorporated in Vietnam, (a) acquiring a plot of land located at Nha Be, Ho Chi Minh City, Vietnam, which has a land size of approximately 11,799.8 square meters (the "**Land**"); and (b) undertaking residential development on the Land.

As at the date of this announcement, LGB-NB has an issued and paid up share capital of US\$1,000 comprising 1,000 ordinary shares, held by the Joint Venture Partners as follows:

<u>Name of Joint Venture Partners</u>	<u>%</u>	<u>Shareholding</u> <u>No. of LGB-NB's</u> <u>Shares</u>	<u>Total</u> <u>Subscription Price</u>
LGB	25	250	US\$250
CES	20	200	US\$200
KH	15	150	US\$150
Goldprime	15	150	US\$150
KSH	15	150	US\$150
SC	10	100	US\$100
	<u>100</u>	<u>1,000</u>	<u>US\$1,000</u>

The Shareholders' Agreement provides for additional contribution by each Joint Venture Partner to LGB-NB in proportion to their respective shareholding percentages in LGB-NB, by way of debt or equity injection.

The Board of LGB-NB shall comprise six (6) directors elected from each of the Joint Venture Partners respectively.

Funding and Financial Effects

The initial subscription of the shares in LGB-NB by Goldprime and any additional contribution in proportion to Goldprime's shareholding in LGB-NB as may be requested by LGB-NB from time to time, will be funded through the Group's internal resources and/or bank financing, and are not expected to have any material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the financial year ending 31 May 2016.

Interests of Directors and Controlling Shareholders

Mr Ko Chuan Aun (“**Mr Ko**”), an independent director of the Company, is also an independent director of KSH Holdings Limited, the holding company of KSH. In view of this, Mr Ko has accordingly abstained from voting in respect of this joint venture.

Saved as disclosed above, none of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the above, save for their shareholdings in the Company.

By Order of the Board

Ong Pang Aik
Chairman and Managing Director
22 October 2015