



LIAN BENG GROUP LTD
Registration No. 199802527Z

PROPOSED DISPOSAL OF INDIRECT ASSOCIATED COMPANIES

The Board of Directors of Lian Beng Group Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that its 32%-owned associated company, Epic Land Pte. Ltd. ("**Vendor**" or "**Epic**") has executed a sale and purchase agreement (the "**SPA**") to dispose the entire issued and paid-up share capital of its 6 wholly-owned subsidiaries, Epic Land (17-1) Pte. Ltd., Epic Land (17-2) Pte. Ltd., Epic Land (18-1) Pte. Ltd., Epic Land (21) Pte. Ltd., Epic Land (22) Pte. Ltd. and Epic Land (28) Pte. Ltd. (collectively, the "**Sale Companies**"), holding in aggregate a total of 7 strata office units in Prudential Tower (the "**Properties**") to an unrelated third party (the "**Purchaser**") for an aggregate consideration to be determined based on the net asset value of the Sale Companies as at the completion date ("**Sale Consideration**") (the "**Proposed Disposal**"). The Sale Consideration will be computed on the basis that the value of the Properties is equivalent to S\$130,068,000. The outstanding shareholder's loan owing by the Sale Companies to the Vendor will be determined and fully settled upon completion of the Proposed Disposal ("**Completion**").

The Sale Consideration was arrived on a willing-buyer-willing-seller basis, which has taken into account, *inter alia*, the shareholder's loan due to the Vendor, the cost of the Properties and the prevailing market conditions. The Sale Consideration will be satisfied in cash by the Purchaser and the Purchaser will pay a deposit of S\$13,006,800 following the signing of the SPA.

No valuation was commissioned in respect of the Sale Companies. The aggregate unaudited net liability value of the Sale Companies as at 31 May 2018 was approximately S\$3,988,000 after deducting the outstanding shareholder's loan owing by the Sale Companies to the Vendor.

The Completion is expected to be on or before 20 September 2018 (or such other later date as may be mutually agreed between the Vendor and Purchaser or extended in accordance with the SPA). Upon Completion, the Sale Companies will cease to be associated companies of the Company.

The Proposed Disposal is in line with one of the Group's core business activities in property investments. As the Proposed Disposal is in line with the Group's ordinary course of business and is of a revenue nature, Chapter 10 of the Singapore Exchange Securities Trading Limited's Listing Manual, in particular, seeking Shareholders' approval under Rule 1014 where the relative figures as computed on the bases set out in Rule 1006 exceeds 20%, does not apply to the Proposed Disposal.

The Proposed Disposal is expected to have 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 2019.

Mr Ong Pang Aik, Chairman and Managing Director of the Company, holds 147,625 ordinary shares of KSH Holdings Limited ("**KSH**"), holding company of one of the shareholder of Epic. Ms Ong Lay Koon, Executive Director of the Company, holds 46,912 ordinary shares of KSH. Mr Ko Chuan Aun, an Independent Director and shareholder of the Company, is also an Independent Director of KSH.

Save as disclosed above, none of the other directors or substantial shareholders of the Company has any interest, direct or indirect, in the aforesaid transaction save for their shareholdings (if any) in the Company.

By Order of the Board

Ong Pang Aik
Chairman and Managing Director

25 July 2018