



LIAN BENG GROUP LTD
Registration No. 199802527Z

PROPOSED ACQUISITION OF SHARES IN A JOINT VENTURE COMPANY

*Unless otherwise defined herein, terms used in this announcement shall have the meaning ascribed to them in the Company's announcement dated 9 July 2014 (the "**Announcement**")*

Further to the Announcement, the Board of Directors of Lian Beng Group Ltd ("**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that Lian Beng (China) Pte. Ltd. ("**LBC**"), a wholly owned subsidiary of the Company had, on 4 March 2016, entered into a share sale agreement ("**SSA**") together with Oxley China Pte. Ltd. ("**Oxley**") (collectively, the "**Purchasers**") and TEE Property Pte. Ltd. (the "**Vendor**") for:

- (i) the acquisition of five (5) ordinary shares held by each of the Purchasers ("**Sale Shares**"), representing an aggregate of ten per cent. (10%) of the entire issued and paid-up share capital of KAP Holdings (China) Pte. Ltd. ("**JVCo**"); and
- (ii) the transfer of interest-free shareholders' loan granted to the JVCo by the Vendor to the Purchasers in equal (50:50) proportion by way of novation ("**Proposed Acquisition**").

Upon completion of the Proposed Acquisition, the JVCo will become an associated company of the Group, wherein the shareholding of LBC in the JVCo will increase from 15% to 20%.

The purchase consideration for the acquisition of the Sale Shares representing 5% of the entire issued and paid-up share capital of the JVCo by LBC is S\$5, and the transfer of 50% of the Loan to LBC is S\$1,963,077.06 ("**Purchase Consideration**").

The Purchase Consideration was arrived on a willing buyer willing seller basis, which has taken into account the unaudited book value of 5 Sale Shares and 50% of the loan granted to the JVCo by the Vendor as at 31 December 2015, which was S\$1,963,082.06.

Completion of the Proposed Acquisition will take place within fourteen (14) days from the date of the SSA or within seven (7) days after the fulfilment of the conditions precedent (whichever is later), or on such date as mutually agreed between the parties.

The Purchase Consideration was funded by the Group's internal resources and/or external borrowings and the Proposed Acquisition is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 May 2016.

Ms Ong Lay Koon, the Company's executive director, holds 900,000 ordinary shares, representing approximately 0.03% shareholding interest (direct and indirect) in Oxley Holdings Limited, the holding company of Oxley. Mr Ko Chuan Aun, an independent director and shareholder of the Company, is also an independent director of KSH Holdings Limited, whose associated company, BJJHTD, entered into a joint venture with the JVCo as announced by the Company on 24 March 2014.

Save as disclosed above, none of the other directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, save through their shareholding (if any) in the Company.

BY ORDER OF THE BOARD

Ong Pang Aik
Chairman and Managing Director
4 March 2016