



**LIAN BENG GROUP LTD**  
 Registration No. 199802527Z

---

**RESPONSE TO QUESTIONS FROM SHAREHOLDER PRIOR TO COMPANY'S ANNUAL GENERAL MEETING**

---

The Board of Directors of Lian Beng Group Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has received questions from shareholder in advance of the Company's Annual General Meeting to be held at 11.30 a.m. on 28 September 2020. The Company's responses to the corresponding questions are set out below:

<b>Question No. 1</b>	<b>With the challenges brought on by COVID-19 (i.e work suspension, improvement in worker's living conditions, etc), will the construction projects that Lian Beng Group Ltd has still be profitable? If possible, will management be able to provide some guidance on the revised profit margins?</b>
Company's Response	Due to commercial sensitivities, the Group is unable to provide guidance on profit margins. The COVID-19 pandemic is set to increase construction costs and project margins have been affected. As the projects are on-going, the Group will continue to do its best to take various measures to mitigate the impacts.
<b>Question No. 2</b>	<b>When will Lian Beng Group Ltd be able to complete the construction of Defu Industrial City and is this project still profitable? If the project is going to be unprofitable, can the company reveal the expected loss and whether provisions have already been made.</b>
Company's Response	As of now, the estimated completion date of Defu Industrial City is in first quarter of calendar year 2021. However, due to the Controlled-Restart measures, we expect further extension of the completion date.  Due to commercial sensitivities, the Group is unable to disclose the profitability of ongoing projects. As the situation is fluid, the Company constantly reviews and reassesses the project margins and cost, and will make necessary adjustments to the books if required.
<b>Question No. 3</b>	<b>What's the latest updates on the occupancy and rental collection situation for the commercial, industrial &amp; hospitality properties that Lian Beng Group Ltd owns?</b>
Company's Response	Retail activity was affected by the pandemic and circuit breaker measures and some of our retail tenants at our retail properties have been impacted. We have been working with our tenants to render assistance in accordance with the guidance provided under the government regulations. Occupancy remains relatively stable across our investment portfolio in Singapore.  The Group is exposed to the UK hospitality sector through its minority stakes in several hotels there. We understand that hotels in the country have experienced declines in room occupancies as a result of the pandemic.

<b>Question No. 4</b>	<b>No final dividend was declared this year and the reason stated in the Annual Report (Page 2) was to conserve cash. On 17 September 2020, Lian Beng's subsidiary announced acquisition of Thye Hong Centre. Does that mean that the situation of the company has improved and Lian Beng is able to resume the usual dividends going forward, the nearest being the interim dividend?</b>
Company's Response	<p>Lian Beng Group and SLB Development are operated as separate companies. SLB Development's proposed acquisition of Thye Hong Centre is part of its business expansion to replenish its land bank which is in SLB Development's ordinary course of business.</p> <p>The priority of the Group, on the other hand, is to ensure we have sufficient resources to tide through the current challenges as a result of the pandemic. Such challenges include manpower shortage arising from the quarantine of foreign workers, as well as the additional time and costs incurred to implement the required safe-working practices. We will consider resuming dividend distribution when our operations generate a comfortable amount of cash and profit for us to do so.</p>
<b>Question No. 5</b>	<b>Will there be any downward revaluation on properties owned by Lian Beng in the next half year?</b>
Company's Response	<p>As a general practice, independent valuers are engaged to review the Group's property portfolio and determine its fair value on an annual basis. As at 31 May 2020, the Group has recorded its properties at fair value based on the latest valuation reports.</p> <p>The Group is not in a position to provide a forecast on the expected value of its properties in the next six months. The Group will provide an update on any significant changes in the value of its properties as and when appropriate.</p>

The Board would like to thank the shareholder for taking out time to submit the questions and his interest in the Company.

**BY ORDER OF THE BOARD**

Ong Pang Aik  
Chairman and Managing Director  
27 September 2020