



LIAN BENG GROUP LTD

Registration No. 199802527Z

REPLY TO SGX QUERIES ON THE FULL YEAR RESULTS ANNOUNCEMENT ("FY2012 RESULTS")

In response to queries raised by the SGX in its email dated 2 August 2012, the Board of Directors of Lian Beng Group Ltd (the "Company" and together with its subsidiaries, the "Group") would like to provide the following explanation in relation to the FY2012 Results.

SGX's Query:-

- a) The Company disclosed on page 2 of the announcement that administrative expenses increased by 12.1%, from S\$14.7 million in FY2011 to S\$16.5 million in FY2012. Please provide the reasons for this increase.

Company's response:-

The administrative expense increased by 12.1%, from S\$14.7 million in FY2011 to S\$16.5 million in FY2012 was mainly attributed to higher remunerations and leave accrued for directors and staff.

SGX's Query:-

- b) The Company had recorded an allowance for impairment of value of investment property amounting to S\$700,000 in FY2012. Explanatory note 6 states that the provision of impairment loss was for the investment property, The Ritz Carlton Residence. Please provide the reasons for this provision.

Company's response:-

The allowance for impairment of value of investment property, The Ritz Carlton Residence amounting to S\$700,000 in FY2012 was due to lower valuation of the property by the professional valuer, Savills Valuation and Professional Services (S) Pte Ltd.

BY ORDER OF THE BOARD

Ong Pang Aik
Chairman and Managing Director

3 August 2012