



**LIAN BENG GROUP LTD**

Registration No. 199802527Z

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**CAPITALISATION OF RETAINED EARNINGS BY SUBSIDIARY**

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The Board of Directors of Lian Beng Group Ltd ("the Company", and together with its subsidiaries, the "Group") is pleased to announce that its wholly-owned subsidiary, Lian Beng Engineering & Machinery Pte. Ltd. ("LBEM") has increased its issued and paid-up capital from S\$500,000 to S\$11,720,221 through the capitalisation of its retained earnings (the "Capitalisation").

The Capitalisation will increase the capital base of LBEM. Following the Capitalisation, the Company now holds 11,720,221 ordinary shares in the capital of LBEM.

The above transaction is not expected to have any material impact on the consolidated net tangible assets or earnings per share of the Group for the current financial year.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

BY ORDER OF THE BOARD

Ong Pang Aik

Chairman and Managing Director

21 March 2012