



LIAN BENG GROUP LTD

Registration No. 199802527Z

BUSINESS UPDATES

The Board of Directors of Lian Beng Group Ltd (the "Company", and together with its subsidiaries, the "Group") wishes to announce that its wholly-owned subsidiary, Millennium Marine & Shipping Pte. Ltd. ("MMS") has entered into:-

- (i) a memorandum of agreement to acquire one unit of flat top deck cargo barge for a consideration of S\$0.90 million from Hathaway Marine Pte. Ltd.;
- (ii) two ship building contracts worth \$2.92 million with ASL Shipyard Pte Ltd ("ASL"), a subsidiary of ASL Marine Holdings Ltd., pursuant to which ASL shall build two units of flat top deck cargo barges for MMS; and
- (iii) sales and purchase agreements to acquire three units of tug boats for an aggregate consideration of S\$2.94 million from Kemudi Santun Sdn Bhd,

(collectively, the "Proposed Transactions").

The purpose of the Group having its own cargo barges and tug boats is to meet its own logistics requirements for the transportation of raw materials (such as sands and granites) from overseas to Singapore to enable the manufacturing of concrete.

The Proposed Transactions will improve the efficiency in the procurement of raw material for the manufacturing of concrete in terms of costs and time. This is because the Group does not have to rely on third party logistics provider to transport the raw materials.

The Proposed Transactions are 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 2012.

Ang Kok Tian, Ang Ah Nui, Ang Kok Eng and Ang Kok Leong, the directors of ASL are cousins of Ong Pang Aik, Ong Lay Huan and Ong Lay Koon, the Executive Directors of the Company. The Proposed Transactions are neither classified as discloseable transactions for the purposes of Chapter 10 of the Listing Manual nor interested person transactions for the purposes of Chapter 9 of the Listing Manual.

Save as disclosed above, none of the Directors and controlling shareholders has any interest, direct or indirect, in the aforesaid transactions.

BY ORDER OF THE BOARD

Ong Pang Aik
Chairman and Managing Director
26 March 2012