



LIAN BENG GROUP LTD

Half Year Financial Statement And Dividend Announcement

Half-year financial statements on consolidated results for the period ended 30 November 2008.

These figures have not been audited.

**PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR
AND FULL YEAR RESULTS**

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group		
	6 months ended 30 November 2008 S\$'000	6 months ended 30 November 2007 S\$'000	% Increase /(Decrease)
Revenue	150,975	106,292	42.0%
Cost of sales	(132,545)	(89,692)	47.8%
Gross profit	18,430	16,600	11.0%
Other operating income	1,423	835	70.4%
Distribution expenses	(808)	(92)	778.3%
Administrative expenses	(5,076)	(3,743)	35.6%
Other operating expenses	(1,454)	(2,263)	-35.7%
Finance costs	(1,100)	(1,009)	9.0%
Profit before taxation	11,415	10,328	10.5%
Taxation	(2,479)	(2,195)	12.9%
Profit for the period	8,936	8,133	9.9%
Attributable to :			
Equity holders of the Company	8,785	8,059	9.0%
Minority interests	151	74	104.1%
	8,936	8,133	9.9%

Notes to Income Statements:

	The Group		
	6 months ended 30 November 2008 S\$'000	6 months ended 30 November 2007 S\$'000	% Increase /(Decrease)
Other income including interest income	676	310	118.1%
Gain on sale of property, plant and equipment	46	212	-78.3%
Depreciation of property, plant and equipment (Note 1)	(1,629)	(877)	85.7%
Depreciation of investment properties	(68)	(68)	0.0%
Foreign exchange gain/(loss)	692	(549)	NM*

* Not Meaningful

Explanatory notes:

- The increase in depreciation of property, plant and equipment was mainly due to increase in investment in plant and machinery to support the construction and construction-related activities.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	The Group S\$'000		The Company S\$'000	
	30-Nov-08	31-May-08	30-Nov-08	31-May-08
<u>Non-current assets</u>				
Property, plant and equipment	25,172	23,779	-	-
Investment properties	8,811	8,879	-	-
Intangible assets	147	147	-	-
Investment in subsidiaries	-	-	28,689	28,088
Other receivables	2,680	10,835	2,680	2,680
Investment securities	8,506	905	-	-
	45,316	44,545	31,369	30,768
<u>Current assets</u>				
Construction work-in-progress	35,659	38,180	-	-
Development properties	110,416	108,081	-	-
Properties held for sale	6,154	6,154	-	-
Inventories	5,629	721	-	-
Trade receivables	88,675	56,068	-	-
Other receivables and deposits	30,609	28,212	6,581	6,508
Prepayments	2,135	1,396	11	3
Receivables from related parties	13	13	55,779	53,422
Amounts due from jointly-controlled entities	5,142	19,641	6	6
Asset held for sale (Note)	-	-	-	-
Investment securities	9	12	-	-
Fixed deposits	6,619	2,915	1,116	1,169
Cash and bank balances	19,513	5,323	100	351
	310,573	266,716	63,593	61,459
<u>Current liabilities</u>				
Progress billings in excess of construction work-in-progress	28,441	2,402	-	-
Trade payables and accruals	60,329	44,634	-	-
Other payables and deposits	16,013	4,063	150	330
Amounts due to related parties	5,526	17,340	11,295	5,607
Bank overdrafts	18,421	20,898	-	-
Bank loans	16,169	19,672	1,009	1,094
Bills payable	3,252	3,625	-	-
Current portion of obligations under hire purchase	2,081	1,695	-	-
Provision for taxation	4,232	3,806	75	-
	154,464	118,135	12,529	7,031
Net current assets	156,109	148,581	51,064	54,428
<u>Non-current liabilities</u>				
Bank loans	82,008	80,325	-	-
Obligations under hire purchase	4,758	4,244	-	-
Deferred tax liabilities	452	377	-	-
	87,218	84,946	-	-
Net assets	114,207	108,180	82,433	85,196
<u>Equity attributable to equity holders of the Company</u>				
Share capital	82,275	82,275	82,275	82,275
Foreign currency translation reserve	(176)	(11)	-	-
Fair value adjustment reserve	(35)	209	-	-
Accumulated profits	31,835	25,550	158	2,921
	113,899	108,023	82,433	85,196
Minority interests	308	157	-	-
Total equity	114,207	108,180	82,433	85,196
	-	-	-	-

Note: Relate to 50% interest in jointly-controlled entity (Lian Beng Energy Pte Ltd)

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 November 2008

Secured (S\$)	Unsecured (S\$)
39,923,000	0

As at 31 May 2008

Secured (S\$)	Unsecured (S\$)
45,890,000	0

Amount repayable after one year

As at 30 November 2008

Secured (S\$)	Unsecured (S\$)
86,766,000	0

As at 31 May 2008

Secured (S\$)	Unsecured (S\$)
84,569,000	0

Details of any collateral

As at 30 November 2008, the Group's borrowings of S\$126.7 million (31 May 2008 : S\$130.5 million) are secured by the Group's freehold and leasehold properties, development properties, properties held for sale, plant, machinery, motor vehicles, and fixed deposits.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group (S\$'000) 6 months ended 30-Nov-08	The Group (S\$'000) 6 months ended 30-Nov-07
<u>Cash flows from operating activities</u>		
Profit before taxation	11,415	10,328
Adjustments for:-		
Depreciation of property, plant and equipment	1,629	877
Depreciation of investment properties	68	68
Dividend income from investment securities	(10)	(22)
Gain on sale of property, plant and equipment	(46)	(212)
Net fair value loss on investment securities	3	1
Gain on sale of investment securities	-	(72)
Share of loss of jointly-controlled entity	317	-
Interest income	(81)	(92)
Interest expense	1,100	1,009
Exchange translation difference	(202)	3
Write back for impairment loss on other receivables	-	(150)
Impairment loss on doubtful trade receivables	1	-
Operating cash flows before changes in working capital	14,194	11,738
Changes in working capital :-		
Development properties	(2,335)	-
Properties held for sale	-	2,099
Construction work-in-progress	28,560	3,109
Inventories	(4,908)	895
Trade receivables	(32,608)	(13,905)
Other receivables and deposits	(2,349)	(8,607)
Prepayments	(739)	(539)
Trade payables, other payables, accruals and bills payable	26,955	7,671
Balances with related parties	2,328	(994)
Cash generated from operations	29,098	1,467
Income tax paid	(2,054)	(374)
Income tax recovered	76	-
Net cash flows generated from operating activities	27,120	1,093
<u>Cash flows from investing activities</u>		
Interest received	33	92
Dividend income from investment securities	10	22
Purchase of property, plant and equipment	(1,346)	(3,850)
Proceeds from disposal of property, plant and equipment	118	427
Proceeds from disposal of investment	-	202
Increase in investment securities	(7,845)	(450)
Amount due from long term other receivables	8,155	(26,750)
Net cash flows used in investing activities	(875)	(30,307)
<u>Cash flows from financing activities</u>		
Interest paid	(1,100)	(1,009)
Repayment of hire purchase creditors	(810)	(621)
Proceeds from bank loans	8,498	19,478
Repayment of bank loans	(10,318)	(4,165)
(Increase in)/release of fixed deposits pledged to bank	(899)	11
Proceeds from issue of new ordinary shares	-	17,000
Share issue expenses	-	(597)
Loan from minority shareholder of a subsidiary company	357	956
Dividend paid to a minority shareholder of a subsidiary company	-	(60)
Dividend paid on ordinary shares	(2,500)	(1,000)
Net cash flows (used in)/generated from financing activities	(6,772)	29,993
Net increase in cash and cash equivalents	19,473	779
Cash and cash equivalents at beginning of the period	(15,564)	(6,216)
Cash and cash equivalents at end of the period *	3,909	(5,437)

*** Breakdown of cash and cash equivalents at the end of period:**

	S\$'000	S\$'000
Cash at bank and in hand	19,513	10,637
Fixed deposits	6,619	2,964
Fixed deposits pledged to bank	(3,802)	(1,772)
Bank overdrafts	(18,421)	(17,266)
Total	3,909	(5,437)

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year

	The Group S\$'000		The Company S\$'000	
	6 Months ended 30-Nov-08	6 Months ended 30-Nov-07	6 Months ended 30-Nov-08	6 Months ended 30-Nov-07
Share Capital				
Balance as at beginning of period	82,275	42,866	82,275	42,866
Issue of ordinary shares pursuant to a Placement Exercise	-	17,000	-	17,000
Share issue expense	-	(597)	-	(597)
Balance as at end of period	82,275	59,269	82,275	59,269
Foreign Currency Translation Reserve				
Balance as at beginning of period	(11)	(23)	-	-
Net effect of exchange differences	(165)	(37)	-	-
Balance as at end of period	(176)	(60)	-	-
Fair Value Adjustment Reserve				
Balance as at beginning of period	209	706	-	-
Net loss on fair value changes during the period	(244)	(300)	-	-
Balance as at end of period	(35)	406	-	-
Accumulated Profits				
Balance as at beginning of period	25,550	14,657	2,921	1,336
Profit/(loss) for the period	8,785	8,059	(263)	(192)
Dividends paid on ordinary shares	(2,500)	(1,000)	(2,500)	(1,000)
Balance as at end of period	31,835	21,716	158	144
Minority Interests (MI)				
Balance as at beginning of period	157	86	-	-
Share of profit for the period	151	74	-	-
Dividend paid to a minority shareholder	-	(60)	-	-
Balance as at end of period	308	100	-	-
Total equity	114,207	81,431	82,433	59,413
	-	-	-	-

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

None

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

Total number of issued shares as at 30 November 2008 is 529,760,000 shares (FY2008: 529,760,000 shares).

1(d)(iv) A statement showing all sales, transfer, disposals, cancellations and/or use of treasury shares as at the end of the current financial period reported on

Not Applicable

2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not Applicable

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current period compared with those for the audited financial statements for the year ended 31 May 2008.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The adoption of the new/revised FRS and INT FRS is currently assessed to have no significant impact on the financial position and the results of the current period and prior period of the Group.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per share attributable to equity holders of the Company (cents per share)	6 months ended 30-Nov-08	6 months ended 30-Nov-07
(a) On a basic basis	1.66	1.72
(b) On a fully diluted basis	1.66	1.72

Earnings per share is calculated based on 529,760,000 ordinary shares for the current period (1H2008: 467,878,000 shares).

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	As at 30-Nov-08	As at 31-May-08	As at 30-Nov-08	As at 31-May-08
Net asset value per ordinary share based on issued share capital at the end of the period reported on (cents)	21.50	20.39	15.56	16.08

Net asset value per share is calculated based on 529,760,000 ordinary shares in issue at the end of the current period (FY2008: 529,760,000 shares).

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

A) Income Statements

Group revenue for the six months ended 30 November 2008 ("1H09"), rose 42.0% to \$151.0 million compared with \$106.3 million registered in the corresponding period last year ("1H08"). The increase was mainly due to a higher amount of revenue recognised in line with the progress made in various construction projects undertaken by the Group.

Gross profit increased 11.0% to \$18.4 million in 1H09 from \$16.6 million in 1H08, mainly due to the higher contribution from the Group's construction division, property management division and training & testing centre.

Distribution expenses increased to \$808,000 from \$92,000, mainly attributable to cost incurred in the construction of a showflat for one of its properties under development. The increase in administrative expenses to \$5.1 million from \$3.7 million was mainly due to increase in overall staff cost in line with increase in business activities and performance of the Group. The decrease in other operating expenses was mainly due to foreign exchange losses incurred in the previous period. Other operating income increased to \$1.4 million from \$0.8 million was mainly due to net foreign exchange gain arising from the United States Dollar appreciation during the current period.

The Group achieved a 9.9% increase in net profit to \$8.9 million for 1H09 versus \$8.1 million for 1H08.

B) Balance Sheet Statements

Trade receivables increased from \$56.1 million in FY2008 to \$88.7 million in 1H09 in line with the increase in revenue.

Inventories increased from \$0.7 million to \$5.6million, mainly due to the purchase of materials to meet the requirements of construction projects on hand.

Progress billings in excess of construction work-in-progress increased by \$26.0 million, which is in line with the increase in construction activities.

Other payables and deposits increased to \$16.0 million from \$4.1 million in line with the higher level of construction activities and number of projects awarded to the Group. Trade payables and accruals also rose from \$44.6 million to \$60.3 million due to increase in business activity.

C) Cash flow Statements

Net cash flows generated from operating activities for the current period rose to \$27.1 million from \$1.1 million in 1H08. This was mainly due to profits generated, an increase in trade payables, other payables and accruals. A decline in net construction work-in-progress, offset by an increase in trade receivables and inventories also contributed to the increase in net cash flows generated from operating activities.

The decrease in net cash flows used in investing activities was mainly due to the higher amount due from long term other receivables in the previous corresponding period.

Net cash flows used in financing activities for the current period rose to \$6.8 million, compared to \$30.0 million generated in 1H08. This takes into consideration a share placement initiative in 1H08 as well as repayment of bank loans in 1H09.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement has been previously disclosed to shareholders.

10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Amidst the uncertain economic conditions, the construction scene remains relatively resilient. While demand for construction services has softened, overall construction activity is expected to be supported by both private and public sector projects initiated in 2008

In addition, the Singapore Government's plan to bring forward some previously deferred public sector projects should continue to provide opportunities for the construction industry.

During 1H09, the Group secured a total of five construction projects, the most recent being an \$84 million engagement to develop camp facilities at Kranji.

As at 30 November 2008, the Group's total order book remains robust at approximately \$660 million. Going forward, the Group will continue to focus on tendering for new projects, which should provide greater stability in light of the challenging macro-economic environment ahead.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

No dividend has been declared/recommended during the financial period.

(d) Books closure date

No dividend has been declared/recommended during the financial period.

12 If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared/recommended during the financial period.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not applicable

- 14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable

- 15 A breakdown of sales**

Not applicable

- 16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not applicable

BY ORDER OF THE BOARD

Ong Pang Aik
Chairman and Managing Director
January 13, 2009

**CONFIRMATION PURSUANT TO RULE 705(4) OF THE LISTING MANUAL OF THE
SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

**For the announcement of unaudited financial statements
for the half-year ended 30 November 2008**

We, Ong Pang Aik and Ong Lay Koon, being Directors of Lian Beng Group Ltd (“the Company”), do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited half-year financial results for the period ended 30 November 2008 to be false or misleading.

For and on behalf of the Board of Directors.

Ong Pang Aik
Chairman and Managing Director

Ong Lay Koon
Executive Director

13 January 2009