



LIAN BENG GROUP LTD

Third Quarter Financial Statement And Dividend Announcement

Third Quarter financial statements on consolidated results for the period ended 28 February 2009.

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		
	9 months ended 28 February 2009 S\$'000	9 months ended 28 February 2008 S\$'000	% Increase /(Decrease)
Revenue	230,143	148,491	55.0%
Cost of sales	(204,348)	(126,102)	62.0%
Gross profit	25,795	22,389	15.2%
Other operating income	1,979	1,266	56.3%
Distribution expenses	(1,224)	(100)	1124.0%
Administrative expenses	(7,794)	(6,219)	25.3%
Other operating expenses	(2,443)	(4,057)	-39.8%
Finance costs	(1,520)	(1,542)	-1.4%
Profit before taxation	14,793	11,737	26.0%
Taxation	(3,163)	(2,941)	7.5%
Profit for the year	11,630	8,796	32.2%
Attributable to :			
Equity holders of the Company	11,443	8,708	31.4%
Minority interests	187	88	112.5%
	11,630	8,796	32.2%

Notes to Income Statements:

	The Group		
	9 months ended 28 February 2009 S\$'000	9 months ended 28 February 2008 S\$'000	
Other income including interest income	1,008	716	40.8%
Gain on disposal of plant & equipment	57	235	-75.7%
Depreciation of property, plant and equipment (Note 1)	(2,548)	(1,583)	61.0%
Depreciation of investment properties	(100)	(100)	0.0%
Foreign exchange gain/(loss)	901	(883)	NM*

* Not Meaningful

Explanatory notes:

1 The increase in depreciation of property, plant and equipment was mainly due to increase in investment in plant and machinery.

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	
	28-Feb-09	31-May-08	28-Feb-09	31-May-08
<u>Non-current assets</u>				
Property, plant and equipment	31,773	23,779	-	-
Investment properties	11,993	8,879	-	-
Intangible assets	147	147	-	-
Investment in subsidiaries	-	-	28,689	28,088
Other receivables	-	10,835	-	2,680
Investment securities	8,506	905	-	-
	52,419	44,545	28,689	30,768
<u>Current assets</u>				
Construction work-in-progress	29,717	38,180	-	-
Development properties	110,573	108,081	-	-
Properties held for sale	6,154	6,154	-	-
Inventories	5,037	721	-	-
Trade receivables	80,255	56,068	-	-
Other receivables and deposits	31,622	28,212	9,215	6,508
Prepayments	1,416	1,396	7	3
Receivables from related parties	5	13	62,935	53,422
Amounts due from jointly-controlled entities	4,777	19,641	6	6
Asset held for sale (Note)	-	-	-	-
Investment securities	9	12	-	-
Fixed deposits	7,801	2,915	1,108	1,169
Cash and bank balances	17,049	5,323	103	351
	294,415	266,716	73,374	61,459
<u>Current liabilities</u>				
Progress billings in excess of construction work-in-progress	37,007	2,402	-	-
Trade payables and accruals	53,449	44,634	-	-
Other payables and deposits	13,980	4,063	214	330
Amounts due to related parties	4,821	17,340	18,535	5,607
Bank overdrafts	15,360	20,898	-	-
Bank loans	9,159	19,672	1,011	1,094
Bills payable	4,427	3,625	-	-
Current portion of obligations under hire purchase	2,194	1,695	-	-
Provision for taxation	3,891	3,806	75	-
	144,288	118,135	19,835	7,031
Net current assets	150,127	148,581	53,539	54,428
<u>Non-current liabilities</u>				
Bank loans	80,408	80,325	-	-
Obligations under hire purchase	4,740	4,244	-	-
Deferred tax liabilities	550	377	-	-
	85,698	84,946	-	-
Net assets	116,848	108,180	82,228	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	(229)	(11)	-	-
Fair value adjustment reserve	(35)	209	-	-
Accumulated profits	34,493	25,550	(47)	2,921
	116,504	108,023	82,228	85,196
Minority interests	344	157	-	-
Total equity	116,848	108,180	82,228	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 28 February 2009

Secured (S\$)	Unsecured (S\$)
31,140,000	0

As at 31 May 2008

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

Amount repayable after one year

As at 28 February 2009

Secured (S\$)	Unsecured (S\$)
85,148,000	0

As at 31 May 2008

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

Details of any collateral

As at 28 February 2009, the Group's borrowings of S\$116.3 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) 9 months ended 28-Feb-09	The Group (S\$'000) 9 months ended 28-Feb-08
Cash flows from operating activities		
Profit before taxation	14,793	11,737
<u>Adjustments for:-</u>		
Gain on sale of investment securities	-	(72)
Depreciation of property, plant and equipment	2,548	1,583
Depreciation of investment properties	100	100
Dividend income from investment securities	(12)	(24)
Write back for impairment loss on other receivable	-	(150)
Gain on sale of property, plant and equipment	(57)	(235)
Net fair value loss on investment securities	3	3
Share of loss in jointly-controlled entity	512	1,701
Interest income	(94)	(127)
Interest expense	1,520	1,542
Exchange translation difference	(258)	46
Allowance for impairment on doubtful receivables	2	-
Operating cash flows before changes in working capital	19,057	16,104
Changes in working capital :-		
Development properties	(2,492)	(63,497)
Properties held for sale	-	2,099
Construction work-in-progress (net)	43,070	(10,774)
Inventories	(4,316)	1,280
Trade receivables	(24,189)	(3,804)
Other receivables and deposits	(682)	(19,280)
Prepayments	(20)	573
Trade payables, other payables, accruals and bills payable	19,022	3,691
Balances with related parties	1,809	(15,393)
	32,202	(105,105)
Cash generated from/(used in) operations	51,259	(89,001)
Income tax paid	(3,145)	(1,054)
Income tax recovered	242	62
Net cash flows generated from/(used in) operating activities	48,356	(89,993)
Cash flows from investing activities		
Interest received	45	127
Dividend income from investment securities	12	24
Purchase of property, plant and equipment	(8,224)	(6,103)
Purchase of investment properties	(3,214)	-
Proceeds from disposal of property, plant and equipment	131	340
Proceeds from disposal of investment securities	-	202
Net cash outflow on acquisition of a subsidiary	-	(2,017)
Additional investments in investment securities	(7,845)	(351)
Amount due from long term other receivable	8,155	(8,155)
Net cash flows used investing activities	(10,940)	(15,933)
Cash flows from financing activities		
Interest paid	(1,520)	(1,542)
Repayment of hire purchase creditors	(1,359)	(988)
Proceeds from issue of new ordinary shares	-	40,800
Share issue expense	-	(1,391)
Proceeds from bank loans	4,365	48,320
Repayment of bank loans	(14,794)	(4,741)
Release of/(increase in) fixed deposits pledged to bank	126	(1,105)
Dividend paid to minority shareholder of a subsidiary company	-	(60)
Dividend paid on ordinary shares	(2,500)	(1,000)
Loans from shareholders of a jointly controlled entity	-	14,194
Loan from minority shareholder of a subsidiary company	543	2,745
Net cash flows (used in)/generated from financing activities	(15,139)	95,232
Net increase in cash and cash equivalents	22,277	(10,694)
Cash and cash equivalents at beginning of the period	(15,564)	(6,216)
Cash and cash equivalents at end of the period *	6,713	(16,910)
* Breakdown of cash and cash equivalents at the end of period:	\$'000	\$'000
Cash at bank and in hand	17,049	6,413
Fixed deposits	7,801	2,899
Fixed deposit and cash at bank pledged to bank	(2,777)	(2,888)
Bank overdrafts	(15,360)	(23,334)
Total	6,713	(16,910)

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		The Company	
	S\$'000		S\$'000	
	9 Months ended 28-Feb-09	9 Months ended 28-Feb-08	9 Months ended 28-Feb-09	9 Months ended 28-Feb-08
Share Capital				
Balance as at beginning and end of period	82,275	42,866	82,275	42,866
Issue of ordinary shares pursuant to the Placement Exercises	-	40,800	-	40,800
Share issue expense	-	(1,391)	-	(1,391)
Balance as at end of period	82,275	82,275	82,275	82,275
Foreign Currency Translation Reserve				
Balance as at beginning of period	(11)	(23)	-	-
Net effect of exchange differences	(218)	(14)	-	-
Balance as at end of period	(229)	(37)	-	-
Fair Value Adjustment Reserve				
Balance as at beginning of period	209	706	-	-
Net loss on fair value changes during the period	(244)	(409)	-	-
Balance as at end of period	(35)	297	-	-
Accumulated Profits				
Balance as at beginning of period	25,550	14,657	2,921	1,336
Profit / (loss) for the period	11,443	8,708	(468)	(283)
Dividend paid on ordinary shares	(2,500)	(1,000)	(2,500)	(1,000)
Balance at end of period	34,493	22,365	(47)	53
Minority Interests (MI)				
Balance as at beginning of period	157	86	-	-
Share of profit for the period	187	88	-	-
Dividend paid to minority interest shareholder	-	(60)	-	-
Balance at end of period	344	114	-	-
Total shareholders' equity	116,848	105,014	82,228	82,328
	-	-	-	-

- 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 28 February 2009 is 529,760,000 shares (FY 2008: 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 financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial 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.

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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)	9 months ended	
	28-Feb-09	28-Feb-08
(a) On a basic basis	2.16	1.79
(b) On a fully diluted basis	2.16	1.79

Earnings per share is calculated based on 529,760,000 ordinary shares for the current financial period (2008: 487,500,000 shares)

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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

Net asset value per ordinary share based on issued share capital at the end of the period reported on (cents)	Group		Company	
	As at	As at	As at	As at
	28-Feb-09	31-May-08	28-Feb-09	31-May-08
	22.00	20.39	15.52	16.08

Net asset value per share is calculated based on 529,760,000 ordinary shares in issue at the end of the current financial period (2008: 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 nine months ended 28 February 2009 ("9M09"), rose 55.0% to \$230.1 million compared with \$148.5 million registered in the corresponding period last year ("9M08"). The increase was mainly driven by an increase in construction activity during the period.

Gross profit rose 15.2% to \$25.8 million in 9M09, mainly due to profit recognition in relation to various construction projects. Other divisions, namely property development management, training & testing centre and ready-mixed concrete also contributed positively to the Group's profits.

The Group's distribution expenses increased to \$1.2 million from \$100,000, due to the construction of a showflat for a property under development. In line with the higher business activity, the Group also recorded an increase in administrative expenses from \$6.2 million to \$7.8 million. Other operating expenses, on the other hand, was lower, mainly due to foreign exchanges losses incurred in 9M08.

Taking into account the above factors, the Group recorded a 32.2% increase in net profit to \$11.7 million in 9M09.

B) Balance Sheet Statements

Property, plant and equipment increased to \$31.8 million in 9M09 from \$23.8 million in FY2008 due to the purchase of a property unit at Harrison Road for redevelopment to a new corporate head office. The increase in investment properties from \$8.9 million to \$12.0 million was due to progressive payments made on the purchase of residential units for investment purposes.

In line with the increase in revenue, trade receivables, payables and accruals all rose in tandem with the increase in business activity, while inventories increased significantly from \$0.7 million to \$5.0 million, due to the purchase of construction materials for on-going projects. Included in other receivables and deposits is an amount of \$9.4 million, due from Manhattan Resources Limited ("Manhattan"). The Company has taken legal action against Manhattan as announced on 29 August 2008.

Progress billings in excess of construction work-in-progress increased by \$34.6 million, which is in line with the increase in construction activities. Other payables and deposits increased to \$14.0 million from \$4.0 million due to advance payments received for the construction projects and payments received in advance from the sale of properties at Ola Residences.

Group bank borrowing decreased to \$116.3 million in 9M09 from \$130.5 million in FY2008 mainly due to repayment of loans. Net gearing decreased to 0.79 in 9M09 after taking into account the cash and cash equivalents of \$24.8 million. This was an improvement of 30.1% from net gearing of 1.13 in FY2008.

C) Cash flow Statements

Net cash generated from operating activities in 9M09 rose to \$48.3 million compared to \$90.0 million used in 9M08. This was mainly due to improved profitability, as well as increases in trade payables, other payables, accruals and bills payables, which were partially offset by an increase in trade receivables and inventories. A decline in property development activities compared to the previous corresponding period also contributed to the improved cash flows from operating activities.

Net cash used in investing activities was lower mainly due to a reduction in long term other receivables in 9M09, compared to the previous corresponding period.

Net cash used in financing activities was \$15.1 million, compared to \$95.2 million generated in 9M08. This was mainly due to share placement initiative and increase in bank borrowings to finance the property development and construction businesses in 9M08.

As at the close of 9M09, the Group's cash and cash equivalents (inclusive of bank overdraft) was \$6.7 million, compared to a negative of \$16.9 million in the previous corresponding period.

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

In view of uncertainties in the domestic economic conditions, the next 12 months are expected to be relatively challenging for the construction industry. Although there has been a decline in private sector projects available for tender, the Group is well positioned to participate in tenders for public sector projects, which are part of the Singapore government's \$20.5 billion economic stimulus package. In this regard, it will continue to leverage its track record and capabilities in building construction and civil engineering to secure more projects from the public sector.

The Group will also continue to explore ways to manage its costs more effectively, and optimize its efficiency in the management of upcoming and existing projects.

As at 28 February 2009, the Group has an order book of \$586 million.

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
April 14, 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 third quarter ended 28 February 2009**

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 third quarter financial results for the period ended 28 February 2009 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

14 April 2009