



LIAN BENG GROUP LTD

Half Year Financial Statement And Dividend Announcement

Half-year financial statements on consolidated results for the year ended 30 November 2007.

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 2007 S\$'000	6 months ended 30 November 2006 S\$'000	% Increase /(Decrease)
Revenue	106,292	86,336	23.1%
Cost of sales	(89,692)	(80,926)	10.8%
Gross profit	16,600	5,410	206.8%
Other income	835	2,651	-68.5%
Distribution expenses	(92)	(146)	-37.0%
Administrative expenses	(3,743)	(2,944)	27.1%
Other operating expenses	(2,253)	(1,061)	112.3%
Finance costs	(1,009)	(956)	5.5%
Share of results of associates	(10)	-	NM*
Profit before taxation	10,328	2,954	249.6%
Income tax expense	(2,195)	(844)	160.1%
Profit after taxation	8,133	2,110	285.5%
Attributable to:			
Equity holders of the Company	8,059	2,198	266.7%
Minority interests	74	(88)	-184.1%
	8,133	2,110	285.5%

Notes to Income Statements:

	The Group		
	6 months ended 30 November 2007 S\$'000	6 months ended 30 November 2006 S\$'000	
Other income including interest income (Note 1)	310	953	-67.5%
Net gain on disposal of plant & equipment	212	534	-60.3%
Depreciation of property, plant and equipment (Note 2)	(945)	(1,857)	-49.1%
Foreign exchange loss	(549)	(311)	76.5%
Write back for impairment loss on property	-	1,000	NM*

* Not Meaningful

Explanatory notes:

- The decrease in this item was due to the exclusion of other income from Lian Beng Energy Pte Ltd ("LBE").
- The decrease in this item was due to the divestment of LBE on 1 January 2007.

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-07	31-May-07	30-Nov-07	31-May-07
<u>Non-current assets</u>				
Property, plant and equipment	28,128	25,120	-	-
Intangible assets	19	19	-	-
Investment in subsidiaries	-	-	28,138	27,638
Investment in associates	440	-	-	-
Receivables from associates	23,865	-	-	-
Other receivables	8,135	7,912	5,240	7,912
Investment securities	760	1,190	-	-
	61,347	34,241	33,378	35,550
<u>Current assets</u>				
Inventories	676	1,571	-	-
Receivables from related parties	2	-	-	-
Properties held for sale	5,934	8,033	-	-
Construction work-in-progress	35,807	31,201	-	-
Trade receivables	57,939	44,034	-	-
Other receivables, deposits and prepayments	19,040	7,146	3,836	1,292
Receivables from subsidiaries	-	-	37,784	15,844
Amounts due from jointly-controlled entity	6,828	5,834	-	-
Amount due from associate	74	-	-	-
Investment securities	17	18	-	-
Fixed deposits	2,964	3,097	1,144	1,219
Cash and bank balances	10,637	7,955	39	107
	139,918	108,889	42,803	18,462
<u>Current liabilities</u>				
Progress billings in excess of construction work-in-progress	(11,816)	(4,101)	-	-
Trade payables and accruals	(45,799)	(44,471)	-	-
Other payables and deposits	(8,059)	(1,716)	(194)	(301)
Amounts due to related parties	(981)	(25)	(5,471)	(8,446)
Bank overdraft	(17,266)	(15,484)	-	-
Bank loans	(26,781)	(11,218)	(11,103)	(1,063)
Current portion of obligations under hire purchase	(966)	(997)	-	-
Provision for taxation	(3,399)	(1,692)	-	-
	(115,067)	(79,704)	(16,768)	(9,810)
Net current assets	24,851	29,185	26,035	8,652
<u>Non-current liabilities</u>				
Bank loans	(2,660)	(2,910)	-	-
Obligations under hire purchase	(1,873)	(2,104)	-	-
Deferred tax liabilities	(234)	(120)	-	-
	(4,767)	(5,134)	-	-
Net assets	81,431	58,292	59,413	44,202
Equity attributable to equity holders of the company				
Share capital	59,269	42,866	59,269	42,866
Foreign currency translation reserve	(60)	(23)	-	-
Fair value adjustment reserve	406	706	-	-
Accumulated profits	21,716	14,657	144	1,336
	81,331	58,206	59,413	44,202
Minority interests	100	86	-	-
Total equity	81,431	58,292	59,413	44,202
	(0)	-	0	-

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 2007

Secured (S\$)	Unsecured (S\$)
45,013,000	0

As at 31 May 2007

Secured (S\$)	Unsecured (S\$)
27,699,000	0

Amount repayable after one year

As at 30 November 2007

Secured (S\$)	Unsecured (S\$)
4,533,000	0

As at 31 May 2007

Secured (S\$)	Unsecured (S\$)
5,014,000	0

Details of any collateral

As at 30 November 2007, the Group's borrowings of S\$49.5million (31 May 2007 : S\$32.7 million) are secured by the Group's freehold and leasehold 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) 30-Nov-07	The Group (S\$'000) 30-Nov-06
<u>Cash flows from operating activities</u>		
Profit before taxation	10,328	2,954
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	945	1,857
Write back for impairment loss on long and short term quoted and unquoted investment	-	(4)
Dividend income	(22)	(17)
Net gain on disposal of property, plant and equipment	(212)	(534)
Write back for impairment loss on property	-	(1,000)
Fair value loss on investments securities	1	-
Write back for impairment loss on other receivables	(150)	-
Gain on sale of investment securities	(72)	(144)
Exchange translation difference	3	187
Share of results of associates	10	-
Interest income	(92)	(75)
Interest expense	1,009	956
	1,420	1,226
Operating cash flows before changes in working capital	11,748	4,180
<u>Changes in working capital :-</u>		
Properties held for sale	2,099	2,014
Construction work-in-progress	3,109	(1,526)
Inventories	895	(1,451)
Trade receivables	(13,905)	14,089
Other receivables, deposits and prepayments	(9,072)	(2,051)
Trade payables, other payables and accruals	7,671	338
Amount due from associate	(74)	-
Balances with related parties	(994)	(2,362)
	(10,271)	9,051
Cash generated from operations	1,477	13,231
Income tax paid	(374)	(1,780)
Income tax recovered	-	227
Net cash flows generated from operating activities	1,103	11,678
<u>Cash flows from investing activities</u>		
Interest received	92	75
Dividend received	22	17
Purchase of property, plant and equipment	(3,850)	(654)
Proceeds from disposal of property, plant and equipment	427	585
Proceeds from disposal of investment	202	204
Additional investment in subsidiary company	-	(1)
Investment in associates	(450)	-
Receivables from associates	(23,865)	-
Long term receivables	(2,895)	-
Proceed from capital reduction for investment securities	-	13
Net cash flows generated from/(used in) investing activities	(30,317)	239
<u>Cash flows from financing activities</u>		
Interest paid	(1,009)	(956)
Proceeds from bank loans	19,478	1,956
Repayment of bank loans	(4,165)	(8,510)
Repayment of hire purchase creditors	(621)	(640)
Release of/(increase in) fixed deposit and cash at bank pledged to bank	11	(974)
Proceeds from issue of new shares	17,000	-
Shares issue expense	(597)	-
Loan from previous joint venture partner	-	1,011
Loan from minority interest shareholder	956	-
Dividends paid to minority interest shareholder of a subsidiary	(60)	-
Dividends paid on ordinary shares	(1,000)	(1,001)
Net cash flows generated from/(used in) financing activities	29,993	(9,114)
Net increase in cash and cash equivalents	779	2,803
Cash and cash equivalents at beginning of the period	(6,216)	3,071
Cash and cash equivalents at end of the period *	(5,437)	5,874

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

	\$'000	\$'000
Cash at bank and in hand	10,637	12,064
Fixed deposits	2,964	3,798
Fixed deposit and cash at bank pledged to bank	(1,772)	(2,099)
Bank overdrafts	(17,266)	(7,889)
Total	(5,437)	5,874

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-07	6 Months ended 30-Nov-06	6 Months ended 30-Nov-07	6 Months ended 30-Nov-06
Share Capital				
Balance as at beginning of period	42,866	42,866	42,866	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	59,269	42,866	59,269	42,866
Foreign Currency Translation Reserve				
Balance as at beginning of period	(23)	(184)	-	-
Net effect of exchange differences	(37)	(43)	-	-
Balance as at end of period	(60)	(227)	-	-
Fair Value Adjustment Reserve				
Balance as at beginning of period	706	52	-	-
Net (loss)/gain on fair value changes during the year	(300)	265	-	-
Balance as at end of period	406	317	-	-
Accumulated Profits				
Balance as at beginning of period	14,657	12,152	1,336	1,795
Profit/(loss) for the period	8,059	2,198	(192)	(280)
Dividend paid	(1,000)	(1,001)	(1,000)	(1,001)
Balance at end of period	21,716	13,349	144	514
Minority Interests (MI)				
Balance as at beginning of period	86	4	-	-
Share of profit/(loss) for the period	74	(88)	-	-
Dividend paid to minority interest shareholder	(60)	-	-	-
Net effect of exchange differences	-	4	-	-
Share of loss by minority interests in excess of their capital contribution	-	116	-	-
Balance at end of period	100	36	-	-
Total shareholders' equity	81,431	56,341	59,413	43,380
	0		0	

- 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**

During the period, the issued share capital was increased as follows:-

	No of shares	Amount (S\$' 000)
Issued share capital as at 1 June 2007	454,760,000	42,866
Issue of ordinary shares pursuant to a Placement Exercise	40,000,000	16,403
Issued share capital as at 30 November 2007	494,760,000	59,269

Note:

On 2 October 2007, the Company issued 40 million new ordinary shares at S\$0.425 per share for cash via a Placement Exercise. The newly issued shares rank pari passu in all respects with the then existing issued shares. The increase in share capital of S\$16,403,000 is derived after deducting placement expenses of approximately S\$597,000.

- 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.

- 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 2007.

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 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

	Group	
	30-Nov-07	30-Nov-06
(i) Based on the weighted average number of ordinary shares in issue	1.72	0.48
- weighted average number of shares (' 000)	467,878	454,760
(ii) Based on fully diluted basis	1.72	0.48
- weighted average number of shares (' 000)	467,878	454,760

Earnings per share is computed based on the profit after tax attributable to equity holders of the Company divided by the weighted average number of 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

Net assets per share (cents)	30-Nov-07	31-May-07
The Group	16.44	12.80
The Company	12.01	9.72

Net asset value per share is calculated based on 494,760,000 ordinary shares in issue at the end of the current financial period and 454,760,000 ordinary shares at the end of the corresponding financial year.

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

The Group's revenue for the six months ended 30 November 2007 was \$106.3 million, an increase of approximately of \$20.0 million or 23.1% from the previous period. The construction division continued to be the key driver of revenue with more than 90% of contribution to the Group's revenue. The remaining revenue came from engineering and leasing, and the property development divisions. The increase in the revenue was attributed to higher revenue recognition from progressive completion of construction projects.

The increase in gross profit margin from 6.3% in previous period to 15.6% in the current period was due mainly to improvement in the gross profit margin of the construction projects recognised during the period.

The Group's pre-tax profit for the six months ended 30 November 2007 was \$10.3 million, an increase of approximately \$7.3 million or 249.6% over the previous period. Pre-tax profit of \$10.3 million was mainly contributed by the construction division.

Correspondingly, the Group's administrative expenses had increased 27.1% to \$3.7 million as compared to \$2.9 million in the previous period. The increase was due mainly to an increase in overall staff cost. The increase in other operating expenses to \$2.3 million as compared to \$1.0 million in the previous period was due mainly to foreign exchange losses resulting from depreciation of the US\$ currency, and a reversal of other income from the Maldives project.

Taking into account the write-back on impairment of assets in the previous period, and a lack of write-back in the period under review, other income saw a decline of 68.5% to \$0.8 million as compared to \$2.7 million in the previous period.

B) Balance Sheet Statements

Property, plant and equipment

The increase of \$3.0m in this item was due mainly to the purchase of reusable material for construction projects.

Receivables from associates

The increase of \$23.9m in this item was due to the following:-

1. The amount of \$16.0m paid to Duke Development Pte Ltd for a 20% equity interest in relation to the development of a parcel of leasehold land at Simon Road.
2. The amount of \$7.8m paid to Phileap Pte Ltd for a 25% equity interest in relation to the enbloc purchase and joint-development of Lincoln Lodge, a freehold site off Newton Road.

Properties held for sale

The decrease of \$2.1m in this item was due to the sale of some property units by the Group.

Trade receivables

The increase of \$13.9m in this item was in line with the increase in revenue.

Other receivables, deposits and prepayments

The increase of \$11.9m in this item was due to the deposit of \$8.4m for the proposed acquisition of shares in Mountbatten Development Pte Ltd which owns the freehold semi-detached houses site along Mountbatten Road and also deposit of \$2.6m for the proposed acquisition of shares in Tee Development Pte Ltd which owns the residential properties at Cairnhill Circle and Rambai Road.

Other payables and deposits

The increase of \$6.3m in this item arose mainly from the advance payment received for the construction projects.

Amounts due to related parties

The increase of \$1.0m in this item was due to the minority shareholder's contribution to the financing of the Group's certain property development business.

Long and short-term Interest bearing bank loans

The increase of \$15.3m in long and short term bank loans was used to finance the Group's business expansion.

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

The Singapore construction industry is experiencing an upturn. The Ministry of Trade & Industry has announced that construction sector is estimated to have grown strongly by 24.4% in fourth quarter of 2007, stronger than the 19.2% growth in third quarter and 22.0% growth in the second quarter (Source: MTI website, 2.1.2008). The strong construction demand has put constraints on local contractors to such an extent that the government has rescheduled the public projects worth at least \$2.0 billion to 2010 and beyond to ease pressure on construction resources in Singapore. (Source: BCA website, 13.11.2007). Correspondingly, the private residential property prices have risen by 31% in 2007 in tandem with the 7.5% growth in the overall economy. (Source: URA and MTI website, 2.1.2008)

In view of these positive trends, the Group expects the demand for construction services and private homes to be robust. Similarly, the overall cost of construction will also increase in tandem with the stronger demand for construction services. The Group will continue to leverage on its proven track record in the construction industry to selectively tender on projects. The Group is also gradually entering into the property development business through equity participation on a strategic basis.

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 10, 2008

**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 2007**

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 interim financial results for the half-year ended 30 November 2007 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

10 January 2008

