



LIAN BENG GROUP LTD

Full Year Financial Statement And Dividend Announcement

Full-year financial statements on consolidated results for the year ended 31 May 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		
	12 months ended 31 May 2007 S\$'000	12 months ended 31 May 2006 S\$'000	% Increase /(Decrease)
Revenue	148,559	189,449	-21.6%
Cost of sales	(140,207)	(178,054)	-21.3%
Gross profit	8,352	11,395	-26.7%
Other income Note 1	7,180	2,389	200.5%
Distribution expenses	(394)	(284)	38.7%
Administrative expenses	(6,020)	(5,569)	8.1%
Other operating expenses	(2,469)	(2,962)	-16.6%
Profit from operations	6,649	4,969	33.8%
Finance costs	(1,700)	(1,847)	-8.0%
Profit before taxation	4,949	3,122	58.5%
Taxation	(583)	(1,583)	-63.2%
Profit after taxation	4,366	1,539	183.7%
Attributable to:			
Equity holders of the Company	3,505	1,835	91.0%
Minority interests	861	(296)	390.9%
	4,366	1,539	183.7%

Notes to Income Statements:

	The Group		
	12 months ended 31 May 2007 S\$'000	12 months ended 31 May 2006 S\$'000	% Increase /(Decrease)
Other income including interest income Note 1	1,996	1,309	52.5%
Forgiveness of loan from minority shareholder Note 1	2,000	-	NM*
Write back for impairment losses on properties Note 1	1,700	-	NM*
Gain on sale of property, plant and equipment	926	1,067	-13.2%
Gain on sale of investment in quoted shares	199	-	NM*
Depreciation of property, plant & equipment Note 2	(3,091)	(3,914)	-21.0%
Adjustments for underprovision of taxes in prior years	(200)	(479)	-58.2%
Foreign exchange loss	(434)	(556)	-21.9%
Allowance for doubtful receivables	(10)	(564)	-98.2%
Impairment loss on other receivable Note 3	(515)	-	NM*

* NM : Not Meaningful

Explanatory notes:

- 1 The increase in other income was due to:
 - a. The forgiveness of loan due to the waiver of amount due to the minority shareholder as a result of the acquisition of its remaining shareholding.
 - b. The write-back for impairment losses on properties due to the increase in the valuation of the properties.
 - c. Other income received from the joint-venture partner in Maldives.
- 2 The decrease in the depreciation was due to the disposal of the jointly-controlled entity, Lian Beng Energy Pte Ltd ("LBE").
- 3 The impairment loss arose from the receivable from the previous joint venture partner (LBE), at no interest charge.

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	
	31-May-07	31-May-06	31-May-07	31-May-06
<u>Non-current assets</u>				
Property, plant and equipment	25,120	34,412	-	-
Intangible assets	18	18	-	-
Investments in subsidiaries	-	-	27,638	23,937
Investment in jointly-controlled entity	-	-	-	2,000
Other receivable	7,912	-	7,912	-
Investment securities	1,191	624	-	-
Deferred tax assets	-	367	-	-
	34,241	35,421	35,550	25,937
<u>Current assets</u>				
Inventories	1,571	1,542	-	-
Receivables from related parties	-	18	15,658	15,371
Properties held for sale	8,033	20,309	-	-
Construction work-in-progress	31,201	22,963	-	-
Trade receivables	44,034	57,985	-	-
Other receivables, deposits and prepayments	7,332	3,690	1,478	281
Amount due by jointly-controlled entity	5,834	5,539	-	7,466
Investment securities	18	53	-	-
Fixed deposits	3,097	2,701	1,219	1,648
Cash and cash balances	7,955	12,176	107	270
	109,075	126,976	18,462	25,036
<u>Current liabilities</u>				
Progress billings in excess of construction work-in-progress	(4,101)	(9,651)	-	-
Trade payables and accruals	(44,471)	(45,625)	-	-
Other payables and deposits	(1,716)	(1,724)	(301)	(252)
Amount due to related parties	(25)	(5,491)	(8,446)	(5,011)
Bank overdrafts	(15,484)	(10,682)	-	-
Bank loans	(11,218)	(16,468)	(1,063)	(1,048)
Current portion of obligations under hire purchase	(997)	(1,115)	-	-
Provision for taxation	(1,878)	(3,092)	-	-
	(79,890)	(93,848)	(9,810)	(6,311)
Net current asset	29,185	33,128	8,652	18,725
<u>Non-current liabilities</u>				
Bank loans	(2,910)	(10,433)	-	-
Obligations under hire purchase	(2,104)	(3,013)	-	-
Deferred tax liabilities	(120)	(213)	-	-
	(5,134)	(13,659)	-	-
Net assets	58,292	54,890	44,202	44,662
<u>Equity attributable to equity holders of the company</u>				
Share capital	42,866	42,866	42,866	42,866
Foreign currency translation reserve	(23)	(184)	-	-
Fair value adjustment reserve	706	52	-	-
Accumulated profits	14,657	12,152	1,336	1,796
	58,206	54,886	44,202	44,662
Minority interests	86	4	-	-
Total Equity	58,292	54,890	44,202	44,662
	-	-	-	-

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

Amount repayable in one year or less, or on demand

As at 31 May 2007

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

As at 31 May 2006

Secured (S\$)	Unsecured (S\$)
28,265,000	0

Amount repayable after one year

As at 31 May 2007

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

As at 31 May 2006

Secured (S\$)	Unsecured (S\$)
13,447,000	0

Details of any collateral

As at 31 May 2007, the Group's borrowings of S\$32.7 million (31 May 2006 : S\$41.7 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) 31-May-07	The Group (S\$'000) 31-May-06
<u>Cash flows from operating activities</u>		
Profit before taxation	4,949	3,122
<i>Adjustments for:-</i>		
Depreciation of property, plant and equipment	3,091	3,914
Dividend income	(21)	(13)
Gain on sale of property, plant and equipment	(926)	(1,067)
Write back for impairment losses on property	(1,700)	-
Fair value gain on investment securities	(11)	(15)
Forgiveness of loan from minority shareholder	(2,000)	-
Loss on disposal of jointly-controlled entity	20	-
Negative goodwill	(327)	-
Gain on sale of investment in quoted security	(199)	-
Impairment loss on other receivable	515	-
Interest income	(143)	(77)
Interest expense	1,700	1,847
Exchange translation difference	(41)	206
Allowance for doubtful receivables	10	564
Operating profit before working capital changes	4,917	8,481
<i>Changes in working capital :-</i>		
Properties held for sale	12,276	4,192
Construction work-in-progress	(13,805)	4,384
Inventories	(2,029)	367
Trade receivables	7,410	(6,772)
Other receivables, deposits and prepayments	(5,143)	1,112
Trade payables, other payables and accruals	6,565	386
Balances with related parties	(4,065)	(3,086)
Cash generated from operations	6,126	9,064
Income tax paid	(3,718)	(2,347)
Income tax refund	391	-
Net cash generated from operating activities	2,799	6,717
<u>Cash flows from investing activities</u>		
Interest received	143	77
Dividend received	21	13
Purchase of property, plant and equipment	(1,127)	(3,465)
Proceeds from disposal of property, plant and equipment	1,703	1,706
Additional investment in subsidiary company	(201)	-
Sale of jointly-controlled entity	(758)	-
Proceeds from disposal of investment in quoted security	320	-
Proceed from capital reduction for investment securities	13	-
Net cash generated from/(used in) investing activities	114	(1,669)
<u>Cash flows from financing activities</u>		
Interest paid	(1,700)	(1,847)
Repayment of hire purchase creditors	(974)	(236)
Proceeds from bank loans	3,068	1,125
Repayment of bank loans	(11,944)	(8,208)
Fixed deposits pledged to bank	(659)	(47)
Loan from previous joint venture partner	1,010	-
Loan from related parties	-	651
Dividend paid	(1,000)	(1,000)
Net cash used in financing activities	(12,199)	(9,562)
Net decrease in cash and cash equivalents	(9,286)	(4,514)
Cash and cash equivalents at beginning of the year	3,070	7,584
Cash and cash equivalents at end of the year *	(6,216)	3,070
* Breakdown of cash and cash equivalents at the end of year:	\$'000	\$'000
Cash at bank and in hand	7,955	12,176
Fixed deposits	3,097	2,701
Fixed deposit and cash at banks held as collateral by banks	(1,784)	(1,125)
Bank overdrafts	(15,484)	(10,682)
Total	(6,216)	3,070

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 immediately preceding financial year.

	The Group S\$'000		The Company S\$'000	
	12 Months ended 31-May-07	12 Months ended 31-May-06	12 Months ended 31-May-07	12 Months ended 31-May-06
Issued Share Capital				
Balance as at beginning of year	42,866	22,738	42,866	22,738
Transfer of share premium reserve to share capital	-	20,128	-	20,128
Balance as at end of year	42,866	42,866	42,866	42,866
Share Premium				
Balance as at beginning of year	-	20,128	-	20,128
Reclassification of share premium account to share capital account	-	(20,128)	-	(20,128)
Balance as at end of year	-	-	-	-
Foreign Currency Translation Reserve				
Balance as at beginning of year	(184)	(23)	-	-
Net effect of exchange differences	161	(161)	-	-
Balance as at end of year	(23)	(184)	-	-
Fair value adjustment reserve				
Balance as at beginning of year	52	-	-	-
Net gain on fair value changes during the year	654	52	-	-
Balance as at end of year	706	52	-	-
Accumulated Profits				
Balance as at beginning of year	12,152	11,317	1,796	2,390
Profit for the year	3,505	1,835	540	406
Dividend paid	(1,000)	(1,000)	(1,000)	(1,000)
Balance as at end of year	14,657	12,152	1,336	1,796
Minority interests				
Balance as at beginning of year	4	83	-	-
Share of profit/(loss) for the year	861	(296)	-	-
Acquisition of the remaining minority interest in subsidiary	(779)	-	-	-
Net effect of exchange differences	-	27	-	-
Share of loss by minority interests in excess of their capital contribution	-	190	-	-
Balance as at end of year	86	4	-	-
Total shareholders' equity	58,292	54,890	44,202	44,662
	-	-	-	-

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

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 or 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

Other than the adoption of the new Financial Reporting Standards (FRS) as mentioned in paragraph 5 below, the Group has applied the same accounting policies and methods of computation and the financial statements for the current financial year compared with those of the audited financial statements as at 31 May 2006.

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 amendments to FRS 39 Financial Instruments: Recognition and Measurement - Financial Guarantee Contracts, which took effect from financial years beginning on or after 1 January 2006, require the Company to measure the financial guarantees given to banks for bank borrowings of its subsidiaries at fair value upon inception of the guarantees. These guarantees are subsequently measured at the higher of their initial fair values less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. Previously, these financial guarantees were accounted for as contingent liabilities whereby a loss was recognised only if it is probable that it would be incurred.

The adoption of the amendments to FRS 39 is assessed to have no material financial impact on the results and the opening balance of the accumulated profits of the Company for the year ended 31 May 2007. This change has no impact to the Group's financial statements.

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 (cents)	31-May-07	31-May-06
Basic	0.77	0.40
Diluted	0.77	0.40

Earnings per share is calculated based on 454,760,000 ordinary shares in issue during the current year and 454,760,000 ordinary shares in issue during the corresponding year.

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)	31-May-07	31-May-06
The Group	12.82	12.07
The Company	9.72	9.82

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

8 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

Revenue

The Group recorded a total revenue of \$148.6 million for the financial year ended 31 May 2007 ("FY2007"). This represented a decline of 21.6% compared with \$189.4 million achieved in FY2006. This was due mainly to lower revenue from the Construction Division, as well as from the overburden business in Indonesia which the Group had disposed off to its joint-venture partner.

Profit before tax

Group's pre-tax profit rose 58.5% to \$4.9 million as compared to \$3.1 million in FY2006. Pre-tax profit from the Construction, Engineering & Leasing, Property Development and Investment holdings divisions aggregated \$7.6 million. However, this was partially eroded by the \$2.7 million loss incurred by the overburden business.

B) Balance Sheet Statements

Property, Plant & Equipment

The decrease in this item from \$34.4m to \$25.1m was due mainly to the disposal of overburden business undertaken by LBE.

Trade Receivables

The decrease in this item from \$58.0m to \$44.0m was in line with the decrease in Group's revenue and also due to the disposal of overburden business undertaken by LBE to the joint-venture partner.

Properties Held for Sale

The decrease in this item from \$20.3m to \$8.0m was in line with the increase in the sale of properties under the Group's property division.

Amount due by jointly-controlled entity

The increase in this item from \$5.5m to \$5.8m was due to the purchase of materials on behalf of the joint-venture company, Lian Beng - Amin Joint Venture Pvt Ltd., to undertake a construction project in Maldives. This is partially offset by exclusion of amount due from LBE as LBE ceased to be a related party following the disposal of the Group's stake in LBE to its joint venture partner.

Other receivables, deposits and prepayments

The increase in this item from \$3.7m to \$15.2m was due mainly to the reclassification of amount due by the joint venture (LBE) to other receivables account following the disposal of the Group's stake in LBE to its joint venture partner.

Amount due to related parties

The decrease of \$5.5m was due to the forgiveness of loan by the minority shareholder as well as the deduction in the amount due by LBE to the Group's previous joint venture partner.

Total borrowings

The decrease in total borrowings from \$41.7m to \$32.7m was due mainly to the repayment of borrowings during the financial year.

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 prospective 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 construction sector is estimated to have expanded by 17.9% in Q2 2007. This is even stronger than the 11.6% growth reported in Q1 2007 (MTI, 10 July 2007). For 2007, construction demand is estimated to reach S\$19.0 billion, compared to \$16.1 billion in 2006 (BCA, 26 January 2007). Residential property prices rose 7.9% in Q2 2007, outpacing the 4.8% recorded in Q1 2007 (URA, 2 July 2007). In this regard, the Group expects the outlook of the construction and property sectors to remain positive for the next financial year.

The Group has been tendering actively for both the public and the private sector projects. The Group has secured \$255.2 million of projects at the end of FY2007. These projects are expected to contribute positively to the Group's performance in FY2008.

In addition, subsequent to the financial year end, the Group has formed a consortium with 3 other JV partners to purchase a parcel of freehold land off Newton Road, in District 11, for a total consideration of S\$243 million. This prime freehold site has the potential for redevelopment into a residential block of luxurious apartments. The Group has also acquired a cluster of eight freehold semi-detached houses along Mountbatten Road for S\$42 million, by way of a private treaty arrangement. The site has the potential to be re-developed into a condominium.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	:	First & Final
Dividend Type	:	Cash
Dividend Amount per share (in cents)	:	0.22 cents per ordinary share (net of tax)
Tax Rate	:	18%

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	:	First & Final
Dividend Type	:	Cash
Dividend Amount per share (in cents)	:	0.22 cents per ordinary share (net of tax)
Tax Rate	:	20%

(c) Date payable

To be announced

(d) Books closure date

To be announced

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

Not applicable

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**

(a) By Business Segments
(Figures in \$'000)

2007							
	Construction	Engineering & Leasing of Con. Equip.	Property Development	Investment Holding	Overburden Work	Elimination	Group
Revenue and Expenses							
Total Sale from external customers	124,454	1,245	12,998	10	9,852	-	148,559
Inter-segment revenue	77	5,431	-	4,425	-	(9,933)	-
Total Revenue	124,531	6,676	12,998	4,435	9,852	(9,933)	148,559
Profit/(Loss) from operations before depreciation	8,154	1,094	2,248	(895)	(1,588)	370	9,383
Depreciation	(1,514)	(664)	-	(3)	(938)	28	(3,091)
Profit/(Loss) from operations after depreciation	6,640	430	2,248	(898)	(2,526)	398	6,292
Financial Expenses	(823)	(25)	(445)	(219)	(188)	-	(1,700)
Profit/(Loss) from ordinary activities	5,817	405	1,803	(1,117)	(2,714)	398	4,592
Unallocated finance and investments income							357
Profit before taxation							4,949
Taxation							(583)
Net Profit for the year							4,366
Assets and Liabilities							
Segment assets	121,590	10,166	17,405	47,556	-	(57,706)	139,011
Unallocated assets							4,305
							143,316
Segment liabilities	83,765	5,947	17,011	5,041	-	(30,801)	80,963
Unallocated liabilities							4,061
							85,024
Capital Expenditure	1,235	331	-	-	-	91	1,657
Other non-cash expenses	10	-	-	515	-	-	525

2006							
	Construction	Engineering & Leasing of Con. Equip.	Property Development	Investment Holding	Overburden Work	Elimination	Group
Revenue and Expenses							
Total Sale from external customers	160,290	1,820	4,115	7	23,217	-	189,449
Inter-segment revenue	82	5,501	-	1,428	-	(7,011)	-
Total Revenue	160,372	7,321	4,115	1,435	23,217	(7,011)	189,449
Profit/(Loss) from operations before depreciation	6,884	1,220	(760)	(170)	1,919	(298)	8,795
Depreciation	(1,564)	(908)	-	(3)	(1,452)	13	(3,914)
Profit/(Loss) from operations after depreciation	5,320	312	(760)	(173)	467	(285)	4,881
Financial costs	(645)	(22)	(670)	(202)	(308)	-	(1,847)
Profit/(Loss) from ordinary activities	4,675	290	(1,430)	(375)	159	(285)	3,034
Unallocated interest and investments income							88
Profit before taxation							3,122
Taxation							(1,583)
Net profit for the year							1,539
Assets and Liabilities							
Segment assets	119,073	12,739	24,797	49,486	20,304	(67,765)	158,634
Unallocated assets							3,763
							162,397
Segment liabilities	89,480	5,502	26,096	8,538	19,019	(44,433)	104,202
Unallocated liabilities							3,305
							107,507
Capital expenditure	2,454	537	-	-	2,954	(89)	5,856
Other non-cash expenses	465	99	-	-	-	-	564

(b) **By Geographical Segments (Figures in S\$ '000)**

FY2007	Singapore	Indonesia	Maldives	Elimination	Total
Sales by geographical market	130,685	9,852	8,153	(131)	148,559
Assets by geographical area	137,862	-	7,275	(6,126)	139,011
Unallocated assets	-	-	-	-	4,305
					143,316
Capital expenditure by geographical area	1,189	-	423	45	1,657

FY2006	Singapore	Indonesia	Maldives	Elimination	Total
Sales by geographical market	166,235	23,216	-	(2)	189,449
Assets by geographical area	145,122	20,304	1,233	(8,025)	158,634
Unallocated assets	-	-	-	-	3,763
					162,397
Capital expenditure by geographical area	2,505	2,954	827	(430)	5,856

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

Please refer to items 8 and 13.

15 A breakdown of sales

	Group		Increase / (Decrease) %
	31-May-07 \$'000	31-May-06 \$'000	
Sales reported for the first half year	86,336	99,876	-13.56%
Profit after taxation and before minority interests reported for first half year	2,110	1,327	59.01%
Sales reported for the second half year	62,223	89,573	-30.53%
Profit after taxation and before minority interests reported for second half year	2,256	212	964.15%

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

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary Shares*	1,000	1,000
Preference Shares	-	-
Total	1,000	1,000

* Please refer to item 11(a)

BY ORDER OF THE BOARD

Ong Pang Aik
Chairman and Group Managing Director
July 27, 2007