



FOR IMMEDIATE RELEASE

LIAN BENG FY08 NET PROFIT LEAPS 175% TO \$12 M

SINGAPORE, 28 July 2008 – Singapore's major homegrown building construction group, **Lian Beng Group Ltd** (SGX: Lian Beng), has reported a 175% surge in net profit to a record \$12.0 million or 2.39 cents per share, for the full year ended 31 May 2008 (FY08). This compares to a net profit of \$4.4 million, or 0.77 cents per share achieved in 2007 (FY07). Driven by an increase in construction activity, Group revenue for the financial year 2008 charged up 40% to \$194.8 million, from \$138.7 million the year before.

Financial Highlights & Review

S\$ 'm	Financial Year ended 31 May		Change
	2008	2007	%
Turnover	194.8	138.7	▲ 40.4
Gross profit	29.2	10.6	▲ 176.9
Profit before Tax	15.4	7.7	▲ 100.3
Profit after Tax	12.0	4.4	▲ 174.9
EPS (Sgp cents)	2.39	0.77	▲ 210.4

For the financial year under review, the construction division continued to be the key growth driver, contributing about 98.7% of the Group's total revenue, with the remaining 1.3% coming from the Group's engineering and leasing, and property development divisions.

Rising construction activity, coupled with higher revenue recognition from the progressive completion of various projects, resulted in a marked increase in construction revenue. Together with tight project and cost management, the Group was able to significantly improve its gross margin from just 7.6% recorded in FY07 to 15% in FY08. Propelled by a buoyant construction market, the Group clinched a number of building contracts in FY08, including the construction of the hotel substructure of the Marina Bay Sands Integrated Resort, several private residential developments, and a 7-storey industrial building at Paya Lebar iPark.



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Balance Sheet

The Group ended the year with total shareholder's equity standing at \$108.2 million, an increase of 86% over the previous financial year. As at 31 May 2008, net assets per share rose 59% to 20.39 cents.

Dividend

In line with the Group's excellent performance, the Board of Directors has proposed a first and final cash dividend of 0.472 cents per share.

Outlook

With an outstanding order book of about \$647 million, Lian Beng expects to be busy fulfilling existing contracts and tendering for more business in the current financial year. The outlook for the sector remains bright, even as the burgeoning private sector demand for construction services has led the government to postpone some \$4.7 billion worth of public sector projects to 2010 and beyond, in order to ease the pressure on construction resources.

Said Mr Ong, "There are many more projects out there for tender. As one of the few building contractors with A1 grading, we are in a good position to capitalize on the opportunities that present themselves."

About Lian Beng Group Ltd

Lian Beng Group Ltd is one of Singapore's major homegrown building construction group, principally engaged in general building construction, integrated civil engineering works and construction support services. Established in 1973 and listed on the Singapore Exchange in 1999, Lian Beng has accumulated a strong track record in the building industry, both locally and in the regional markets, where its past undertakings encompassed public and private residential, institutional, industrial and commercial projects. In addition to the Group's core business, Lian Beng is also involved in engineering and leasing of construction machinery and equipment, overburden works and property development. For more information, please visit <http://www.lianbeng.com.sg>

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