

Second Quarter Financial Statement And Dividend Announcement

Second Quarter financial statements on consolidated results for the period ended 30 November 2018.

These figures have not been audited.

Following the adoption of the new Singapore Financial Reporting Standards International ("SFRS(I)") on 1 June 2018, in particular SFRS(I) 15, Lian Beng Group Ltd. (the "Company") and together with its subsidiaries, (the "Group") has restated its comparative financial figures. Please refer to Section 5 of this announcement for more details on the new standards.

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

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group					
	Second quarter ended		Increase /(Decrease)	Half year ended		Increase /(Decrease)
	30-Nov-18	30-Nov-17		30-Nov-18	30-Nov-17	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	79,942	Restated 94,372	(15.3)	162,920	Restated 165,945	(1.8)
Cost of sales	(63,540)	(80,401)	(21.0)	(122,133)	(132,741)	(8.0)
Gross profit	16,402	13,971	17.4	40,787	33,204	22.8
Other operating income	2,325	2,900	(19.8)	4,543	13,355	(66.0)
Distribution expenses	(470)	(2,520)	(81.3)	(2,511)	(3,493)	(28.1)
Administrative expenses	(6,882)	(5,088)	35.3	(13,568)	(10,726)	26.5
Other operating expenses	(2,048)	-	-	(4,829)	(4,003)	20.6
Finance costs	(3,878)	(3,680)	5.4	(8,010)	(6,922)	15.7
Share of results of associates and joint ventures	5,233	5,232	-	5,123	8,040	(36.3)
Profit before taxation	10,682	10,815	(1.2)	21,535	29,455	(26.9)
Income tax expense	(1,727)	(1,400)	23.4	(3,842)	(5,242)	(26.7)
Profit for the period, net of taxation	8,955	9,415	(4.9)	17,693	24,213	(26.9)
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation gain / (loss)	71	(4,255)	NM	(915)	(776)	17.9
Net (loss) / gain on fair value changes of financial assets through other comprehensive income	(3,466)	1,000	NM	(5,995)	3,890	NM
Other comprehensive income for the period, net of taxation	(3,395)	(3,255)	4.3	(6,910)	3,114	NM
Total comprehensive income for the period	5,560	6,160	(9.7)	10,783	27,327	(60.5)
Profit attributable to:						
Owners of the Company	7,731	6,375	21.3	14,697	17,769	(17.3)
Non-controlling interests	1,224	3,040	(59.7)	2,996	6,444	(53.5)
	8,955	9,415	(4.9)	17,693	24,213	(26.9)
Total comprehensive income attributable to:						
Owners of the Company	4,369	3,268	33.7	7,952	20,909	(62.0)
Non-controlling interests	1,191	2,892	(58.8)	2,831	6,418	(55.9)
	5,560	6,160	(9.7)	10,783	27,327	(60.5)

NM means Not Meaningful

1(a)(i) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

	The Group					
	Second quarter ended		Increase /(Decrease)	Half year ended		Increase /(Decrease)
	30-Nov-18	30-Nov-17		30-Nov-18	30-Nov-17	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other income including interest income	1,782	Restated 1,692	5.3	3,246	Restated 3,678	(11.7)
Gain on disposal of property, plant and equipment	343	99	246.5	840	243	245.7
Depreciation of property, plant and equipment	(3,994)	(3,512)	13.7	(8,083)	(7,153)	13.0
(Loss) / gain on foreign exchange, net	(77)	2,974	NM	(698)	916	NM
Dividend income from investment securities	699	510	37.1	1,007	637	58.1
Gain on disposal of investment property	-	-	NM	-	7,772	NM

NM means Not Meaningful

1(b)(i) A statement of financial position (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-18	31-May-18	1-Jun-17	30-Nov-18	31-May-18
		(Restated)	(Restated)		
<u>Non-current assets</u>					
Property, plant and equipment	155,882	159,356	63,577	-	-
Investment properties	529,557	529,472	703,860	-	-
Investment in joint ventures	15,518	18,698	35,715	5,720	5,720
Investment in subsidiaries	-	-	-	169,222	167,287
Investment in associates	31,369	49,768	43,970	-	-
Amounts due from subsidiaries	-	-	-	33,783	33,783
Amounts due from associates	43,188	44,911	45,000	-	-
Deferred tax assets	32	117	249	-	-
Other assets	-	77	260	-	-
Amounts due from third parties	-	-	3,357	-	-
Investment securities	116,106	129,097	119,494	15,518	18,083
	891,652	931,496	1,015,482	224,243	224,873
<u>Current assets</u>					
Contract assets	47,448	103,533	61,882	-	-
Development properties	117,460	76,302	109,420	-	-
Investment property held for sale	-	-	26,283	-	-
Capitalised contract costs	1,047	179	1,405	-	-
Inventories	9,596	3,827	4,297	-	-
Trade receivables	73,587	73,367	36,423	-	-
Other receivables and deposits	19,754	34,520	32,384	1,128	4,016
Prepayments	2,337	1,195	1,923	72	5
Amounts due from affiliated companies	-	-	1	-	-
Amounts due from subsidiaries	-	-	-	179,595	169,927
Amounts due from joint ventures	78,885	68,490	29,740	62,957	50,521
Amounts due from associates	160,176	163,459	100,095	-	-
Investment securities	20,577	17,885	7,515	-	-
Cash and cash equivalents	163,994	209,214	187,804	10,687	35,139
	694,861	751,971	599,172	254,439	259,608
<u>Current liabilities</u>					
Contract liabilities	8,651	6,853	60,352	-	-
Trade payables, other payables and accruals	160,166	182,987	158,809	191	306
Amounts due to associates	656	8,616	1,361	76	76
Amounts due to joint ventures	1,180	4,619	17,817	-	-
Amounts due to subsidiaries	-	-	-	234,409	246,513
Bank loans	297,097	330,406	258,174	-	-
Bills payable	524	301	-	-	-
Obligations under hire purchase	2,835	3,324	3,780	-	-
Provision for taxation	12,301	23,141	9,254	94	21
	483,410	560,247	509,547	234,770	246,916
Net current assets	211,451	191,724	89,625	19,669	12,692
<u>Non-current liabilities</u>					
Refundable rental deposits	2,917	2,978	2,109	-	-
Amounts due to subsidiaries	-	-	-	3,787	5,892
Bank loans	288,516	309,194	422,325	-	-
Obligations under hire purchase	3,433	2,327	3,224	-	-
Deferred tax liabilities	964	960	1,240	-	-
	295,830	315,459	428,898	3,787	5,892
Net assets	807,273	807,761	676,209	240,125	231,673
<u>Equity attributable to owners of the Company</u>					
Share capital	82,275	82,275	82,275	82,275	82,275
Treasury shares	(17,777)	(17,777)	(17,777)	(17,777)	(17,777)
Capital reserve	11,627	11,835	(220)	-	-
Foreign currency translation reserve	(1,643)	(893)	(3,102)	-	-
Fair value adjustment reserve	(3,226)	2,769	5,539	3,358	5,923
Retained earnings	605,308	596,857	526,628	172,269	161,252
	676,564	675,066	593,343	240,125	231,673
Non-controlling interests	130,709	132,695	82,866	-	-
Total equity	807,273	807,761	676,209	240,125	231,673

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 2018

Secured (S\$)	Unsecured (S\$)
300,456,000	-

As at 31 May 2018

Secured (S\$)	Unsecured (S\$)
334,031,000	-

Amount repayable after one year

As at 30 November 2018

Secured (S\$)	Unsecured (S\$)
291,949,000	-

As at 31 May 2018

Secured (S\$)	Unsecured (S\$)
311,521,000	-

Details of any collateral

As at 30 November 2018, the Group's borrowings of S\$592.4 million (31 May 2018 : S\$645.6 million) are secured by the Group's freehold and leasehold properties, development properties, investment properties, barges, tugboats, plant, machinery and motor vehicles and investment securities. The bank facilities of the subsidiary companies are also secured by corporate guarantees from the Company.

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

	The Group			
	Second quarter ended		Half year ended	
	30-Nov-18	30-Nov-17	30-Nov-18	30-Nov-17
	S\$'000		S\$'000	
		Restated		Restated
Cash flows from operating activities				
Profit before taxation	10,682	10,815	21,535	29,455
<u>Adjustments for:-</u>				
Depreciation of property, plant and equipment	3,994	3,512	8,083	7,153
Amortisation of other asset	30	46	76	92
Dividend income from investment securities	(699)	(510)	(1,007)	(637)
Gain on disposal of property, plant and equipment	(343)	(99)	(840)	(243)
Gain on disposal of investment property	-	-	-	(7,772)
Net fair value loss / (gain) on investment securities	54	(55)	375	(113)
Fair value gain on derivative instrument	-	-	(90)	-
Loss on sale of investment securities	166	486	221	171
Interest income	(2,397)	(979)	(4,803)	(2,092)
Interest expense	3,878	3,680	8,010	6,922
Unrealised exchange differences	581	(439)	(62)	(423)
Asset written off	5	-	9	-
Goodwill written off	-	-	9	-
Bad debt written off	3	1	5	4
Share of results of associates and joint ventures	(5,233)	(5,232)	(5,123)	(8,040)
Operating cash flows before changes in working capital	10,721	11,226	26,398	24,477
Changes in working capital :-				
Development properties	(51,305)	14,053	(40,433)	(792)
Capitalised contract costs	(30)	303	(869)	433
Contract assets / liabilities	(26,177)	(22,117)	57,814	(21,371)
Inventories	(3,361)	(1,675)	(5,768)	(1,822)
Trade receivables	4,353	(25,891)	(191)	(25,884)
Other receivables and deposits	17,818	2,057	14,675	4,675
Prepayments	(550)	376	(1,070)	489
Trade payables, other payables and accruals	(18,906)	18,859	(24,334)	6,929
Balances with joint ventures and associates	431	(589)	3,691	2,238
	(77,727)	(14,624)	3,515	(35,105)
Cash flows (used in) / from operations	(67,006)	(3,398)	29,913	(10,628)
Income tax paid	(14,460)	(4,545)	(14,487)	(4,587)
Interest paid capitalised in development properties	(269)	(744)	(724)	(1,498)
Net cash flows (used in) / from operating activities	(81,735)	(8,687)	14,702	(16,713)
Cash flows from investing activities				
Interest received	2,831	1,236	4,836	1,690
Dividend income from investment securities	699	510	1,007	637
Dividend income from associates	19,000	-	19,000	1,273
Dividend income from joint ventures	4,500	550	6,500	18,260
Purchase of investment securities	(17,645)	(17,987)	(17,645)	(37,171)
Net cash outflow on acquisition of a subsidiary	-	-	(27)	-
Additional investment in a subsidiary	(478)	-	(1,336)	-
Purchase of property, plant and equipment	(1,963)	(354)	(2,969)	(760)
Additions to investment properties	(85)	(135)	(85)	(5,211)
Proceeds from disposal of property, plant and equipment	773	128	1,317	295
Repayment of loans by associates	4,846	9,657	4,394	13,612
Investment in associates	-	(1,600)	-	(1,600)
Repayment of loans by / (loans to) joint ventures	1,825	16,140	(12,908)	(23,661)
Repayment of loan by third parties	-	862	-	1,723
Proceeds from disposal of investment property	-	-	-	35,191
Proceeds from liquidation of an associate	636	-	636	-
Proceeds from disposal of investment securities	18,321	8,892	22,829	17,709
Net cash flows from investing activities	33,260	17,899	25,549	21,987
Cash flows from financing activities				
Interest paid	(3,878)	(3,680)	(8,010)	(6,922)
Proceeds from bank loans and bills payable	65,643	29,420	66,143	43,514
Repayment of hire purchase creditors	(401)	(997)	(1,203)	(2,181)
Repayment of bank loans	(25,248)	(3,972)	(121,208)	(50,704)
Loan from non-controlling interest of a subsidiary	6,091	258	612	318
Repayment of loan to joint ventures	(4,500)	(13,210)	(3,350)	(13,210)
Repayment of loan to associates	(7,960)	-	(7,960)	-
Dividend paid on ordinary shares	(6,246)	(6,246)	(6,246)	(6,246)
Dividend paid to a non-controlling interest of a subsidiary	(862)	(861)	(4,083)	(1,722)
Capital contribution from non-controlling interest of a subsidiary	-	-	280	-
Net cash flows from / (used in) financing activities	22,639	712	(85,025)	(37,153)
Net (decrease) / increase in cash and cash equivalents	(25,836)	9,924	(44,774)	(31,879)
Cash and cash equivalents at beginning of the period	190,083	145,991	209,214	187,804
Effect of exchange rate changes on cash and cash equivalents	(253)	17	(446)	7
*Cash and cash equivalents at end of the period	163,994	155,932	163,994	155,932
*Breakdown of cash and cash equivalents at the end of period:				
Cash at bank and on hand	113,191	127,816	113,191	127,816
Fixed deposits	50,803	28,116	50,803	28,116
Total	163,994	155,932	163,994	155,932

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.

	Attributable to the owners of the Company						Non-controlling interest	Total equity
	Share capital	Treasury share	Capital reserve	Translation reserve	Fair value adjustment reserve	Retained earning		
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Group								
Balance as at 1 Jun 18	82,275	(17,777)	15,141	(893)	2,769	564,643	115,387	761,545
Effects of adoption of SFRS(l)15	-	-	(3,306)	-	-	32,214	17,308	46,216
At 1 June 2018, restated	82,275	(17,777)	11,835	(893)	2,769	596,857	132,695	807,761
Profit for the period, net of taxation	-	-	-	-	-	6,966	1,772	8,738
<u>Other comprehensive income</u>								
Net loss on fair value changes of financial assets through other comprehensive income	-	-	-	-	(2,529)	-	-	(2,529)
Foreign currency translation loss	-	-	-	(854)	-	-	(132)	(986)
Other comprehensive income for the period, net of taxation	-	-	-	(854)	(2,529)	-	(132)	(3,515)
Total comprehensive income for the period	-	-	-	(854)	(2,529)	6,966	1,640	5,223
<u>Changes in ownership interests of subsidiaries</u>								
Acquisition of interest in SLB without a change in control	-	-	(126)	-	-	-	(732)	(858)
Acquisition of interest in a subsidiary	-	-	-	-	-	-	114	114
<u>Contribution by and distribution to owners</u>								
Dividend paid to non-controlling interest of subsidiary	-	-	-	-	-	-	(3,221)	(3,221)
Capital contribution by non-controlling interest of subsidiary	-	-	-	-	-	-	280	280
Balance as at 31 Aug 2018	82,275	(17,777)	11,709	(1,747)	240	603,823	130,776	809,299
Profit for the period, net of taxation	-	-	-	-	-	7,731	1,224	8,955
<u>Other comprehensive income</u>								
Net loss on fair value changes of financial assets through other comprehensive income	-	-	-	-	(3,466)	-	-	(3,466)
Foreign currency translation gain	-	-	-	104	-	-	(33)	71
Other comprehensive income for the period, net of taxation	-	-	-	104	(3,466)	-	(33)	(3,395)
Total comprehensive income for the period	-	-	-	104	(3,466)	7,731	1,191	5,560
<u>Changes in ownership interests of subsidiaries</u>								
Acquisition of interest in SLB without a change in control	-	-	(82)	-	-	-	(396)	(478)
<u>Contribution by and distribution to owners</u>								
Dividend paid to non-controlling interest of subsidiary	-	-	-	-	-	-	(862)	(862)
Dividend on ordinary shares	-	-	-	-	-	(6,246)	-	(6,246)
Balance at 30 Nov 2018	82,275	(17,777)	11,627	(1,643)	(3,226)	605,308	130,709	807,273

	Attributable to the owners of the Company						Non-controlling interest	Total equity
	Share capital	Treasury share	Capital reserve	Translation reserve	Fair value adjustment reserve	Retained earning		
Group	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Balance as at 1 Jun 17	82,275	(17,777)	(220)	(3,102)	5,539	521,504	79,431	667,650
Effects of adoption of SFRS(I)15	-	-	-	-	-	5,124	3,435	8,559
At 1 June 2017, restated	82,275	(17,777)	(220)	(3,102)	5,539	526,628	82,866	676,209
Profit for the period, net of taxation	-	-	-	-	-	11,394	3,404	14,798
<u>Other comprehensive income</u>								
Net gain on fair value changes of financial assets through other comprehensive income	-	-	-	-	2,890	-	-	2,890
Foreign currency translation gain	-	-	-	3,357	-	-	122	3,479
Other comprehensive income for the period, net of taxation	-	-	-	3,357	2,890	-	122	6,369
Total comprehensive income for the period	-	-	-	3,357	2,890	11,394	3,526	21,167
<u>Contribution by and distribution to owners</u>								
Dividend paid to non-controlling interest of subsidiary	-	-	-	-	-	-	(861)	(861)
Balance as at 31 Aug 17	82,275	(17,777)	(220)	255	8,429	538,022	85,531	696,515
Profit for the period, net of taxation	-	-	-	-	-	6,375	3,040	9,415
<u>Other comprehensive income</u>								
Net gain on fair value changes of financial assets through other comprehensive income	-	-	-	-	1,000	-	-	1,000
Foreign currency translation loss	-	-	-	(4,107)	-	-	(148)	(4,255)
Other comprehensive income for the period, net of taxation	-	-	-	(4,107)	1,000	-	(148)	(3,255)
Total comprehensive income for the period	-	-	-	(4,107)	1,000	6,375	2,892	6,160
<u>Contribution by and distribution to owners</u>								
Dividend paid to non-controlling interest of subsidiary	-	-	-	-	-	-	(861)	(861)
Dividend on ordinary shares	-	-	-	-	-	(6,246)	-	(6,246)
Balance at 30 Nov 2017	82,275	(17,777)	(220)	(3,852)	9,429	538,151	87,562	695,568

	Share capital	Treasury share	Fair value adjustment reserve	Retained earning	Total equity
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Company					
Balance as at 1 June 2018	82,275	(17,777)	5,923	161,252	231,673
Profit for the period, net of taxation	-	-	-	2,930	2,930
<u>Other comprehensive income</u>					
Net loss on fair value changes of financial assets through other comprehensive income	-	-	(1,636)	-	(1,636)
Other comprehensive income for the period, net of taxation	-	-	(1,636)	-	(1,636)
Total comprehensive income for the period	-	-	(1,636)	2,930	1,294
Balance as at 31 August 2018	82,275	(17,777)	4,287	164,182	232,967
Profit for the period, net of taxation	-	-	-	14,333	14,333
<u>Other comprehensive income</u>					
Net loss on fair value changes of financial assets through other comprehensive income	-	-	(929)	-	(929)
Other comprehensive income for the period, net of taxation	-	-	(929)	-	(929)
Total comprehensive income for the period	-	-	(929)	14,333	13,404
<u>Contribution by and distribution to owners</u>					
Dividend on ordinary shares	-	-	-	(6,246)	(6,246)
Balance at 30 Nov 2018	82,275	(17,777)	3,358	172,269	240,125

	Share capital	Treasury share	Fair value adjustment reserve	Retained earning	Total equity
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Company					
Balance as at 1 June 2017	82,275	(17,777)	5,700	95,131	165,329
Profit for the period, net of taxation	-	-	-	2,082	2,082
<u>Other comprehensive income</u>					
Net gain on fair value changes of financial assets through other comprehensive income	-	-	2,280	-	2,280
Other comprehensive income for the period, net of taxation	-	-	2,280	-	2,280
Total comprehensive income for the period	-	-	2,280	2,082	4,362
Balance as at 31 August 2017	82,275	(17,777)	7,980	97,213	169,691
Profit for the period, net of taxation	-	-	-	38,685	38,685
<u>Other comprehensive income</u>					
Net gain on fair value changes of financial assets through other comprehensive income	-	-	380	-	380
Other comprehensive income for the period, net of taxation	-	-	380	-	380
Total comprehensive income for the period	-	-	380	38,685	39,065
<u>Contribution by and distribution to owners</u>					
Dividend on ordinary shares	-	-	-	(6,246)	(6,246)
Balance at 30 Nov 2017	82,275	(17,777)	8,360	129,652	202,510

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

	Number of shares (excluding treasury shares)	Share Capital (S\$)
As at 1 June 2018	499,689,200	82,275,000
Shares buyback during the financial period	-	-
As at 30 November 2018	499,689,200	82,275,000

As at 30 November 2018, the Company held 30,070,800 ordinary shares as treasury shares (30 November 2017: 30,070,800).

As at 30 November 2018, the Company had Nil subsidiary holdings (30 November 2017: Nil).

Total number of issued shares of the Company excluding treasury shares as at 30 November 2018 and 30 November 2017 were 499,689,200 and 499,689,200 shares respectively.

Save for the foregoing, there are no other changes in the Company's share capital arising from rights issue, bonus issue, share buyback, 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 1 June 2018.

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.

	30-Nov-18	31-May-18
Total number of shares	529,760,000	529,760,000
Treasury shares	(30,070,800)	(30,070,800)
Total number of issued shares, excluding treasury shares	499,689,200	499,689,200

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

There were no sales, transfers, disposals, cancellations and/or use of treasury shares by the Company as at the end of the financial period ended 30 November 2018.

1(d)(v) A statement showing all sales, transfer, disposals, cancellations and/or use of subsidiary holdings as at the end of the current financial period reported on.

Nil

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 reporting period as those adopted in the most recently audited financial statements for the financial year ended 31 May 2018, except that the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 June 2018 and all new and revised standards which are effective for annual financial periods beginning on 1 June 2018 .

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 Group has adopted Singapore Financial Reporting Standard (International) ("SFRS(I)") that are effective for annual periods beginning on or after 1 June 2018 and issued its first set of financial information prepared under SFRS(I) from the first quarter ended 31 August 2018. In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group has also concurrently applied SFRS(I) 15 *Revenue from Contracts with Customers* and SFRS(I) 9 *Financial Instruments*. There is no material impact on the financial statements in adopting SFRS(I) and applying special transition requirement under SFRS(I) 1 and SFRS(I) 9, except for the effects of adoption of SFRS(I) 15, which are discussed below.

SFRS(I) 15 Revenue from Contracts with Customers

(a) Construction contracts

Before 1 June 2018, the Group recognises construction contract revenue by reference to the stage of completion of the contract activity at the end of each reporting period, when the outcome of a construction contract can be estimated reliably. The output method is used to determine the stage of completion, where the value of work performed is certified by the architects or quantity surveyors to the total contract sum. Upon the adoption of SFRS(I) 15, the Group will continue to recognise contract revenue over time by measuring the progress towards complete satisfaction of performance obligations. Under the new standard, the methods of measuring progress include output methods or input methods. The Group has determined that the cost-based input method reflects the over-time transfer of control to customers.

(b) Sale of development properties - timing of revenue recognition

Prior to 1 June 2018, the Group recognises revenue from the sale of industrial development properties based on the Completion of Contracts upon the transfer of significant risk and rewards of ownership of the goods to the customer, i.e. upon TOP and handing over the property units to the purchasers. With the adoption of SFRS(I) 15, the performance obligation for the sale of industrial development properties are satisfied over time as the Group is restricted contractually from directing the property for another use as they are being developed and has an enforceable right to payment for performance completed to date. Revenue and cost of units sold is now recognised over time in line with the progress of construction works.

The Group's industrial property development project, T-Space @ Tampines has obtained its TOP in June 2018. Based on the Completion of Contracts method adopted previously, no revenue was recognised from T-Space @ Tampines for the development units sold prior to 1 June 2018. With the adoption of SFRS(I) 15, the revenue and cost of units sold from T-Space @ Tampines will be recognised over time in line with the progress of construction works. The Group has applied the changes in accounting policy in recognising the revenue and costs of sales for its T-Space project retrospectively.

(c) Commissions paid to property agents on the sale of development properties

The Group paid commissions to property agents on the sale of development properties and such commissions are currently recognised as expense when incurred. With the adoption of SFRS(I) 15, such commissions are capitalised as incremental costs to obtain a contract with a customer and will be expensed to profit or loss in accordance with revenue recognition using the percentage of completion method.

The Group has applied the changes in accounting policies retrospectively to each reporting period/year presented, using the full retrospective approach. The Group also applied practical expedients for completed contracts where completed projects that begin and end within the same year or are completed contracts at 1 June 2017 are not restated.

(d) Borrowing costs relating to development properties

In December 2018, IFRS Interpretations Committee issued a tentative agenda decision for public comments where it presented its views that borrowing costs relating to development properties that are ready for its intended sale (i.e. ready for launch) should not be capitalised and instead, be expensed when incurred. The Group's accounting policy currently capitalises borrowing costs relating to its development properties under construction, which is the general market practice for developers in Singapore. The IFRS Interpretations Committee considers comments received before finalising the agenda decision which is expected in 1Q2019. Following the finalisation of the agenda decision, management will assess the impact from adopting this accounting approach on its financial statements.

The financial effects of adopting SFRS(I) 15 on the Group's financial statements for the half year ended 30 November 2018 and 30 November 2017 are as follows:

Consolidated Income Statements

	The Group					
	Half year ended					
	30-Nov-18			30-Nov-17		
	Before adoption of SFRS(I) 15*	Effects of adoption of SFRS(I) 15	Restated	Before adoption of SFRS(I) 15*	Effects of adoption of SFRS(I) 15	Restated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
		Increase/ (decrease)			Increase/ (decrease)	
Revenue	352,229	(189,309)	162,920	87,638	78,307	165,945
Cost of sales	(255,500)	133,367	(122,133)	(68,093)	(64,648)	(132,741)
Gross profit	96,729	(55,942)	40,787	19,545	13,659	33,204
Other operating income	4,543	-	4,543	13,355	-	13,355
Distribution expenses	(3,851)	1,340	(2,511)	(2,900)	(593)	(3,493)
Administrative expenses	(16,952)	3,384	(13,568)	(10,063)	(663)	(10,726)
Other operating expenses	(4,829)	-	(4,829)	(4,003)	-	(4,003)
Finance costs	(8,010)	-	(8,010)	(6,922)	-	(6,922)
Share of results of associates and joint ventures	5,173	(50)	5,123	8,554	(514)	8,040
Profit before taxation	72,803	(51,268)	21,535	17,566	11,889	29,455
Taxation	(8,775)	4,933	(3,842)	(3,683)	(1,559)	(5,242)
Profit for the period, net of taxation	64,028	(46,335)	17,693	13,883	10,330	24,213
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation loss	(915)	-	(915)	(776)	-	(776)
Net (loss) / gain on fair value changes of financial assets through other comprehensive income	(5,995)	-	(5,995)	3,890	-	3,890
Other comprehensive income for the period, net of taxation	(6,910)	-	(6,910)	3,114	-	3,114
Total comprehensive income for the period	57,118	(46,335)	10,783	16,997	10,330	27,327
Profit attributable to:						
Owners of the Company	43,724	(29,027)	14,697	12,191	5,578	17,769
Non-controlling interests	20,304	(17,308)	2,996	1,692	4,752	6,444
	64,028	(46,335)	17,693	13,883	10,330	24,213
Total comprehensive income attributable to:						
Owners of the Company	36,814	(28,862)	7,952	15,331	5,578	20,909
Non-controlling interests	20,304	(17,473)	2,831	1,666	4,752	6,418
	57,118	(46,335)	10,783	16,997	10,330	27,327
Basic earnings per share (cents)	8.75	(5.81)	2.94	2.44	1.12	3.56

* Prepared based on Singapore Financial Reporting Standards before adoption of SFRS(I) 15

Statements of Financial Position

	The Group					
	31-May-18			1-Jun-17		
	Before adoption of SFRS(l) 15*	Effects of adoption of SFRS(l) 15	Restated	Before adoption of SFRS(l) 15*	Effects of adoption of SFRS(l) 15	Restated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets		Increase/ (decrease)		Increase/ (decrease)		
Property, plant and equipment	159,356	-	159,356	63,577	-	63,577
Investment properties	529,472	-	529,472	703,860	-	703,860
Investment in joint ventures	18,630	68	18,698	34,540	1,175	35,715
Investment in associates	49,768	-	49,768	43,970	-	43,970
Amounts due from associate	44,911	-	44,911	45,000	-	45,000
Deferred tax assets	1,256	(1,139)	117	249	-	249
Other assets	77	-	77	260	-	260
Amounts due from third parties	-	-	-	3,357	-	3,357
Investment securities	129,097	-	129,097	119,494	-	119,494
	932,567	(1,071)	931,496	1,014,307	1,175	1,015,482
Current assets						
Contract assets	8,860	94,673	103,533	4,811	57,071	61,882
Development properties	218,501	(142,199)	76,302	161,431	(52,011)	109,420
Investment property held for sale	-	-	-	26,283	-	26,283
Capitalised contract costs	-	179	179	-	1,405	1,405
Inventories	3,827	-	3,827	4,297	-	4,297
Trade receivables	88,833	(15,466)	73,367	59,093	(22,670)	36,423
Other receivables and deposits	34,520	-	34,520	32,384	-	32,384
Prepayments	1,195	-	1,195	1,923	-	1,923
Amounts due from affiliated companies	-	-	-	1	-	1
Amounts due from joint venture	69,627	(1,137)	68,490	37,260	(7,520)	29,740
Amounts due from associates	163,610	(151)	163,459	100,095	-	100,095
Investment securities	17,885	-	17,885	7,515	-	7,515
Cash and cash equivalents	209,214	-	209,214	187,804	-	187,804
	816,072	(64,101)	751,971	622,897	(23,725)	599,172
Current liabilities						
Contract liabilities	4,295	2,558	6,853	59,704	648	60,352
Trade payables, other payables and accruals	300,697	(117,710)	182,987	191,147	(32,338)	158,809
Amounts due to associates	8,616	-	8,616	1,361	-	1,361
Amounts due to joint venture	4,619	-	4,619	17,817	-	17,817
Bank loans	330,406	-	330,406	258,174	-	258,174
Bills payable	301	-	301	-	-	-
Obligations under hire purchase	3,324	-	3,324	3,780	-	3,780
Provision for taxation	19,377	3,764	23,141	8,673	581	9,254
	671,635	(111,388)	560,247	540,656	(31,109)	509,547
Net current assets	144,437	47,287	191,724	82,241	7,384	89,625
Non-current liabilities						
Refundable rental deposits	2,978	-	2,978	2,109	-	2,109
Bank loans	309,194	-	309,194	422,325	-	422,325
Obligations under hire purchase	2,327	-	2,327	3,224	-	3,224
Deferred tax liabilities	960	-	960	1,240	-	1,240
	315,459	-	315,459	428,898	-	428,898
Net assets	761,545	46,216	807,761	667,650	8,559	676,209
Equity attributable to owners of the Company						
Share capital	82,275	-	82,275	82,275	-	82,275
Treasury shares	(17,777)	-	(17,777)	(17,777)	-	(17,777)
Reserves	581,660	28,908	610,568	523,721	5,124	528,845
	646,158	28,908	675,066	588,219	5,124	593,343
Non-controlling interests	115,387	17,308	132,695	79,431	3,435	82,866
Total Equity	761,545	46,216	807,761	667,650	8,559	676,209
Net assets value per share (cents)	129.31	5.79	135.10	117.72	1.03	118.74

* Prepared based on Singapore Financial Reporting Standards before adoption of SFRS(l) 15

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)	Second Quarter Ended		Half Year Ended	
	30-Nov-18	30-Nov-17	30-Nov-18	30-Nov-17
		(Restated)		(Restated)
(a) On a basic basis	1.55	1.28	2.94	3.56
(b) On a fully diluted basis	1.55	1.28	2.94	3.56
Group's profit attributable to the owners of the Company (S\$)	7,731,000	6,375,000	14,697,000	17,769,000
Weighted average number of shares excluding treasury shares	499,689,200	499,689,200	499,689,200	499,689,200

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

	The Group		The Company	
	As at 30-Nov-18	As at 31-May-18	As at 30-Nov-18	As at 31-May-18
		(Restated)		
Net asset value per ordinary share (cents)	135.40	135.10	48.05	46.36
Issue share capital excluding treasury shares	499,689,200	499,689,200	499,689,200	499,689,200

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) Comprehensive Income Statements

2Q2019 vs 2Q2018 (restated)

Revenue

The Group recorded revenue of S\$79.9 million for the three months ended 30 November 2018 ("2Q2019"), a decrease of 15.3% from S\$94.4 million for the three months ended 30 November 2017 ("2Q2018"). This is mainly due to a decrease in revenue from Property Development Segment, offset by an increase in revenue generated from the Construction and Investment Holding Segments.

Cost of sales

Cost of sales decreased by 21%, or S\$16.9 million, to S\$63.5 million in 2Q2019 from S\$80.4 million in 2Q2018, which is in line with the decrease in revenue.

Gross profit

Gross profit increased by 17.4% to S\$16.4 million in 2Q2019 from S\$14.0 million in 2Q2018, mainly due to higher profit from Construction and Investment Holding Segments offset by lower profit from Property Development Segment.

Other operating income

Other operating income decreased by 19.8% to S\$2.3 million in 2Q2019 from S\$2.9 million in 2Q2018, mainly due to net foreign exchange gain in 2Q2018 as compared to net foreign exchange loss in 2Q2019.

Total operating expenses

Distribution expenses decreased by 81.3% to S\$0.5 million in 2Q2019 from S\$2.5 million in 2Q2018, mainly due to the decrease in sales commission for the industrial property development, T-Space @ Tampines in 2Q2019. The decrease was also due to the marketing and leasing agent's fee incurred in 2Q2018 for the investment property at 50, Franklin Street, Melbourne, Australia.

Administrative expenses increased by 35.3% to S\$6.9 million in 2Q2019 from S\$5.1 million, mainly due to increase in headcount and related overheads arising from the acquisition of a 60%-owned subsidiary in June 2018.

Other operating expenses increased to S\$2.0 million in 2Q2019, mainly due to the change from net foreign exchange loss of S\$2.0 million in 1Q2018 to a net foreign exchange gain of \$2.9 million in 2Q2018. This resulted in a net foreign exchange gain of S\$0.9 million in 2Q2018, which was classified in other operating income. The net foreign exchange gain in 2Q2018 derived mainly from the Australian dollar loan that financed the purchase of investment property at 50 Franklin Street, Melbourne, Australia. The unrealised foreign exchange gain was due to the weakening of Australian dollar against Singapore dollar in 2Q2018 as compared to 1Q2018.

Finance costs increased by 5.4% to S\$3.9 million in 2Q2019 from S\$3.7 million in 2Q2018, mainly due to increase in borrowings to finance the purchase of investment securities and increase in interest rates.

Profit after tax

After taking into account of the above, net profit of the Group in 2Q2019 was S\$9.0 million, a decrease of S\$0.4 million as compared to S\$9.4 million in 2Q2018.

1H2019 vs 1H2018 (restated)

Revenue

The Group recorded revenue of S\$162.9 million for the six months ended 30 November 2018 ("1H2019"), a decrease of 1.8% from S\$165.9 million for the six months ended 30 November 2017 ("1H2018"). This mainly arose from a decrease in revenue from Property Development Segment offset by an increase in revenue generated from the Construction Segment and Investment Holding Segment.

Cost of sales

Cost of sales decreased by 8.0%, or S\$10.6 million, to S\$122.1 million in 1H2019 from S\$132.7 million in 1H2018, which is in tandem with the decrease in revenue.

Gross profit

Gross profit increased by 22.8% to S\$40.8 million in 1H2019 from S\$33.2 million in 1H2018, mainly due to higher profit from Construction and Investment Holding Segments offset by lower profit from the Property Development Segment.

Other operating income

Other operating income decreased by 66.0% to S\$4.5 million in 1H2019 from S\$13.4 million in 1H2018. Other operating income was higher in 1H2018, mainly due to gain on disposal of investment property at 247 & 249 Collins Street, Melbourne, Australia by Lian Beng Ventures (Melbourne) Pty Ltd in 1H2018.

Total operating expenses

Distribution expenses decreased by 28.1% to S\$2.5 million in 1H2019 from S\$3.5 million in 1H2018, mainly due to the lower sales commission incurred for T-Space @ Tampines partially offset by increase in marketing expenses and showflat costs incurred for Mactaggart Foodlink.

Administrative expenses increased by 26.5% to S\$13.6 million in 1H2019 from S\$10.7 million in 1H2018, mainly due to increase in headcount and related overheads arising from the acquisition of a 60%-owned subsidiary in June 2018.

Other operating expenses increased by 20.6% to S\$4.8 million in 1H2019 from S\$4.0 million in 1H2018, mainly due to net foreign exchange loss incurred in 1H2019.

Finance costs increased by 15.7% to S\$8.0 million in 1H2019 from S\$6.9 million in 1H2018, mainly due to increase in borrowings to finance the purchase of investment securities and increase in interest rates. The increase was also due to the interest cost for the property located at 24 Leng Kee Road, which was previously capitalised in the project before it obtained TOP on 17 July 2017.

Share of results of joint ventures and associates decreased by 36.3% to S\$5.1 million in 1H2019 from S\$8.0 million in 1H2018, mainly due to decrease in share of profits from associates and joint ventures. The decrease in share of profits from associates was mainly due to the share of losses from the Property Development Segment arising from the marketing and showflat costs incurred for new projects launched (Affinity @ Serangoon and Riverfront Residences), while revenue has yet to be recognised. The decrease in share of profits from joint ventures was mainly due to decline in profits from the completion of residential development project, Spottiswoode Suites in June 2017, as well as decrease in profit from the joint venture in Manufacturing of Concrete and Asphalt segment. This was partially offset by an increase in profit from the joint venture's investment property, Wilkie Edge and profit from the new joint venture's investment property, Sembawang Shopping Centre.

Profit after tax

After taking into account of the above, net profit of the Group in 1H2019 was S\$17.7 million, a decrease of \$6.5 million as compared to S\$24.2 million in 1H2018.

B) Financial Position Statements

Non-current assets

Investment in joint ventures decreased from S\$18.7 million in FY2018 to S\$15.5 million in 1H2019, mainly due to dividend income received from the joint ventures offset by the net share of profits of joint ventures.

Investment in associates decreased from S\$49.8 million in FY2018 to S\$31.4 million in 1H2019, mainly due to dividend income received from associates offset by net share of profits from associates.

Investment securities decreased from S\$129.1 million in FY2018 to S\$116.1 million in 1H2019, mainly due to the redemption and disposal of corporate bonds, and fair value loss in investment securities and reclassification of certain corporate bonds to current assets as their maturities are due within one year, offset by the acquisition of corporate bonds.

Current assets

Contract assets decreased from S\$103.5 million in FY2018 to S\$47.4 million in 1H2019, mainly due to decrease in contract assets from T-Space @ Tampines, offset by increase in contract assets from Mactaggart Foodlink as well as increase in contract assets from the construction projects, Defu Industrial City and Martin Modern.

Development properties increased from S\$76.3 million in FY2018 to S\$117.5 million in 1H2019 mainly due to the development expenditure for Mactaggart Foodlink as the project has commenced its construction and acquisition costs for Pei-Fu Industrial Building at 24 New Industrial Road, offset by decrease in development expenditure for T-Space @ Tampines, as a result of recognition of development cost to income statement for the units sold.

Other receivables and deposits decreased from S\$34.5 million in FY2018 to S\$19.8 million in 1H2019 mainly due to the reclassification of deposit paid for the purchase of Pei-Fu Industrial Building at 24 New Industrial Road to development properties upon legal completion. The decrease also took into account payment received from other debtors and the repayment of amount due from a director of the joint venture.

Amounts due from joint ventures increased from S\$68.5 million in FY2018 to S\$78.9 million in 1H2019, mainly due to loan provided to a joint venture to finance the purchase of the investment property, Sembawang Shopping Centre.

Investment securities increased from S\$17.9 million in FY2018 to S\$20.6 million in 1H2019 mainly due to reclassification of long term corporate bonds to short term corporate bonds as their maturity is due within one year.

Current and non-current liabilities

Trade payables, other payables and accruals decreased from S\$183.0 million in FY2018 to S\$160.2 million in 1H2019, mainly due to decrease in accruals for the completed construction projects and payments to subcontractors and suppliers.

Amounts due to associates decreased from S\$8.6 million in FY2018 to S\$0.7 million in 1H2019, mainly due to repayment of loans to associates in 1H2019.

Amounts due to joint ventures decreased from S\$4.6 million in FY2018 to S\$1.2 million in 1H2019, mainly due to repayment of loans to joint ventures.

Total borrowings decreased from S\$645.6 million in FY2018 to S\$592.4 million in 1H2019 mainly due to repayment of loans for industrial development project, T-Space @ Tampines, partial loan repayment previously drawn down to finance the acquisition of the 4 retail properties in mature HDB heartland centrals and loan repayments upon the redemption and disposal of investment securities offset by bank loans to finance the acquisition of Pei-Fu industrial Building at 24 New Industrial Road.

C) Cash Flow Statements

Overall, cash and cash equivalents decreased by S\$45.2 million from S\$209.2 million in FY2018 to S\$164.0 million in 1H2019, due to the net cash used in financing activities of S\$85.0 million offset by the net cash from operating activities of S\$14.7 million and investing activities of S\$25.5 million respectively.

Net cash from operating activities of S\$14.7 million in 1H2019 was mainly due to operating cash flow before changes in working capital of S\$26.4 million and net working capital inflow of S\$3.5 million, offset by payment of income tax of S\$14.5 million and interest charges of S\$0.7 million capitalised in development properties.

Net cash from investing activities of S\$25.5 million in 1H2019 was mainly due to proceeds from the redemption and disposal of investment securities, dividend income from joint ventures and associates and interest received, offset by the purchase of property, plant and equipment, investment securities as well as loans to joint ventures.

Net cash used in financing activities of S\$85.0 million in 1H2019 was mainly attributable to repayment of bank loans for T-Space @ Tampines, dividend paid on ordinary shares, repayment of loans to associates and interest paid, offset by proceeds of bank loans to finance the acquisition of Pei-Fu Industrial Building at 24 New Industrial Road for property development business.

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

The Group's Second Quarter Results is in line with the cautious market outlook previously announced in the paragraph 10 of the First Quarter Results announcement.

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.

According to the news release published by Ministry of Trade and Industry ("MTI") Singapore on 22 November 2018, the Singapore economy is expected to grow by 1.5% to 3.5% in 2019. Based on advance estimates published by MTI on 2 January 2019, the Singapore economy grew by 2.2% on a year-on-year basis in Oct-Dec 2018, easing slightly from the 2.3% growth in Jul-Sep 2018. For 2018 as a whole, the economy grew by 3.3%. With new property cooling measures implemented in July 2018, the Group expects the residential property market to remain challenging.

The Group will continue to monitor the property market closely and take appropriate action when necessary. The Group is cautious when seeking opportunities to replenish its land bank and will continue to explore business opportunities in the region through acquisition, joint venture and/or strategic alliances that will complement its property development business.

Based on advance estimates published by MTI on 2 January 19, the construction sector contracted by 2.2% year-on-year in Oct-Dec 2018, extending the 2.5% decline in Jul-Sep 2018. The contraction was primarily due to weakness in public sector construction activities.

The Group's order book of S\$1.2 billion as at 30 November 2018 is expected to provide it a steady flow of activity through FY2022 while it continues to leverage its proven expertise to tender for public and private sector projects.

11 Dividend**(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on?

Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share	\$0.01
Tax Rate	Tax exempt (1-Tier)

(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	Interim
Dividend Type	Cash
Dividend Amount per share	\$0.01
Tax Rate	Tax exempt (1-Tier)

(c) Date payable.

The proposed interim dividend will be payable on 30 January 2019

(d) Books closure date.

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on 23 January 2019 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902 up to 5.00 p.m. on 23 January 2019 will be registered to determine shareholders' entitlements to such dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 23 January 2019 will be entitled to the proposed dividend.

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

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

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Not applicable as no IPT mandate has been obtained.

14 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured the undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

**PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)****15 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.

16 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.

17 A breakdown of sales.

Not applicable.

18 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
14-Jan-2019

**CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE
SECURITIES TRADING LIMITED**

**For the announcement of unaudited financial statements
for the second quarter ended 30 November 2018**

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 second quarter financial results for the period ended 30 November 2018 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors.

Ong Pang Aik
Chairman and Managing Director

Ong Lay Koon
Executive Director

14 January 2019