



First Quarter Financial Statement And Dividend Announcement

First Quarter financial statements on consolidated results for the period ended 31 August 2014.

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)(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		
	3 months ended 31 August 2014 S\$'000	3 months ended 31 August 2013 S\$'000	% Increase /(Decrease)
		Restated	
Revenue	167,637	151,251	10.8%
Cost of sales	(150,990)	(132,184)	14.2%
Gross profit	16,647	19,067	-12.7%
Other operating income	2,229	1,560	42.9%
Distribution expenses	(61)	(104)	-41.3%
Administrative expenses	(5,454)	(4,347)	25.5%
Other operating expenses	(2,244)	(1,485)	51.1%
Finance costs	(1,385)	(477)	190.4%
Share of results of associates	1,168	(1,629)	NM
Share of results of joint ventures	3,892	(2,009)	NM
Profit before taxation	14,792	10,576	39.9%
Taxation	(1,313)	(1,810)	-27.5%
Profit for the period	13,479	8,766	53.8%
Other comprehensive income :			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation gain / (loss)	16	(7)	-328.6%
Net loss on fair value changes of available-for-sale financial assets	(4,621)	(96)	4713.5%
Other comprehensive loss for the period, net of tax	(4,605)	(103)	4370.9%
Total comprehensive income for the period	8,874	8,663	2.4%
Profit attributable to :			
Owners of the Company	11,972	7,551	58.5%
Non-controlling interests	1,507	1,215	24.0%
	13,479	8,766	53.8%
Total comprehensive income attributable to:			
Owners of the Company	7,367	7,448	-1.1%
Non-controlling interests	1,507	1,215	24.0%
	8,874	8,663	2.4%

Note :

A) Net loss on fair value changes of available-for-sale financial assets increased from \$0.1 million in 1Q14 to \$4.6 million in 1Q15 was mainly due to the unrealised loss arising from the valuation of 38 million quoted ordinary shares of Centurion Corporation Limited ("CCL").

Notes to Income Statements:

	The Group		
	3 months ended 31 August 2014 S\$'000	3 months ended 31 August 2013 S\$'000	% Increase /(Decrease)
		Restated	
Other income including interest income Note 1	1,843	1,291	42.8%
Gain on disposal of plant & equipment	118	199	-40.7%
Depreciation of property, plant and equipment Note 2	(3,736)	(2,719)	37.4%
Foreign exchange (loss) / gain	(17)	15	-213.3%
Dividend income from investment securities Note 3	194	5	3780.0%
Overprovision of tax in respect of prior years	-	286	nm

* Not Meaningful

Explanatory notes:

- 1 The increase in other income and interest income from \$1.3 million in 1Q14 to \$1.8 million in 1Q15 was mainly due to the increase in corporate bond interest received.
- 2 The increase in depreciation of property, plant and equipment from \$2.7 million in 1Q14 to \$3.7 million in 1Q15 was mainly due to the addition of plant and equipment as well as purchases of vessels.
- 3 The increase in dividend income from \$0.05 million in 1Q14 to \$0.2 million in 1Q15 mainly arose from the Group's investment securities in CCL.

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		The Company	
	S\$'000		S\$'000	
	31-Aug-14	31-May-14	31-Aug-14	31-May-14
		Restated		Restated
<u>Non-current assets</u>				
Property, plant and equipment	83,643	82,038	-	-
Investment properties	313,608	262,386	-	-
Investments in joint ventures	9,525	5,628	700	700
Investments in subsidiaries	-	-	51,629	51,130
Investments in associates	615	-	1,200	1,200
Deferred tax assets	180	305	-	-
Investment securities	97,945	98,918	23,750	28,120
	505,516	449,275	77,279	81,150
<u>Current assets</u>				
Construction work-in-progress in excess of progress billings	10,562	9,252	-	-
Development properties	22,521	22,325	-	-
Development properties held for sale	4,968	4,968	-	-
Inventories	8,101	4,504	-	-
Trade receivables	139,563	132,539	-	-
Other receivables and deposits	15,885	22,023	145	130
Prepayments	1,434	1,722	1	4
Receivables from related parties	2	1	140,765	117,197
Amounts due from joint ventures	65,184	74,925	18,928	36,928
Amounts due from associates	114,873	94,607	12,496	9,224
Investment securities	1,012	1,013	-	-
Cash and cash equivalents	150,948	148,237	25,588	35,369
	535,053	516,116	197,923	198,852
<u>Current liabilities</u>				
Progress billings in excess of construction work-in-progress	94,487	82,483	-	-
Trade and other payables	164,589	148,086	47	46
Accruals	22,662	24,216	530	448
Amounts due to associates	12,026	12,249	-	-
Amounts due to joint ventures	32,921	33,272	-	-
Amounts due to subsidiaries	-	-	148,545	148,845
Bank loans	55,990	52,109	-	-
Obligations under hire purchases	4,224	4,222	-	-
Provision for taxation	16,856	15,968	1	-
	403,755	372,605	149,123	149,339
Net current assets	131,298	143,511	48,800	49,513
<u>Non-current liabilities</u>				
Investment in associates	-	389	-	-
Refundable rental deposit	632	564	-	-
Bank loans	160,970	125,803	-	-
Obligations under hire purchase	8,424	8,354	-	-
Deferred tax liabilities	2,532	2,294	-	-
	172,558	137,404	-	-
Net assets	464,256	455,382	126,079	130,663
<u>Equity attributable to equity holders of the Company</u>				
Share capital	82,275	82,275	82,275	82,275
Capital reserve	474	474	-	-
Foreign currency translation reserve	8	(8)	-	-
Fair value adjustment reserve	2,821	7,442	2,030	6,400
Retained earnings	316,426	304,454	41,774	41,988
	402,004	394,637	126,079	130,663
Non-controlling interests	62,252	60,745	-	-
Total equity	464,256	455,382	126,079	130,663
	-	-	-	-

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 August 2014

Secured (S\$)	Unsecured (S\$)
60,214,000	-

As at 31 May 2014

Secured (S\$)	Unsecured (S\$)
56,331,000	-

Amount repayable after one year

As at 31 August 2014

Secured (S\$)	Unsecured (S\$)
169,394,000	-

As at 31 May 2014

Secured (S\$)	Unsecured (S\$)
134,157,000	-

Details of any collateral

As at 31 August 2014, the Group's borrowings of S\$229.6 million (31 May 2014 : S\$190.5 million) are secured by the Group's freehold and leasehold properties, development properties, investment properties, barges, tug boats, 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 (S\$'000) 3 months ended 31-Aug-14	The Group (S\$'000) 3 months ended 31-Aug-13 Restated
<u>Cash flows from operating activities</u>		
Profit before tax	14,792	10,576
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	3,736	2,719
Dividend income from investment securities	(194)	(5)
Gain on disposal of property, plant and equipment	(118)	(199)
Net fair value loss on investment securities	1	1
Gain on disposal of investment securities	(23)	-
Interest income	(1,368)	(957)
Interest expense	1,385	477
Unrealised exchange differences	16	(11)
Asset written off	-	4
Share of results of associates and joint ventures	(5,060)	3,638
Operating cash flows before changes in working capital	13,167	16,243
<u>Changes in working capital :-</u>		
Development properties	(123)	(1,173)
Construction work-in-progress	11,097	6,205
Inventories	(3,597)	(5,962)
Trade receivables	(7,024)	(16,510)
Other receivables and deposits	6,125	(6,945)
Prepayments	288	284
Trade payables, other payables and accruals	12,144	22,792
Balances with related parties	(14,166)	(17,890)
	4,744	(19,199)
Cash flows from / (used in) operations	17,911	(2,956)
Interest paid capitalised in development properties	(73)	(162)
Income tax paid	(62)	(798)
Net cash flows from / (used in) operating activities	17,776	(3,916)
<u>Cash flows from investing activities</u>		
Interest received	735	943
Dividend income from investment securities	194	5
Additional investment in investment securities	(3,754)	(657)
Purchase of property, plant and equipment	(4,761)	(3,322)
Purchase of investment properties	(51,222)	(7,478)
Proceeds from disposal of property, plant and equipment	124	199
(Loan to) / repayment of loan by associates	(14,195)	12,320
Repayment by / (loan to) joint ventures	17,492	(675)
Proceeds from disposal of investment securities	774	-
Net cash flows (used in) / from investing activities	(54,613)	1,335
<u>Cash flows from financing activities</u>		
Interest paid	(1,386)	(477)
Proceeds from bank loans and bills payable	40,077	12,977
Repayment of hire purchase creditors	(514)	(1,167)
Repayment of bank loans	(1,029)	(304)
Capital contribution from a non-controlling shareholder	2,400	-
Net cash flows from financing activities	39,548	11,029
Net increase in cash and cash equivalents	2,711	8,448
Cash and cash equivalents at beginning of the period	148,237	140,531
Effect of exchange rate changes on cash and cash equivalents	-	5
Cash and cash equivalents at end of the period	150,948	148,984

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.

Group							
	Share Capital	Capital reserve	Translation Reserves	Fair Value Adjustment Reserves	Retained earnings	Non-controlling interests	Total equity
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Balance as at 1 June 2013	82,275	474	(11)	592	177,320	1,444	262,094
Effect of the change in accounting policy	-	-	-	-	46,618	28,245	74,863
As restated at 1 June 2013	82,275	474	(11)	592	223,938	29,689	336,957
Profit for the period	-	-	-	-	7,551	1,215	8,766
<u>Other comprehensive income</u>							
Net loss on fair value changes of available-for-sale financial assets	-	-	-	(96)	-	-	(96)
Foreign currency translation loss	-	-	(7)	-	-	-	(7)
Other comprehensive (loss) / income for the period, net of tax	-	-	(7)	(96)	-	-	(103)
Total comprehensive (loss) / income for the period	-	-	(7)	(96)	7,551	1,215	8,663
<u>Contribution by and distribution to owners</u>							
Capital contributed by non-controlling interest	-	-	-	-	-	-	-
Balance as at 31 August 2013	82,275	474	(18)	496	231,489	30,904	345,620
Balance as at 1 June 2014	82,275	474	(8)	7,442	304,454	60,745	455,382
Profit for the period	-	-	-	-	11,972	1,507	13,479
<u>Other comprehensive income</u>							
Net loss on fair value changes of available-for-sale financial assets	-	-	-	(4,621)	-	-	(4,621)
Foreign currency translation gain	-	-	16	-	-	-	16
Other comprehensive income / (loss) for the period, net of tax	-	-	16	(4,621)	-	-	(4,605)
Total comprehensive income / (loss) for the period	-	-	16	(4,621)	11,972	1,507	8,874
<u>Contribution by and distribution to owners</u>							
Capital contributed by non-controlling interest	-	-	-	-	-	-	-
Balance as at 31 August 2014	82,275	474	8	2,821	316,426	62,252	464,256

	Company			
	Share Capital	Fair Value Adjustment Reserves	Retained earnings	Total equity
	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Balance as at 1 June 2013	82,275	-	23,353	105,628
Loss for the period	-	-	(281)	(281)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(281)	(281)
Balance as at 31 August 2013	82,275	-	23,072	105,347
Balance as at 1 June 2014	82,275	6,400	41,988	130,663
Loss for the period	-	-	(214)	(214)
<u>Other comprehensive income</u>				
Net loss on fair value changes of available-for-sale financial assets	-	(4,370)	-	(4,370)
Other comprehensive loss for the period, net of tax	-	(4,370)	-	(4,370)
Total comprehensive loss for the period	-	(4,370)	(214)	(4,584)
Balance as at 31 August 2014	82,275	2,030	41,774	126,079

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

None

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares as at 31 August 2014 is 529,760,000 shares (FY 2014: 529,760,000 shares)

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

Not Applicable

2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

The figures have not been audited nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not Applicable

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 31 May 2014, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 June 2014.

Financial Reporting Standards ("FRS") which became effective for the Group's financial period beginning 1 June 2014 are :

FRS 27 Separate Financial Statements

FRS 28 Investments in Associates and Joint Ventures

FRS 110 Consolidated Financial Statements

FRS 111 Joint Arrangements

FRS 112 Disclosures of Interests in Other Entities

FRS 32 Offsetting Financial Assets and Financial Liabilities

FRS 110, FRS 111 and FRS 112 Amendments to the transition guidance of FRS 110 Consolidated Financial Statement, FRS 111 Joint Arrangements and FRS 112 Disclosure of Interests in Other Entities

FRS 110, FRS 112 and FRS 27 Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities

FRS 36 Amendments to FRS 36: Recoverable Amount Disclosures for Non-financial Assets

FRS 39 Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting Improvements to FRSs (January 2014)

FRS 19 Amendments to FRS 19: Defined Benefit Plans: Employee Contributions

Improvements to FRSs (February 2014)

INT FRS 121 Levies

Except for FRS 111, Revised FRS 28 and FRS 112, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 111, Revised FRS 28 and FRS 112 are described in paragraph 5 below.

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.

FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures :

FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures are effective for financial periods beginning on or after 1 June 2014.

FRS 111 classifies joint arrangements either as joint operations or joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities of the arrangement whereas a joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

FRS 111 requires the determination of joint arrangement's classification to be based on the parties' rights and obligations under the arrangement, with the existence of a separate legal vehicle no longer being the key factor. FRS 111 disallows proportionate consolidation and requires joint ventures to be accounted for using the equity method. The revised FRS 28 was amended to describe the application of equity method to investments in joint ventures in addition to associates.

Management has assessed the impact of the above change in accounting standards on the Group's financials, and as a result, equity accounting for the Company's 4 joint venture companies, namely, Geat Development Pte Ltd (25%), Phileap Pte Ltd (25%), Spottiswoode Development Pte Ltd (50%), Paul Y. - Lian Beng JV Pte Ltd (50%), and Oxley - Lian Beng Pte Ltd (50%), has been applied in accordance with FRS 111 and the revised FRS 28. The change has been applied retrospectively, and accordingly, the financials as at 31 May 2014 have been restated.

FRS 112 Disclosure of Interests in Other Entities :

FRS 112 Disclosure of Interests in Other Entities is effective for financial periods beginning on or after 1 June 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. As this is a disclosure standard, it has no impact on the financial performance and position of the Group.

The effects on the Financial Statements for the adoption of the Amendments to FRS 111 are as follows:

Increase / (Decrease) :

Consolidated Statement of Financial Position

	<u>As at</u>
	<u>31 May 2014</u>
	<u>\$' 000</u>
<u>Non-Current Assets</u>	
Investments in joint ventures	5,628
Deferred tax assets	(286)
	<u>5,342</u>
<u>Current Assets</u>	
Development properties	(143,177)
Trade receivables	(26,058)
Other receivables and deposits	(158)
Amounts due from joint ventures	63,377
Amounts due from associates	(9,645)
Cash and cash equivalents	(28,469)
	<u>(144,130)</u>
<u>Current Liabilities</u>	
Progress billings in excess of construction WIP	(19)
Trade and other payables	(4,172)
Accruals	(782)
Amounts due to joint ventures	33,272
Bank loans	(25,895)
Provision for taxation	(132)
	<u>2,272</u>
<u>Non-Current Liabilities</u>	
Investment in associates	(174)
Bank loans	(139,597)
Deferred tax liabilities	(1,289)
	<u>(141,060)</u>
<u>Net Assets</u>	<u><u>-</u></u>

Increase / (Decrease)
Consolidated Statement of Comprehensive Income

	<u>3 months ended</u> <u>31 August 2013</u> \$' 000
Revenue	(12,236)
Cost of sales	(11,295)
Other operating income	565
Distribution expenses	(2,899)
Administrative expenses	(54)
Share of results of joint ventures	2,009
Taxation	568
Profit for the period, net of tax	-

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)	3 months ended	
	31-Aug-14	31-Aug-13 Restated
(a) On a basic basis	2.26	1.43
(b) On a fully diluted basis	2.26	1.43

Earnings per share is calculated based on 529,760,000 ordinary shares for the current quarter. (1Q14: 529,760,000 shares)

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.

	Group		Company	
	As at 31-Aug-14	As at 31-May-14 Restated	As at 31-Aug-14	As at 31-May-14 Restated
Net asset value per ordinary share based on issued share capital at the end of the period reported on (cents)	75.88	74.49	23.80	24.66

Net asset value per share is calculated based on 529,760,000 ordinary shares in issue at the end of the current quarter. (FY2014: 529,760,000 shares)

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

The Group reported a 10.8% or \$16.3 million increase in revenue from \$151.3 million in 1Q14 to \$167.6 million in 1Q15. The increase in revenue was mainly due to an increase in revenue generated from the construction segment and workers' dormitory business after offsetting the decrease in revenue in ready-mixed concrete segment.

The Group's gross profit for 1Q15 decreased by 12.7% to \$16.6 million mainly due to several new projects that are presently recognised at the beginning stages of construction.

Other operating income increased to \$2.2 million in 1Q15 from \$1.6 million in 1Q14 was due to increase in corporate bonds interest received in 1Q15. Administrative expense increased from \$4.3 million in 1Q14 to \$5.5 million in 1Q15 which was mainly due to higher accrual for directors' remuneration on the Group's performance for 1Q15 as well as increase in other administrative expenses. Other operating expense increased from \$1.5 million in 1Q14 to \$2.2 million in 1Q15 which was mainly due to increase in depreciation charges for property, plant and equipment and increase in property tax expenses. Finance cost increased from \$0.5 million in 1Q14 to \$1.4 million in 1Q15 was due to interest paid for the loans obtained from the associates and joint ventures.

The share of results of associates and joint ventures increased to profit of \$5.0 million in 1Q15 from the loss of \$3.6 million in 1Q14 was mainly due to the recognition of the Group's share of profits of associates and joint ventures from the development projects namely, Newest, KAP Residences and The Midtown.

Taxation decreased by 27.5% or \$0.5 million from \$1.8 million in 1Q14 to \$1.3 million in 1Q15 which was mainly due to claims made by the Group for the investment in innovation and productivity improvements under the Productivity and Innovation Credit ("PIC") Scheme.

Non-controlling interest ("NCI") increased from \$1.2 million in 1Q14 to \$1.5 million in 1Q15 which was mainly due to NCI's share of profit from the dormitory business.

After taking into account the other operating income, administrative, other operating and finance expenses, share of results of associates and joint ventures as well as taxation, the Group recorded a 53.8% increase in profit after tax to \$13.5 million for 1Q15, compared to \$8.8 million for 1Q14.

B) Financial Position Statements

Long term investment properties increased to \$313.6 million in 1Q15 from \$262.4 million in FY2014 was mainly due to the acquisition of investment property located at 24 Leng Kee Road for redevelopment.

Investment in joint ventures increased to \$9.5 million in 1Q15 from \$5.6 million in FY2014 was mainly due to the Group's share of profits in the joint ventures.

Investment in associates increased from a negative of \$0.4 million in FY2014 to a positive of \$0.6 million in 1Q15 was mainly due to the Group's share of profits in the associates.

Other receivables and deposits decreased from \$22.0 million in FY2014 to \$15.9 million in 1Q15 was mainly due to the reclassification of deposit for the purchase of property located at 24 Leng Kee Road to investment property following the legal completion of the purchase.

Amounts due from joint ventures decreased from \$74.9 million in FY2014 to \$65.2 million in 1Q15 was mainly due to the settlement of non-trade debts between the joint ventures and the Group.

Amounts due from associates increased from \$94.6 million in FY2014 to \$114.9 million in 1Q15 was mainly due to contributions to the associates for the purchases of hotel and residential development in Australia and Prudential Tower as well as increase in the trade debts between the associates and the Group.

In line with the increase in business activities, trade receivables, inventories, construction work in progress in excess of progress billings and trade and other payables all recorded increases.

Total borrowings increased from \$190.5 million in FY2014 to \$229.6 million in 1Q15 was mainly due to bank borrowing to finance the purchase of investment property located at 24 Leng Kee Road.

C) Cash Flow Statements

Net cash generated from operating activities of \$17.8 million in 1Q15 was mainly due to operating cash flow before changes in working capital of \$13.2 million and net working capital inflow of \$4.7 million after deducting payment of income tax and interest charges.

Net cash used in investing activities of \$54.6 million in 1Q15 was mainly attributable to the purchase of investment property located at 24 Leng Kee Road as well as loan to the associate to acquire Prudential Tower offsetted partially by repayment of loans from the joint ventures.

Net cash generated from financing activities of \$39.5 million in 1Q15 was mainly attributable to additional bank loan drawn down to finance the purchase of the investment property located at 24 Leng Kee Road.

Overall, cash and cash equivalents stood at \$150.9 million as at 31 August 2014, compared to \$149.0 million as at 31 August 2013.

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 First Quarter Results is in line with the cautious market outlook previously announced in the paragraph 10 of the Full Year 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.

BCA has forecasted construction demand for 2014 for the Singapore construction industry to reach between \$31 billion and \$38 billion, driven by strong public housing demand and higher construction demand for institutional developments and major infrastructure projects. Annual construction demand projection for 2015 and 2016 will be between \$25 billion and \$34 billion of which 60% will come from building works and 40% from the civil engineering projects.

In the light of the strong construction demand, the Group is cautiously optimistic of the construction market outlook in the next 12 months and will continue to leverage its established track record and capability to tender for more public and private sector projects.

As at 31 August 2014, the Group's order book stood at approximately \$1.0 billion which will provide it with a sustainable flow of activities through FY2017.

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.

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.

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

14 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

15 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

16 A breakdown of sales.

Not applicable

17 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
13-Oct-2014

**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 first quarter ended 31 August 2014**

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 first quarter financial results for the period ended 31 August 2014 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

13 October 2014