



**First Quarter Financial Statement And Dividend Announcement**

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

For ease of comparison, the statement of comprehensive income of the Group together with a comparative statement for the corresponding period of the immediately preceding financial year before and after the adoption of SFRS(I) 15 are presented in Section 1(a)(i) of this announcement.

**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				
	Before adoption of SFRS(I)15*		After adoption of SFRS(I)15		
	First quarter ended		First quarter ended		Increase /(Decrease)#
	31-Aug-18	31-Aug-17	31-Aug-18	31-Aug-17	
	S\$'000	S\$'000	S\$'000	S\$'000	%
<b>Revenue</b>	276,396	37,181	82,978	71,573	15.9
Cost of sales	(195,875)	(24,772)	(58,593)	(52,340)	11.9
<b>Gross profit</b>	80,521	12,409	24,385	19,233	26.8
Other operating income	2,218	10,455	2,218	10,455	(78.8)
Distribution expenses	(3,381)	(348)	(2,041)	(973)	109.8
Administrative expenses	(10,039)	(5,344)	(6,686)	(5,638)	18.6
Other operating expenses	(2,781)	(4,003)	(2,781)	(4,003)	(30.5)
Finance costs	(4,132)	(3,242)	(4,132)	(3,242)	27.5
Share of results of associates	(1,494)	1,192	(1,494)	1,192	NM
Share of results of joint ventures	1,692	1,993	1,384	1,616	(14.4)
<b>Profit before taxation</b>	62,604	13,112	10,853	18,640	(41.8)
Taxation	(7,087)	(3,060)	(2,115)	(3,842)	(45.0)
<b>Profit for the period, net of taxation</b>	55,517	10,052	8,738	14,798	(41.0)
<b>Other comprehensive income:</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation (loss)/gain	(986)	3,479	(986)	3,479	NM
Net (loss)/gain on fair value changes of financial assets through other comprehensive income	(2,529)	2,890	(2,529)	2,890	NM
Other comprehensive income for the period, net of taxation	(3,515)	6,369	(3,515)	6,369	NM
<b>Total comprehensive income for the period</b>	52,002	16,421	5,223	21,167	(75.3)
<b>Profit attributable to:</b>					
Owners of the Company	36,437	8,942	6,966	11,394	(38.9)
Non-controlling interests	19,080	1,110	1,772	3,404	(47.9)
	55,517	10,052	8,738	14,798	(41.0)
<b>Total comprehensive income attributable to:</b>					
Owners of the Company	33,054	15,189	3,583	17,641	(79.7)
Non-controlling interests	18,948	1,232	1,640	3,526	(53.5)
	52,002	16,421	5,223	21,167	(75.3)

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

# Comparison of figures after adoption of SFRS(I) 15.

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		
	After adoption of SFRS(I)15		Increase /(Decrease) %
	First quarter ended		
	31-Aug-18 S\$'000	31-Aug-17 S\$'000	
Other income including interest income	1,454	(Restated) 1,986	(26.8)
Gain on disposal of property, plant and equipment	497	144	245.1
Depreciation of property, plant and equipment	(4,089)	(3,641)	12.3
Dividend income from investment securities	308	127	142.5
Loss on foreign exchange, net	(621)	(2,058)	(69.8)
Gain on disposal of investment property	-	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	
	31-Aug-18	31-May-18	1-Jun-17	31-Aug-18	31-May-18
		(Restated)	(Restated)		
<b>Non-current assets</b>					
Property, plant and equipment	157,475	159,356	63,577	-	-
Investment properties	529,472	529,472	703,860	-	-
Investment in joint ventures	18,081	18,698	35,715	5,720	5,720
Investment in subsidiaries	-	-	-	168,745	167,287
Investment in associates	47,928	49,768	43,970	-	-
Amounts due from subsidiaries	-	-	-	33,783	33,783
Amounts due from associates	44,050	44,911	45,000	-	-
Deferred tax assets	71	117	249	-	-
Other assets	31	77	260	-	-
Amounts due from third parties	-	-	3,357	-	-
Investment securities	125,016	129,097	119,494	16,447	18,083
	<b>922,124</b>	<b>931,496</b>	<b>1,015,482</b>	<b>224,695</b>	<b>224,873</b>
<b>Current assets</b>					
Contract assets	15,026	86,779	31,692	-	-
Development properties	65,886	76,302	109,420	-	-
Investment property held for sale	-	-	26,283	-	-
Capitalised contract costs	1,018	179	1,405	-	-
Inventories	6,234	3,827	4,297	-	-
Trade receivables	88,850	88,833	59,093	-	-
Other receivables and deposits	38,034	34,520	32,384	4,043	4,016
Prepayments	1,786	1,195	1,923	97	5
Amounts due from affiliated companies	-	-	1	-	-
Amounts due from subsidiaries	-	-	-	171,385	169,927
Amounts due from joint ventures	83,966	69,627	37,260	62,980	50,521
Amounts due from associates	162,022	163,610	100,095	-	-
Investment securities	15,877	17,885	7,515	-	-
Cash and cash equivalents	190,083	209,214	187,804	23,082	35,139
	<b>668,782</b>	<b>751,971</b>	<b>599,172</b>	<b>261,587</b>	<b>259,608</b>
<b>Current liabilities</b>					
Contract liabilities	14,609	6,853	60,352	-	-
Trade and other payables	147,582	158,122	140,318	37	38
Accruals	24,765	24,865	18,491	279	268
Amounts due to associates	8,616	8,616	1,361	76	76
Amounts due to joint ventures	5,670	4,619	17,817	-	-
Amounts due to subsidiaries	-	-	-	248,058	246,513
Bank loans	312,035	330,406	258,174	-	-
Bills payable	-	301	-	-	-
Obligations under hire purchase	3,108	3,324	3,780	-	-
Provision for taxation	24,772	23,141	9,254	26	21
	<b>541,157</b>	<b>560,247</b>	<b>509,547</b>	<b>248,476</b>	<b>246,916</b>
<b>Net current assets</b>	<b>127,625</b>	<b>191,724</b>	<b>89,625</b>	<b>13,111</b>	<b>12,692</b>
<b>Non-current liabilities</b>					
Refundable rental deposits	2,961	2,978	2,109	-	-
Amounts due to subsidiaries	-	-	-	4,839	5,892
Bank loans	233,664	309,194	422,325	-	-
Obligations under hire purchase	2,689	2,327	3,224	-	-
Deferred tax liabilities	1,136	960	1,240	-	-
	<b>240,450</b>	<b>315,459</b>	<b>428,898</b>	<b>4,839</b>	<b>5,892</b>
<b>Net assets</b>	<b>809,299</b>	<b>807,761</b>	<b>676,209</b>	<b>232,967</b>	<b>231,673</b>
<b>Equity attributable to owners of the Company</b>					
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	11,709	11,835	(220)	-	-
Foreign currency translation reserve	(1,747)	(893)	(3,102)	-	-
Fair value adjustment reserve	240	2,769	5,539	4,287	5,923
Retained earnings	603,823	596,857	526,628	164,182	161,252
	<b>678,523</b>	<b>675,066</b>	<b>593,343</b>	<b>232,967</b>	<b>231,673</b>
Non-controlling interests	130,776	132,695	82,866	-	-
<b>Total equity</b>	<b>809,299</b>	<b>807,761</b>	<b>676,209</b>	<b>232,967</b>	<b>231,673</b>

**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 2018

<b>Secured (S\$)</b>	<b>Unsecured (S\$)</b>
315,143,000	-

As at 31 May 2018

<b>Secured (S\$)</b>	<b>Unsecured (S\$)</b>
334,031,000	-

**Amount repayable after one year**

As at 31 August 2018

<b>Secured (S\$)</b>	<b>Unsecured (S\$)</b>
236,353,000	-

As at 31 May 2018

<b>Secured (S\$)</b>	<b>Unsecured (S\$)</b>
311,521,000	-

**Details of any collateral**

As at 31 August 2018, the Group's borrowings of S\$551.5 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	
	After adoption of SFRS(I) 15	
	First quarter ended	
	31-Aug-18	31-Aug-17
	S\$'000	S\$'000
<b><u>Cash flows from operating activities</u></b>		<b>(Restated)</b>
Profit before taxation	10,853	18,640
Adjustments for:-		
Depreciation of property, plant and equipment	4,089	3,641
Amortisation of other asset	46	46
Dividend income from investment securities	(308)	(127)
Gain on disposal of property, plant and equipment	(497)	(144)
Gain on disposal of investment property	-	(7,772)
Gain on disposal of subsidiary	-	(1)
Net fair value loss/(gain) on investment securities	321	(58)
Fair value gain on derivative instrument	(90)	-
Loss/(gain) on sale of investment securities	55	(315)
Interest income	(2,406)	(1,113)
Interest expense	4,132	3,242
Unrealised exchange differences	(643)	16
Asset written off	4	-
Impairment of goodwill	9	-
Bad debt written off	2	3
Share of results of associates and joint ventures	110	(2,808)
<b>Operating cash flows before changes in working capital</b>	<b>15,677</b>	<b>13,250</b>
<b><u>Changes in working capital :-</u></b>		
Development properties	10,872	(14,845)
Capitalised contract costs	(839)	130
Contract assets/liabilities	79,434	252
Inventories	(2,407)	(147)
Trade receivables	13	501
Other receivables and deposits	(3,143)	2,618
Prepayments	(520)	113
Trade payables, other payables and accruals	(5,428)	(11,930)
Balances with joint ventures and associates	3,260	2,827
	<b>81,242</b>	<b>(20,481)</b>
<b>Cash flows from / (used in) operations</b>	<b>96,919</b>	<b>(7,231)</b>
Income tax paid	(27)	(42)
Interest paid capitalised in development properties	(455)	(754)
<b>Net cash flows from / (used in) operating activities</b>	<b>96,437</b>	<b>(8,027)</b>
<b><u>Cash flows from investing activities</u></b>		
Interest received	2,005	454
Dividend income from investment securities	308	127
Dividend income from associates	-	1,273
Dividend income from joint ventures	2,000	17,710
Loans to joint ventures	(14,733)	(39,801)
Purchase of investment securities	-	(19,184)
Net cash outflow on acquisition of a subsidiary	(27)	-
Additional investment in a subsidiary	(858)	-
Purchase of property, plant and equipment	(1,006)	(406)
Additions to investment properties	-	(5,076)
Proceeds from disposal of property, plant and equipment	544	167
(Loan to) / repayment of loans by associates	(452)	3,955
Repayment of loan by third parties	-	861
Proceeds from disposal of investment property	-	35,191
Proceeds from disposal of investment securities	4,508	8,817
<b>Net cash flows (used in) / from investing activities</b>	<b>(7,711)</b>	<b>4,088</b>
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(4,132)	(3,242)
Proceeds from bank loans and bills payable	500	14,094
Repayment of hire purchase creditors	(802)	(1,184)
Repayment of bank loans	(95,960)	(46,732)
(Repayment of loan to) / loan from non-controlling interest of a subsidiary	(5,479)	60
Loan from joint ventures	1,150	-
Dividend paid to a non-controlling interest of a subsidiary	(3,221)	(861)
Capital contribution from non-controlling interest of a subsidiary	280	-
<b>Net cash flows used in financing activities</b>	<b>(107,664)</b>	<b>(37,865)</b>
Net decrease in cash and cash equivalents	<b>(18,938)</b>	<b>(41,804)</b>
Cash and cash equivalents at beginning of the period	209,214	187,804
Effect of exchange rate changes on cash and cash equivalents	(193)	(9)
<b>*Cash and cash equivalents at end of the period</b>	<b>190,083</b>	<b>145,991</b>
<b>*Breakdown of cash and cash equivalents at the end of period</b>		
Cash at bank and on hand	144,927	100,117
Fixed deposits	45,156	45,874
Total	190,083	145,991

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

The Group								
	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
<b>Balance as at 1 Jun 18</b>	82,275	(17,777)	15,141	(893)	2,769	564,643	115,387	761,545
Effects of adoption of SFRS(I)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)
<b>Total comprehensive income for the period</b>	-	-	-	(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
<b>Balance as at 31 Aug 18</b>	82,275	(17,777)	11,709	(1,747)	240	603,823	130,776	809,299
<b>Balance as at 1 Jun 17</b>	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
<b>Total comprehensive income for the period</b>	-	-	-	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)
<b>Balance as at 31 Aug 17</b>	82,275	(17,777)	(220)	255	8,429	538,022	85,531	696,515

	The Company				
	Share capital	Treasury share	Fair value adjustment reserve	Retained earning	Total equity
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
<b>Balance as at 1 June 2018</b>	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 gain 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)
<b>Total comprehensive income for the period</b>	-	-	(1,636)	2,930	1,294
<b>Balance as at 31 August 2018</b>	82,275	(17,777)	4,287	164,182	232,967
<b>Balance as at 1 June 2017</b>	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
<b>Total comprehensive income for the period</b>	-	-	2,280	2,082	4,362
<b>Balance as at 31 August 2017</b>	82,275	(17,777)	7,980	97,213	169,691

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 31 August 2018	499,689,200	82,275,000

As at 31 August 2018, the Company held 30,070,800 ordinary shares as treasury shares (31 August 2017: 30,070,800).

As at 31 August 2018, the Company had Nil subsidiary holdings (31 August 2017: Nil).

Total number of issued shares of the Company excluding treasury shares as at 31 August 2018 and 31 August 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.

	31-Aug-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 during the financial period ended 31 August 2018 and 2017.

**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.

The financial effects of adopting SFRS(I) 15 on the Group's financial statements for first quarter ended 31 August 2018 and 31 August 2017 are as follows:



**Consolidated Income Statements**

	<b>The Group</b>					
	<b>First quarter ended</b>					
	<b>31-Aug-18</b>			<b>31-Aug-17</b>		
	<b>Before adoption of SFRS(I) 15*</b>	<b>Effects of adoption of SFRS(I) 15</b>	<b>Restated</b>	<b>Before adoption of SFRS(I) 15*</b>	<b>Effects of adoption of SFRS(I) 15</b>	<b>Restated</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	<b>Increase/ (decrease)</b>		<b>Increase/ (decrease)</b>			
<b>Revenue</b>	276,396	(193,418)	82,978	37,181	34,392	71,573
Cost of sales	(195,875)	137,282	(58,593)	(24,772)	(27,568)	(52,340)
<b>Gross profit</b>	80,521	(56,136)	24,385	12,409	6,824	19,233
Other operating income	2,218	-	2,218	10,455	-	10,455
Distribution expenses	(3,381)	1,340	(2,041)	(348)	(625)	(973)
Administrative expenses	(10,039)	3,353	(6,686)	(5,344)	(294)	(5,638)
Other operating expenses	(2,781)	-	(2,781)	(4,003)	-	(4,003)
Finance costs	(4,132)	-	(4,132)	(3,242)	-	(3,242)
Share of results of associates	(1,494)	-	(1,494)	1,192	-	1,192
Share of results of joint ventures	1,692	(308)	1,384	1,993	(377)	1,616
Profit before taxation	62,604	(51,751)	10,853	13,112	5,528	18,640
Taxation	(7,087)	4,972	(2,115)	(3,060)	(782)	(3,842)
<b>Profit for the period, net of taxation</b>	55,517	(46,779)	8,738	10,052	4,746	14,798
<b>Other comprehensive income:</b>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation (loss)/gain	(986)	-	(986)	3,479	-	3,479
Net (loss)/gain on fair value changes of financial assets through other comprehensive income	(2,529)	-	(2,529)	2,890	-	2,890
Other comprehensive income for the period, net of taxation	(3,515)	-	(3,515)	6,369	-	6,369
Total comprehensive income for the period	52,002	(46,779)	5,223	16,421	4,746	21,167
<b>Profit attributable to:</b>						
Owners of the Company	36,437	(29,471)	6,966	8,942	2,452	11,394
Non-controlling interests	19,080	(17,308)	1,772	1,110	2,294	3,404
	55,517	(46,779)	8,738	10,052	4,746	14,798
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	33,054	(29,471)	3,583	15,189	2,452	17,641
Non-controlling interests	18,948	(17,308)	1,640	1,232	2,294	3,526
	52,002	(46,779)	5,223	16,421	4,746	21,167
<b>Basic earnings per share (cents)</b>	7.29	(5.90)	1.39	1.79	0.49	2.28

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

**Statements of Financial Position**

	The Group					
	First quarter ended					
	31-May-18			1-Jun-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	
<b>Non-current assets</b>						
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
<b>Current assets</b>						
Contract assets	8,860	77,919	86,779	4,811	26,881	31,692
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	-	88,833	59,093	-	59,093
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
Amount due from joint venture	69,627	-	69,627	37,260	-	37,260
Amount due from associates	163,610	-	163,610	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
<b>Current liabilities</b>						
Contract liabilities	4,295	2,558	6,853	59,704	648	60,352
Trade and other payables	281,248	(123,126)	158,122	173,565	(33,247)	140,318
Accruals	19,449	5,416	24,865	17,582	909	18,491
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
<b>Net current assets</b>	144,437	47,287	191,724	82,241	7,384	89,625
<b>Non-current liabilities</b>						
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
<b>Net assets</b>	761,545	46,216	807,761	667,650	8,559	676,209
<b>Equity attributable to owners of the Company</b>						
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
<b>Non-controlling interests</b>	115,387	17,308	132,695	79,431	3,435	82,866
<b>Total Equity</b>	761,545	46,216	807,761	667,650	8,559	676,209
<b>Net assets value per share (cents)</b>	129.31	5.79	135.10	117.72	1.03	118.74

\* Prepared based on Singapore Financial Reporting Standards before adoption of SFRS(I) 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)	3 months ended	3 months ended
	31-Aug-18	31-Aug-17 (Restated)
(a) On a basic basis	1.39	2.28
(b) On a fully diluted basis	1.39	2.28
Group's profit attributable to the owners of the Company (S\$'000)	6,966	11,394
Weighted average number of shares excluding treasury shares	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 31-Aug-18	As at 31-May-18 (Restated)	As at 31-Aug-18	As at 31-May-18
Net asset value per ordinary share (cents)	135.79	135.10	46.62	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**

The Group reported a total revenue of \$276.4 million for 1Q2019 of which \$220.7 million was contributed by SLB Development Ltd ("SLB"), based on the Completion of Contracts method of revenue recognition before the adoption of SFRS(I) 15. Due to the adoption of SFRS(I) 15, the Group is now required to recognise the revenue for its industrial development properties over time in line with the progress of construction works and applied the changes retrospectively to each reporting period/years presented.

As a result of the above, the Group reported S\$83.0 million revenue for 1Q2019, a 15.9% or \$11.4 million increase in revenue from \$71.6 million in 1Q2018 to \$83.0 million in 1Q2019. The increase in revenue was mainly due to an increase in revenue generated from the Construction and Investment Holding segments offset by the decrease in revenue from Property Development segment.

The Group's gross profit increased from \$19.2 million to \$24.4 million in line with increase of revenue.

Other operating income decreased from \$10.5 million in 1Q2018 to \$2.2 million in 1Q2019 which the higher of the operating income in 1Q2018 was mainly due to gain on disposal of investment property at 247 & 249 Collins Street, Melbourne, Australia by Lian Beng Ventures (Melbourne) Pty Ltd.

Distribution expenses increased from \$1.0 million in 1Q2018 to \$2.0 million in 1Q2019 mainly due to the increase in marketing expenses and sales commission incurred for the sale of industrial property development, T-Space @ Tampines. Administrative expenses increased from \$5.6 million in 1Q2018 to \$6.7 million in 1Q2019 mainly due to increase in staff costs. Other operating expenses decreased from \$4.0 million in 1Q2018 to \$2.8 million in 1Q2019 mainly due to decrease in foreign exchange loss incurred in 1Q2019.

Finance costs increased from \$3.2 million in 1Q2018 to \$4.1 million in 1Q2019 mainly due to increase in borrowings to finance the purchase of investment properties as well as 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.

The share of results of associates declined from \$1.2 million profit in 1Q2018 to \$1.5 million loss in 1Q2019 mainly due to the marketing and showflat costs incurred for new projects launched (Affinity @ Serangoon and Riverfront Residences) while revenue has yet to be recognised.

Taxation decreased by 45.0% from \$3.8 million in 1Q2018 to \$2.1 million in 1Q2019 mainly due to decrease in profit before tax in 1Q2019 and tax expense for the gain on disposal of the property at 247 & 249 Collins Street, Melbourne, Australia in 1Q2018.

After taking into account the above, the Group recorded a 41.0% decrease in profit after taxation from \$14.8 million in 1Q2018 to \$8.7 million in 1Q2019.

Prior to the adoption of SFRS(I) 15, the profit attributable to shareholders stood at \$36.4 million for 1Q2019 as compared to \$7.0 million following the adoption of SFRS(I) 15.

## B) Financial Position Statements

### Non-current assets

Investment securities decreased from \$129.1 million in FY2018 to \$125.0 million in 1Q2019 mainly due to the redemption and disposal of corporate bonds and fair value loss in investment securities.

### Current assets

Contract assets decreased from \$86.8 million in FY2018 to \$15.0 million in 1Q2019 mainly due to progress billings on sales of development units for units for T-Space @ Tampines.

Development properties decreased from \$76.3 million in FY2018 to \$65.9 million in 1Q2019 mainly due to recognition of development cost in income statement as a result of sales of development units from T-Space @ Tampines.

Other receivables and deposits increased from \$34.5 million in FY2018 to \$38.0 million in 1Q2019 mainly due to a further deposit of \$3.8 million paid for the purchase of Pei-Fu Industrial Building at 24 New Industrial Road.

Amounts due from joint ventures increased from \$69.6 million in FY2018 to \$84.0 million in 1Q2019 mainly due to loans to finance the purchase of the investment property, Sembawang Shopping Centre.

Investment securities decreased from \$17.9 million in FY2018 to \$15.9 million in 1Q2019 mainly due to the redemption and disposal of corporate bonds.

### Current and non-current liabilities

Contract liabilities increased from \$6.9 million in FY2018 to \$14.6 million in 1Q2019 mainly due to increase in deposits from purchasers upon the exercise of the sale and purchase agreements for the sale of development units for Mactaggart Foodlink.

Trade and other payables decreased from \$158.1 million in FY2018 to \$147.6 million in 1Q2019, mainly due to decrease in accruals for the completed construction projects and decrease in amount due to non-controlling interest of a subsidiary.

Total borrowings decreased from \$645.6 million in FY2018 to \$551.5 million in 1Q2019 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.

## C) Cash Flow Statements

Overall, cash and cash equivalents decreased by \$19.1 million from \$209.2 million in FY2018 to \$190.1 million in 1Q2019, due to the net cash used in financing activities of \$107.7 million and investing activities of \$7.7 million respectively offset by the net cash from operating activities of \$96.4 million.

Net cash from operating activities of \$96.4 million in 1Q2019 was mainly due to operating cash flow before changes in working capital of \$15.7 million and net working capital inflow of \$81.2 million and interest paid capitalised development properties of \$0.5 million. Net working capital inflow was mainly due to proceeds from the sale of development units for T-Space @ Tampines.

Net cash used in investing activities of \$7.7 million in 1Q2019 was mainly due to the purchase of property, plant and equipment as well as loans to joint ventures offset by proceeds from the redemption and disposal of investment securities, dividend income from joint ventures and interest received.

Net cash used in financing activities of \$107.7 million in 1Q2019 was mainly attributable to repayment of bank loans for T-Space @ Tampines, repayment of loans to non-controlling interest of a subsidiary, dividend paid to a non-controlling interest of a subsidiary and interest paid.

## 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.

According to the news release published by Ministry of Trade and Industry ("MTI") Singapore on 13 August 2018, GDP growth forecast for 2018 is maintained at 2.5% to 3.5%. The Singapore economy grew by 3.9% on a year-on-year basis in Apr-June 2018, easing from the 4.5% growth in Jan-Mar 2018. With the various property cooling measures implemented, the Group expects the residential property market to remain challenging.

MTI Singapore also announced on 13 August 18 that the construction sector contracted by 4.6% year-on-year in Apr-Jun 2018, easing from the 5.2% decline in the Jan-Mar 2018. This shows a nascent sign of bottoming out in view of an improved construction demand since September 2017.

In light of this, while the Group is cautiously optimistic of the outlook for the construction industry in the next 12 months, it will continue to tender for public and private sector projects leveraging on its strong track record and proven expertise. As at 31 August 2018, the Group's total order book stood at \$1.25 billion which will provide a steady flow of activity through FY2022.

**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.

**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  
11-Oct-2018

**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 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 first quarter financial results for the period ended 31 August 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

11 October 2018