



**Third Quarter Financial Statement And Dividend Announcement**

**Third quarter financial statements on consolidated results for the period ended 28 February 2010.**

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 (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	The Group		
	9 months ended 28 February 2010 S\$'000	9 months ended 28 February 2009 S\$'000	% Increase /(Decrease)
<b>Revenue</b>	240,474	230,143	4.5%
Cost of sales	(208,940)	(204,348)	2.2%
<b>Gross profit</b>	31,534	25,795	22.2%
Other operating income	2,976	1,979	50.4%
Distribution expenses	(1,473)	(1,224)	20.3%
Administrative expenses	(9,103)	(7,794)	16.8%
Other operating expenses	(2,564)	(2,443)	5.0%
Finance costs	(797)	(1,520)	-47.6%
<b>Profit before taxation</b>	20,573	14,793	39.1%
Taxation	(3,059)	(3,163)	-3.3%
<b>Profit for the year</b>	17,514	11,630	50.6%
<b>Other comprehensive income :</b>			
Foreign currency translation	76	(218)	NM*
Fair value adjustment on available-for-sale financial assets	201	(244)	NM*
Other comprehensive income for the period, net of tax	277	(462)	NM*
Total other comprehensive income for the period, net of tax	17,791	11,168	59.3%
<b>Profit attributable to :</b>			
Equity holders of the Company	17,388	11,443	52.0%
Minority interests	126	187	-32.6%
	17,514	11,630	50.6%
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	17,665	10,981	60.9%
Minority interests	126	187	-32.6%
	17,791	11,168	59.3%

**Notes to Income Statements:**

	The Group		
	9 months ended 28 February 2010 S\$'000	9 months ended 28 February 2009 S\$'000	% Increase /(Decrease)
Overprovision of tax in respect of prior years (Note 1)	381	-	NM*
Other income including interest income	1,274	1,008	26.4%
Gain on disposal of plant & equipment (Note 2)	351	57	515.8%
Gain on disposal of investment properties	174	-	NM*
Depreciation of property, plant and equipment (Note 3)	(3,149)	(2,548)	23.6%
Depreciation of investment properties	(92)	(100)	-8.0%
Allowance for impairment on doubtful receivables	(370)	(2)	NM*
(Loss)/gain of foreign exchange	(167)	901	NM*

\* Not Meaningful

**Explanatory notes:**

- 1 It relates to refund of tax of \$381,000 from the settlement of outstanding tax issue in prior years.
- 2 The increase in gain on disposal of plant and equipment was due to sale of certain fixed assets during the financial period under review.
- 3 The increase in depreciation of property, plant and equipment was mainly due to the set up of the second batching plant and purchase of machinery arising from the expansion of ready-mixed concrete business and increase in construction business.

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	The Group S\$'000		The Company S\$'000	
	28-Feb-10	31-May-09	28-Feb-10	31-May-09
<b>Non-current assets</b>				
Property, plant and equipment	41,227	32,524	-	-
Investment properties	13,144	11,959	-	-
Intangible assets	129	129	-	-
Investments in subsidiaries	-	-	28,689	28,688
Other receivables	1,556	2,494	-	-
Investment securities	11,349	8,644	-	-
	<b>67,405</b>	<b>55,750</b>	<b>28,689</b>	<b>28,688</b>
<b>Current assets</b>				
Construction work-in-progress	26,213	29,522	-	-
Development properties	92,587	107,558	-	-
Properties held for sale	5,840	5,840	-	-
Inventories	3,713	2,083	-	-
Trade receivables	97,243	87,204	-	-
Other receivables and deposits	34,814	29,391	9,442	9,517
Prepayments	1,448	1,042	7	3
Receivables from related parties	1	10	69,083	60,957
Amounts due from jointly-controlled entities	416	2,182	-	-
Asset held for sale (Note)	-	-	-	-
Investment securities	15	10	-	-
Fixed deposits	27,935	7,656	1,117	1,115
Cash and bank balances	23,051	30,367	396	48
	<b>313,276</b>	<b>302,865</b>	<b>80,045</b>	<b>71,640</b>
<b>Current liabilities</b>				
Progress billings in excess of construction work-in-progress	65,442	38,838	-	-
Trade payables and accruals	62,538	63,306	-	-
Other payables and deposits	1,549	5,140	355	478
Amounts due to related parties	4,867	3,942	25,208	13,103
Bank overdrafts	-	10,364	-	-
Bank loans	9,586	15,098	988	1,048
Bills payable	10,945	885	-	-
Current portion of obligations under hire purchase	2,609	2,132	-	-
Provision for taxation	3,288	4,067	-	-
	<b>160,824</b>	<b>143,772</b>	<b>26,551</b>	<b>14,629</b>
<b>Net current assets</b>	<b>152,452</b>	<b>159,093</b>	<b>53,494</b>	<b>57,011</b>
<b>Non-current liabilities</b>				
Bank loans	75,528	87,102	-	-
Obligations under hire purchase	5,882	4,290	-	-
Deferred tax liabilities	1,089	706	-	-
	<b>82,499</b>	<b>92,098</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>137,358</b>	<b>122,745</b>	<b>82,183</b>	<b>85,699</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	82,275	82,275	82,275	82,275
Foreign currency translation reserve	5	(71)	-	-
Fair value adjustment reserve	304	103	-	-
Accumulated profits	54,272	40,062	(92)	3,424
	136,856	122,369	82,183	85,699
Minority interests	502	376	-	-
<b>Total equity</b>	<b>137,358</b>	<b>122,745</b>	<b>82,183</b>	<b>85,699</b>
	-	-	-	-

Note : Relate to 50% interest in jointly-controlled entity (" Lian Beng Energy Pte Ltd")

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

**Amount repayable in one year or less, or on demand**

As at 28 February 2010

Secured (S\$)	Unsecured (S\$)
23,140,000	0

As at 31 May 2009

Secured (S\$)	Unsecured (S\$)
28,479,000	0

**Amount repayable after one year**

As at 28 February 2010

Secured (S\$)	Unsecured (S\$)
81,410,000	0

As at 31 May 2009

Secured (S\$)	Unsecured (S\$)
91,391,000	0

**Details of any collateral**

As at 28 February 2010, the Group's borrowings of S\$104.6 million ( 31 May 2009 : S\$119.9 million) are secured by the Group's freehold and leasehold properties, development properties, properties held for sale, plant, machinery, motor vehicles, and fixed deposits. The bank facilities of the subsidiary companies are also secured by corporate guarantees from the Company.

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

	The Group (S\$'000) 9 months ended 28-Feb-10	The Group (S\$'000) 9 months ended 28-Feb-09
<b>Cash flows from operating activities</b>		
Profit before taxation	20,573	14,793
<i>Adjustments for:-</i>		
Depreciation of property, plant and equipment	3,149	2,548
Depreciation of investment properties	92	100
Dividend income from investment securities	(7)	(12)
Gain on sale of property, plant and equipment	(351)	(57)
Gain on sale of investment properties	(174)	-
Net fair value (gain)/loss on investment securities	(5)	3
(Reversal) / share of loss in jointly-controlled entity	(414)	512
Asset written off	8	-
Forgiveness of loan from minority shareholder of a subsidiary	(25)	-
Interest income	(331)	(94)
Interest expense	797	1,520
Exchange translation difference	78	(258)
Allowance for impairment on doubtful receivables	370	2
<b>Operating cash flows before changes in working capital</b>	<b>23,760</b>	<b>19,057</b>
<i>Changes in working capital :-</i>		
Development properties	16,531	(834)
Interest paid, including amount capitalised in development properties	(1,560)	(1,658)
Construction work-in-progress	29,926	43,070
Inventories	(1,630)	(4,316)
Trade receivables	(10,039)	(24,189)
Other receivables and deposits	(5,194)	(682)
Prepayments	(406)	(20)
Trade payables, other payables, accruals and bills payable	6,115	19,022
Balances with related parties	1,838	1,809
<b>Cash flows generated from operations</b>	<b>59,341</b>	<b>51,259</b>
Income tax paid	(3,928)	(3,145)
Income tax recovered	550	242
<b>Net cash flows generated from operating activities</b>	<b>55,963</b>	<b>48,356</b>
<b>Cash flows from investing activities</b>		
Interest received	25	45
Dividend income from investment securities	7	12
Purchase of property, plant and equipment	(7,894)	(8,224)
Purchase of investment properties	(2,368)	(3,214)
Proceeds from disposal of property, plant and equipment	497	131
Proceeds from disposal of investment properties	1,264	-
Additional investments in investment securities	(2,504)	(7,845)
Amount due from long term other receivable	937	8,155
<b>Net cash flows used in investing activities</b>	<b>(10,036)</b>	<b>(10,940)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(797)	(1,520)
Repayment of hire purchase creditors	(2,056)	(1,359)
Proceeds from bank loans	5,000	4,365
Repayment of bank loans	(22,086)	(14,794)
Release of fixed deposits pledged to bank	1,583	126
Loan from minority shareholder of a subsidiary company	517	543
Dividend paid on ordinary shares	(3,178)	(2,500)
<b>Net cash flows used in financing activities</b>	<b>(21,017)</b>	<b>(15,139)</b>
Net increase in cash and cash equivalents	<b>24,910</b>	<b>22,277</b>
Cash and cash equivalents at beginning of the period	24,945	(15,564)
<b>Cash and cash equivalents at end of the period *</b>	<b>49,855</b>	<b>6,713</b>

**\* Breakdown of cash and cash equivalents at the end of period:**

	\$'000	\$'000
Cash at bank and in hand	23,051	17,049
Fixed deposits	27,935	7,801
Fixed deposit and cash at bank pledged to bank	(1,131)	(2,777)
Bank overdrafts	-	(15,360)
<b>Total</b>	<b>49,855</b>	<b>6,713</b>

- 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**

	<b>Group</b>					
	<b>Share Capital</b>	<b>Translation Reserve</b>	<b>Fair Value Adj Reserve</b>	<b>Accumulated Profit</b>	<b>Minority Interest</b>	<b>Total</b>
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
<b>Balance as at 1 June 2008</b>	82,275	(11)	209	25,550	157	108,180
Total comprehensive income for the period	-	(218)	(244)	11,443	187	11,168
Dividends paid on ordinary shares	-	-	-	(2,500)	-	(2,500)
<b>Balance as at 28 February 2009</b>	82,275	(229)	(35)	34,493	344	116,848
<b>Balance as at 1 June 2009</b>	82,275	(71)	103	40,062	376	122,745
Total comprehensive income for the period	-	76	201	17,388	126	17,791
Dividends paid on ordinary shares	-	-	-	(3,178)	-	(3,178)
<b>Balance as at 28 February 2010</b>	82,275	5	304	54,272	502	137,358

  

	<b>Company</b>		
	<b>Share Capital</b>	<b>Accumulated Profit</b>	<b>Total</b>
	S\$ '000	S\$ '000	S\$ '000
<b>Balance as at 1 June 2008</b>	82,275	2,921	85,196
Total comprehensive income for the period	-	(468)	(468)
Dividends paid on ordinary shares	-	(2,500)	(2,500)
<b>Balance as at 28 February 2009</b>	82,275	(47)	82,228
<b>Balance as at 1 June 2009</b>	82,275	3,424	85,699
Total comprehensive income for the period	-	(338)	(338)
Dividends paid on ordinary shares	-	(3,178)	(3,178)
<b>Balance as at 28 February 2010</b>	82,275	(92)	82,183

- 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 28 February 2010 is 529,760,000 shares (FY 2009: 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 adopted 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 2009, except for the adoption of certain revised Financial Reporting Standards ("FRS") and interpretation of FRS ("INT FRS") that became mandatory from 1 June 2009. The adoption of these FRS and INT FRS did not result in any substantial changes to the Group's accounting policies or any significant impact on the financial statements except for the presentation of financial statements as required by FRS 1 (Revised) Presentation of Financial Statements as disclosed in item 5 below.

**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**

FRS 1 (Revised) Presentation of Financial Statements requires an entity to present all non-owner changes in equity in a Statement of Comprehensive Income ("SCI"). Non-owner changes will include items of income and expense recognised directly in equity. Previously such non-owner changes were included in the statement of changes in equity. This is a change of presentation and does not affect the recognition or measurement of the entity's transactions. An entity may choose to present the SCI in a single statement, or in two statements ( a separate income statement and a SCI). The Group is presenting SCI in a single statement.

**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)	9 months ended	
	28-Feb-10	28-Feb-09
(a) On a basic basis	3.28	2.16
(b) On a fully diluted basis	3.28	2.16

Earnings per share is calculated based on 529,760,000 ordinary shares for the current period (3Q09: 529,760,000 shares).

**7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

Net asset value per ordinary share based on issued share capital at the end of the period reported on (cents)	Group		Company	
	As at	As at	As at	As at
	28-Feb-10	31-May-09	28-Feb-10	31-May-09
	25.83	23.10	15.51	16.18

Net asset value per share is calculated based on 529,760,000 ordinary shares in issue at the end of the current period (FY2009: 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) Income Statements**

Group revenue for the nine months ended 28 February 2010 ("9M10"), rose 4.5% to \$240.5 million from \$230.1 million registered for the corresponding period in 2009 ("9M09").

Cost of sales increased in line with the revenue growth. As such, the Group recorded a 22.2% improvement in gross profit to \$31.5 million from \$25.8 million in 9M09. Gross margin for 9M10 was 13.1% versus 11.2% in 9M09.

Other operating income rose 50.4% to \$3.0 million in 9M10, mainly due to a higher gain on disposal of plant and equipment, a gain on sale of investment property and interest received from an affiliate.

In line with the higher business activities, the Group also recorded increases in administrative and distribution expenses from \$7.8 million to \$9.1 million, \$1.2 million to \$1.5 million respectively. The weakening of United States dollar led to a net foreign exchange loss of \$167,000 in 9M10 versus a gain of \$901,000 in 9M09 and consequently nudged up other operating expenses. On the back of lower borrowings, finance expenses fell to \$0.8 million compared to \$1.5 million in 9M09.

The Group recorded a 39.1% rise in profit before tax of \$20.6 million compared to \$14.8 million in 9M09. The Group's net profit attributable to shareholders grew by 52% to \$17.4 million, compared to \$11.4 million for 9M09.

**B) Balance Sheet Statements**

Property, plant and equipment increased from \$32.5 million to \$41.2 million in 9M10. This was mainly due to the setting up of a second batching plant and purchase of machinery and mixer trucks for the expansion of the Group's ready-mixed concrete business as well as construction cost incurred for Group's new head office building.

While long-term other receivables decreased from \$2.5 million to \$1.6 million, investment securities increased from \$8.6 million to \$11.3 million. This was due mainly to the conversion of shareholder's loan pertaining to Emerald Land Pte Ltd into unquoted preference share capital.

Development properties decreased to \$92.6 million from \$107.6 million due to the progressive payments received for Ola Residences and Lincoln Suite. Other receivables and deposits increased from \$29.4 million to \$34.8 million due to a contribution of \$5.0 million to the Group's affiliate in relation to the Group's property development project.

Other payables and deposits decreased from \$5.1 million to \$1.5 million mainly due to the offsetting of advance payment received against work completed. In line with the increase in construction activity and expansion of ready-mixed concrete business, bills payable increased from \$0.9 million to \$10.9 million for the purchase of raw materials and trade receivables rose from \$87.2 million to \$97.2 million.

Progress billings in excess of construction work-in-progress increased from \$38.9 million to \$65.4 million. This was due to billings for works done ahead of the cost incurred for various construction projects.

Total borrowings decreased from \$119.9 million to \$104.6 million mainly due to lower bank borrowings and an increase in repayment of existing borrowings in 9M10.



## **C) Cash Flow Statements**

Net cash generated from operating activities rose to \$56.0 million from \$48.4 million a year ago. This was mainly due to higher profits generated compared to the previous period.

The increase in net cash used in financing activities was attributable to lower bank borrowings together with an increase in repayment of existing borrowings.

Overall, cash and cash equivalents stood at \$49.8 million as at 28 February 2010, representing an improvement of \$43.1 million, from \$6.7 million as at 28 February 2009.

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

No forecast or prospect statement has been previously disclosed to shareholders.

### **10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The strong positive response to recent private residential property launches in Singapore is expected to drive private residential sector demand for construction services over the next 12 months. Along with this, public sector projects are also being rolled out as the country's economy continues to see improvements. These developments bode well for the Group, which has a strong track record in the private residential sector, and the present accreditation to tender for public projects of unlimited contract value. Accordingly, the Group will leverage its experience and capabilities to tender for more private and public sector projects.

In March 2010, the Group was awarded three building contracts worth \$317 million for the construction of private residential developments, Dakota Crescent, Centro Residences and The Laurels. With the addition of these contracts, the Group's order book as at 31 March 2010 stood at \$850 million which should provide it with a constant flow of activities.

In respect of the Company's lawsuit against Manhattan Resources Limited ("Manhattan") for outstanding debt amounting to S\$9.4 million ("Claim Sum"), the Court has on 2 March 2010 ordered in lieu of providing the Company with a bank guarantee for the sum of S\$9.4 million, Manhattan shall within 14 days thereof pay into Court the Claim Sum to be held as security for the company's claim until further order of the Court. Since then, Manhattan has furnished the S\$9.4 million with the Court. The Company's legal counsel has advised that the Company's chances of success in this case remains favorable. In view of the legal counsel's opinion, the Group has not made a provision for the doubtful debt owed by Manhattan.

**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.

**PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

- 13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not applicable

- 14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable

- 15 A breakdown of sales**

Not applicable

- 16 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  
April 8, 2010

**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 third quarter ended 28 February 2010**

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 third quarter financial results for the period ended 28 February 2010 to be false or misleading.

For and on behalf of the Board of Directors.

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Ong Pang Aik  
Chairman and Managing Director

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Ong Lay Koon  
Executive Director

8 April 2010