



LIAN BENG GROUP LTD

First Quarter Financial Statement And Dividend Announcement

First Quarter financial statements on consolidated results for the period ended 31 August 2009.

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		
	3 months ended 31 August 2009 S\$'000	3 months ended 31 August 2008 S\$'000	% Increase /(Decrease)
Revenue	85,111	37,231	128.6%
Cost of sales	(75,704)	(31,214)	142.5%
Gross profit	9,407	6,017	56.3%
Other operating income	576	592	-2.7%
Distribution expenses	(450)	(452)	-0.4%
Administrative expenses	(2,804)	(1,965)	42.7%
Other operating expenses	(710)	(942)	-24.6%
Finance costs	(211)	(537)	-60.7%
Profit before taxation	5,808	2,713	114.1%
Taxation	(442)	(713)	-38.0%
Profit for the year	5,366	2,000	168.3%
Other comprehensive income :			
Foreign currency translation	-	(65)	-100.0%
Fair value adjustment on available-for-sale financial assets	149	(116)	-228.4%
Other comprehensive income for the period, net of tax	149	(181)	-182.3%
Total other comprehensive income for the period, net of tax	5,515	1,819	203.2%
Profit attributable to :			
Equity holders of the Company	5,281	1,926	174.2%
Minority interests	85	74	14.9%
	5,366	2,000	168.3%
Total comprehensive income attributable to:			
Equity holders of the Company	5,430	1,745	211.2%
Minority interests	85	74	14.9%
	5,515	1,819	203.2%

Notes to Income Statements:

	The Group		
	3 months ended 31 August 2009 S\$'000	3 months ended 31 August 2008 S\$'000	% Increase /(Decrease)
Overprovision of tax in respect of prior years (Note 1)	472	-	NM*
Other income including interest income	316	304	3.9%
Gain on disposal of plant & equipment	16	47	-66.0%
Depreciation of property, plant and equipment (Note 2)	(944)	(776)	21.6%
Depreciation of investment properties	(34)	(34)	0.0%
Allowance for impairment on doubtful receivables	(60)	(2)	2900.0%
(Loss)/gain of foreign exchange	(15)	234	-106.4%

* Not Meaningful

Explanatory notes:

- 1 It relates to refund of tax of \$472,000 from the settlement of outstanding tax issue in prior years.
- 2 The increase in depreciation of property, plant and equipment was mainly due to addition of new equipment and machinery arising from the increase in construction activities.

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	
	31-Aug-09	31-May-09	31-Aug-09	31-May-09
<u>Non-current assets</u>				
Property, plant and equipment	35,440	32,524	-	-
Investment properties	12,975	11,959	-	-
Intangible assets	129	129	-	-
Investment in subsidiaries	-	-	28,689	28,688
Other receivables	2,659	2,494	-	-
Investment securities	8,793	8,644	-	-
	59,996	55,750	28,689	28,688
<u>Current assets</u>				
Construction work-in-progress	32,011	29,522	-	-
Development properties	102,686	107,558	-	-
Properties held for sale	5,840	5,840	-	-
Inventories	911	2,083	-	-
Trade receivables	80,122	87,204	-	-
Other receivables and deposits	29,725	29,391	9,590	9,517
Prepayments	898	1,042	1	3
Receivables from related parties	2	10	61,592	60,957
Amounts due from jointly-controlled entities	2,122	2,182	-	-
Asset held for sale (Note)	-	-	-	-
Investment securities	12	10	-	-
Fixed deposits	5,138	7,656	1,152	1,115
Cash and bank balances	35,144	30,367	502	48
	294,611	302,865	72,837	71,640
<u>Current liabilities</u>				
Progress billings in excess of construction work-in-progress	47,826	38,838	-	-
Trade payables and accruals	64,167	63,306	-	-
Other payables and deposits	1,982	5,140	639	478
Amounts due to related parties	4,187	3,942	13,926	13,103
Bank overdrafts	21	10,364	-	-
Bank loans	9,895	15,098	1,065	1,048
Bills payable	3,209	885	-	-
Current portion of obligations under hire purchase	2,152	2,132	-	-
Provision for taxation	4,892	4,067	-	-
	138,331	143,772	15,630	14,629
Net current assets	156,280	159,093	57,207	57,011
<u>Non-current liabilities</u>				
Bank loans	82,169	87,102	-	-
Obligations under hire purchase	5,083	4,290	-	-
Deferred tax liabilities	764	706	-	-
	88,016	92,098	-	-
Net assets	128,260	122,745	85,896	85,699
<u>Equity attributable to equity holders of the Company</u>				
Share capital	82,275	82,275	82,275	82,275
Foreign currency translation reserve	(71)	(71)	-	-
Fair value adjustment reserve	252	103	-	-
Accumulated profits	45,343	40,062	3,621	3,424
	127,799	122,369	85,896	85,699
Minority interests	461	376	-	-
Total equity	128,260	122,745	85,896	85,699
	-	-	-	-

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 31 August 2009

Secured (S\$)	Unsecured (S\$)
15,277,000	0

As at 31 May 2009

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

Amount repayable after one year

As at 31 August 2009

Secured (S\$)	Unsecured (S\$)
87,252,000	0

As at 31 May 2009

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

Details of any collateral

As at 31 August 2009, the Group's borrowings of S\$102.5 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) 3 months ended 31-Aug-09	The Group (S\$'000) 3 months ended 31-Aug-08
<u>Cash flows from operating activities</u>		
Profit before taxation	5,808	2,713
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	944	776
Depreciation of investment properties	34	34
Dividend income from investment securities	(2)	(7)
Gain on sale of property, plant and equipment	(16)	(47)
Net fair value (gain)/loss on investment securities	(2)	1
Share of loss in jointly-controlled entity	-	411
Interest income	(8)	(63)
Interest expense	211	537
Exchange translation difference	-	(81)
Allowance for impairment on doubtful receivables	60	2
Operating cash flows before changes in working capital	7,029	4,276
<u>Changes in working capital :-</u>		
Development properties	5,447	(787)
Interest paid, including amount capitalised in development properties	(575)	(567)
Construction work-in-progress	6,501	11,922
Inventories	1,172	(8,109)
Trade receivables	7,082	(11,873)
Other receivables and deposits	(334)	(770)
Prepayments	144	(456)
Trade payables, other payables, accruals and bills payable	27	16,429
Balances with related parties	198	4
	19,662	5,793
Cash generated from operations	26,691	10,069
Income tax paid	(31)	-
Income tax recovered	472	1
Net cash flows generated from operating activities	27,132	10,070
<u>Cash flows from investing activities</u>		
Interest received	8	15
Dividend income from investment securities	2	7
Purchase of property, plant and equipment	(2,464)	(1,115)
Purchase of investment properties	(1,050)	-
Proceeds from disposal of property, plant and equipment	68	47
Additional investments in investment securities	-	(7,845)
Amount due from long term other receivable	(165)	8,155
Net cash flows used in investing activities	(3,601)	(736)
<u>Cash flows from financing activities</u>		
Interest paid	(211)	(537)
Repayment of hire purchase creditors	(635)	(300)
Proceeds from bank loans	786	4,057
Repayment of bank loans	(10,922)	(10,205)
(Increase in)/Release of fixed deposits pledged to bank	(42)	736
Loan from minority shareholder of a subsidiary company	55	140
Net cash flows used in financing activities	(10,969)	(6,109)
Net increase in cash and cash equivalents	12,562	3,225
Cash and cash equivalents at beginning of the period	24,945	(15,564)
Cash and cash equivalents at end of the period *	37,507	(12,339)
* Breakdown of cash and cash equivalents at the end of period:	\$'000	\$'000
Cash at bank and in hand	35,144	6,020
Fixed deposits	5,138	3,208
Fixed deposit and cash at bank pledged to bank	(2,754)	(2,168)
Bank overdrafts	(21)	(19,399)
Total	37,507	(12,339)

- 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	Translation Reserve	Fair Value Adj Reserve	Accumulated Profit	Minority Interest	Total
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Balance as at 1 June 2008	82,275	(11)	209	25,550	157	108,180
Total comprehensive income for the period	-	(65)	(116)	1,926	74	1,819
Balance as at 31 August 2008	82,275	(76)	93	27,476	231	109,999
Balance as at 1 June 2009	82,275	(71)	103	40,062	376	122,745
Total comprehensive income for the period	-	-	149	5,281	85	5,515
Balance as at 31 August 2009	82,275	(71)	252	45,343	461	128,260

	Company		
	Share Capital	Accumulated Profit	Total
	S\$ '000	S\$ '000	S\$ '000
Balance as at 1 June 2008	82,275	2,921	85,196
Total comprehensive income for the period	-	(68)	(68)
Balance as at 31 August 2008	82,275	2,853	85,128
Balance as at 1 June 2009	82,275	3,424	85,699
Total comprehensive income for the period	-	197	197
Balance as at 31 August 2009	82,275	3,621	85,896

- 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 2009 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)	3 months ended	
	31-Aug-09	31-Aug-08
(a) On a basic basis	1.00	0.36
(b) On a fully diluted basis	1.00	0.36

Earnings per share is calculated based on 529,760,000 ordinary shares for the current quarter. (1Q09: 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
	31-Aug-09	31-May-09	31-Aug-09	31-May-09
	24.12	23.10	16.21	16.18

Net asset value per share is calculated based on 529,760,000 ordinary shares in issue at the end of the current quarter. (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 three months ended 31 August 2009 ("1Q10"), rose 128.6% to \$85.1 million from \$37.2 million registered in the corresponding period last year ("1Q09"). The strong growth was mainly due to higher revenue recognition from the Group's construction segment as well as contribution from its property development & management segment.

On the back of the strong revenue growth, the Group also registered a corresponding increase in cost of sales. This resulted in the Group recording a 56.3% improvement in gross profit to \$9.4 million from \$6.0 million in 1Q09.

Finance expenses for 1Q10 was \$0.2 million compared to \$0.5 million for 1Q09 in view of lower borrowings. Taxation fell 38% to \$442,000 in 1Q10 from \$713,000 in 1Q09, due to refund of tax amount of \$472,000 arising from the settlement of outstanding tax issue in prior years.

Taking into account the above factors, the Group recorded a 168.3% increase in net profit to \$5.4 million for 1Q10, compared to \$2.0 million for 1Q09.

B) Balance Sheet Statements

Property, plant and equipment increased from \$32.5 million to \$35.4 million mainly due to the addition of equipment and machinery in the quarter under review, together with the acquisition of the Group's new head office building that is currently under construction.

Development properties decreased to \$102.7 million from \$107.6 million due to the progressive recognition of income for Ola Residences, the Group's property development project.

Other payables and deposits decreased from \$5.1 million to \$2.0 million mainly due to the offset of advance payment received against progressive work done. Trade receivables decreased from \$87.2 million to \$80.1 million, mainly due to prompt settlement of the customers of the Group.

Construction work-in-progress and progress billings in excess of construction work-in-progress were higher in line with the increase in level of construction activities.

Total borrowings decreased from \$119.9 million to \$102.5 million mainly due to repayment of bank borrowings in 1Q10.

C) Cash Flow Statements

Net cash generated from operating activities rose to \$27.1 million from \$10.1 million a year ago. This was mainly due to profits generated, along with a decline in trade receivables, development properties and inventories.

The increase in net cash used in investing activities was mainly due to the Group's purchase of new equipment as well as its new corporate head office building that is currently under construction.

The increase in net cash used in financing activities was attributable to lower bank borrowings.

Overall, cash and cash equivalents stood at \$37.5 million as at 31 August 2009, representing an improvement of \$49.8 million, from a negative of \$12.3 million as at 31 August 2008.

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

With signs of improvement in the global economic situation, the local private residential property market has also enjoyed a robust and sustained level of interest. This momentum is expected to continue following the successful launch of various private property developments and the rollout of government infrastructure projects.

During the quarter under review, the Group was awarded a contract worth \$101 million for the construction of Waterfront Key, a private residential development. This has served to boost its order book to \$545 million as at 31 August 2009, and is expected to provide the Group with a steady stream of activity through FY13. Nevertheless, the Group will continue to leverage on its expertise and track record and further strengthen its order book through tendering for more contracts.

The trial in relation to the Group's lawsuit against Manhattan Resources Limited ("Manhattan") has been fixed in the third week of November 2009. In the meantime, the Group has obtained judgment against Manhattan on 18 September 2009 for \$9.4 million, and Manhattan has applied to set aside the said judgment. The said application remains pending and will be heard in late October 2009. Even if the said judgment is set aside, the Group's legal counsel has advised that the Company's prospect of success remains favourable in its claim against Manhattan and in defending Manhattan's counter-claim. In view of the legal counsel's opinion, the Group has not made a provision for doubtful debt amounting to \$9.4 million 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
October 15, 2009

**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 2009**

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 2009 to be false or misleading.

For and on behalf of the Board of Directors.

Ong Pang Aik
Chairman and Managing Director

Ong Lay Koon
Executive Director

15 October 2009