



**LIAN BENG GROUP LTD**  
Registration No. 199802527Z

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MAY 2020**

These figures have not been audited.

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

**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.**

Financial year ended	Group		
	31 May 2020	31 May 2019	Increase / (decrease)
	S\$'000	S\$'000	%
<b>Revenue</b>	556,043	386,791	43.8
Cost of sales	(471,577)	(305,004)	54.6
<b>Gross profit</b>	84,466	81,787	3.3
Other operating income	20,878	11,115	87.8
Distribution expenses	(2,474)	(3,856)	(35.8)
Administrative expenses	(28,138)	(25,881)	8.7
Other operating expenses	(9,088)	(8,843)	2.8
Finance costs	(18,286)	(17,600)	3.9
Impairment loss of financial assets	(743)	(2,022)	(63.3)
Share of results of associates	(10,907)	(246)	NM
Share of results of joint ventures	6,455	6,533	(1.2)
	42,163	40,987	2.9
Fair value (loss)/gain on investment properties	(667)	3,500	NM
Profit before taxation	41,496	44,487	(6.7)
Taxation	(7,850)	(6,313)	24.3
<b>Profit for the year, net of taxation</b>	33,646	38,174	(11.9)
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Net loss on equity instruments at fair value through other comprehensive income	(4,285)	(862)	397.1
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net (loss)/gain on debt instruments at fair value through other comprehensive income	(1,834)	298	NM
Foreign currency translation loss	(108)	(1,630)	(93.4)
<b>Other comprehensive income for the year, net of taxation</b>	(6,227)	(2,194)	183.8
<b>Total comprehensive income for the year</b>	27,419	35,980	(23.8)
<b>Profit attributable to:</b>			
Owners of the Company	28,654	32,863	(12.8)
Non-controlling interests	4,992	5,311	(6.0)
	33,646	38,174	(11.9)
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	22,535	30,838	(26.9)
Non-controlling interests	4,884	5,142	(5.0)
	27,419	35,980	(23.8)

**1(a)(ii) 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.**

Financial year ended	Group		
	31 May 2020	31 May 2019	Increase / (decrease)
	S\$'000	S\$'000	%
Amortisation of capitalised contract costs	(1,971)	(2,251)	(12.4)
Amortisation of other assets	–	(76)	NM
Bad debts written off	(12)	(72)	(83.3)
Depreciation of property, plant and equipment	(17,169)	(15,636)	9.8
Dividend income from investment securities	2,357	1,747	34.9
Interest income	12,704	11,567	9.8
Gain on disposal of property, plant and equipment	853	970	(12.1)
Gain on disposal of a subsidiary	640	–	NM
Gain from loan waiver from an associate	390	–	NM
Government grant income	6,730	–	NM
Grant expense	(632)	–	NM
Loss on disposal of investment securities	(114)	(39)	192.3
Loss on disposal of a joint venture	(325)	–	NM
Loss on foreign exchange, net	(561)	(1,763)	(68.2)
Fair value gain on derivative instrument	–	91	NM
Fair value loss on investment securities	(599)	(507)	18.1
Overprovision of tax in prior years	539	921	(41.5)

NM - 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.**

	<b>Group</b>		<b>Company</b>	
	<b>31 May 2020</b>	<b>31 May 2019</b>	<b>31 May 2020</b>	<b>31 May 2019</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Non-current assets</u></b>				
Property, plant and equipment	174,394	158,015	–	–
Investment properties	560,164	533,047	–	–
Investment in subsidiaries	–	–	175,031	168,612
Investment in joint ventures	15,339	19,097	–	5,720
Investment in associates	29,625	41,075	–	–
Investment securities	120,955	127,573	13,355	15,812
Amounts due from subsidiaries	–	–	33,783	33,783
Amounts due from associates	40,527	41,466	–	–
Deferred tax assets	726	66	–	–
	<b>941,730</b>	<b>920,339</b>	<b>222,169</b>	<b>223,927</b>
<b><u>Current assets</u></b>				
Contract assets	84,578	101,714	–	–
Capitalised contract costs	1,668	1,462	–	–
Development properties	78,353	104,509	–	–
Inventories	12,540	2,895	–	–
Trade receivables	26,626	43,738	–	–
Other receivables and deposits	22,328	16,161	123	139
Prepayments	12,182	5,582	4	46
Tax recoverable	682	486	–	–
Amounts due from affiliated companies	2	12	–	–
Amounts due from subsidiaries	–	–	178,706	179,076
Amounts due from joint ventures	76,833	78,514	62,947	63,086
Amounts due from associates	170,166	167,774	–	–
Investment securities	29,027	15,703	–	–
Cash and cash equivalents	209,416	179,924	10,806	40,510
	<b>724,401</b>	<b>718,474</b>	<b>252,586</b>	<b>282,857</b>
<b><u>Current liabilities</u></b>				
Contract liabilities	56,717	29,056	–	–
Trade and other payables	147,607	164,219	29	33
Accruals	20,159	23,246	173	131
Lease liabilities	2,361	–	–	–
Amounts due to associates	1,349	1,126	–	76
Amounts due to joint ventures	700	2,152	–	–
Amounts due to subsidiaries	–	–	237,762	268,146
Bank loans and bills payable	243,527	309,966	–	–
Obligations under hire purchase	1,773	1,984	–	–
Provision for taxation	9,474	8,111	159	223
	<b>483,667</b>	<b>539,860</b>	<b>238,123</b>	<b>268,609</b>
<b>Net current assets</b>	<b>240,734</b>	<b>178,614</b>	<b>14,463</b>	<b>14,248</b>
<b><u>Non-current liabilities</u></b>				
Refundable rental deposits	2,559	3,067	–	–
Amounts due to subsidiaries	–	–	1,744	1,681
Bank loans	341,645	268,450	–	–
Obligations under hire purchase	5,042	3,139	–	–
Lease liabilities	4,652	–	–	–
Deferred tax liabilities	3,884	4,165	–	–
	<b>357,782</b>	<b>278,821</b>	<b>1,744</b>	<b>1,681</b>
<b>Net assets</b>	<b>824,682</b>	<b>820,132</b>	<b>234,888</b>	<b>236,494</b>
<b><u>Equity attributable to owners of the Company</u></b>				
Share capital	82,275	82,275	82,275	82,275
Treasury shares	(17,777)	(17,777)	(17,777)	(17,777)
Retained earnings	646,474	627,967	178,756	177,905
Other reserves	(5,213)	1,595	(8,366)	(5,909)
	<b>705,759</b>	<b>694,060</b>	<b>234,888</b>	<b>236,494</b>
<b>Non-controlling interests</b>	<b>118,923</b>	<b>126,072</b>	<b>–</b>	<b>–</b>
<b>Total equity</b>	<b>824,682</b>	<b>820,132</b>	<b>234,888</b>	<b>236,494</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 May 2020**

Secured S\$'000	Unsecured S\$'000
245,300	–

**As at 31 May 2019**

Secured S\$'000	Unsecured S\$'000
311,950	–

**Amount repayable after one year**

**As at 31 May 2020**

Secured S\$'000	Unsecured S\$'000
346,687	–

**As at 31 May 2019**

Secured S\$'000	Unsecured S\$'000
271,589	–

**Details of any collaterals**

As at 31 May 2020, the Group's borrowings of S\$592.0 million (31 May 2019: S\$583.5 million) are generally secured by corporate guarantee provided by the Company and the assignment of rights, titles and benefits with respect to property, plant and equipment, investment properties, development properties, investment securities, certain fixed deposits and cash at bank.

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.**

Financial year ended	Group	
	31 May 2020	31 May 2019
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	41,496	44,487
<u>Adjustments for:</u>		
Amortisation of capitalised contract costs	1,971	2,251
Amortisation of other assets	–	76
Depreciation of property, plant and equipment	17,169	15,636
Dividend income from investment securities	(2,357)	(1,747)
Fair value gain on derivative instrument	–	(91)
Fair value loss/(gain) on investment properties	667	(3,500)
Fair value loss on investment securities	599	507
Gain on disposal of property, plant and equipment	(853)	(970)
Gain on disposal of a subsidiary	(640)	–
Impairment loss of financial assets	743	2,022
Interest income	(12,704)	(11,567)
Interest expense	18,286	17,600
Loss on disposal of a joint venture	325	–
Loss on disposal of investment securities	114	39
Unrealised exchange differences	265	(540)
Property, plant and equipment written off	51	9
Bad debts written off	12	72
Goodwill written off	–	9
Share of results of associates and joint ventures	4,452	(6,287)
Waiver of amount due to associate	(390)	–
<b>Operating cash flows before changes in working capital</b>	<b>69,206</b>	<b>58,006</b>
<u>Changes in working capital:</u>		
Development properties	13,404	(29,440)
Capitalised contract costs	(2,177)	(3,495)
Contract assets	17,136	26,699
Contract liabilities	27,786	29,018
Inventories	(9,645)	932
Trade receivables	17,099	5,561
Other receivables and deposits	(8,755)	11,679
Prepayments	(6,600)	(4,315)
Trade payables, other payables and accruals	(18,957)	3,247
Balances with joint ventures and associates	3,873	780
Total changes in working capital	33,164	40,666
Cash flows from operations	102,370	98,672
Interest paid and capitalised in development properties	(112)	(731)
Income tax paid	(7,623)	(18,217)
<b>Net cash flows from operating activities</b>	<b>94,635</b>	<b>79,724</b>
<b>Cash flows from investing activities</b>		
Interest received	7,795	9,707
Dividend income from investment securities	2,357	1,747
Dividend income from associates	784	19,410
Dividend income from joint ventures	1,450	6,500
Additions to investment securities	(42,742)	(38,172)
Purchase of property, plant and equipment	(19,259)	(11,744)
Additional investments in investment properties	(25,628)	(75)
Proceeds from disposal of investment securities	29,934	42,543
Proceeds from disposal of property, plant and equipment	862	1,446
Proceeds from disposal of a subsidiary	13,500	–
Proceeds from disposal of a joint venture	9,438	–

**CASHFLOW STATEMENT (CONT'D)**

Financial year ended	Group	
	31 May 20 S\$'000	31 May 19 S\$'000
Repayment of loans by associates	115	1,488
Repayment of loans by/(loans to) joint ventures	686	(13,583)
Additional investment in SLB Development Ltd ("SLB")	(1,190)	(1,505)
Acquisition of a subsidiary	–	(27)
Investment in associates	–	(12,804)
Additional investment in an associate	(387)	–
Investment in joint venture	(1,000)	–
Proceeds from liquidation of an associate	–	826
<b>Net cash flows (used in)/from investing activities</b>	<b>(23,285)</b>	<b>5,757</b>
<b>Cash flows from financing activities</b>		
Interest paid	(18,272)	(17,600)
Proceeds from bank loans and bills payable	185,932	134,095
Repayment of bank loans and bills payable	(180,259)	(197,090)
Repayment of hire purchase creditors	(2,984)	(3,257)
Dividends paid on ordinary shares	(11,243)	(11,243)
Dividends paid to non-controlling interests of subsidiaries	(10,436)	(9,995)
Loan from non-controlling interests of a subsidiary	617	10,784
Loan to non-controlling interests of a subsidiary	–	(262)
Loans from/(repayment of loans to) associates	627	(7,490)
Repayment of loans to joint ventures	(1,450)	(2,350)
Repayment of loans due to non-controlling interests of a subsidiary	(1,600)	(9,776)
Repayment of lease liabilities	(2,660)	–
Capital contribution from non-controlling interest of a subsidiary	–	280
Restricted cash – fixed deposits pledged for bank loan	(14,814)	–
<b>Net cash flows used in financing activities</b>	<b>(56,542)</b>	<b>(113,904)</b>
Net increase/(decrease) in cash and cash equivalents	14,808	(28,423)
Cash and cash equivalents at beginning of the year	179,924	209,214
Effect of exchange rate changes on cash and cash equivalents	(130)	(867)
<b>Cash and cash equivalents at end of the year</b>	<b>194,602</b>	<b>179,924</b>
<b>Breakdown of cash and cash equivalents at end of the year</b>		
Fixed deposits	47,673	65,067
Cash on hand and at banks	161,743	114,857
Cash and cash equivalents per statement of financial position	209,416	179,924
Restricted cash – fixed deposits pledged for bank loan	(14,814)	–
<b>Cash and cash equivalents at end of the year</b>	<b>194,602</b>	<b>179,924</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.

**GROUP – FY2020**

	Attributable to owners of the Company				Non-controlling interest	Total equity
	Share capital	Treasury shares	Retained earnings	Other reserves*		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 Jun 2019</b>	<b>82,275</b>	<b>(17,777)</b>	<b>627,967</b>	<b>1,595</b>	<b>126,072</b>	<b>820,132</b>
Profit for the year, net of taxation	-	-	28,654	-	4,992	33,646
<u>Other comprehensive income</u>						
Net loss on equity instruments at fair value through other comprehensive income	-	-	-	(4,196)	(89)	(4,285)
Net loss on debt instruments at fair value through other comprehensive income	-	-	-	(1,834)	-	(1,834)
Foreign currency translation loss	-	-	-	(89)	(19)	(108)
<b>Other comprehensive income for the year, net of taxation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,119)</b>	<b>(108)</b>	<b>(6,227)</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>28,654</b>	<b>(6,119)</b>	<b>4,884</b>	<b>27,419</b>
<u>Changes in ownership interests of subsidiaries</u>						
Acquisition of additional interest in SLB	-	-	-	407	(1,597)	(1,190)
<b>Total changes in ownership interests of subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>407</b>	<b>(1,597)</b>	<b>(1,190)</b>
<u>Contribution by and distribution to owners</u>						
Dividends on ordinary shares	-	-	(11,243)	-	-	(11,243)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	(10,436)	(10,436)
Total transactions with owners in their capacity as owners	-	-	(11,243)	-	(10,436)	(21,679)
<u>Others</u>						
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	-	-	1,096	(1,096)	-	-
<b>Balance at 31 May 2020</b>	<b>82,275</b>	<b>(17,777)</b>	<b>646,474</b>	<b>(5,213)</b>	<b>118,923</b>	<b>824,682</b>

\* Other reserves include capital reserve, foreign currency translation reserve and fair value adjustment reserve.

**STATEMENT OF CHANGES IN EQUITY (CONT'D)**

**GROUP – FY2019**

	<b>Attributable to owners of the Company</b>				<b>Non-controlling interest</b>	<b>Total equity</b>
	<b>Share capital</b>	<b>Treasury shares</b>	<b>Retained earnings</b>	<b>Other reserves*</b>		
	S\$'000	S\$'000	S\$'000	S\$'000		
<b>Balance at 1 Jun 2018</b>	<b>82,275</b>	<b>(17,777)</b>	<b>606,347</b>	<b>3,827</b>	<b>131,829</b>	<b>806,501</b>
Profit for the year, net of taxation	–	–	32,863	–	5,311	38,174
<u>Other comprehensive income</u>						
Net loss on equity instruments at fair value through other comprehensive income	–	–	–	(862)	–	(862)
Net gain on debt instruments at fair value through other comprehensive income	–	–	–	298	–	298
Foreign currency translation loss	–	–	–	(1,461)	(169)	(1,630)
<b>Other comprehensive income for the year, net of taxation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(2,025)</b>	<b>(169)</b>	<b>(2,194)</b>
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>32,863</b>	<b>(2,025)</b>	<b>5,142</b>	<b>35,980</b>
<u>Changes in ownership interests of subsidiaries</u>						
Acquisition of additional interest in SLB	–	–	–	(207)	(1,298)	(1,505)
Acquisition of interest in a subsidiary	–	–	–	–	114	114
<b>Total changes in ownership interests of subsidiaries</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(207)</b>	<b>(1,184)</b>	<b>(1,391)</b>
<u>Contribution by and distribution to owners</u>						
Dividends on ordinary shares	–	–	(11,243)	–	–	(11,243)
Dividend paid to non-controlling interests of subsidiaries	–	–	–	–	(9,995)	(9,995)
Capital contribution by non-controlling interest of a subsidiary	–	–	–	–	280	280
<b>Total transactions with owners in their capacity as owners</b>	<b>–</b>	<b>–</b>	<b>(11,243)</b>	<b>(207)</b>	<b>(10,899)</b>	<b>(22,349)</b>
<b>Balance at 31 May 2019</b>	<b>82,275</b>	<b>(17,777)</b>	<b>627,967</b>	<b>1,595</b>	<b>126,072</b>	<b>820,132</b>

\* Other reserves include capital reserve, foreign currency translation reserve and fair value adjustment reserve.



## STATEMENT OF CHANGES IN EQUITY (CONT'D)

### COMPANY – FY2020

	Share capital	Treasury shares	Retained earnings	Fair value adjustment reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 Jun 2019</b>	<b>82,275</b>	<b>(17,777)</b>	<b>177,905</b>	<b>(5,909)</b>	<b>236,494</b>
Profit for the year, net of taxation	-	-	12,094	-	12,094
<u>Other comprehensive income</u>					
Net loss on equity instruments at fair value through other comprehensive income	-	-	-	(2,457)	(2,457)
Other comprehensive income for the year, net of taxation	-	-	-	(2,457)	(2,457)
Total comprehensive income for the year	-	-	12,094	(2,457)	9,637
<u>Contribution by and distribution to owners</u>					
Dividends on ordinary shares	-	-	(11,243)	-	(11,243)
<b>Balance at 31 May 2020</b>	<b>82,275</b>	<b>(17,777)</b>	<b>178,756</b>	<b>(8,366)</b>	<b>234,888</b>

### COMPANY – FY2019

	Share capital	Treasury shares	Retained earnings	Fair value adjustment reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 Jun 2018</b>	<b>82,275</b>	<b>(17,777)</b>	<b>170,812</b>	<b>(3,637)</b>	<b>231,673</b>
Profit for the year, net of taxation	-	-	18,336	-	18,336
<u>Other comprehensive income</u>					
Net loss on equity instruments at fair value through other comprehensive income	-	-	-	(2,272)	(2,272)
Other comprehensive income for the year, net of taxation	-	-	-	(2,272)	(2,272)
Total comprehensive income for the year	-	-	18,336	(2,272)	16,064
<u>Contribution by and distribution to owners</u>					
Dividends on ordinary shares	-	-	(11,243)	-	(11,243)
<b>Balance at 31 May 2019</b>	<b>82,275</b>	<b>(17,777)</b>	<b>177,905</b>	<b>(5,909)</b>	<b>236,494</b>

**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 subsidiary holdings, if any, and the percentage of the aggregate 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\$'000
<b><u>Issued and fully paid ordinary shares:</u></b>		
At 31 May 2020 and 31 May 2019	<u>499,689,200</u>	<u>82,275</u>

**Treasury shares**

As at 31 May 2020, the Company had 30,070,800 (31 May 2019: 30,070,800) treasury shares.

**Outstanding convertibles and subsidiary holdings**

The Company did not have any share convertibles and subsidiary holdings as at 31 May 2020 and 31 May 2019.

**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 May 2020	31 May 2019
Total number of issued shares excluding treasury shares	<u>499,689,200</u>	<u>499,689,200</u>

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

**Treasury shares**

	31 May 2020	31 May 2019
Number of treasury shares	<u>30,070,800</u>	<u>30,070,800</u>

**1(d)(v) A statement showing all sales, transfers, disposals, cancellations and/or use of subsidiary holdings 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 auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

- 3A. **Where the latest financial statement are subject to an adverse opinion, qualified opinion or disclaimer of opinion:- (a) Updates on the efforts taken to resolve each outstanding audit issue, and (b) Confirmation from the Board the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.**

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.**

Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year as those adopted in the most recently audited financial statements for the financial year ended 31 May 2019.

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 SFRS(l) 16 *Leases* with effect from 1 June 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption and has not restated comparatives for the financial year ended 31 May 2019 reporting year as permitted under the specific transition provisions in the standard. On adoption of SFRS(l) 16 *Leases*, the Group has recognised right-of-use assets of S\$9.7 million presented within property, plant and equipment and lease liabilities of S\$9.7 million on 1 June 2019.

- 6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Financial year ended	Group	
	31 May 2020	31 May 2019
Earnings per share attributable to equity holders of the Company (cents per share)		
(a) On a basic basis	5.73	6.58
(b) On a fully diluted basis	5.73	6.58

- 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 financial period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	31 May 2020	31 May 2019	31 May 2020	31 May 2019
Net asset value per ordinary shares (cents)	141.24	138.90	47.01	47.33

- 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 (a) 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; and (b) 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**

**FY2020 vs FY2019**

Revenue

The Group recorded revenue of S\$556.0 million for the financial year ended 31 May 2020 ("FY2020"), an increase of 43.8% from S\$386.8 million for the financial year ended 31 May 2019 ("FY2019"). This was mainly due to higher revenue generated from the Construction Segment.

The higher revenue from the Construction Segment was due to the progressive revenue recognition of construction projects for about the first 10 months of FY2020. The Group did not record much revenue for the months of April and May as a result of Circuit Breaker ("CB") measures implemented by the Singapore government to combat the COVID-19 pandemic.

Cost of sales

In line with the increase in construction activity, following the commencement of new projects, cost of sales rose 54.6% to S\$471.6 million in FY2020, from S\$305.0 million in FY2019.

Gross profit

In light of the above, gross profit increased marginally by 3.3% to S\$84.5 million in FY2020 from S\$81.8 million in FY2019.

Operating income and expenses

Other operating income increased to S\$20.9 million in FY2020, from S\$11.1 million in FY2019, mainly due to S\$6.7 million in government grant received through the various supplementary budgets, along with an increase of S\$1.6 million in interest income from loans to associates and a S\$0.6 million gain on disposal of a subsidiary which holds the development site at 50 Lorong 21 Geylang.

Marketing expenses fell significantly with the completion of T-Space @ Tampines in FY2019, offset by the marketing expenses recognised from Mactaggart Foodlink and INSPACE in FY2020. This led to a 35.8% decline in distribution expenses from S\$3.9 million in FY2019 to S\$2.5 million in FY2020.

In FY2020, share of loss of associates was S\$10.9 million, compared to S\$0.2 million in FY2019. The share of loss was mainly due to the share of fair value loss of investment properties held by associates of S\$13.8 million, offset by the increase in development profits recognised from Riverfront Residences and Affinity @ Serangoon as the projects progress.

Share of profit of joint ventures in FY2020 was similar to FY2019, after taking into account of higher share of net fair value gain of investment properties held by joint ventures of S\$3.7 million, offset by lower share of results of joint ventures of S\$3.7 million.

Income tax expense increased from S\$6.3 million in FY2019 to S\$7.9 million in FY2020, mainly due to higher profits recorded in FY2020 for certain subsidiaries.

Profit attributable to owners of the Company

As a result of the above, the profit attributable to owners of the Company in FY2020 was S\$28.7 million, a decrease of 12.8% from S\$32.9 million in FY2019.

Excluding the decrease in the fair value of the investment properties held by its subsidiaries, associates and joint ventures of the Group, the government grant income and grant expense, the profit attributable to owners of the Company would have been S\$25.5million, similar to \$25.1 million in FY2019.

## B) Financial Position Statements

### Current and non-current assets

Investment properties increased from S\$533.0 million in May 2019 to S\$560.2 million in May 2020, taking into account the S\$27.9 million acquisition of property located at 381 Joo Chiat Road, offset by S\$0.7 million fair value loss on investment properties.

Investments in joint venture decreased from S\$19.1 million in May 2019 to S\$15.3 million in May 2020, mainly due to the disposal of United E&P Pte Ltd with carrying amount of S\$9.8 million and dividend income of S\$1.5 million from a joint venture, offset by share of profit from joint ventures amounting to S\$6.5 million and investment of S\$1.0 million in a new joint venture.

Investment in associates decreased from S\$41.1 million in May 2019, to S\$29.6 million in May 2020, mainly due to share of loss of associates amounting to S\$10.9 million, and dividend received from associates of S\$0.8 million.

Contract assets decreased from S\$101.7 million in May 2019, to S\$84.6 million in May 2020, mainly due to a decrease in contract assets relating to construction project Defu Industrial City, and development project T-Space @ Tampines was completed in FY2019, offset by an increase in contract assets from development project Mactaggart Foodlink and INSPACE.

Development properties decreased by S\$26.1 million from S\$104.5 million in May 2019 to S\$78.4 million in May 2020, mainly due to the disposal of the subsidiary company that owns the development site at 50 Lorong 21 Geylang and the sale of development units of the Group's on-going projects, Mactaggart Foodlink and INSPACE.

Inventories increased from S\$2.9 million in May 2019 to S\$12.5 million in May 2020, as a result of the increase in inventories for construction projects.

Trade receivables decreased from S\$43.7 million in May 2019 to S\$26.6 million in May 2020, mainly due to a decline in trade receivables in the construction business segment following the suspension of construction activities during the CB period.

The increase in other receivables and deposits from S\$16.2 million in May 2019 to S\$22.3 million in May 2020 mainly pertained to government grants to be received by the Group.

Prepayments increased from S\$5.6 million in May 2019 to S\$12.2 million in May 2020 for the materials purchases for construction projects, and advances to suppliers during the suspension of construction activities.

### Current and non-current liabilities

Contract liabilities increased from S\$29.1 million in May 2019 to S\$56.7 million in May 2020, mainly due to an increase in contract liabilities from the construction project, Affinity @ Serangoon and government projects.

Amount due to joint venture decreased from S\$2.2 million in May 2019 to S\$0.7 million in May 2020, mainly due to repayment of loans to a joint venture.

Total bank loans and bills payable increased S\$6.8 million, from S\$578.4 million in May 2019 to S\$585.2 million in May 2020, mainly due to the drawdown of S\$21.6 million in bank loans for the acquisition of the investment property located 381 Joo Chiat Road and the acquisition of investment securities of S\$8.4 million. The increase was partially offset by the Group's repayment of bank loans - S\$15.0 million in bank loans for Mactaggart Foodlink, and S\$9.4 million following the disposal of the subsidiary company that owns the development site at 50 Lorong 21 Geylang.

Obligations under hire purchase increased from S\$5.1 million in May 2019 to S\$6.8 million in May 2020, mainly due to acquisition of assets through hire purchase during FY2020.

Due to the adoption of SFRS(I) 16 *Leases* in FY2020, leases liabilities was S\$7.0 million in May 2020.

Provision for taxation increased to S\$9.5 million in May 2020 from S\$8.1 million in May 2019, mainly due to the reclassification of deferred tax liabilities to provision for taxation, relating to development profits recognised from T-Space @ Tampines and higher tax provision made for certain subsidiaries being offset by payments during the year.

## C) Cash Flow Statements

In FY2020, cash and cash equivalents increased by S\$14.8 million to S\$194.6 million in May 2020, mainly due to net cash from operating activities of S\$94.6 million, partially offset by net cash used in investing activities of S\$23.3 million and financing activities of S\$56.5 million respectively.

Net cash from operating activities of S\$94.6 million was mainly due to operating cash flow before changes in working capital of S\$69.2 million and net working capital inflow of S\$33.2 million, partially offset by income tax paid of S\$7.6 million.

Net cash used in investing activities of S\$23.3 million was mainly due to purchase of (i) investment securities of S\$42.7 million, (ii) investment property of S\$25.6 million, and (iii) property, plant and equipment of S\$19.3 million. This was partially offset by net proceeds of S\$29.9 million from the redemption and disposal of investment securities, and S\$22.9 million from the disposal of a subsidiary and a joint venture, as well as interest of S\$7.8 million received.

Net cash used in financing activities of S\$56.5 million was mainly attributable to interest payment of S\$18.3 million, fixed deposits and cash at bank pledged for bank loans of S\$14.8 million, dividends of S\$11.2 million paid on ordinary shares, and dividends amounting to S\$10.4 million paid to non-controlling interests of subsidiaries.

### 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 previously been disclosed.

### 10. A commentary at the date of the announcement of the significant trends and 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 forecasts published by the Ministry of Trade and Industry Singapore (“MTI”) on 26 May 2020, MTI revised Singapore’s GDP growth forecast for 2020 downwards to “-7.0 to -4.0 per cent”.

The COVID-19 pandemic has also severely affected the construction industry. Apart from certain essential activities, all construction activities, including those of the Group’s, were suspended in April 2020 under Circuit Breaker (“CB”) measures implemented by the Singapore government to contain the outbreak. While a controlled restart of some construction activities has since been permitted, the pace of resumption has been slow as a substantial proportion of the foreign construction workforce is still under quarantine. In addition, the Group is required to comply with government measures such as the Building and Construction Authority’s COVID-Safe worksite requirements prior to resuming work, and conducting regular swab tests on its workers after resumption. It expects to incur additional costs to comply with these requirements going forward. Along with the uncertainty and other challenges brought about by the pandemic, the Group expects its performance in FY2021 to be affected.

The Group will continue to leverage its solid track record and proven expertise to tender for public and private sector projects. However, there might be delays for tenders for major public infrastructure projects in view of the pandemic.

In May 2020, the Group’s wholly-owned subsidiary, Lian Beng Construction (1988) Pte Ltd, secured a contract worth S\$174 million for the construction of a private residential development at Sims Drive. This latest contract has boosted the Group’s order book to S\$1.6 billion, which should support the Group’s activities through FY2023, subject to the extension of time granted by the developers.

On the property development front, work on the development of its current projects have been temporarily suspended due to CB measures. The Group will actively monitor the situation to ensure smooth and safe development of its projects, while leveraging government grants to moderate the financial impact of the delay.

The Group has made cash conservation and cost control a top priority, and will exercise caution when exploring business opportunities in the region through acquisitions, joint ventures and/or strategic alliances during this COVID-19 period.

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

Any dividend recommended for the current financial period reported on? No

Name of dividend	Interim	Final	Total
Dividend type	Cash	Nil	Cash
Dividend amount per share (cents)	1.0	Nil	1.0
Tax rate	Tax-exempt (1-tier)	Nil	Tax-exempt (1-tier)

**(b) Corresponding Period of the Immediately Preceding Financial Year Yes**

Name of dividend	Interim	Final	Total
Dividend type	Cash	Cash	Cash
Dividend amount per share (cents)	1.0	1.25	2.25
Tax rate	Tax-exempt (1-tier)	Tax-exempt (1-tier)	Tax-exempt (1-tier)

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No final dividend has been declared or recommended for the financial year ended 31 May 2020 so as to retain funds for working capital requirements of the Group in view of the uncertainty due to COVID-19 pandemic.

**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**

**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.**

**Group – FY2020**

	<b>Construction</b>	<b>Dormitory</b>	<b>Investment holding</b>	<b>Property development</b>	<b>Adjustments and eliminations</b>	<b>Group</b>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:						
External customer	460,511	23,284	26,082	46,166	–	556,043
Inter-segment	–	5	6,427	–	(6,432)	–
<b>Total revenue</b>	<b>460,511</b>	<b>23,289</b>	<b>32,509</b>	<b>46,166</b>	<b>(6,432)</b>	<b>556,043</b>
<b>Results:</b>						
Interest income	399	1,750	8,075	3,621	(1,141)	12,704
Dividend income	398	–	1,959	–	–	2,357
Finance cost	1,075	4,549	9,946	3,859	(1,143)	18,286
Depreciation and amortisation	13,842	111	2,996	323	(103)	17,169
Share of results of associates	–	515	(9,181)	(2,241)	–	(10,907)
Share of results of joint ventures	(2,629)	–	9,367	(283)	–	6,455
Fair value (loss)/gain on investment properties	(200)	(8,200)	7,733	–	–	(667)
<i>Other non-cash expenses</i>						
Amortisation of capitalised contract costs	–	–	–	1,971	–	1,971
Impairment loss of financial assets	670	–	73	–	–	743
Bad debts written off	–	–	12	–	–	12
Segment profit/(loss)	2,448	7,794	19,473	11,907	(126)	41,496
<b>Assets:</b>						
Investment in associates	–	20,739	21,381	(12,332)	(163)	29,625
Investment in joint ventures	294	–	12,667	2,443	(65)	15,339
Additions to non-current assets	33,305	55	27,803	377	(149)	61,391
Segment assets	578,662	331,707	918,205	297,408	(459,851)	1,666,131
Segment liabilities	255,248	162,075	622,596	121,112	(319,582)	841,449

**GROUP – FY2019**

	<b>Construction</b>	<b>Dormitory</b>	<b>Investment holding</b>	<b>Property development</b>	<b>Adjustments and eliminations</b>	<b>Group</b>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:						
External customer	291,719	23,108	24,319	47,645	–	386,791
Inter-segment	7,030	–	8,409	–	(15,439)	–
<b>Total revenue</b>	<b>298,749</b>	<b>23,108</b>	<b>32,728</b>	<b>47,645</b>	<b>(15,439)</b>	<b>386,791</b>
<b>Results:</b>						
Interest income	370	1,915	8,490	1,976	(1,184)	11,567
Dividend income	457	–	1,290	–	–	1,747
Finance cost	878	5,102	10,006	2,798	(1,184)	17,600
Depreciation and amortisation	12,349	186	2,993	125	(17)	15,636
Share of results of associates	–	5,606	1,417	(7,269)	–	(246)
Share of results of joint ventures	796	–	5,771	(34)	–	6,533
Fair value gain on investment properties	150	–	3,350	–	–	3,500
<i>Other non-cash expenses</i>						
Amortisation of other assets	76	–	–	–	–	76
Amortisation of capitalised contract costs	–	–	–	2,251	–	2,251
Impairment loss of financial assets	1,192	–	830	–	–	2,022
Bad debts written off	70	–	2	–	–	72
Goodwill written off	9	–	–	–	–	9
Segment profit/(loss)	6,883	19,939	17,868	(2,166)	1,963	44,487
<b>Assets:</b>						
Investment in associates	–	20,224	30,262	(9,373)	(38)	41,075
Investment in joint ventures	12,687	–	3,298	3,176	(64)	19,097
Additions to non-current assets	13,692	82	110	492	–	14,376
Segment assets	542,549	342,618	898,520	317,807	(462,681)	1,638,813
Segment liabilities	228,384	168,961	618,253	147,534	(344,451)	818,681



**b) by geographical segment**

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	FY2020	FY2019	FY2020	FY2019
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	556,043	386,791	734,123	690,643
China	-	-	435	419
Total	556,043	386,791	734,558	691,062

Non-current assets information presented above consists of property, plant and equipment and investment properties as presented in the consolidated statement of financial position.

**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.**

Please refer to Section 8.

**17. A breakdown of the sales as follows:**

	Group		
	FY2020	FY2019	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue reported for first half year	311,443	165,291	88.4
Operating profit after tax before deducting non-controlling interests reported for first half year	22,542	16,511	36.5
Revenue reported for second half year	244,600	221,500	10.4
Operating profit after tax before deducting non-controlling interests reported for second half year	11,104	21,663	(48.7)

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's full year and its previous full year:**

	FY2020	FY2019
	S\$'000	S\$'000
<u>Dividends declared on:</u>		
Ordinary shares	4,997	11,243
Preference shares	-	-
Total dividends	4,997	11,243

**19. Disclosure of person occupying managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to the Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr Ong Phang Hui	46	Sibling of Mr Ong Pang Aik, Ms Ong Lay Huan and Ms Ong Lay Koon	Plant and Machinery Director. Mr Ong is responsible for overseeing the Group's Engineering Division, as well as monitoring the progress of materials utilisation by the Group's Construction Division. In addition, he is responsible for overseeing the operations and management of the Group's ready-mix concrete business. He is also responsible for the resources and logistic divisions. Position held since 1999.	Not applicable
Mr Ong Phang Hoo	46	Sibling of Mr Ong Pang Aik, Ms Ong Lay Huan and Ms Ong Lay Koon	Project Director. Mr Ong is responsible for the Group's foreign labour planning and deployment functions, as well as the management of the Group's foreign workers training division. In addition, he is part of the management team that manages the Construction Division. Position held since 1999.	Not applicable
Ms Ong Lee Yap	54	Sibling of Mr Ong Pang Aik, Ms Ong Lay Huan and Ms Ong Lay Koon	Purchasing Director. Ms Ong manages the Purchasing Division and the Group's inter-company material and machinery logistics deployment. She oversees the purchasing planning and control through information collection and data analysis to observe trends. She also administers the Group's foreign workers' payroll function. Position held since 1999.	Not applicable
Mr Ong Eng Keong, Matthew	38	Son of Mr Ong Pang Aik. Nephew of Ms Ong Lay Huan and Ms Ong Lay Koon	Executive Director and Chief Executive Officer of SLB Development Ltd, a subsidiary of the Company and listed on SGX Catalyst. Position held since 2018.	Not applicable
Ms Ong Sui Hui	41	Daughter of Mr Ong Pang Aik. Niece of Ms Ong Lay Huan and Ms Ong Lay Koon	Senior Contract Manager. Ms Ong manages a team of Quantity Surveyors and oversees tenders and all subcontract matters. Position held since 2018.	Not applicable

**Note:**

Mr Ong Pang Aik (Chairman and Managing Director and Substantial Shareholder), Ms Ong Lay Huan (Executive Director and Substantial Shareholder) and Ms Ong Lay Koon (Executive Director) are siblings.

**BY ORDER OF THE BOARD**

Ong Pang Aik  
Chairman and Managing Director

29 July 2020