



LIAN BENG GROUP LTD

First Quarter Financial Statement And Dividend Announcement

First Quarter financial statements on consolidated results for the period ended 31 August 2011.

These figures have not been audited.

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

1(a)(i) An income statement and statement of comprehensive income, or a statement of Comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group		
	3 months ended 31 August 2011 S\$'000	3 months ended 31 August 2010 S\$'000	% Increase /(Decrease)
Revenue	135,827	112,300	21.0%
Cost of sales	(115,284)	(94,328)	22.2%
Gross profit	20,543	17,972	14.3%
Other operating income	8,474	359	2260.4%
Distribution expenses	(283)	(286)	-1.0%
Administrative expenses	(4,535)	(3,328)	36.3%
Other operating expenses	(992)	(1,163)	-14.7%
Finance costs	(212)	(311)	-31.8%
Profit before taxation	22,995	13,243	73.6%
Taxation	(3,677)	(2,269)	62.1%
Profit for the period	19,318	10,974	76.0%
Other comprehensive income :			
Foreign currency translation	73	91	-19.8%
Fair value adjustment on available-for-sale financial assets	-	10	-100.0%
Other comprehensive income for the period, net of tax	73	101	-27.7%
Total other comprehensive income for the period, net of tax	19,391	11,075	75.1%
Profit attributable to :			
Owners of the parent	19,081	10,922	74.7%
Non-controlling interests	237	52	355.8%
	19,318	10,974	76.0%
Total comprehensive income attributable to:			
Owners of the parent	19,154	11,023	73.8%
Non-controlling interests	237	52	355.8%
	19,391	11,075	75.1%

Notes to Income Statements:

	The Group		
	3 months ended 31 August 2011 S\$'000	3 months ended 31 August 2010 S\$'000	% Increase /(Decrease)
Gain on sale of investment property held for sale (Note 1)	7,896	-	NM*
Other income including interest income	329	219	50.2%
Gain on disposal of plant & equipment	202	39	417.9%
Depreciation of property, plant and equipment	(1,697)	(1,287)	31.9%
Depreciation of investment properties	(13)	(27)	-51.9%
Allowance for impairment on doubtful receivables	-	(9)	-100.0%
Foreign exchange loss	(132)	(187)	-29.4%

* Not Meaningful

Explanatory notes:

- The gain on sale of investment property held for sale was due to the sale of the property at New Industrial Road.

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-11	31-May-11	31-Aug-11	31-May-11
<u>Non-current assets</u>				
Property, plant and equipment	42,795	42,612	-	-
Investment properties	48,330	47,317	-	-
Intangible assets	129	129	-	-
Investment in subsidiaries	-	-	30,738	30,738
Investment securities	12,842	11,589	-	-
	104,096	101,647	30,738	30,738
<u>Current assets</u>				
Construction work-in-progress	11,845	8,784	-	-
Investment properties held for sale	-	24,309	-	-
Development properties	101,471	127,108	-	-
Development properties held for sale	6,154	6,154	-	-
Inventories	6,205	6,437	-	-
Trade receivables	142,072	133,566	-	-
Other receivables and deposits	11,725	10,586	8	3
Prepayments	1,042	815	12	8
Receivables from related parties	3	3	77,194	78,789
Amounts due from jointly-controlled entities	10	17	-	-
Asset held for sale (Note)	-	-	-	-
Investment securities	11	13	-	-
Fixed deposits	17,035	9,858	-	127
Cash and bank balances	164,379	140,005	2,100	20,534
	461,952	467,655	79,314	99,461
<u>Current liabilities</u>				
Progress billings in excess of construction work-in-progress	100,078	106,886	-	-
Trade and other payables	121,258	111,284	81	44
Accruals	14,898	10,816	506	412
Amounts due to related parties	-	-	18,557	38,591
Bank loans	1,911	27,551	-	-
Bills payable	313	1,644	-	-
Current portion of obligations under hire purchase	3,848	3,634	-	-
Provision for taxation	13,237	8,474	-	-
	255,543	270,289	19,144	39,047
Net current assets	206,409	197,366	60,170	60,414
<u>Non-current liabilities</u>				
Bank loans	93,405	100,213	-	-
Obligations under hire purchase	6,765	6,771	-	-
Deferred tax liabilities	1,677	2,762	-	-
	101,847	109,746	-	-
Net assets	208,658	189,267	90,908	91,152
<u>Equity attributable to equity holders of the Company</u>				
Share capital	82,275	82,275	82,275	82,275
Foreign currency translation reserve	448	375	-	-
Fair value adjustment reserve	293	293	-	-
Accumulated profits	123,944	104,863	8,633	8,877
	206,960	187,806	90,908	91,152
Non-controlling interests	1,698	1,461	-	-
Total equity	208,658	189,267	90,908	91,152
	-	-	-	-

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 2011

Secured (S\$)	Unsecured (S\$)
6,072,000	0

As at 31 May 2011

Secured (S\$)	Unsecured (S\$)
32,829,000	0

Amount repayable after one year

As at 31 August 2011

Secured (S\$)	Unsecured (S\$)
100,170,000	0

As at 31 May 2011

Secured (S\$)	Unsecured (S\$)
106,984,000	0

Details of any collateral

As at 31 August 2011, the Group's borrowings of S\$106.2 million (31 May 2011 : S\$139.8 million) are secured by the Group's freehold properties, development properties, investment properties, plant, machinery and motor vehicles. 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-11	The Group (S\$'000) 3 months ended 31-Aug-10
<u>Cash flows from operating activities</u>		
Profit before taxation	22,995	13,243
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	1,697	1,287
Depreciation of investment properties	13	27
Dividend income from investment securities	-	(2)
Gain on sale of property, plant and equipment	(202)	(39)
Net fair value gain on investment securities	2	-
Gain on sale of investment property held for sale	(7,896)	-
Interest income	(187)	(70)
Interest expense	212	311
Exchange translation difference	73	91
Allowance for impairment on doubtful receivables	-	9
Operating cash flows before changes in working capital	16,707	14,857
<u>Changes in working capital :-</u>		
Development properties	25,983	(113)
Construction work-in-progress	(9,860)	22,913
Inventories	232	3,138
Trade receivables	(8,506)	(26,228)
Other receivables and deposits	(1,035)	(728)
Prepayments	(227)	351
Trade payables, other payables, accruals and bills payable	9,598	10,711
Balances with related parties	7	(3)
	16,192	10,041
Cash generated from operations	32,899	24,898
Interest paid capitalised in development properties	(345)	(375)
Income tax paid	-	(29)
Net cash flows generated from operating activities	32,554	24,494
<u>Cash flows from investing activities</u>		
Interest received	80	20
Dividend income from investment securities	-	2
Additional investment in investment securities	(1,250)	-
Purchase of property, plant and equipment	(925)	(3,009)
Purchase of investment properties	(1,026)	(398)
Proceeds from disposal of property, plant and equipment	324	39
Proceeds from disposal of investment property held for sale	32,205	-
Net cash flows generated from / (used in) investing activities	29,408	(3,346)
<u>Cash flows from financing activities</u>		
Interest paid	(212)	(311)
Proceeds from hire purchase creditors	-	1,575
Repayment of hire purchase creditors	(878)	(928)
Repayment of bank loans	(32,448)	(10,326)
Loan from minority shareholder of a subsidiary company	3,127	271
Net cash flows used in financing activities	(30,411)	(9,719)
Net increase in cash and cash equivalents	31,551	11,429
Cash and cash equivalents at beginning of the period	149,863	70,757
Cash and cash equivalents at end of the period *	181,414	82,186
* Breakdown of cash and cash equivalents at the end of period:	\$'000	\$'000
Cash at bank and in hand	164,379	33,052
Fixed deposits	17,035	49,134
Total	181,414	82,186

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 Reserves	Fair Value Adj Reserves	Accumulated Profits	Non-controlling interests	Total equity
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Balance as at 1 June 2010	82,275	19	247	60,919	564	144,024
Profit for the period	-	-	-	10,922	52	10,974
<u>Other comprehensive income</u>						
Net gain on fair value changes of available-for-sale financial assets	-	-	10	-	-	10
Foreign currency translation	-	91	-	-	-	91
Other comprehensive income for the period, net of tax	-	91	10	-	-	101
Total comprehensive income for the period	-	91	10	10,922	52	11,075
Balance as at 31 August 2010	82,275	110	257	71,841	616	155,099
Balance as at 1 June 2011	82,275	375	293	104,863	1,461	189,267
Profit for the period	-	-	-	19,081	237	19,318
<u>Other comprehensive income</u>						
Net gain on fair value changes of available-for-sale financial assets	-	-	-	-	-	-
Foreign currency translation	-	73	-	-	-	73
Other comprehensive income for the period, net of tax	-	73	-	-	-	73
Total comprehensive income for the period	-	73	-	19,081	237	19,391
Balance as at 31 August 2011	82,275	448	293	123,944	1,698	208,658

	Company		
	Share Capital	Accumulated Profits	Total equity
	S\$ '000	S\$ '000	S\$ '000
Balance as at 1 June 2010	82,275	5,240	87,515
Loss for the period	-	(189)	(189)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive loss for the period	-	(189)	(189)
Balance as at 31 August 2010	82,275	5,051	87,326
Balance as at 1 June 2011	82,275	8,877	91,152
Loss for the period	-	(244)	(244)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive loss for the period	-	(244)	(244)
Balance as at 31 August 2011	82,275	8,633	90,908

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 2011 is 529,760,000 shares (FY 2011: 529,760,000 shares)

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

Not Applicable

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

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

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

Not Applicable

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 31 May 2011, except for those disclosed under Paragraph 5.

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 adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 June 2011. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in respective FRS and INT FRS. The adoption of new/revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies nor any significant impact on the Group's financial statements.

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-11	31-Aug-10
(a) On a basic basis	3.60	2.06
(b) On a fully diluted basis	3.60	2.06

Earnings per share is calculated based on 529,760,000 ordinary shares for the current quarter. (1Q11: 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-11	31-May-11	31-Aug-11	31-May-11
	39.07	35.45	17.16	17.21

Net asset value per share is calculated based on 529,760,000 ordinary shares in issue at the end of the current quarter. (FY2011: 529,760,000 shares)

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

A) Comprehensive Income Statements

Group revenue for the three months ended 31 August 2011 ("1Q12") rose 21% to \$135.8 million from \$112.3 million registered in the corresponding period last year ("1Q11"). Group revenue was contributed by the construction, property development and ready-mixed concrete segments.

Cost of sales increased in line with the revenue growth. As such, gross profit increased by 14.3% to \$20.5 million from \$18.0 million in 1Q11.

Taking into account the increase in other income that was due to the sale of the property at New Industrial Road and taxation, the Group recorded a 76% increase in profit after tax to \$19.3 million for 1Q12, compared to \$11 million for 1Q11. As such, net profit margin increased to 14.2% in 1Q12 from 9.8% in 1Q11.

B) Financial Position Statements

Long term investment properties increased to \$48.3 million in 1Q12 from \$47.3 million in FY2011 due mainly to progressive payments for the residential properties.

In line with increase in business activity, trade receivables, trade payables and accruals all registered increases. Development properties decreased from \$127.1 million to \$101.5 million due to increase in progressive income offset by costs incurred for the property development projects at Ola Residences and Lincoln Suites. The decrease in the investment property held for sale was due to the sale of the property at New Industrial Road.

Total borrowings decreased from \$139.8 million to \$106.2 million mainly due to repayment of bank borrowings in 1Q12.

C) Cash Flow Statements

Net cash generated from operating activities increased from \$24.5 million in 1Q11 to \$32.6 million in 1Q12. This was mainly due to higher profits generated as well as higher net working capital inflow in the first quarter ended 31 August 2011.

Net cash generated from investing activities was mainly due to the sale of the investment property at New Industrial Road.

Net cash used in financing activities was attributable to repayment of bank borrowings offset by contributions from the minority shareholder of the Group's 55%-owned property development project at Mandai Estates.

Overall, cash and cash equivalents stood at \$181.4 million as at 31 August 2011, representing an improvement of \$99.2 million, from \$82.2 million as at 31 August 2010.

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 positive 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

On the public sector market, HDB is ramping up supply of BTO new flats to meet the shortage of public housing. The private property market should also maintain a stable momentum going forward. As such, the Group is cautiously optimistic of the outlook for the construction industry for the next 12 months.

The Group will continue to focus on its core business of construction and remain active in its project tenderings to generate sustainable revenue and profitability. In addition, the Group is also actively seeking for growth opportunities in new markets.

As at 31 August 2011, the Group's order book stood at \$761 million which will provide it with a sustainable flow of activity.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

No dividend has been declared/recommended during the financial period.

(d) Books closure date

No dividend has been declared/recommended during the financial period.

12 If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared/recommended during the financial period.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Not applicable as no IPT mandate has been obtained.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

Not applicable

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

Not applicable

- 16 A breakdown of sales**

Not applicable

- 17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not applicable

BY ORDER OF THE BOARD

Ong Pang Aik
Chairman and Managing Director
10-Oct-2011

**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 2011**

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 2011 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

10 October 2011