



LIAN BENG GROUP LTD
Registration No. 199802527Z

UNAUDITED HALF-YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2020

These figures have not been audited.

PART I - INFORMATION REQUIRED FOR 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.

Half year ended	Group		
	30 Nov 2020	30 Nov 2019	Increase / (decrease)
	S\$'000	S\$'000	%
Revenue	197,503	311,616	(36.6)
Cost of sales	(172,707)	(264,554)	(34.7)
Gross profit	24,796	47,062	(47.3)
Other operating income	21,028	8,063	160.8
Distribution expenses	(1,201)	(1,131)	6.2
Administrative expenses	(15,198)	(13,792)	10.2
Other operating expenses	(4,974)	(3,541)	40.5
Finance costs	(5,628)	(9,880)	(43.0)
Impairment losses on financial assets	(88)	-	NM
Share of results of associates	4,590	2,513	82.7
Share of results of joint ventures	1,602	(1,803)	NM
Profit before taxation	24,927	27,491	(9.3)
Taxation	(2,763)	(4,949)	(44.2)
Profit for the period, net of taxation	22,164	22,542	(1.7)
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Net gain/(loss) on equity instruments at fair value through other comprehensive income	2,141	(346)	NM
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net gain on debt instruments at fair value through other comprehensive income	533	783	(31.9)
Foreign currency translation gain/(loss)	524	(349)	NM
Other comprehensive income for the period, net of taxation	3,198	88	NM
Total comprehensive income for the period	25,362	22,630	12.1
Profit attributable to:			
Owners of the Company	17,614	18,572	(5.2)
Non-controlling interests	4,550	3,970	14.6
	22,164	22,542	(1.7)
Total comprehensive income attributable to:			
Owners of the Company	20,841	18,764	11.1
Non-controlling interests	4,521	3,866	16.9
	25,362	22,630	12.1

NM - not meaningful

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.

Half year ended	Group		
	30 Nov 2020	30 Nov 2019	Increase / (decrease)
	S\$'000	S\$'000	%
Amortisation of capitalised contract costs	(987)	(823)	19.9
Bad debts written off	–	(12)	NM
Depreciation of property, plant and equipment	(8,472)	(8,473)	–
Dividend income from investment securities	572	1,087	(47.4)
Fair value gain on investment securities	450	146	208.2
Gain on disposal of property, plant and equipment	249	777	(68.0)
Gain on disposal of a subsidiary	–	640	NM
Gain on dilution of investment in a joint venture	113	–	NM
Gain/(loss) on disposal of investment securities	190	(92)	NM
Gain/(loss) on foreign exchange, net	2,825	(84)	NM
Government grants and incentives	13,130	–	NM
Grant expenses	(879)	–	NM
Interest income	5,716	6,656	(14.1)
(Under)/over provision of tax in respect of previous years, net	(57)	5	NM

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.

	Group		Company	
	30 Nov 2020	31 May 2020	30 Nov 2020	31 May 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Non-current assets</u>				
Property, plant and equipment	172,490	174,394	–	–
Investment properties	560,273	560,164	–	–
Investment in subsidiaries	–	–	176,967	175,031
Investment in joint ventures	17,054	15,339	–	–
Investment in associates	33,629	29,625	–	–
Investment securities	141,750	120,955	13,908	13,355
Amounts due from subsidiaries	–	–	33,783	33,783
Amounts due from associates	38,727	40,527	–	–
Deferred tax assets	676	726	–	–
	964,599	941,730	224,658	222,169
<u>Current assets</u>				
Contract assets	100,097	84,578	–	–
Capitalised contract costs	1,471	1,668	–	–
Development properties	75,152	78,353	–	–
Inventories	16,403	12,540	–	–
Trade receivables	50,467	26,626	–	–
Other receivables and deposits	25,669	22,328	123	123
Prepayments	16,506	12,182	88	4
Tax recoverable	685	682	–	–
Amounts due from affiliated companies	–	2	–	–
Amounts due from subsidiaries	–	–	174,887	178,706
Amounts due from joint ventures	76,087	76,833	62,947	62,947
Amounts due from associates	182,309	170,166	–	–
Investment securities	19,778	29,027	–	–
Cash and cash equivalents	209,022	209,416	11,683	10,806
	773,646	724,401	249,728	252,586
<u>Current liabilities</u>				
Contract liabilities	47,768	56,717	–	–
Trade and other payables	182,917	147,607	48	29
Accruals	21,374	20,159	125	173
Lease liabilities	4,090	4,134	–	–
Amounts due to associates	1,229	1,349	–	–
Amounts due to joint ventures	708	700	–	–
Amounts due to subsidiaries	–	–	235,747	237,762
Bank loans and bills payable	311,947	243,527	–	–
Provision for taxation	7,704	9,474	123	159
	577,737	483,667	236,043	238,123
<u>Net current assets</u>	195,909	240,734	13,685	14,463
<u>Non-current liabilities</u>				
Refundable rental deposits	2,587	2,559	–	–
Amounts due to subsidiaries	–	–	754	1,744
Lease liabilities	11,268	9,694	–	–
Bank loans	295,616	341,645	–	–
Deferred tax liabilities	4,692	3,884	–	–
	314,163	357,782	754	1,744
<u>Net assets</u>	846,345	824,682	237,589	234,888
<u>Equity attributable to owners of the Company</u>				
Share capital	82,275	82,275	82,275	82,275
Treasury shares	(17,777)	(17,777)	(17,777)	(17,777)
Retained earnings	664,250	646,474	180,904	178,756
Other reserves	(1,296)	(5,213)	(7,813)	(8,366)
	727,452	705,759	237,589	234,888
<u>Non-controlling interests</u>	118,893	118,923	–	–
<u>Total equity</u>	846,345	824,682	237,589	234,888

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

Amount repayable in one year or less, or on demand

As at 30 Nov 2020

Secured S\$'000	Unsecured S\$'000
316,037	–

As at 31 May 2020

Secured S\$'000	Unsecured S\$'000
247,661	–

Amount repayable after one year

As at 30 Nov 2020

Secured S\$'000	Unsecured S\$'000
306,884	–

As at 31 May 2020

Secured S\$'000	Unsecured S\$'000
351,339	–

The Group's borrowings include bank loans, bills payable and lease liabilities.

Details of any collaterals

As at 30 November 2020, the Group's bank loans, bills payable and lease liabilities of S\$622.9 million (31 May 2020: S\$599.0 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, fixed deposits and bank balances.

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.**

Half year ended	Group	
	30 Nov 2020	30 Nov 2019
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before taxation	24,927	27,491
<u>Adjustments for:</u>		
Amortisation of capitalised contract costs	987	823
Depreciation of property, plant and equipment	8,472	8,473
Dividend income from investment securities	(572)	(1,087)
Fair value gain on investment securities	(450)	(146)
Gain on disposal of property, plant and equipment	(249)	(777)
Gain on disposal of a subsidiary	–	(640)
Gain on dilution of investment in a joint venture	(113)	–
(Gain)/loss on disposal of investment securities	(190)	92
Impairment losses on financial assets	88	–
Interest income	(5,716)	(6,656)
Interest expense	5,628	9,880
Unrealised exchange differences	(2,525)	(313)
Bad debts written off	–	12
Share of results of associates and joint ventures	(6,192)	(710)
Waiver of amount due to associate	(4)	–
Operating cash flows before changes in working capital	24,091	36,442
<u>Changes in working capital:</u>		
Development properties	3,201	7,754
Capitalised contract costs	(790)	(1,361)
Contract assets	(15,519)	1,487
Contract liabilities	(8,943)	4,249
Inventories	(3,863)	(12,094)
Trade receivables	(23,853)	4,002
Other receivables and deposits	(3,361)	1,083
Prepayments	(4,324)	(2,488)
Trade and other payables and accruals	36,412	12,021
Balances with joint ventures and associates	(2,694)	(133)
Total changes in working capital	(23,734)	14,520
Cash flows from operations	357	50,962
Interest paid and capitalised in development properties	–	(112)
Income tax paid	(3,677)	(4,222)
Net cash flows (used in)/from operating activities	(3,320)	46,628
Cash flows from investing activities		
Interest received	3,785	3,903
Dividend income from investment securities	572	1,087
Dividend income from associates	961	654
Dividend income from joint ventures	–	1,450
Additions to investment securities	(42,816)	(24,375)
Purchase of property, plant and equipment	(3,507)	(12,173)
Additional investments in investment properties	(109)	(27,805)
Proceeds from disposal of investment securities	33,458	12,264
Proceeds from disposal of property, plant and equipment	308	786
Proceeds from disposal of a subsidiary	–	4,046
Loans to associates	(5,132)	(6,015)
Repayment of loans by/(loans to) joint ventures	675	(35)
Additional investment in SLB Development Ltd (“SLB”)	(1,936)	(60)
Additional investment in an associate	(157)	(387)
Net cash flows used in investing activities	(13,898)	(46,660)

CASHFLOW STATEMENT (CONT'D)

Half year ended	Group	
	30 Nov 20 S\$'000	30 Nov 19 S\$'000
Cash flows from financing activities		
Interest paid	(5,326)	(9,880)
Proceeds from bank loans and bills payable	90,775	131,687
Repayment of bank loans and bills payable	(66,156)	(107,905)
Repayment of lease liabilities	(1,589)	(2,128)
Dividend paid on ordinary shares	–	(6,246)
Dividends paid to non-controlling interests of subsidiaries	(1,763)	(9,573)
Loans from/(repayment of loans to) joint ventures	8	(1,450)
Repayment of loans to associates	(130)	(303)
Repayment of loans due to non-controlling interests of a subsidiary	(80)	(1,600)
Loans from non-controlling interests of a subsidiary	–	309
Net cash flows from/(used in) financing activities	15,739	(7,089)
Net decrease in cash and cash equivalents	(1,479)	(7,121)
Cash and cash equivalents at beginning of the period	194,602	179,924
Effect of exchange rate changes on cash and cash equivalents	1,085	(381)
Cash and cash equivalents at end of the period	194,208	172,422
Breakdown of cash and cash equivalents at end of the period		
Fixed deposits	22,010	42,537
Cash on hand and at banks	187,012	129,885
Cash and cash equivalents per statement of financial position	209,022	172,422
Restricted cash – fixed deposits and bank balances pledged for bank loan	(14,814)	–
Cash and cash equivalents at end of the period	194,208	172,422

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 – 1HFY2021

	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
Balance at 1 Jun 2020	82,275	(17,777)	646,474	(5,213)	118,923	824,682
Profit for the period, net of taxation	-	-	17,614	-	4,550	22,164
<u>Other comprehensive income</u>						
Net gain on equity instruments at fair value through other comprehensive income	-	-	-	2,076	65	2,141
Net gain on debt instruments at fair value through other comprehensive income	-	-	-	704	(171)	533
Foreign currency translation gain	-	-	-	447	77	524
Other comprehensive income for the period, net of taxation	-	-	-	3,227	(29)	3,198
Total comprehensive income for the period	-	-	17,614	3,227	4,521	25,362
<u>Changes in ownership interests of subsidiaries</u>						
Acquisition of additional interest in SLB	-	-	-	852	(2,788)	(1,936)
Total changes in ownership interests of subsidiaries	-	-	-	852	(2,788)	(1,936)
<u>Contribution by and distribution to owners</u>						
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	(1,763)	(1,763)
Total transactions with owners in their capacity as owners	-	-	-	-	(1,763)	(1,763)
<u>Others</u>						
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	-	-	162	(162)	-	-
Balance at 30 Nov 2020	82,275	(17,777)	664,250	(1,296)	118,893	846,345

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

STATEMENT OF CHANGES IN EQUITY (CONT'D)
GROUP – 1HFY2020

	<u>Attributable to owners of the Company</u>				Non- controlling interest	Total equity
	Share capital	Treasury shares	Retained earnings	Other reserves*		
	S\$'000	S\$'000	S\$'000	S\$'000		
Balance at 1 Jun 2019	82,275	(17,777)	627,967	1,595	126,072	820,132
Profit for the period, net of taxation	–	–	18,572	–	3,970	22,542
Other comprehensive income						
Net loss on equity instruments at fair value through other comprehensive income	–	–	–	(318)	(28)	(346)
Net gain on debt instruments at fair value through other comprehensive income	–	–	–	783	–	783
Foreign currency translation loss	–	–	–	(273)	(76)	(349)
Other comprehensive income for the period, net of taxation	–	–	–	192	(104)	88
Total comprehensive income for the period	–	–	18,572	192	3,866	22,630
<u>Changes in ownership interests of subsidiaries</u>						
Acquisition of additional interest in SLB	–	–	–	10	(70)	(60)
Total changes in ownership interests of subsidiary	–	–	–	10	(70)	(60)
<u>Contribution by and distribution to owners</u>						
Dividends on ordinary shares	–	–	(6,246)	–	–	(6,246)
Dividends paid to non-controlling interests of subsidiaries	–	–	–	–	(9,573)	(9,573)
Total transactions with owners in their capacity as owners	–	–	(6,246)	–	(9,573)	(15,819)
Balance at 30 Nov 2019	82,275	(17,777)	640,293	1,797	120,295	826,883

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

STATEMENT OF CHANGES IN EQUITY (CONT'D)

COMPANY – 1HFY2021

	Share capital	Treasury shares	Retained earnings	Fair value adjustment reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jun 2020	82,275	(17,777)	178,756	(8,366)	234,888
Profit for the period, net of taxation	–	–	2,148	–	2,148
<u>Other comprehensive income</u>					
Net gain on equity instruments at fair value through other comprehensive income	–	–	–	553	553
Other comprehensive income for the period, net of taxation	–	–	–	553	553
Total comprehensive income for the period	–	–	2,148	553	2,701
Balance at 30 Nov 2020	82,275	(17,777)	180,904	(7,813)	237,589

COMPANY – 1HFY2020

	Share capital	Treasury shares	Retained earnings	Fair value adjustment reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jun 2019	82,275	(17,777)	177,905	(5,909)	236,494
Profit for the period, net of taxation	–	–	4,776	–	4,776
<u>Other comprehensive income</u>					
Net gain on equity instruments at fair value through other comprehensive income	–	–	–	446	446
Other comprehensive income for the period, net of taxation	–	–	–	446	446
Total comprehensive income for the period	–	–	4,776	446	5,222
<u>Contribution by and distribution to owners</u>					
Dividends on ordinary shares	–	–	(6,246)	–	(6,246)
Balance at 30 Nov 2019	82,275	(17,777)	176,435	(5,463)	235,470

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
<u>Issued and fully paid ordinary shares:</u>		
At 1 June 2020 and 30 November 2020	499,689,200	82,275

Treasury shares

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

Outstanding convertibles and subsidiary holdings

The Company did not have any share convertibles and subsidiary holdings as at 30 November 2020 and 30 November 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.

	30 Nov 2020	31 May 2020
Total number of issued shares excluding treasury shares	499,689,200	499,689,200
	499,689,200	499,689,200

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

	30 Nov 2020	30 Nov 2019
Number of treasury shares	30,070,800	30,070,800
	30,070,800	30,070,800

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.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those adopted in the most recently audited financial statements for the financial year ended 31 May 2020.

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.**

Not applicable.

- 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.**

Half year ended	Group	
	30 Nov 2020	30 Nov 2019
Earnings per share attributable to equity holders of the Company (cents per share)		
(a) On a basic basis	3.52	3.72
(b) On a fully diluted basis	3.52	3.72

- 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	
	30 Nov 2020	31 May 2020	30 Nov 2020	31 May 2020
Net asset value per ordinary shares (cents)	145.58	141.24	47.55	47.01

- 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

1H2021 vs 1H2020

Revenue

The Group recorded revenue of S\$197.5 million for the half year ended 30 November 2020 ("**1H2021**"), a decrease of 36.6% from S\$311.6 million for the half year ended 30 November 2019 ("**1H2020**"), mainly due to a significant decline in contribution from the Construction Segment.

The lower revenue from the Construction Segment was mainly due to the work suspension and delays arising from various measures implemented by the Singapore government to contain the outbreak of COVID-19. Following the easing of the circuit breaker, the pace of work resumption has been slow amid manpower disruption from the workers' movement control, additional safe management measures at the worksites and other regulations. These have collectively impacted construction progress and, consequently, weighed down the segment's performance.

The delay in construction activities has caused the decrease in revenue of Property Development Segment, while the decrease in revenue of Investment Holdings Segment was due to the rental rebates given to tenants.

Cost of sales

The decrease in cost of sales of 34.7% to S\$172.7 million in 1H2021, from S\$264.6 million in 1H2020, was largely in line with the decrease in construction activities.

Gross profit

In light of the above, gross profit decreased by 47.3% to S\$24.8 million in 1H2021 from S\$47.1 million in 1H2020. Gross profit margin decreased from 15% in 1H2020 to 13% in 1H2021 was due to the COVID-19 pandemic as explained above.

Operating income and expenses

Other operating income increased to S\$21.0 million in 1H2021, from S\$8.1 million in 1H2020, mainly due to the (i) S\$13.1 million in grants and incentives extended by the Singapore government in view of the COVID-19 pandemic; and (ii) \$2.8 million foreign exchange gain arising from the Group's US Dollar bank loans following the depreciation of the US Dollar against the Singapore Dollar, and Australian Dollar bank balances as a result of the appreciation of Australian Dollar against Singapore Dollar. The increase was partially offset by lower interest income of S\$1.2 million, lower gain on disposal of property, plant and equipment of S\$0.5 million and the absence of a S\$0.6 million gain on disposal of a subsidiary in 1H2020.

Other operating expenses increased from S\$3.5 million in 1H2020 to S\$5.0 million in 1H2021, mainly due to grant expenses of S\$0.9 million in relation to property tax rebate given to tenants.

Finance cost decreased 43.0% from S\$9.9 million in 1H2020 to S\$5.6 million in 1H2021, mainly due to lower interest rates in 1H2021.

In 1H2021, share of profit from associates, which comprises the Group's property development, investment holdings and dormitory businesses, was S\$4.6 million, compared to S\$2.5 million in 1H2020. This was mainly due to development profit recognised from the progressive construction of Affinity @ Serangoon, Riverfront Residences and Rezi 24 as well as the sale of additional units; and the dormitory business benefiting from the lower interest rates; partially offset by share of loss from the hospitality business in the UK.

Share of profit from joint ventures was S\$1.6 million in 1H2021, mainly due to improved performance from the Group's investment holdings business a result of lower interest rates. The share of loss from joint ventures in H2020 was S\$1.8 million, mainly due to loss recorded by a joint venture.

In line with the lower operating profit (excluding share of result from associates and joint ventures, and certain grant income which are not taxable), the Group's income tax expense decreased from S\$4.9 million in 1H2020 to S\$2.8 million in 1H2021.

Profit attributable to owners of the Company

Taking into account the above, profit attributable to owners of the Company in 1H2021 dropped by 5.2% to S\$17.6 million, compared to S\$18.6 million in 1H2020.

B) Financial Position Statements

Current and non-current assets

Investment in joint ventures increased from S\$15.3 million in May 2020 to S\$17.1 million in November 2020, mainly due to share of profit from joint ventures of S\$1.6 million in 1H2021.

Investment in associates increased from S\$29.6 million in May 2020 to S\$33.6 million in November 2020, mainly due to share of profit from associates of S\$4.6 million in 1H2021, partly offset by dividend income of S\$1.0 million from associates.

Contract assets increased from S\$84.6 million in May 2020, to S\$100.1 million in November 2020, mainly due to an increase in contract assets relating to construction projects Defu Industrial City and Martin Modern, and development project Mactaggart Foodlink.

Inventories increased from S\$12.5 million in May 2020 to S\$16.4 million in November 2020, as a result of the increase in inventories for construction projects.

Trade receivables increased from S\$26.6 million in May 2020 to S\$50.5 million in November 2020, mainly due to progressive billings for construction projects following the resumption of construction activities.

Other receivables, deposits and prepayments increased from S\$34.5 million in May 2020 to S\$42.2 million in November 2020, mainly due to deposit, stamp duty and other incidental expenses paid for the acquisition of a development site, Thye Hong Centre located at 2 Leng Kee Road, Singapore.

Current and non-current liabilities

Contract liabilities decreased from S\$56.7 million in May 2020 to S\$47.8 million in November 2020, mainly due to decrease in contract liabilities from construction project Affinity @ Serangoon and government projects.

Trade and other payables increased from S\$147.6 million in May 2020 to S\$182.9 million in November 2020 mainly due to resumption of construction activities.

Provision for taxation decreased to S\$7.7 million in November 2020 from S\$9.5 million in May 2020, mainly due to payment of income tax during 1H2021.

Deferred tax liabilities increased to S\$4.7 million in November 2020 from S\$3.9 million in May 2020, mainly due to increase in deferred tax liabilities on development profits recognised from Mactaggart Foodlink in 1H2021.

C) Cash Flow Statements

In 1H2021, cash and cash equivalents (excluding fixed deposits and bank balances pledged for bank loans) decreased by S\$1.5 million to S\$194.2 million in November 2020, mainly due to net cash used in operating activities of S\$3.3 million and investing activities of S\$13.9 million, partially offset by net cash from financing activities of S\$15.7 million.

Net cash used in operating activities of S\$3.3 million was mainly due to operating cash flow before changes in working capital of S\$24.1 million, partially offset by net working capital outflow of S\$23.7 million and income tax paid of S\$3.7 million.

Net cash used in investing activities of S\$13.9 million was mainly due to (i) purchase of investment securities of S\$42.8 million, (ii) loan to associates of S\$5.1 million, and (iii) purchase of property, plant and equipment of S\$3.5 million. This was partially offset by net proceeds of S\$33.5 million from the redemption and disposal of investment securities, and interest received of S\$3.8 million.

Net cash from financing activities of S\$15.7 million was mainly attributable to net proceeds from bank loans and bills payable of S\$24.6 million, offset by payment for interest of S\$5.3 million, dividends amounting to S\$1.8 million paid to non-controlling interests of subsidiaries, and repayment of lease liabilities of S\$1.6 million.

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 Ministry of Trade and Industry Singapore ("MTI") advanced estimates released on 4 January 2021, Singapore's GDP contracted by 5.8 per cent for the whole 2020 amid the disruption to economic activities caused by the Covid-19 pandemic. The construction sector contracted by a further 28.5% year-on-year in the fourth quarter of 2020, after falling 46.2% in the third quarter.

On 17 September 2020, the Building and Construction Authority Singapore made a downward revision to its 2020 forecast construction demand, from the initial \$28 billion - \$33 billion, to \$18 billion - \$23 billion. The revision takes into account a decline in private sector demand, and postponements in the award of some public sector projects from 2020 to 2021.

Against this backdrop, the Group expects operating conditions in the construction sector to remain challenging. The pace of resumption of the construction activity has been slow and is expected to continue to be limited by manpower deployment challenges and higher cost and time resources needed to comply with COVID-safe management measures. Amid the evolving COVID-19 situation in the region, the supply chain for materials may be disrupted. As a result, costs to complete the construction projects may be impacted.

As at 14 January 2021, the Group's construction order book stands at S\$1.5 billion, which should support the Group's activities through FY2023. The Group will continue to leverage its strengths, capabilities and solid track record to tender for public and private sector projects.

With regard to its property development business, while it expects possible delays in the completion for some of its development projects, the Group will continue to take active steps to ensure their smooth development and moderate any financial impact arising from the delays.

The Group continues to prioritise cash conservation and cost control, and will exercise caution when exploring business opportunities in the region during this pandemic.

11. Dividend

(a) Current Financial Period Reported On

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

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

Name of dividend	Interim
Dividend type	Cash
Dividend amount per share (cents)	1.0
Tax rate	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 dividend has been declared or recommended for the financial period ended 30 November 2020, in line with the Group's commitment to prioritise cash conservation amid the challenging climate, so as to retain funds for working capital requirements to allow the Group to capitalise on potential investment opportunities.

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).

BY ORDER OF THE BOARD

Ong Pang Aik
Chairman and Managing Director

14 January 2021

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 half-year ended 30 November 2020

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 half year financial results for the period ended 30 November 2020 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Ong Pang Aik
Chairman and Managing Director

Ong Lay Koon
Executive Director

14 January 2021