



**LIAN BENG GROUP LTD**

**Full Year Financial Statement And Dividend Announcement**

**Full-year financial statements on consolidated results for the year ended 31 May 2013.**

These figures have not been audited.

**PART 1**

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

**1(a) 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		
	12 months ended 31 May 2013 S\$'000	12 months ended 31 May 2012 S\$'000	% Increase /(Decrease)
<b>Revenue</b>	505,606	445,011	13.6%
Cost of sales	(440,624)	(371,529)	18.6%
<b>Gross profit</b>	64,982	73,482	-11.6%
Other operating income	6,439	14,608	-55.9%
Distribution expenses	(2,582)	(2,315)	11.5%
Administrative expenses	(17,365)	(16,511)	5.2%
Other operating expenses	(6,183)	(6,166)	0.3%
Finance costs	(1,047)	(646)	62.1%
Share of results of associates	3,324	(48)	NM*
<b>Profit before taxation</b>	47,568	62,404	-23.8%
Taxation	(7,367)	(10,640)	-30.8%
<b>Profit for the year</b>	40,201	51,764	-22.3%
<b>Other comprehensive income:</b>			
Foreign currency translation	8	(49)	NM*
Reclassification of foreign currency exchange differences on liquidation of a jointly-controlled entity	-	(345)	NM*
Fair value adjustment on available-for-sale financial assets	213	86	147.7%
Other comprehensive income / (loss) for the year, net of tax	221	(308)	NM
<b>Total comprehensive income for the year</b>	40,422	51,456	-21.4%
<b>Profit attributable to:</b>			
Owners of the parent	39,442	52,086	-24.3%
Non-controlling interests	759	(322)	NM*
	40,201	51,764	-22.3%
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	39,663	51,778	-23.4%
Non-controlling interests	759	(322)	NM*
	40,422	51,456	-21.4%

**Notes to Income Statements:**

	The Group		
	12 months ended 31 May 2013 S\$'000	12 months ended 31 May 2012 S\$'000	% Increase /(Decrease)
Other income including interest income <a href="#">Note 1</a>	3,700	2,180	69.7%
Gain on sale of property, plant and equipment	468	701	-33.2%
Gain on sale of investment property held for sale <a href="#">Note 2</a>	-	7,896	NM*
Gain on sale of investment properties	678	-	NM*
Depreciation of investment properties	(379)	(60)	531.7%
Depreciation of property, plant and equipment <a href="#">Note 3</a>	(9,528)	(7,240)	31.6%
Over provision of tax in respect of prior years	712	112	535.7%
Foreign exchange (loss) / gain <a href="#">Note 4</a>	(55)	465	NM*
Bad debt written off	(59)	(35)	68.6%
Allowance for impairment on doubtful receivables	(280)	(5)	5500.0%
Write back / (Impairment loss) of value of investment property <a href="#">Note 5</a>	180	(700)	NM*
Write off of intangible assets	-	(129)	NM*
Write off of deposit	322	-	NM*
Write back / (Impairment loss) of unquoted investment securities <a href="#">Note 6</a>	1,194	(1,194)	NM*
Dividend income from investment securities <a href="#">Note 7</a>	16	3,150	-99.5%

\*Not Meaningful

**Explanatory notes:**

- 1 The increase in other income and interest income was largely attributable to increase in rental income.
- 2 The gain on disposal of investment property held for sale in prior year was mainly due to the gain arising from the sale of the industrial property at New Industrial Road in FY2012.
- 3 The increase in depreciation of property, plant and equipment was mainly due to the addition of plant and machinery including vessels and mixer trucks for the ready-mixed concrete and the construction businesses as well as full year depreciation charge for the factory at Sungei Kadut compared to 1 month in previous year.
- 4 The foreign exchange loss in FY2013 was due to the weakening of United States Dollar against Singapore Dollar whereas the foreign exchange gain for FY2012 was due to the strengthening of United States Dollar against Singapore Dollar as well as the reclassification of translation reserve arising from the jointly-controlled entity, Lian Beng - Amin Joint Venture Pte Ltd which was in the process of liquidation.
- 5 The write back and the impairment loss of value of investment property in FY2013 and FY2012 was for the investment property, The Ritz Carlton Residence.
- 6 The Group provided an impairment loss of \$1.2 million for the 10% effective interest in Emerald Land Pte Ltd ("Emerald") in FY2012. In FY2013, the Group disposed its 10% effective interest at cost and accordingly the impairment loss provided in prior year was reversed in FY2013.
- 7 The decrease in dividend income from investment securities was mainly due to the dividend income received in FY2013 now being equity accounted for as post-acquisition changes in the share of net assets of the associate.

**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-May-13	31-May-12	31-May-13	31-May-12
<b><u>Non-current assets</u></b>				
Property, plant and equipment	58,775	49,956	-	-
Investment properties	136,558	66,211	-	-
Investment in joint venture	-	-	500	500
Investment in subsidiaries	-	-	46,656	46,655
Investment in associates	1,104	-	200	-
Deferred tax assets	200	-	-	-
Investment securities	9,313	18,167	-	-
	<b>205,950</b>	<b>134,334</b>	<b>47,356</b>	<b>47,155</b>
<b><u>Current assets</u></b>				
Construction work-in-progress	4,397	4,892	-	-
Development properties	162,427	96,697	-	-
Development properties held for sale	5,389	6,154	-	-
Inventories	6,916	3,076	-	-
Trade receivables	161,168	124,364	-	-
Other receivables and deposits	2,266	22,628	4	1,975
Prepayments	1,683	1,146	4	8
Receivables from related parties	1	2	70,996	90,364
Amounts due from jointly-controlled entities	7,032	-	26,879	7,977
Amount due from associates	63,541	6,286	15,100	6,286
Investment securities	1,020	1,012	-	-
Fixed deposits	69,533	55,950	-	-
Cash and cash equivalents	101,352	130,828	831	663
	<b>586,725</b>	<b>453,035</b>	<b>113,814</b>	<b>107,273</b>
<b><u>Current liabilities</u></b>				
Progress billings in excess of construction work-in-progress	98,817	98,176	-	-
Trade and other payables	134,803	118,899	68	58
Accruals	15,030	13,131	431	435
Amounts due to related parties	-	-	55,043	44,834
Bank loans	2,963	835	-	-
Bills payable	-	755	-	-
Current portion of obligations under hire purchase	4,351	3,944	-	-
Provision for taxation	9,303	12,041	-	2
	<b>265,267</b>	<b>247,781</b>	<b>55,542</b>	<b>45,329</b>
<b>Net current assets</b>	<b>321,458</b>	<b>205,254</b>	<b>58,272</b>	<b>61,944</b>
<b><u>Non-current liabilities</u></b>				
Associates	-	48	-	-
Bank loans	256,276	99,833	-	-
Obligations under hire purchase	6,787	5,706	-	-
Deferred tax liabilities	2,251	1,754	-	-
	<b>265,314</b>	<b>107,341</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>262,094</b>	<b>232,247</b>	<b>105,628</b>	<b>109,099</b>
<b><u>Equity attributable to owners of the Company</u></b>				
Share capital	82,275	82,275	82,275	82,275
Foreign currency translation reserve	(11)	(19)	-	-
Fair value adjustment reserve	592	379	-	-
Capital reserve	474	351	-	-
Retained earnings	177,320	148,473	23,353	26,824
	260,650	231,459	105,628	109,099
Non-controlling interests	1,444	788	-	-
<b>Total equity</b>	<b>262,094</b>	<b>232,247</b>	<b>105,628</b>	<b>109,099</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 2013**

<b>Secured (S\$)</b>	<b>Unsecured (S\$)</b>
7,314,000	0

**As at 31 May 2012**

<b>Secured (S\$)</b>	<b>Unsecured (S\$)</b>
5,534,000	0

**Amount repayable after one year**

**As at 31 May 2013**

<b>Secured (S\$)</b>	<b>Unsecured (S\$)</b>
263,063,000	0

**As at 31 May 2012**

<b>Secured (S\$)</b>	<b>Unsecured (S\$)</b>
105,539,000	0

**Details of any collateral**

As at 31 May 2013, the Group's borrowings of S\$270.4 million (31 May 2012 : S\$111.1 million) are secured by the Group's freehold and leasehold properties, development properties, investment properties, barges, plant, machinery and motor vehicles. The bank facilities of subsidiary companies are also secured by corporate guarantees from the Company.

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

	The Group (S\$'000) 31-May-13	The Group (S\$'000) 31-May-12
<b>Cash flows from operating activities</b>		
Profit before tax	47,568	62,404
<b>Adjustments for:-</b>		
Depreciation of property, plant and equipment	9,528	7,240
Depreciation of investment properties	379	60
Gain on disposal of investment property	(678)	-
(Write back)/impairment loss of value of investment property	(180)	700
Dividend income from investment securities	(16)	(3,150)
Gain on sale of property, plant and equipment	(468)	(701)
Gain on sale of investment property held for sale	-	(7,896)
Loss on sale of investment securities	12	-
Net fair value (gain)/loss on investment securities	(8)	1
(Write back) /impairment loss on unquoted investment securities	(1,194)	1,194
Write off of deposit	322	-
Write off of intangible assets	-	129
Share of results of associates	(3,324)	48
Interest income	(1,214)	(1,440)
Interest expense	1,047	646
Unrealised exchange difference	(15)	(395)
Bad debt written off	59	35
Allowance for impairment on doubtful receivables	280	5
<b>Operating cashflow before changes in working capital</b>	<b>52,098</b>	<b>58,880</b>
<b>Changes in working capital :-</b>		
Development properties	(62,932)	31,625
Construction work-in-progress	1,182	(4,825)
Inventories	(3,840)	3,361
Trade receivables	(37,143)	9,156
Other receivables and deposits	10,123	(11,576)
Prepayments	(537)	(303)
Property held for sale	765	-
Trade payables, other payables and accruals	34,420	3,709
Balances with related parties	(7,537)	24
	(65,499)	31,171
<b>Cash flows (used in) / generated from operations</b>	<b>(13,401)</b>	<b>90,051</b>
Interest paid capitalised in development properties	(2,799)	(1,214)
Income tax paid	(9,807)	(8,098)
<b>Net cash flows (used in) / generated from operating activities</b>	<b>(26,007)</b>	<b>80,739</b>
<b>Cash flows from investing activities</b>		
Interest received	1,984	937
Dividend income from investment securities	16	3,150
Dividend income from associates	2,964	-
Investment in associates	(690)	-
Loan to jointly-controlled entity	(3,250)	-
Additional investments in investment securities	(1,003)	(8,621)
Purchase of property, plant and equipment	(13,673)	(6,248)
Proceeds from disposal of property, plant and equipment	924	1,055
Purchase of investment properties	(73,184)	(19,654)
Proceeds from disposal of investment property	3,315	-
Proceeds from disposal of investment properties held for sale	-	32,205
Proceeds from disposal of unquoted investment securities	10,739	-
Net cash outflow on acquisition of a subsidiary	-	(5,380)
Loan to associates	(43,488)	(6,286)
<b>Net cash flows used in investing activities</b>	<b>(115,346)</b>	<b>(8,842)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(1,047)	(646)
Repayment of hire purchase creditors	(3,641)	(4,058)
Proceeds from bank loans	165,194	12,383
Repayment of bank loans and bills payable	(7,378)	(39,479)
(Repayment to) / loan from minority shareholders of subsidiary companies	(17,116)	5,294
Contribution from non-controlling interest of a subsidiary company	20	-
Dividend paid on ordinary shares	(10,595)	(8,476)
<b>Net cash flows generated from / (used in) financing activities</b>	<b>125,437</b>	<b>(34,982)</b>
Net (decrease)/increase in cash and cash equivalents	(15,916)	36,915
Effect of exchange rate changes on cash and cash equivalents	23	-
Cash and cash equivalents at beginning of the year	186,778	149,863
<b>Cash and cash equivalents at end of the year *</b>	<b>170,885</b>	<b>186,778</b>
	<b>The Group (S\$'000) 31-May-13</b>	<b>The Group (S\$'000) 31-May-12</b>
<b>* Breakdown of cash and cash equivalents at the end of year:</b>		
Cash at bank and in hand	101,352	130,828
Fixed deposits	69,533	55,950
<b>Total</b>	<b>170,885</b>	<b>186,778</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 immediately preceding financial year.

Group							
	Share capital	Capital reserve	Translation reserve	Fair Value adjustment reserve	Retained earnings	Non-controlling interests	Total equity
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
<b>Opening balance as at 1 June 2011</b>	82,275	-	375	293	104,863	1,461	189,267
<b>Profit/(loss) for the year</b>	-	-	-	-	52,086	(322)	51,764
<u>Other comprehensive income</u>							
Net gain on fair value changes of available-for-sale financial assets	-	-	-	86	-	-	86
Reclassification of foreign currency exchange differences on liquidation of a jointly-controlled entity	-	-	(345)	-	-	-	(345)
Foreign currency translation	-	-	(49)	-	-	-	(49)
<b>Other comprehensive (loss)/income for the year, net of tax</b>	-	-	(394)	86	-	-	(308)
<b>Total comprehensive (loss)/income for the year</b>	-	-	(394)	86	52,086	(322)	51,456
<u>Contributions by and distributions to owners</u>							
Dividends on ordinary shares	-	-	-	-	(8,476)	-	(8,476)
Acquisition of non-controlling interests without a change in control	-	351	-	-	-	(351)	-
Contribution by minority shareholder of a subsidiary company	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	351	-	-	(8,476)	(351)	(8,476)
<b>Closing balance as at 31 May 2012</b>	82,275	351	(19)	379	148,473	788	232,247
<b>Opening balance as at 1 June 2012</b>	82,275	351	(19)	379	148,473	788	232,247
<b>Profit for the year</b>	-	-	-	-	39,442	759	40,201
<u>Other comprehensive income</u>							
Net gain on fair value changes of available-for-sale financial assets	-	-	-	213	-	-	213
Foreign currency translation	-	-	8	-	-	-	8
<b>Other comprehensive income for the year, net of tax</b>	-	-	8	213	-	-	221
<b>Total comprehensive income for the year</b>	-	-	8	213	39,442	759	40,422
<u>Contributions by and distributions to owners</u>							
Dividends on ordinary shares	-	-	-	-	(10,595)	-	(10,595)
Acquisition of non-controlling interests without a change in control	-	123	-	-	-	(123)	-
Contribution by minority shareholder of a subsidiary company	-	-	-	-	-	20	20
Total contributions by and distributions to owners	-	123	-	-	(10,595)	(103)	(10,575)
<b>Closing balance as at 31 May 2013</b>	82,275	474	(11)	592	177,320	1,444	262,094

  

Company			
	Share Capital	Retained Earnings	Total equity
	S\$ '000	S\$ '000	S\$ '000
<b>Opening balance as at 1 June 2011</b>	82,275	8,877	91,152
Profit for the year	-	26,423	26,423
<b>Other comprehensive income for the year, net of tax</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	26,423	26,423
<u>Contributions by and distribution to owners</u>			
Dividends on ordinary shares	-	(8,476)	(8,476)
<b>Closing balance as at 31 May 2012</b>	82,275	26,824	109,099
<b>Opening balance as at 1 June 2012</b>	82,275	26,824	109,099
Profit for the year	-	7,124	7,124
<b>Other comprehensive income for the year, net of tax</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	7,124	7,124
<u>Contributions by and distribution to owners</u>			
Dividends on ordinary shares	-	(10,595)	(10,595)
<b>Closing balance as at 31 May 2013</b>	82,275	23,353	105,628

**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**

The total number of issued shares as at 31 May 2013 is 529,760,000 shares (FY2012: 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 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 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 financial year compared with the audited financial statements as at 31 May 2012, 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 2012. 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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

<b>Earnings per share attributable to equity holders of the Company (cents per share)</b>	<b>12 months ended 31-May-13</b>	<b>12 months ended 31-May-12</b>
(a) On a basic basis	7.45	9.83
(b) On a fully diluted basis	7.45	9.83

Earnings per share is calculated based on 529,760,000 ordinary shares in issue (FY2012: 529,760,000 shares)

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

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31-May-13</b>	<b>31-May-12</b>	<b>31-May-13</b>	<b>31-May-12</b>
Net asset value per ordinary share based on issued share capital at the end of the year reported on (cents)	49.20	43.69	19.94	20.59

Net asset value per share is calculated based on 529,760,000 ordinary shares in issue at the end of the current financial year (FY2012: 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 financial year ended 31 May 2013 ("FY2013") increased 13.6% to \$505.6 million compared with \$445.0 million recorded for the financial year ended 31 May 2012 ("FY2012"). The increase was mainly due to increase in revenue from the construction and ready-mixed concrete segments, partially offset by decrease in revenue from the property development segment. The construction segment remained the key driver to the Group revenue, contributing about 75% while its property development and ready-mixed concrete segments contributed 5% and 20% respectively.

Cost of sales increased in line with the revenue increase. However, the Group recorded a 11.6% decline in gross profit to \$64.9 million from \$73.5 million in FY2012, largely attributable to the decline in the overall gross profit margin in FY2013.

Other operating income decreased by 55.9% to \$6.4 million in FY2013 from \$14.6 million in FY2012, mainly attributable to the gain on sale of the industrial property at New Industrial Road in FY2012 and decrease in dividend income in FY2013. However, this decrease was offset by write back of allowance for impairment loss of investment securities in LB Land Pte Ltd as well as increase in rental income.

The increase in distribution expense from \$2.3 million in FY2012 to \$2.6 million in FY2013 was attributed mainly to the increase in selling and marketing expense arising from the sale of the Spottiswoode Suites. Finance cost increased to \$1.0 million in FY2013 from \$0.6 million was due to interest paid to the minority shareholder for the loan as well as interest paid to the bank for financing the development of dormitory that was completed in March 2013.

Share of results of associates increased to \$3.3 million was due to the share of the results of one of the associates which was previously shown as investment securities, now reclassified as investment in associates.

The Group's income tax expense decreased 30.8% to \$7.4 million in FY2013 compared to \$10.6 million in the previous year, mainly due to lower tax provision as a result of lower profit for the financial year under review and overprovision of prior years' taxation.

After taking into account of the above, net profit after tax and earnings per share for the year was \$40.2 million and 7.5 cents respectively.

## B) Financial Position Statements

The increase in value of property, plant and equipment from \$50.0 million to \$58.8 million in FY2013 was largely attributed to addition of plant and machinery including vessels and mixer trucks for the Group's ready-mix concrete and construction business offset by the depreciation.

Investment properties rose from \$66.2 million to \$136.6 million in FY2013, mainly due to purchases of two units of residential properties at 111 Emerald Hill and progressive payment for long term investment in residential units. The increase was also due to development cost incurred for the workers' dormitory as well as the reclassification of development cost for vacant land at Mandai Estate that was granted permission to develop workers' dormitory from development property to investment property.

Investment securities decreased from \$18.2 million to \$9.3 million in FY2013 which was mainly due to the disposal of its 10% effective interest in the equity of Emerald Land Pte Ltd ("Emerald").

Development properties increased from \$96.7 million to \$162.4 million in FY2013 was mainly due to increase in costs incurred mainly for Lincoln Suites, M Space, Spottiswoode Suites and The Midtown (formerly known as Hougang Plaza) offset by the increase in progressive income received from Ola Residences, Lincoln Suites, M Space, The Midtown, and Spottiswoode Suites as well as the reclassification of development cost for vacant land at Mandai Estate that was granted permission to develop workers' dormitory from development property to investment property.

Other receivables and deposit decreased from \$22.6 million to \$2.3 million in FY2013 which was mainly due to the following:

- 1) Transfer of deposit of \$1.5 million paid for the purchases of vessels to fixed assets and the deposit of \$1.0 million paid for the sand was offset by the payment for the delivery of the sands;
- 2) Reclassification of contributions to Group's affiliates for the acquisition of properties located at Newest (formerly known as Hong Leong Garden), Floraville (formerly known as Seletar Garden) and KAP Residence (formerly known as King Albert Park) to amount due by associates totalling \$10.0 million;
- 3) The payment of \$2.0 million on behalf of the joint venture partner for Spottiswoode Suites was settled during the completion period in June 2012; and
- 4) The payment of loan of \$6.4 million owed by Emerald following the disposal of its 10% effective interest in Emerald.

The amount due from associates increased from \$6.3 million to \$63.5 million at the Group level in FY2013 which was mainly due to the Group's proportionate contribution to the associates for the acquisition of the land and properties for redevelopment located at Floraville, KAP Residence, Newest, 160 Changi Road, Tampines Industrial Crescent and Eco-Tech@Sunview and reclassification of other receivables of \$10.0 million to amount due from associates.

The amount due by jointly-controlled entities of \$26.9 million at the Company level in FY2013 was mainly due to the Company's contribution to the jointly-controlled entity, Spottiswoode Development Pte Ltd to redevelop the property known as Spottiswoode Suites.

Increase in trade debtors from \$124.4 million to \$161.2 million as well as trade and other creditors from \$118.9 million to \$134.8 million in FY2013 were in line with increase in the revenue.

Total bank borrowings increased to \$270.4 million in FY2013 from \$111.1 million which was mainly due to increase in bank borrowings to finance the development projects at Spottiswoode Suites, The Midtown and M-Space as well as Dormitory at Mandai Estate. Gearing was 0.38 as at 31 May 2013 compared to net cash as at 31 May 2012.

## C) Cash flow Statements

Net cash used in operating activities in FY2013 was \$26.0 million. This was mainly due to operating cashflow before changes in working capital of \$52.1 million offset by net working capital outflow of \$65.5 million and payment of income tax of \$9.8 million as well as interest payment of \$2.8 million capitalised in development properties.

Net cash used in investing activities in FY2013 increased to \$115.3 million which was mainly due to purchase of two units of residential properties at 111 Emerald Hill, progressive payments for long term investment in residential units and development cost incurred for workers' dormitory as well as addition to plant and machinery. The increase was also due to the Group proportional contribution to the associates for the financing of acquisition of the land and properties for redevelopments located at 160 Changi Road, Tampines Industrial Crescent, Floraville, KAP Residence, Newest and Eco-Tech @Sunview. However, the increase was partly offset by proceeds from interest and dividend income as well as proceeds from the disposal of its 10% effective interest in Emerald and the disposal of a residential unit.

Net cash generated from financing activities increased to \$125.4 million in FY2013 was mainly attributable to increase in bank loans used to finance the acquisitions and developments of properties at Spottiswoode Suites, The Midtown and M Space as well as Dormitory.

As at the end of FY2013, the Group's cash and cash equivalents stood at \$170.9 million compared to a balance of \$186.8 million as at end of the previous financial year.

### 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 Full Year Results is in line with the cautious market outlook previously announced in paragraph 10 of the 3Q 2013 Results announcement.

### 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

For 2013, total construction demand is projected to be between S\$26 billion and S\$32 billion, of which about 75.3% comprises building works. The support is expected to come from the continued strong public housing and private residential developments as well as construction demand for industrial, commercial and institutional building projects. For 2014 and 2015, the average construction demand is projected to range between S\$20 billion and S\$28 billion per annum (source: BCA's forecast, 16 January 2013). The Group is cautiously optimistic of the construction market outlook in the next 12 months and will continue to leverage on its established track record and capability to tender for more public and private sector projects.

Since Feb 2013, the Group has successfully secured 9 building projects comprising residential, commercial, industrial and institutional projects worth a total of \$915 million. As at 31 May 2013, Group's order book stood at \$1.3 billion. This should provide it with a constant flow of activities through FY2016.

The Group had fully sold out its 55%-owned industrial development project, known as M Space at Mandai Estate. In line with the adoption of accounting standard INT FRS 115, the Group can only recognise the revenue and related costs of development when the project obtains TOP. The project is expected to receive TOP in FY2014.

The Group will continue to explore business opportunities in the region through acquisition, joint venture/or strategic alliances that would complement its construction and property development business thereby expanding its revenue sources and earnings base in providing sustainable growth prospects in the future for the Group.

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

**Any dividend recommended for the current financial period reported on?**

Yes.

Name of Dividend	:	<b>First &amp; Final</b>	<b>Special</b>
Dividend Type	:	Cash	Cash
Dividend Amount per share	:	\$0.01	\$0.0025
Tax Rate	:	Tax exempt (1-Tier)	Tax exempt (1-Tier)

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

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

Yes.

Name of Dividend	:	<b>First &amp; Final</b>	<b>Special</b>
Dividend Type	:	Cash	Cash
Dividend Amount per share	:	\$0.01	\$0.01
Tax Rate	:	Tax exempt (1-Tier)	Tax exempt (1-Tier)

**(c) Date payable**

The first and final dividend, if approved at the Annual General Meeting to be held on 26 September 2013, will be paid on 16 October 2013.

**(d) Books closure date**

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 4 October 2013 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902 up to 5.00 p.m. on 3 October 2013 will be registered to determine shareholders' entitlements to such dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 3 October 2013 will be entitled to the proposed dividend.

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

Not applicable

**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

(a) By Business Segments

(Figures in \$'000)

FY2013							
	Construction	Manufacturing of Concrete	Engineering & Leasing of Construction Machinery	Property Development	Investment Holding	Elimination	Group
<b>Revenue</b>							
External Customers	376,792	103,438	506	23,617	1,253	-	505,606
Inter-segment	64,191	14,732	18,724	-	8,677	(106,324)	-
Total revenue	440,983	118,170	19,230	23,617	9,930	(106,324)	505,606
<b>Results:</b>							
Interest income	1,008	2	35	52	117	-	1,214
Finance cost	168	310	24	1	544	-	1,047
Dividend income	15	-	-	-	-	-	15
Depreciation and amortisation	5,235	2,692	1,586	34	425	(65)	9,907
Share of result of associates	-	-	-	114	3,210	-	3,324
Write back of impairment loss of an investment property	180	-	-	-	-	-	180
Write back of impairment loss of unquoted investment securities	-	-	-	-	1,194	-	1,194
<u>Other non-cash expenses:</u>							
Deposit written off	-	322	-	-	-	-	322
Bad debt written off	-	58	1	-	-	-	59
Allowance for impairment on doubtful receivables	120	160	-	-	-	-	280
Segment profit	39,946	5,814	3,495	557	265	(2,509)	47,568
<b>Assets:</b>							
Investment in associates	-	-	-	668	436	-	1,104
Additions to non-current assets	7,725	10,211	1,545	6	77,127	(4,628)	91,986
Segment assets	417,897	53,909	29,594	283,298	271,522	(263,545)	792,675
<b>Segment liabilities</b>	245,868	33,306	9,076	278,562	160,633	(196,864)	530,581

FY2012							
	Construction	Manufacturing of Concrete	Engineering & Leasing of Construction Machinery	Property Development	Investment Holding	Elimination	Group
<b>Revenue</b>							
External Customers	334,482	77,267	356	32,897	9	-	445,011
Inter-segment	15,774	14,652	14,365	-	12,177	(56,968)	-
<b>Total revenue</b>	<b>350,256</b>	<b>91,919</b>	<b>14,721</b>	<b>32,897</b>	<b>12,186</b>	<b>(56,968)</b>	<b>445,011</b>
<b>Results:</b>							
Interest income	646	2	-	41	751	-	1,440
Finance cost	210	224	29	13	170	-	646
Dividend income	15	-	-	-	3,135	-	3,150
Depreciation and amortisation	4,052	1,742	1,559	43	65	(161)	7,300
Share of result of associate	-	-	-	(48)	-	-	(48)
<u>Other non-cash expenses:</u>							
Impairment loss of an investment property	700	-	-	-	-	-	700
Impairment loss of unquoted investment securities	-	-	-	-	1,194	-	1,194
Bad debt written off	-	35	-	-	-	-	35
Allowance for impairment on doubtful receivables	5	-	-	-	-	-	5
Write-off of intangible assets	-	-	-	129	-	-	129
<b>Segment profit/(loss)</b>	<b>42,967</b>	<b>7,910</b>	<b>3,483</b>	<b>382</b>	<b>8,878</b>	<b>(1,216)</b>	<b>62,404</b>
<b>Assets:</b>							
Additions to non-current assets	13,558	5,800	804	14,097	330	(4)	34,585
<b>Segment assets</b>	<b>372,059</b>	<b>39,063</b>	<b>24,790</b>	<b>188,887</b>	<b>157,146</b>	<b>(194,576)</b>	<b>587,369</b>
<b>Segment liabilities</b>	<b>226,037</b>	<b>22,907</b>	<b>6,877</b>	<b>185,707</b>	<b>44,283</b>	<b>(130,689)</b>	<b>355,122</b>

**(b) By Geographical Segments (Figures in S\$ '000)**

The Group operates predominantly in Singapore.

**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**

Please refer to items 8 and 14.

**16 A breakdown of sales**

	Group		Increase / (Decrease) %
	31-May-13 \$'000	31-May-12 \$'000	
Sales reported for first half year	234,924	237,670	-1.2%
Operating profit after tax and before deducting minority interests reported for first half year	19,780	30,490	-35.1%
Sales reported for second half year	270,682	207,341	30.5%
Operating profit after tax and before deducting minority interests reported for second half year	20,421	21,274	-4.0%

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

Total annual dividend proposed	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary Shares*	6,622	10,595
Preference Shares	-	-
Total	6,622	10,595

\* Please refer to item 11

**18 Disclosure of person occupying a 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 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
Ong Phang Hoo	39	Sibling of Ong Pang Aik, Ong Lay Huan and Ong Lay Koon.	Project Director. He is responsible for monitoring and overseeing the progress of the Group's construction projects and materials utilisation for the Group's construction projects and resolving onsite technical problems. Position held since 1999.	N.A.
Ong Phang Hui	39	Sibling of Ong Pang Aik, Ong Lay Huan and Ong Lay Koon.	Plant and Machinery Director. He is responsible for overseeing the maintenance and repair of the Group's plant and machinery and the coordination of the Group's scaffolding projects and monitoring the progress of the Group's projects and material utilisation for the Group's construction projects. He is also the Director of Sinmix Pte Ltd who is responsible for overseeing the operations and management of ready-mix concrete business. Position held since 1999.	N.A.
Ong Lee Yap	47	Sibling of Ong Pang Aik, Ong Lay Huan and Ong Lay Koon.	Purchasing Director. She is responsible for the administration of foreign workers' wages, materials procurement and materials and machinery logistic. Position held since 1999.	N.A.
Ong Eng Keong, Matthew	31	Son of Ong Pang Aik. Nephew of Ong Lay Huan and Ong Lay Koon	Executive Director of Lian Beng Realty Pte Ltd. He is responsible for the business development of Lian Beng Realty Pte Ltd, wholly owned subsidiary of the Company since 26 April 12.	N.A.
Ong Sui Hui	34	Daughter of Ong Pang Aik. Niece of Ong Lay Huan and Ong Lay Koon	Contracts Manager. She is managing a team of Quantity Surveyors and managing the tenders and all subcontract matters with effect from 1 July 2012.	N.A.

Note:

Ong Pang Aik (Chairman and Managing Director and Substantial Shareholder),  
Ong Lay Huan (Director and substantial shareholder) and Ong Lay Koon (Director) are siblings.

**BY ORDER OF THE BOARD**

Ong Pang Aik  
Chairman and Group Managing Director  
July 26, 2013