



Third Quarter Financial Statement And Dividend Announcement

Third quarter financial statements on consolidated results for the period ended 28 February 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 (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group		
	9 months ended 28 February 2011 S\$'000	9 months ended 28 February 2010 S\$'000	% Increase /(Decrease)
Revenue	379,936	240,474	58.0%
Cost of sales	(322,359)	(208,940)	54.3%
Gross profit	57,577	31,534	82.6%
Other operating income	4,972	2,976	67.1%
Distribution expenses	(781)	(1,473)	-47.0%
Administrative expenses	(11,196)	(9,103)	23.0%
Other operating expenses	(5,528)	(2,564)	115.6%
Finance costs	(692)	(797)	-13.2%
Profit before taxation	44,352	20,573	115.6%
Taxation	(7,492)	(3,059)	144.9%
Profit for the year	36,860	17,514	110.5%
Other comprehensive income :			
Foreign currency translation	275	76	261.8%
Fair value adjustment on available-for-sale financial assets	27	201	-86.6%
Other comprehensive income for the period, net of tax	302	277	9.0%
Total other comprehensive income for the period	37,162	17,791	108.9%
Profit attributable to :			
Owners of the parent	36,629	17,388	110.7%
Non-controlling interests	231	126	83.3%
	36,860	17,514	110.5%
Total comprehensive income attributable to:			
Owners of the parent	36,931	17,665	109.1%
Non-controlling interests	231	126	83.3%
	37,162	17,791	108.9%

Notes to Income Statements:

	The Group		
	9 months ended 28 February 2011 S\$'000	9 months ended 28 February 2010 S\$'000	% Increase /(Decrease)
Overprovision of tax in respect of prior years	24	381	-93.7%
Other income including interest income	976	1,274	-23.4%
Gain on disposal of plant & equipment	131	351	-62.7%
Gain on disposal of investment properties (Note 1)	3,662	174	2004.6%
Depreciation of property, plant and equipment (Note 2)	(4,255)	(3,149)	35.1%
Depreciation of investment properties	(61)	(92)	-33.7%
Allowance for impairment on doubtful receivables	(3)	(370)	-99.2%
Bad debt written off (Note 3)	(2,006)	-	NM*
Foreign exchange loss	(553)	(167)	231.1%

*NM - Not Meaningful

Explanatory notes:

- 1 The increase in gain on disposal of investment properties was mainly due to the gain arising from the sale of the commercial unit at Suntec City Tower One.
- 2 The increase in depreciation of property, plant and equipment was mainly due to addition of new equipment and machinery arising from the increase in construction activities.
- 3 The bad debt written off arose from the write off of an amount owed by Manhattan Resources Limited ("Manhattan") following an out-of-court settlement for both Suit 605 of 2008/Z and Suit 274 of 2010/A.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	The Group S\$'000		The Company S\$'000	
	28-Feb-11	31-May-10	28-Feb-11	31-May-10
<u>Non-current assets</u>				
Property, plant and equipment	46,595	41,930	-	-
Investment properties	31,985	14,071	-	-
Intangible assets	129	129	-	-
Investments in subsidiaries	-	-	29,189	28,688
Other receivables	-	-	-	-
Investment securities	11,319	11,292	-	-
	90,028	67,422	29,189	28,688
<u>Current assets</u>				
Construction work-in-progress	14,946	20,783	-	-
Development properties	97,825	90,264	-	-
Properties held for sale	6,154	6,154	-	-
Inventories	7,488	4,954	-	-
Trade receivables	132,297	104,402	-	-
Other receivables and deposits	32,774	37,453	69	9,443
Prepayments	1,265	1,439	7	8
Receivables from related parties	2	1	89,075	70,232
Amounts due from jointly-controlled entities	19	36	-	-
Asset held for sale (Note)	-	-	-	-
Investment securities	15	13	-	-
Fixed deposits	12,036	36,396	127	127
Cash and bank balances	107,742	34,361	633	50
	412,563	336,256	89,911	79,860
<u>Current liabilities</u>				
Progress billings in excess of construction work-in-progress	103,698	75,175	-	-
Trade payables and accruals	101,036	77,800	325	401
Other payables and deposits	1,150	1,100	113	52
Amounts due to related parties	8,488	4,855	38,144	20,580
Bank overdrafts	580	-	-	-
Bank loans	20,904	28,430	-	-
Bills payable	8,781	4,196	-	-
Current portion of obligations under hire purchase	3,679	2,829	-	-
Provision for taxation	6,881	4,484	-	-
	255,197	198,869	38,582	21,033
Net current assets	157,366	137,387	51,329	58,827
<u>Non-current liabilities</u>				
Bank loans	60,545	53,188	-	-
Obligations under hire purchase	7,694	6,080	-	-
Deferred tax liabilities	2,207	1,517	-	-
	70,446	60,785	-	-
Net assets	176,948	144,024	80,518	87,515
<u>Equity attributable to equity holders of the Company</u>				
Share capital	82,275	82,275	82,275	82,275
Foreign currency translation reserve	294	19	-	-
Fair value adjustment reserve	274	247	-	-
Accumulated profits	93,310	60,919	(1,757)	5,240
	176,153	143,460	80,518	87,515
Non-controlling interests	795	564	-	-
Total equity	176,948	144,024	80,518	87,515
	-	-	-	-

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 28 February 2011

Secured (S\$)	Unsecured (S\$)
33,944,000	0

As at 31 May 2010

Secured (S\$)	Unsecured (S\$)
35,455,000	0

Amount repayable after one year

As at 28 February 2011

Secured (S\$)	Unsecured (S\$)
68,239,000	0

As at 31 May 2010

Secured (S\$)	Unsecured (S\$)
59,268,000	0

Details of any collateral

As at 28 February 2011, the Group's borrowings of S\$102.2 million (31 May 2010 : S\$94.7 million) are secured by the Group's freehold and leasehold properties, development properties, properties held for sale, 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) 9 months ended 28-Feb-11	The Group (S\$'000) 9 months ended 28-Feb-10
<u>Cash flows from operating activities</u>		
Profit before taxation	44,352	20,573
<i>Adjustments for:-</i>		
Depreciation of property, plant and equipment	4,255	3,149
Depreciation of investment properties	61	92
Dividend income from investment securities	(9)	(7)
Gain on sale of property, plant and equipment	(131)	(351)
Gain on sale of investment properties	(3,662)	(174)
Net fair value (gain)/loss on investment securities	(2)	(5)
Reversal of share of loss in jointly-controlled entity	-	(414)
Asset written off	-	8
Forgiveness of loan from minority shareholder of a subsidiary	-	(25)
Interest income	(565)	(331)
Interest expense	692	797
Exchange translation difference	275	78
Bad debt written off	2,006	-
Allowance for impairment on doubtful receivables	3	370
Operating cash flows before changes in working capital	47,275	23,760
<u>Changes in working capital :-</u>		
Development properties	(6,507)	16,531
Interest paid, including amount capitalised in development properties	(1,054)	(1,560)
Construction work-in-progress	34,360	29,926
Inventories	(2,534)	(1,630)
Trade receivables	(27,895)	(10,039)
Other receivables and deposits	3,150	(5,194)
Prepayments	174	(406)
Trade payables, other payables, accruals and bills payable	27,871	6,115
Balances with related parties	(296)	1,838
	27,269	35,581
Cash flows generated from operations	74,544	59,341
Income tax paid	(4,436)	(3,928)
Income tax recovered	31	550
Net cash flows generated from operating activities	70,139	55,963
<u>Cash flows from investing activities</u>		
Interest received	88	25
Dividend income from investment securities	9	7
Purchase of property, plant and equipment	(5,404)	(7,894)
Purchase of investment properties	(25,451)	(2,368)
Proceeds from disposal of property, plant and equipment	301	497
Proceeds from disposal of investment properties	11,138	1,264
Additional investments in investment securities	-	(2,504)
Amount due from long term other receivable	-	937
Net cash flows used in investing activities	(19,319)	(10,036)
<u>Cash flows from financing activities</u>		
Interest paid	(692)	(797)
Proceeds from hire purchase creditors	1,504	-
Repayment of hire purchase creditors	(2,726)	(2,056)
Proceeds from bank loans	15,000	5,000
Repayment of bank loans	(15,169)	(22,086)
Release of fixed deposits pledged to bank	-	1,583
Loan from minority shareholders of subsidiary companies	3,942	517
Dividend paid on ordinary shares	(4,238)	(3,178)
Net cash flows used in financing activities	(2,379)	(21,017)
Net increase in cash and cash equivalents	48,441	24,910
Cash and cash equivalents at beginning of the period	70,757	24,945
Cash and cash equivalents at end of the period *	119,198	49,855

*** Breakdown of cash and cash equivalents at the end of period:**

	\$'000	\$'000
Cash at bank and in hand	107,742	23,051
Fixed deposits	12,036	27,935
Fixed deposit and cash at bank pledged to bank	-	(1,131)
Bank overdrafts	(580)	-
Total	119,198	49,855

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year**

	Group					
	Share Capital	Translation Reserve	Fair Value Adj Reserve	Accumulated Profit	Non-controlling interests	Total
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Balance as at 1 June 2009	82,275	(71)	103	40,062	376	122,745
Total comprehensive income for the period	-	76	201	17,388	126	17,791
Dividends paid on ordinary shares	-	-	-	(3,178)	-	(3,178)
Balance as at 28 February 2010	82,275	5	304	54,272	502	137,358
Balance as at 1 June 2010	82,275	19	247	60,919	564	144,024
Total comprehensive income for the period	-	275	27	36,629	231	37,162
Dividends paid on ordinary shares	-	-	-	(4,238)	-	(4,238)
Balance as at 28 February 2011	82,275	294	274	93,310	795	176,948

	Company		
	Share Capital	Accumulated Profit	Total
	S\$ '000	S\$ '000	S\$ '000
Balance as at 1 June 2009	82,275	3,424	85,699
Total comprehensive income for the period	-	(338)	(338)
Dividends paid on ordinary shares	-	(3,178)	(3,178)
Balance as at 28 February 2010	82,275	(92)	82,183
Balance as at 1 June 2010	82,275	5,240	87,515
Total comprehensive income for the period	-	(2,759)	(2,759)
Dividends paid on ordinary shares	-	(4,238)	(4,238)
Balance as at 28 February 2011	82,275	(1,757)	80,518

- 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 28 February 2011 is 529,760,000 shares (FY 2010: 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 2010, 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 2010. 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)	9 months ended	9 months ended
	28-Feb-11	28-Feb-10
(a) On a basic basis	6.91	3.28
(b) On a fully diluted basis	6.91	3.28

Earnings per share is calculated based on 529,760,000 ordinary shares for the current period (9M10: 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
	28-Feb-11	31-May-10	28-Feb-11	31-May-10
	33.25	27.08	15.20	16.52

Net asset value per share is calculated based on 529,760,000 ordinary shares in issue at the end of the current period (FY2010: 529,760,000 shares).

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

A) Income Statements

Group revenue for the nine months ended 28 February 2011 ("9M11") rose 58% to \$380.0 million from \$240.5 million registered for the corresponding period in 2010 ("9M10"). The strong revenue growth was mainly due to higher revenue recognition from on-going construction projects, as well as contribution from its property development and ready-mixed concrete businesses. The construction segment continues to be the Group's major revenue contributor, accounting for about 85% of the Group's total revenue.

In line with the increase in revenue, gross profit also increased by \$26.0 million or 82.6% to \$57.6 million in 9M11 from \$31.5 million in 9M10.

Other operating income rose 67.1% to \$5.0 million in 9M11, mainly attributable to the gain on sale of investment property at Suntec City Tower One. The increase in other operating expenses of \$3.0 million or 115.6% was caused by the write off of an amount owed by Manhattan following an out-of-court settlement.

The Group recorded a 115.6% growth in profit before tax of \$44.4 million compared to \$20.6 million in 9M10. The Group's net profit attributable to shareholders grew to \$36.6 million, a 110.7% jump from \$17.4 million recorded in 9M10.

B) Balance Sheet Statements

The increase in value of property, plant and equipment from \$41.9 million to \$46.6 million in the nine months was largely attributable to the purchase of equipment and machinery coupled with the cost incurred for the Group's new head office building. The Group's recent acquisition of a light industrial building along New Industrial Road boosted the value of investment property from \$14.1 million to \$32.0 million, after offsetting the sale of the commercial unit at Suntec City Tower One.

In line with the increase in business activities, the Group saw higher trade receivables, trade payables and accruals as well as progress billings in excess of construction work-in-progress. Inventories increased from \$5.0 million to \$7.5 million and bills payable increased from \$4.2 million to \$8.8 million due to purchase of raw materials for the construction and ready-mixed concrete businesses.

Development properties increased to \$97.8 million from \$90.3 million mainly due to the acquisition of a freehold land parcel at Mandai Estate along Woodlands Road for industrial development. Other receivables and deposits decreased from \$37.5 million to \$32.7 million largely due to the debt payment by Manhattan and write-off of an amount owed by Manhattan offsetting loan to the Group's 10%-owned property development entity, Emerald Land Pte Ltd.

In respect of the Company's lawsuit against Manhattan for outstanding debt amounting to \$9.4 million ("Claim Sum"), the Company has received \$7.4 million and the Company has also filed a Notice of Discontinuance against Manhattan in Suit 605 of 2008/Z in pursuance of the terms of Settlement.

Amount due to related parties increased from \$4.9 million to \$8.5 million over the nine-month period. This was mainly due to contribution from the shareholder of a Group's subsidiary company in relation to the acquisition of the freehold land parcel at Mandai Estate for industrial development.

The increase in total borrowings to \$102.2 million from \$94.7 million arose mainly from bank borrowings to finance the acquisition of a light industrial building along New Industrial Road.

C) Cash Flow Statements

Net cash generated from operating activities rose to \$70.0 million from \$56.0 million a year ago. This was mainly due to higher profit generated offset by lower net working capital inflow in 9M11.

The increase in net cash used in investing activities was mainly attributable to the acquisition of a light industrial building along New Industrial Road offset by the sale of the commercial unit at Suntec City Tower One.

The decrease in net cash used in financing activities was attributable to higher bank borrowings to finance the acquisition of property at New Industrial Road as well as contribution from the shareholder of a Group's subsidiary company to finance the acquisition of a freehold land parcel Mandai Estate. The decrease was also due to a decrease in repayment of existing borrowings.

Overall, cash and cash equivalents stood at \$119.2 million as at 28 February 2011, representing an improvement of \$69.3 million, from \$49.9 million as at 28 February 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 Third Quarter Results is in line with the positive market outlook previously announced in the paragraph 10 of the First Half 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 domestic front, the Singapore Government is expected to roll out infrastructure projects in the year ahead to support the local economy. 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. It will continue to focus on its construction, engineering and ready-mixed concrete businesses, and leverage on its established track record, capabilities and financial strength to tender for more projects from the public and private sectors.

As announced by the Company on 12 April 2011, the Company has granted an option to purchase to sell the property at New Industrial Road. Should the option to purchase be exercised, completion of the sale is expected to take place after 31 May 2011. The Group intends to use the net proceeds from the sale for future investment activities.

As at 28 February 2011, the Group's order book stood at a healthy \$661 million which should provide a steady flow of activities through FY2013.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

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

(d) Books closure date

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

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

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

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

Not applicable

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

Not applicable

15 A breakdown of sales

Not applicable

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

Not applicable

BY ORDER OF THE BOARD

Ong Pang Aik
Chairman and Managing Director
April 12, 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 third quarter ended 28 February 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 third quarter financial results for the period ended 28 February 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

12 April 2011