



LIAN BENG GROUP LTD

First Half Financial Statement And Dividend Announcement

First half financial statements on consolidated results for the period ended 30 November 2009.

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		
	6 months ended	6 months ended	% Increase /(Decrease)
	30 November 2009 S\$'000	30 November 2008 S\$'000	
Revenue	157,594	150,975	4.4%
Cost of sales	(136,687)	(132,545)	3.1%
Gross profit	20,907	18,430	13.4%
Other operating income	1,503	1,423	5.6%
Distribution expenses	(744)	(808)	-7.9%
Administrative expenses	(5,896)	(5,076)	16.2%
Other operating expenses	(1,964)	(1,454)	35.1%
Finance costs	(502)	(1,100)	-54.4%
Profit before taxation	13,304	11,415	16.5%
Taxation	(1,898)	(2,479)	-23.4%
Profit for the year	11,406	8,936	27.6%
Other comprehensive income :			
Foreign currency translation	135	(165)	NM*
Fair value adjustment on available-for-sale financial assets	108	(244)	NM*
Other comprehensive income for the period, net of tax	243	(409)	NM*
Total other comprehensive income for the period, net of tax	11,649	8,527	36.6%
Profit attributable to :			
Equity holders of the Company	11,300	8,785	28.6%
Minority interests	106	151	-29.8%
	11,406	8,936	27.6%
Total comprehensive income attributable to:			
Equity holders of the Company	11,543	8,376	37.8%
Minority interests	106	151	-29.8%
	11,649	8,527	36.6%

Notes to Income Statements:

	The Group		
	6 months ended	6 months ended	% Increase /(Decrease)
	30 November 2009 S\$'000	30 November 2008 S\$'000	
Overprovision of tax in respect of prior years (Note 1)	444	-	NM*
Other income including interest income	635	676	-6.1%
Gain on disposal of plant & equipment (Note 2)	305	46	563.0%
Depreciation of property, plant and equipment (Note 3)	(2,025)	(1,629)	24.3%
Depreciation of investment properties	(63)	(68)	-7.4%
Allowance for impairment on doubtful receivables	(312)	(1)	NM*
(Loss)/gain of foreign exchange	(347)	692	NM*

* Not Meaningful

Explanatory notes:

- 1 It relates to refund of tax of \$444,000 from the settlement of outstanding tax issue in prior years.
- 2 The increase in gain on disposal of plant and equipment was due to sale of certain fixed assets during the financial period under review.
- 3 The increase in depreciation of property, plant and equipment was mainly due to the set up of the second batching plant and purchase of machinery arising from the expansion of ready-mixed concrete business.

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	
	30-Nov-09	31-May-09	30-Nov-09	31-May-09
<u>Non-current assets</u>				
Property, plant and equipment	39,326	32,524	-	-
Investment properties	12,530	11,959	-	-
Intangible assets	129	129	-	-
Investments in subsidiaries	-	-	28,688	28,688
Other receivables	854	2,494	-	-
Investment securities	11,257	8,644	-	-
	64,096	55,750	28,688	28,688
<u>Current assets</u>				
Construction work-in-progress	30,325	29,522	-	-
Development properties	97,382	107,558	-	-
Properties held for sale	5,840	5,840	-	-
Inventories	5,196	2,083	-	-
Trade receivables	87,330	87,204	-	-
Other receivables and deposits	34,148	29,391	9,445	9,517
Prepayments	750	1,042	5	3
Receivables from related parties	17	10	71,546	60,957
Amounts due from jointly-controlled entities	1,879	2,182	-	-
Asset held for sale (Note)	-	-	-	-
Investment securities	15	10	-	-
Fixed deposits	9,200	7,656	1,151	1,115
Cash and bank balances	30,937	30,367	44	48
	303,019	302,865	82,191	71,640
<u>Current liabilities</u>				
Progress billings in excess of construction work-in-progress	52,765	38,838	-	-
Trade payables and accruals	65,571	63,306	-	-
Other payables and deposits	1,879	5,140	250	478
Amounts due to related parties	4,568	3,942	27,231	13,103
Bank overdrafts	415	10,364	-	-
Bank loans	12,271	15,098	1,076	1,048
Bills payable	5,843	885	-	-
Current portion of obligations under hire purchase	2,630	2,132	-	-
Provision for taxation	4,385	4,067	-	-
	150,327	143,772	28,557	14,629
Net current assets	152,692	159,093	53,634	57,011
<u>Non-current liabilities</u>				
Bank loans	78,304	87,102	-	-
Obligations under hire purchase	6,365	4,290	-	-
Deferred tax liabilities	903	706	-	-
	85,572	92,098	-	-
Net assets	131,216	122,745	82,322	85,699
<u>Equity attributable to equity holders of the Company</u>				
Share capital	82,275	82,275	82,275	82,275
Foreign currency translation reserve	64	(71)	-	-
Fair value adjustment reserve	211	103	-	-
Accumulated profits	48,184	40,062	47	3,424
	130,734	122,369	82,322	85,699
Minority interests	482	376	-	-
Total equity	131,216	122,745	82,322	85,699
	-	-	-	-

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 30 November 2009

Secured (S\$)	Unsecured (S\$)
21,159,000	0

As at 31 May 2009

Secured (S\$)	Unsecured (S\$)
28,479,000	0

Amount repayable after one year

As at 30 November 2009

Secured (S\$)	Unsecured (S\$)
84,669,000	0

As at 31 May 2009

Secured (S\$)	Unsecured (S\$)
91,391,000	0

Details of any collateral

As at 30 November 2009, the Group's borrowings of S\$105.8 million (31 May 2009 : S\$119.9 million) are secured by the Group's freehold and leasehold properties, development properties, properties held for sale, plant, machinery, motor vehicles, and fixed deposits. 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) 6 months ended 30-Nov-09	The Group (S\$'000) 6 months ended 30-Nov-08
<u>Cash flows from operating activities</u>		
Profit before taxation	13,304	11,415
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	2,025	1,629
Depreciation of investment properties	63	68
Dividend income from investment securities	(4)	(10)
Gain on sale of property, plant and equipment	(305)	(46)
Gain on sale of investment property	(75)	-
Net fair value (gain)/loss on investment securities	(5)	3
Share of loss in jointly-controlled entity	-	317
Interest income	(25)	(81)
Interest expense	502	1,100
Exchange translation difference	138	(202)
Allowance for impairment on doubtful receivables	312	1
Operating cash flows before changes in working capital	15,930	14,194
<u>Changes in working capital :-</u>		
Development properties	11,267	(1,199)
Interest paid, including amount capitalised in development properties	(1,091)	(1,136)
Construction work-in-progress	13,128	28,560
Inventories	(3,113)	(4,908)
Trade receivables	(126)	(32,608)
Other receivables and deposits	(4,824)	(2,349)
Prepayments	292	(739)
Trade payables, other payables, accruals and bills payable	3,962	26,955
Balances with related parties	324	2,328
Cash flows generated from operations	35,749	29,098
Income tax paid	(1,856)	(2,054)
Income tax recovered	549	76
Net cash flows generated from operating activities	34,442	27,120
<u>Cash flows from investing activities</u>		
Interest received	15	33
Dividend income from investment securities	4	10
Purchase of property, plant and equipment	(5,052)	(1,346)
Purchase of investment properties	(1,318)	-
Proceeds from disposal of property, plant and equipment	438	118
Proceeds from disposal of investment property	758	-
Additional investments in investment securities	(2,504)	(7,845)
Amount due from long term other receivable	1,640	8,155
Net cash flows used in investing activities	(6,019)	(875)
<u>Cash flows from financing activities</u>		
Interest paid	(502)	(1,100)
Repayment of hire purchase creditors	(1,341)	(810)
Proceeds from bank loans	4,555	8,498
Repayment of bank loans	(16,180)	(10,318)
Increase in fixed deposits pledged to bank	(2)	(899)
Loan from minority shareholder of a subsidiary company	286	357
Dividend paid on ordinary shares	(3,178)	(2,500)
Net cash flows used in financing activities	(16,362)	(6,772)
Net increase in cash and cash equivalents	12,061	19,473
Cash and cash equivalents at beginning of the period	24,945	(15,564)
Cash and cash equivalents at end of the period *	37,006	3,909
* Breakdown of cash and cash equivalents at the end of period:	\$'000	\$'000
Cash at bank and in hand	30,937	19,513
Fixed deposits	9,200	6,619
Fixed deposit and cash at bank pledged to bank	(2,716)	(3,802)
Bank overdrafts	(415)	(18,421)
Total	37,006	3,909

- 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	Minority Interest	Total
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Balance as at 1 June 2008	82,275	(11)	209	25,550	157	108,180
Total comprehensive income for the period	-	(165)	(244)	8,785	151	8,527
Dividends paid on ordinary shares	-	-	-	(2,500)	-	(2,500)
Balance as at 30 November 2008	82,275	(176)	(35)	31,835	308	114,207
Balance as at 1 June 2009	82,275	(71)	103	40,062	376	122,745
Total comprehensive income for the period	-	135	108	11,300	106	11,649
Dividends paid on ordinary shares	-	-	-	(3,178)	-	(3,178)
Balance as at 30 November 2009	82,275	64	211	48,184	482	131,216

	Company		
	Share Capital	Accumulated Profit	Total
	S\$ '000	S\$ '000	S\$ '000
Balance as at 1 June 2008	82,275	2,921	85,196
Total comprehensive income for the period	-	(263)	(263)
Dividends paid on ordinary shares	-	(2,500)	(2,500)
Balance as at 30 November 2008	82,275	158	82,433
Balance as at 1 June 2009	82,275	3,424	85,699
Total comprehensive income for the period	-	(199)	(199)
Dividends paid on ordinary shares	-	(3,178)	(3,178)
Balance as at 30 November 2009	82,275	47	82,322

- 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 30 November 2009 is 529,760,000 shares (FY 2009: 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 adopted 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 2009, except for the adoption of certain revised Financial Reporting Standards ("FRS") and interpretation of FRS ("INT FRS") that became mandatory from 1 June 2009. The adoption of these FRS and INT FRS did not result in any substantial changes to the Group's accounting policies or any significant impact on the financial statements except for the presentation of financial statements as required by FRS 1 (Revised) Presentation of Financial Statements as disclosed in item 5 below.

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

FRS 1 (Revised) Presentation of Financial Statements requires an entity to present all non-owner changes in equity in a Statement of Comprehensive Income ("SCI"). Non-owner changes will include items of income and expense recognised directly in equity. Previously such non-owner changes were included in the statement of changes in equity. This is a change of presentation and does not affect the recognition or measurement of the entity's transactions. An entity may choose to present the SCI in a single statement, or in two statements (a separate income statement and a SCI). The Group is presenting SCI in a single statement.

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)	6 months ended	
	30-Nov-09	30-Nov-08
(a) On a basic basis	2.13	1.66
(b) On a fully diluted basis	2.13	1.66

Earnings per share is calculated based on 529,760,000 ordinary shares for the current period (1H09: 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
	30-Nov-09	31-May-09	30-Nov-09	31-May-09
	24.68	23.10	15.54	16.18

Net asset value per share is calculated based on 529,760,000 ordinary shares in issue at the end of the current period (FY2009: 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 half year ended 30 November 2009 ("1H10"), rose 4.4% to \$157.6 million from \$151.0 million registered for the corresponding period in 2008 ("1H09"). The increase was due mainly to higher revenue recognition from construction activities, property development and ready-mixed concrete business.

In line with the rise in revenue, cost of sales also increased. As a result, the Group recorded a 13.4% improvement in gross profit to \$20.9 million from \$18.4 million in 1H09. Gross margin for 1H10 was 13.3%, versus 12.2% in 1H09.

The Group suffered a net foreign exchange loss in 1H10 compared to net foreign exchange gain in 1H09 as a result of the weakening United States dollar, which contributed to the increase in other operating expenses. On the back of lower borrowings, finance expenses fell to \$0.5 million compared to \$1.1 million in 1H09. Taxation fell 23.4% to \$1.9 million in 1H10 from \$2.5 million in 1H09, due to refund of tax amount of \$0.5 million arising from the settlement of outstanding tax issue in prior years.

Taking into account of the above factors, the Group recorded a 27.6% increase in net profit to \$11.4 million for 1H10, compared to \$8.9 million for 1H09.

B) Balance Sheet Statements

Property, plant and equipment increased from \$32.5 million to \$39.3 million mainly due to the set up of a second batching plant and purchase of machinery and mixer trucks for the expansion of the Group's ready-mixed concrete business, together with the acquisition of the Group's new head office building that is currently under construction.

While long-term other receivables decreased from \$2.5 million to \$0.9 million, investment securities increased from \$8.6 million to \$11.3 million. This was due mainly to the conversion of shareholder's loan pertaining to Emerald Land Pte Ltd into unquoted preference share capital.

Development properties decreased to \$97.4 million from \$107.6 million due to the progressive recognition of income for Ola Residences, the Group's property development project.

Other payables and deposits decreased from \$5.1 million to \$1.9 million mainly due to the offsetting of advance payment received against work completed. Inventory decreased from \$5.2 million to \$2.1 million, mainly due to utilization of construction materials for projects on hand as well as for the expansion of ready-mixed concrete business. Bills payable increased from \$0.9 million to \$5.8 million mainly due to the purchase of materials for the construction projects.

Progress billings in excess of construction work-in-progress increased from \$38.9 million to \$52.8 million, in view that billings for the construction work done were made ahead of the cost of work incurred for various construction projects.

Total borrowings decreased from \$119.9 million to \$105.8 million mainly due to lower bank borrowings and increase in repayment of existing borrowings in 1H10.

C) Cash Flow Statements

Net cash generated from operating activities rose to \$34.4 million from \$27.1 million a year ago. This was mainly due to profits generated, along with a decline in development properties and increase in trade payables, other payables, bills payables and progress billings in excess of work-in-progress.

The increase in net cash used in investing activities was mainly due to the Group's set up of a second batching plant and purchase of machinery and mixer trucks for the expansion of ready-mixed concrete business as well as the construction of its new corporate head office building.

The increase in net cash used in financing activities was attributable to lower bank borrowings together with an increase in repayment of existing borrowings and payment of dividends to ordinary shareholders.

Overall, cash and cash equivalents stood at \$37.0 million as at 30 November 2009, representing an improvement of \$33.1 million, from \$3.9 million as at 30 November 2008.

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 been previously disclosed to shareholders.

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

The local private residential property market has continued to enjoy a robust, healthy and sustained level of interest in the past six months. This momentum is expected to continue, as signs of economic improvement in Singapore become more evident. Following the successful launch of various private property developments, the Group is hopeful of an increase in demand for construction services from the private sector in the ensuing 12 months.

During the half year under review, the Group was awarded two contracts worth \$213.7 million for the construction of private residential developments, Waterfront Key and The Gale. With the addition of these contracts, the Group's order book as at 30 November 2009 was about \$598 million and should provide the Group with a constant flow of construction activities through FY13. Nevertheless, the Group is still actively tendering for more projects.

With regard to the Group's lawsuit against Manhattan Resources Limited ("Manhattan") for outstanding debt amounting to S\$9.4 million, Manhattan has, on 20 November 2009, filed a Notice of Appeal to the High Court (the 'Appeal') against an earlier judgment in favour of the Group. The Appeal was part-heard on 3 December 2009 and the High Court is expected to be further updated by both parties on the status and directions being sought on 17 February 2010. The Group's legal counsel has advised that the Group's chances of success in this case remains favorable. In view of the legal counsel's opinion, the Group has not made a provision for the doubtful debt owed by Manhattan.

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
January 12, 2010

**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 2009**

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 2009 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 January 2010