



LIAN BENG GROUP LTD

Full Year Financial Statement And Dividend Announcement

Full-year financial statements on consolidated results for the year ended 31 May 2012.

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 2012 S\$'000	12 months ended 31 May 2011 S\$'000	% Increase /(Decrease)
Revenue	445,011	507,302	-12.3%
Cost of sales	(371,529)	(432,329)	-14.1%
Gross profit	73,482	74,973	-2.0%
Other operating income	14,608	6,702	118.0%
Distribution expenses	(2,315)	(1,257)	84.2%
Administrative expenses	(16,511)	(14,724)	12.1%
Other operating expenses	(6,166)	(6,473)	-4.7%
Finance costs	(646)	(950)	-32.0%
Share of results of associate	(48)	-	*nm
Profit before taxation	62,404	58,271	7.1%
Taxation	(10,640)	(9,642)	10.4%
Profit for the year	51,764	48,629	6.4%
Other comprehensive income:			
Foreign currency translation	(394)	356	-210.7%
Fair value adjustment on available-for-sale financial assets	86	46	87.0%
Other comprehensive (loss) / income for the year, net of tax	(308)	402	-176.6%
Total comprehensive income for the year	51,456	49,031	4.9%
Profit attributable to:			
Owners of the parent	52,086	48,182	8.1%
Non-controlling interests	(322)	447	-172.0%
	51,764	48,629	6.4%
Total comprehensive income attributable to:			
Owners of the parent	51,778	48,584	6.6%
Non-controlling interests	(322)	447	-172.0%
	51,456	49,031	4.9%

Notes to Income Statements:

	The Group		
	12 months ended 31 May 2012 S\$'000	12 months ended 31 May 2011 S\$'000	% Increase /(Decrease)
Other income including interest income	2,180	1,241	75.7%
Gain on sale of property, plant and equipment	701	126	456.3%
Gain on sale of investment property held for sale Note 1	7,896	-	*nm
Gain on sale of investment properties	-	3,662	*nm
Depreciation of investment properties	(60)	(71)	-15.5%
Depreciation of property, plant and equipment Note 2	(7,240)	(5,918)	22.3%
Over provision of tax in respect of prior years	112	225	-50.2%
Foreign exchange gain / (loss) Note 3	465	(710)	-165.5%
Bad debt written off Note 4	(35)	(2,192)	-98.4%
Allowance for impairment on doubtful receivables	(5)	(121)	-95.9%
Write back for impairment of property held as property, plant and equipment Note 5	-	1,421	*nm
Allowance for impairment of value of investment property Note 6	(700)	-	*nm
Write off of intangible assets	(129)	-	*nm
Impairment loss of unquoted investment securities Note 7	(1,194)	-	*nm
Dividend income from investment securities Note 8	3,150	12	*nm

*not meaningful

Explanatory notes:

- 1 The gain on disposal of investment property held for sale was mainly due to the gain arising from the sale of the industrial property at New Industrial Road.
- 2 The increase in depreciation of property, plant and equipment was mainly due to the addition of plant and machinery arising from the expansion of ready-mixed concrete business.
- 3 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 is in the process of liquidation whereas the loss in FY2011 was due to the weakening of United States Dollar against Singapore Dollar.
- 4 The bad debt written off in FY2011 arose from the write off of an amount owed by Manhattan Resources Limited following an out-of-court settlement for both Suit 605 of 2008/Z and Suit 274 of 2010/A.
- 5 In FY2011, the write back of impairment loss was for the property, formerly used as Corporate Head Office.
- 6 In FY2012, the provision of impairment loss was for the investment property, The Ritz Carlton Residence.
- 7 The impairment loss of unquoted investment securities was provided for the losses made by the 10%-owned property development company, Emerald Land Pte Ltd.
- 8 The increase in dividend income from investment securities was mainly due to dividend received from the Group's 19% owned joint venture company.

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-12	31-May-11	31-May-12	31-May-11
<u>Non-current assets</u>				
Property, plant and equipment	49,956	42,612	-	-
Investment properties	66,211	47,317	-	-
Intangible assets	-	129	-	-
Investment in joint venture	-	-	500	-
Investment in subsidiaries	-	-	46,655	30,738
Investment securities	18,167	11,589	-	-
	134,334	101,647	47,155	30,738
<u>Current assets</u>				
Construction work-in-progress	4,892	8,784	-	-
Investment properties held for sale	-	24,309	-	-
Development properties	96,697	127,108	-	-
Development properties held for sale	6,154	6,154	-	-
Inventories	3,076	6,437	-	-
Trade receivables	124,364	133,566	-	-
Other receivables and deposits	22,628	10,586	1,975	3
Prepayments	1,146	815	8	8
Receivables from related parties	2	3	90,364	78,789
Amounts due from jointly-controlled entities	-	17	7,977	-
Amount due from an associated company	6,286	-	6,286	-
Investment securities	1,012	13	-	-
Fixed deposits	55,950	9,858	-	127
Cash and cash equivalents	130,828	140,005	663	20,534
	453,035	467,655	107,273	99,461
<u>Current liabilities</u>				
Progress billings in excess of construction work-in-progress	98,176	106,886	-	-
Trade and other payables	118,899	111,284	58	44
Accruals	13,131	10,816	435	412
Amounts due to related parties	-	-	44,834	38,591
Bank loans	835	27,551	-	-
Bills payable	755	1,644	-	-
Current portion of obligations under hire purchase	3,944	3,634	-	-
Provision for taxation	12,041	8,474	2	-
	247,781	270,289	45,329	39,047
Net current assets	205,254	197,366	61,944	60,414
<u>Non-current liabilities</u>				
Associate	48	-	-	-
Bank loans	99,833	100,213	-	-
Obligations under hire purchase	5,706	6,771	-	-
Deferred tax liabilities	1,754	2,762	-	-
	107,341	109,746	-	-
Net assets	232,247	189,267	109,099	91,152
<u>Equity attributable to owners of the Company</u>				
Share capital	82,275	82,275	82,275	82,275
Foreign currency translation reserve	(19)	375	-	-
Fair value adjustment reserve	379	293	-	-
Capital reserve	351	-	-	-
Retained earnings	148,473	104,863	26,824	8,877
	231,459	187,806	109,099	91,152
Non-controlling interests	788	1,461	-	-
Total equity	232,247	189,267	109,099	91,152
	-	-	-	-

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 2012

Secured (S\$)	Unsecured (S\$)
5,534,000	0

As at 31 May 2011

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

Amount repayable after one year

As at 31 May 2012

Secured (S\$)	Unsecured (S\$)
105,539,000	0

As at 31 May 2011

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

Details of any collateral

As at 31 May 2012, the Group's borrowings of S\$111.1 million (31 May 2011 : S\$139.8 million) are secured by the Group's freehold properties, development 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-12	The Group (S\$'000) 31-May-11
<u>Cash flows from operating activities</u>		
Profit before tax	62,404	58,271
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	7,240	5,918
Depreciation of investment properties	60	71
Writeback on value of property held as property, plant and equipment	-	(1,421)
Allowance for impairment loss of value of investment property	700	-
Dividend income from investment securities	(3,150)	(12)
Gain on sale of property, plant and equipment	(701)	(126)
Gain on sale of investment property held for sale	(7,896)	-
Gain on sale of investment property	-	(3,662)
Net fair value loss on investment securities	1	-
Impairment loss on unquoted investment securities	1,194	-
Write off of plant and equipment	-	16
Write off of intangible assets	129	-
Share of results of associated company	48	-
Interest income	(1,440)	(702)
Interest expense	646	950
Exchange translation difference	(395)	356
Bad debt written off	35	2,192
Allowance for impairment on doubtful receivables	5	121
Operating cashflow before changes in working capital	58,880	61,972
<u>Changes in working capital :-</u>		
Development properties	31,625	(35,421)
Construction work-in-progress	(4,825)	43,717
Inventories	3,361	(1,483)
Trade receivables	9,157	(29,463)
Other receivables and deposits	(11,576)	25,139
Prepayments	(303)	624
Trade payables, other payables, accruals and bills payable	3,709	28,197
Balances with related parties	24	17
	----- 31,172	----- 31,327
Cash flows generated from operations	90,052	93,299
Interest paid capitalised in development properties	(1,214)	(1,423)
Income tax paid	(8,565)	(4,477)
Income tax recovered	467	70
Net cash flows generated from operating activities	80,740	87,469
<u>Cash flows from investing activities</u>		
Interest received	937	415
Dividend income from investment securities	3,150	12
Additional investments in investment securities	(8,621)	(251)
Purchase of property, plant and equipment	(6,248)	(10,500)
Proceeds from disposal of property, plant and equipment	1,055	230
Purchase of investment properties	(19,654)	(31,912)
Purchase of investment properties held for sale	-	(24,309)
Proceeds from disposal of investment properties held for sale	32,205	-
Proceeds from disposal of investment properties	-	11,138
Net cash outflow on acquisition of a subsidiary (Note 1)	(5,380)	-
Loan to an associated company	(6,286)	-
Net cash flows used in investing activities	(8,842)	(55,177)
<u>Cash flows from financing activities</u>		
Interest paid	(646)	(950)
Repayment of hire purchase creditors	(4,059)	(2,190)
Proceeds from bank loans	12,383	68,979
Repayment of bank loans	(39,479)	(22,833)
Loan from minority shareholders of subsidiary companies	5,294	7,596
Contribution from non-controlling interest of a subsidiary company	-	450
Dividend paid on ordinary shares	(8,476)	(4,238)
Net cash flows (used in)/generated from financing activities	(34,983)	46,814
Net increase in cash and cash equivalents	36,915	79,106
Cash and cash equivalents at beginning of the year	149,863	70,757
Cash and cash equivalents at end of the year *	186,778	149,863

* Breakdown of cash and cash equivalents at the end of year:	The Group (S\$'000) 31-May-12	The Group (S\$'000) 31-May-11
Cash at bank and in hand	130,828	140,005
Fixed deposits	55,950	9,858
Total	186,778	149,863

Note 1: Acquisition of a subsidiary

	S\$' 000
Property, plant and equipment	5,380
Trade and other receivables	56
Cash and cash equivalents	-
	<u>5,436</u>
Trade and other payables	(39)
Income tax payable	(17)
Carrying value of net assets	<u>5,380</u>
Total consideration	(5,380)
Cash and cash equivalents of the subsidiary acquired	-
Net cash outflow on acquisition of a subsidiary	<u>(5,380)</u>

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
Opening balance as at 1 June 2010	82,275	-	19	247	60,919	564	144,024
Profit for the year	-	-	-	-	48,182	447	48,629
<u>Other comprehensive income</u>							
Net gain on fair value changes of available-for-sale financial assets	-	-	-	46	-	-	46
Foreign currency translation	-	-	356	-	-	-	356
Other comprehensive income for the year, net of tax	-	-	356	46	-	-	402
Total comprehensive income for the year	-	-	356	46	48,182	447	49,031
<u>Contributions by and distributions to owners</u>							
Dividends on ordinary shares	-	-	-	-	(4,238)	-	(4,238)
Contribution by minority shareholder of a subsidiary company	-	-	-	-	-	450	450
Total contributions by and distributions to owners	-	-	-	-	(4,238)	450	(3,788)
Closing balance as at 31 May 2011	82,275	-	375	293	104,863	1,461	189,267
Opening balance as at 1 June 2011	82,275	-	375	293	104,863	1,461	189,267
Profit/(loss) for the year	-	-	-	-	52,086	(322)	51,764
<u>Other comprehensive income</u>							
Net gain on fair value changes of available-for-sale financial assets	-	-	-	86	-	-	86
Foreign currency translation	-	-	(394)	-	-	-	(394)
Other comprehensive (loss) / income for the year, net of tax	-	-	(394)	86	-	-	(308)
Total comprehensive (loss) / income for the year	-	-	(394)	86	52,086	(322)	51,456
<u>Contributions by and distributions to owners</u>							
Dividends on ordinary shares	-	-	-	-	(8,476)	-	(8,476)
Acquisition and disposal 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)
Closing balance as at 31 May 2012	82,275	351	(19)	379	148,473	788	232,247

Company			
	Share Capital	Retained Earnings	Total equity
	S\$ '000	S\$ '000	S\$ '000
Opening balance as at 1 June 2010	82,275	5,240	87,515
Profit for the year	-	7,875	7,875
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	7,875	7,875
<u>Contributions by and distribution to owners</u>			
Dividends on ordinary shares	-	(4,238)	(4,238)
Closing balance as at 31 May 2011	82,275	8,877	91,152
Opening balance as at 1 June 2011	82,275	8,877	91,152
Profit for the year	-	26,423	26,423
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	26,423	26,423
<u>Contributions by and distribution to owners</u>			
Dividends on ordinary shares	-	(8,476)	(8,476)
Closing balance as at 31 May 2012	82,275	26,824	109,099

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 2012 is 529,760,000 shares (FY2011:529,760,000 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 2011, except for those disclosed under Paragraph 5.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change

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

On 26 August 2010, the Accounting Standards Council issued INT FRS 115 - Agreements for the Construction of Real Estate (effective for annual periods beginning on or after 1 January 2011) with an accompanying note that explains the application of the interpretation to residential property development sales in Singapore by considering the Singapore legal framework. INT FRS 115 clarifies when revenue and related expenses from a sale of real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of real estate is completed. INT FRS 115 determines that contracts which do not classify as contribution contracts in accordance with FRS 11 Construction Contracts can only be accounted for using the percentage of completion ("POC") method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses.

The Group has elected to adopt INT FRS 115 from 1 June 2011. Upon adoption of INT FRS 115, the Group continues to use the POC method to account for its residential properties in Singapore. The Group's industrial property, however, will be accounted for using the completion of construction ("COC") method. Since the Group's industrial property only commences sales in the current financial period, the adoption of INT FRS 115 has no impact on the Group's financial statements for FY2012 and prior years. Hence, no restatements of comparatives is required.

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

Earnings per share attributable to equity holders of the Company (cents per share)	12 months ended 31-May-12	12 months ended 31-May-11
(a) On a basic basis	9.83	9.10
(b) On a fully diluted basis	9.83	9.10

Earnings per share is calculated based on 529,760,000 ordinary shares in issue (FY2011: 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

	Group		Company	
	As at 31-May-12	As at 31-May-11	As at 31-May-12	As at 31-May-11
Net asset value per ordinary share based on issued share capital at the end of the year reported on (cents)	43.69	35.45	20.59	17.21

The above were computed based on 529,760,000 ordinary shares in issue at the end of the current financial year and at the end of the corresponding financial year.

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 2012 ("FY2012") declined 12.3% to \$445.0 million compared with \$507.3 million recorded for the financial year ended 31 May 2011 ("FY2011"). The decline was due to lesser revenue recognised from the construction division.

Construction segment remained the key driver to the Group's revenue, contributing about 75.2% while its property development and ready-mixed concrete segments contributed 7.4% and 17.4% respectively. The increase in ready-mixed concrete segment's contribution to 17.4% in FY2012 from 8.3% in FY2011 was due to strong demand for ready-mixed concretes in the construction industry,

Cost of sales decreased in line with the revenue decline. As such, the Group recorded a 2.0% decline in gross profit to \$73.5 million, from \$74.9 million in FY2011. Gross margin improved from 14.8% in FY2011 to 16.5% in FY2012 due to prudent project management.

Other operating income rose 118.0% to \$14.6 million in FY2012, mainly attributable to the gain on sale of the industrial property at New Industrial Road. The increase in distribution expense from \$1.3 million in FY2011 to \$2.3 million in FY2012 was attributed mainly to the increase in selling and marketing expense arising from the sale of the 141-unit industrial building, M Space at Mandai Estates.

Pre-tax profit rose 7.1% to \$62.4 million in FY2012 compared to \$58.3 million in FY2011 on the back of improved productivity and operational efficiencies.

The Group's income tax expense increased 10.4% to \$10.6 million in FY2012 compared to \$9.6 million in the previous year, mainly due to higher profit for the financial year under review.

Taking into consideration of the above factors, net profit after tax and earnings per share for the year was \$51.8 million and 9.8 cents respectively.

B) Financial Position Statements

The increase in value of property, plant and equipment from \$42.6 million to \$50.0 million in FY2012 was largely attributed to addition of the factory located at Sungei Kadut as well as purchase of plant and mixer trucks to expand the Group's engineering and ready-mixed concrete businesses.

Investment properties rose to \$66.2 million in FY2012 from \$47.3 million was due mainly to progressive payments for the long-term investment in residential properties and development cost incurred for workers' dormitory.

Investment securities increased from \$11.6 million to \$18.2 million in FY2012 was mainly due to long term investment in corporate bonds yielding interest income at coupon rates ranging from 3.25% to 6.25% per annum.

The decrease in the investment property held for sale of \$24.3 million in FY2012 was due to the sale of the industrial property at New Industrial Road during the year.

Development properties decreased from \$127.1 million to \$96.7 million in FY2012 due mainly to increase in progressive income received from the following development projects:

- 1) M Space;
- 2) Ola Residences;
- 3) Lincoln Suites;

This is offset by increase in costs incurred for the following development projects:

- 1) Dragon Mansion
- 2) Hougang Plaza

Trade debtors declined from \$133.6 million to \$124.4 million in FY2012 was in line with the decrease in revenue.

Other receivable and deposit increased to \$22.6 million in FY2012 from \$10.6 million was mainly due to the following payments:

- 1) deposits for the purchases of sand and vessels;
- 2) contributions to Group's affiliates for the acquisition of properties located at Hong Leong Garden, Seletar Garden and King Albert Park;
- 3) payment of \$2.0 million on behalf of the joint venture partner for development project, Dragon Mansion. This amount was settled during the completion period in June 2012 after the financial year end.

The amount due by an associated company of \$6.3 million in FY2012 was mainly due to the Company's proportionate contribution to the associated company, Millennium Land Pte Ltd for the acquisition of the property located at Middle Road for redevelopment.

The amount due by a jointly-controlled entity of \$8.0 million at the Company level in FY2012 was mainly due to the Company's contribution to the jointly-controlled entity, Spottiswoode Development Pte Ltd to acquire the property known as "Dragon Mansion" for redevelopment.

Trade and other creditors increased from \$111.3 million to \$118.9 million in FY2012 was largely due to the contribution by the shareholder of the Group's 55%-owned subsidiary for the industrial and dormitory development projects at Mandai Estate.

Total bank borrowings decreased to \$111.1 million in FY2012 from \$139.8 million mainly due to repayment of bank borrowings.

C) Cash flow Statements

Net cash generated from operating activities in FY2012 decreased to \$80.7 million compared to \$87.5 million in FY2011. This was mainly due to higher income tax paid in FY2012.

Net cash used in investing activities was mainly due to the sale of the investment property at New Industrial Road as well as dividend received from the Group's 19% owned joint venture company offset by progressive payments for investments in residential properties and development cost incurred for workers' dormitory, purchase of corporate bonds, acquisition of a subsidiary for its factory located at Sungei Kadut as well as contribution to an associated company for the acquisition of the property to be redeveloped at Middle Road.

The increase in net cash used in financing activities was mainly attributable to repayment of bank borrowings and higher dividend paid to ordinary shareholders offset by contributions from the minority shareholder of the Group's 55%-owned property development project at Mandai Estates.

As at the end of FY2012, the Group's cash and cash equivalents stood at \$186.8 million compared to a balance of \$149.9 million in 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 2012 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 2012, total construction demand is projected to be between S\$21 billion and S\$27 billion, of which about 60% is expected to come from the public sector. For 2013 and 2014, the average construction demand is projected to range between S\$19 billion and S\$27 billion per annum (source: BCA's forecast, 11 January 2012). The support is expected to come from the continued strong public housing developments as well as construction demand for institutional buildings and civil engineering projects. The Group is cautiously optimistic of the construction market outlook in the next 12 months and will continue to tender for more public sector projects and private sector projects.

As at 31 May 2012, Group's order book to date stood at \$652 million. This should provide it with a constant flow of activities through FY2015.

The Group's property development division has launched and fully sold out its 55%-owned industrial development project, known as M Space at Mandai Estate. According to INT FRS 115's accounting treatment for industrial property, revenue and profit from the sale of such development will only be recognised upon TOP. The Group will recognise its revenue and profit in FY2013.

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

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	:	First & Final	Special
Dividend Type	:	Cash	Cash
Dividend Amount per share	:	\$0.01	\$0.01
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	:	First & Final	Special
Dividend Type	:	Cash	Cash
Dividend Amount per share	:	\$0.01	\$0.006
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 2012, will be paid on 19 October 2012.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 6 October 2012 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited at 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 up to 5.00 p.m. on 5 October 2012 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 5 October 2012 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)

FY2012							
	Construction	Manufacturing of Concrete	Engineering & Leasing of Construction Machinery	Property Development	Investment Holding	Elimination	Group
Revenue							
External Customers	334,482	77,267	356	32,897	9	-	445,011
Inter-segment	15,774	14,652	14,365	-	12,177	(56,968)	-
Total revenue	350,256	91,919	14,721	32,897	12,186	(56,968)	445,011
Results:							
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 doubtful debts	5	-	-	-	-	-	5
Segment profit	42,967	7,910	3,483	382	8,878	(1,216)	62,404
Assets:							
Additions to non-current assets	13,558	5,800	804	14,097	330	(4)	34,585
Segment assets	372,059	39,063	24,790	188,887	157,146	(194,576)	587,369
Segment liabilities	226,037	22,907	6,877	185,707	44,283	(130,689)	355,122

FY2011							
	Construction	Manufacturing of Concrete	Engineering & Leasing of Construction Machinery	Property Development	Investment Holding	Elimination	Group
Revenue							
External Customers	423,036	42,118	481	41,661	6	-	507,302
Inter-segment	12,947	15,400	24,815	-	11,339	(64,501)	-
Total revenue	435,983	57,518	25,296	41,661	11,345	(64,501)	507,302
Results:							
Interest income	103	-	-	33	566	-	702
Finance cost	380	332	49	37	152	-	950
Dividend income	12	-	-	-	-	-	12
Depreciation and amortisation	3,428	1,378	1,296	31	16	(160)	5,989
<u>Other non-cash income:</u>							
Write back of impairment of non-financial asset - property held as property, plant and equipment	-	-	-	-	1,421	-	1,421
<u>Other non-cash expenses:</u>							
Bad debt written off	173	1	12	-	2,006	-	2,192
Allowance for doubtful receivable	113	-	-	8	-	-	121
Segment profit/(loss)	45,321	4,040	6,760	4,286	(1,352)	(784)	58,271
Assets:							
Additions to non-current assets	11,320	1,641	2,925	29,991	827	(606)	46,098
Segment assets	346,095	24,763	26,546	178,677	151,100	(157,879)	569,302
Segment liabilities	244,135	16,854	12,593	173,599	59,911	(127,057)	380,035

(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-12 \$'000	31-May-11 \$'000	
Sales reported for first half year	237,670	249,283	-4.7%
Operating profit after tax and before deducting minority interests reported for first half year	30,490	22,698	34.3%
Sales reported for second half year	207,341	258,019	-19.6%
Operating profit after tax and before deducting minority interests reported for second half year	21,274	25,931	-18.0%

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 (S\$'000)	Previous Full Year (S\$'000)
Ordinary Shares*	10,595	8,476
Preference Shares	-	-
Total	10,595	8,476

* 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	38	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	38	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	46	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	30	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 with effect from 26 April 12.	Previous appointment as Assistant Development Manager ceased on 25 April 2012 as a result of his new appointment.

Note:

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

BY ORDER OF THE BOARD

Ong Pang Aik

Chairman and Group Managing Director

July 26, 2012