



LIAN BENG GROUP LTD

Full Year Financial Statement And Dividend Announcement

Full-year financial statements on consolidated results for the year ended 31 May 2014.

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 2014 S\$'000	12 months ended 31 May 2013 S\$'000	% Increase /(Decrease)
	(Restated)		
Revenue	753,889	505,606	49.1%
Cost of sales	(611,793)	(440,573)	38.9%
Gross profit	142,096	65,033	118.5%
Other operating income	6,133	6,439	-4.8%
Distribution expenses	(6,480)	(2,582)	151.0%
Administrative expenses	(22,971)	(17,365)	32.3%
Other operating expenses	(8,583)	(5,899)	45.5%
Finance costs	(2,907)	(1,047)	177.7%
Share of results of associates	(3,013)	3,324	-190.6%
	104,275	47,903	117.7%
Fair value gain on Group's investment properties	37,242	51,020	-27.0%
Profit before taxation	141,517	98,923	43.1%
Taxation	(14,520)	(7,367)	97.1%
Profit for the year	126,997	91,556	38.7%
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation gain	3	8	-62.5%
Net gain on fair value changes of available-for-sale financial assets	6,850	213	3116.0%
Other comprehensive income for the year, net of tax	6,853	221	3000.9%
Total comprehensive income for the year	133,850	91,777	45.8%
Profit attributable to:			
Owners of the parent	87,138	72,992	19.4%
Non-controlling interests	39,859	18,564	114.7%
	126,997	91,556	38.7%
Total comprehensive income attributable to:			
Owners of the parent	93,991	73,213	28.4%
Non-controlling interests	39,859	18,564	114.7%
	133,850	91,777	45.8%

Notes:

A) With effect from 4QFY14, the Group changed its accounting policy for investment properties from cost method to fair value model. The change was applied retrospectively and accordingly, the comparative financial statements were restated. The effects of the change on the Group's financial statements are set out in paragraph 5.

B) Net gain on fair value changes of available-for-sale financial assets increased from \$0.2 million in FY13 to \$6.9 million in FY14 was mainly due to the unrealised gain arising from the valuation of 38 million quoted ordinary shares of Centurion Corporation Limited ("CCL").

Notes to Income Statements:

		The Group		
		12 months ended 31 May 2014 S\$'000	12 months ended 31 May 2013 S\$'000 (Restated)	% Increase /(Decrease)
Other income including interest income	Note 1	4,668	3,700	26.2%
Gain on disposal of property, plant and equipment		735	468	57.1%
Gain / (loss) on disposal of investment securities	Note 2	154	(12)	-1383.3%
Gain on disposal of investment properties	Note 3	-	634	NM*
Fair value gain on investment properties	Note 4	37,242	51,020	-27.0%
Depreciation of property, plant and equipment	Note 5	(11,781)	(9,528)	23.6%
Over provision of tax in respect of prior years		469	712	-34.1%
Foreign exchange gain / (loss)		3	(55)	-105.5%
Bad debt written off		(35)	(59)	-40.7%
Allowance for impairment on doubtful receivables	Note 6	(528)	(280)	88.6%
Gain on bargain purchase	Note 7	121	-	NM*
Write off of deposit	Note 8	-	322	NM*
Write back of impairment loss of unquoted investment securities	Note 9	-	1,194	NM*
Dividend income from investment securities	Note 10	255	16	1493.8%

*Not Meaningful

Explanatory notes:

- The increase in other income and interest income from \$3.7 million in FY13 to \$4.7 million in FY14 was mainly due to the increase in interest income arising from the coupons for the high yield corporate bonds.
- The gain on sale of investment securities of \$0.2 million in FY14 arose from the sale of bonds and quoted securities.
- The gain on sale of investment properties of \$0.6 million in FY13 arose from the sale of investment property, Kovan Residences.
- The higher fair value gain on investment properties in FY13 was mainly due to the increase in fair value for the investment property phase 1 dormitory block which obtained TOP in March 2013. The fair value gain for FY14 was lower than FY13 mainly due to the lower fair value change for the completed dormitory blocks.
- The increase in depreciation of property, plant and equipment from \$9.5 million in FY13 to \$11.8 million in FY14 was mainly due to the addition of plant and machineries as well as purchase of vessels.
- Allowance for impairment on doubtful receivables increased from \$0.3 million in FY13 to \$0.5million in FY14 was due to the liquidation of a customer from the Ready-mixed Concrete Segment.
- The gain on bargain purchase of \$0.1 million in FY14 arose from acquisition of the 100%-owned Associated KHL Industries Pte Ltd ("AKHL").
- The write off of deposit of \$0.3 million in FY13 arose from the cancellation of the contract with Zhejiang Sea Obeys Ship Affairs Co Ltd to dredge sands in Cambodia.
- 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.
- The increase in dividend income from investment securities from \$0.02 million in FY13 to \$0.3 million in FY14 was mainly due to the dividend received from quoted security of CCL.

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			The Company	
	S\$'000			S\$'000	
	31-May-14	31-May-13	1-Jun-12	31-May-14	31-May-13
	(Restated)	(Restated)			
<u>Non-current assets</u>					
Property, plant and equipment	82,038	58,775	49,956	-	-
Investment properties	262,386	211,421	89,720	-	-
Investment in joint venture	-	-	-	500	500
Investment in subsidiaries	-	-	-	51,283	46,656
Investment in associates	-	1,104	-	1,400	200
Deferred tax assets	591	200	-	-	-
Investment securities	98,918	9,313	18,167	28,120	-
	443,933	280,813	157,843	81,303	47,356
<u>Current assets</u>					
Construction work-in-progress	9,252	4,397	4,892	-	-
Development properties	165,502	162,427	96,697	-	-
Development properties held for sale	4,968	5,389	6,154	-	-
Inventories	4,504	6,916	3,076	-	-
Trade receivables	158,597	161,168	124,364	-	-
Other receivables and deposits	22,181	2,266	22,628	130	4
Prepayments	1,722	1,683	1,146	4	4
Receivables from related parties	1	1	2	117,197	70,996
Amounts due from jointly-controlled entities	11,548	7,032	-	27,284	26,879
Amount due from associates	104,252	63,541	6,286	18,868	15,100
Investment securities	1,013	1,020	1,012	-	-
Cash and cash equivalents	176,706	170,885	186,778	35,369	831
	660,246	586,725	453,035	198,852	113,814
<u>Current liabilities</u>					
Progress billings in excess of construction work-in-progress	82,502	98,817	98,176	-	-
Trade and other payables	152,258	134,803	118,899	46	68
Amount due to associates	12,249	-	-	-	-
Accruals	24,998	15,030	13,132	448	431
Amounts due to related parties	-	-	-	148,998	55,043
Bank loans	78,004	2,963	835	-	-
Bills payable	-	-	755	-	-
Current portion of obligations under hire purchase	4,222	4,351	3,944	-	-
Provision for taxation	16,100	9,303	12,041	-	-
	370,333	265,267	247,782	149,492	55,542
Net current assets	289,913	321,458	205,253	49,360	58,272
<u>Non-current liabilities</u>					
Investment in associates	563	-	48	-	-
Refundable rental deposit	564	-	-	-	-
Bank loans	265,400	256,276	99,833	-	-
Obligations under hire purchase	8,354	6,787	5,706	-	-
Deferred tax liabilities	3,583	2,251	1,754	-	-
	278,464	265,314	107,341	-	-
Net assets	455,382	336,957	255,755	130,663	105,628
<u>Equity attributable to owners of the Company</u>					
Share capital	82,275	82,275	82,275	82,275	82,275
Foreign currency translation reserve	(8)	(11)	(19)	-	-
Fair value adjustment reserve	7,442	592	379	6,400	-
Capital reserve	474	474	351	-	-
Retained earnings	304,454	223,938	161,541	41,988	23,353
	394,637	307,268	244,527	130,663	105,628
Non-controlling interests	60,745	29,689	11,228	-	-
Total equity	455,382	336,957	255,755	130,663	105,628
	-	-	-	-	-

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 2014

Secured (S\$)	Unsecured (S\$)
82,226,000	0

As at 31 May 2013

Secured (S\$)	Unsecured (S\$)
7,314,000	0

Amount repayable after one year

As at 31 May 2014

Secured (S\$)	Unsecured (S\$)
273,754,000	0

As at 31 May 2013

Secured (S\$)	Unsecured (S\$)
263,063,000	0

Details of any collateral

As at 31 May 2014, the Group's borrowings of \$356.0 million (31 May 2013 : \$270.4 million) are secured by the Group's freehold and leasehold properties, development properties, investment properties, barges, tug boats, plant, machinery, motor vehicles and investment securities. 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-14	The Group (S\$'000) 31-May-13 (Restated)
<u>Cash flows from operating activities</u>		
Profit before tax	141,517	98,923
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	11,781	9,528
Gain on disposal of investment property	-	(634)
Impairment loss / (write back) of value of investment property	500	(180)
Fair value gain on investment property	(37,242)	(51,020)
Dividend income from investment securities	(255)	(16)
Gain on disposal of property, plant and equipment	(735)	(468)
Gain on bargain purchase	(121)	-
(Gain) / loss on sale of investment securities	(154)	12
Net fair value loss / (gain) on investment securities	7	(8)
Write back of impairment loss of unquoted investment securities	-	(1,194)
Write off of deposit	-	322
Asset written off	9	-
Share of results of associates	3,013	(3,324)
Interest income	(2,930)	(1,214)
Interest expense	2,907	1,047
Unrealised exchange difference	11	(15)
Bad debt written off	35	59
Allowance for impairment on doubtful receivables	528	280
Operating cashflow before changes in working capital	118,871	52,098
<u>Changes in working capital :-</u>		
Development properties	(39)	(62,932)
Construction work-in-progress	(20,251)	1,182
Inventories	2,412	(3,840)
Trade receivables	2,076	(37,143)
Other receivables and deposits	(19,910)	10,123
Prepayments	(29)	(537)
Property held for sale	421	765
Trade payables, other payables and accruals	18,659	34,420
Balances with related parties	(31,386)	(7,537)
	(48,047)	(65,499)
Cash flows from / (used in) operations	70,824	(13,401)
Interest paid capitalised in development properties	(3,035)	(2,799)
Income tax paid	(6,926)	(9,807)
Net cash flows from / (used in) operating activities	60,863	(26,007)
<u>Cash flows from investing activities</u>		
Interest received	2,504	1,984
Dividend income from investment securities	255	16
Dividend income from associates	-	2,964
Investment in associates	(1,204)	(690)
Repayment by / (loan) to jointly-controlled entity	246	(3,250)
Additional investments in investment securities	(89,948)	(1,003)
Purchase of property, plant and equipment	(19,114)	(13,673)
Proceeds from disposal of property, plant and equipment	920	924
Purchase of investment properties	(12,315)	(73,184)
Proceeds from disposal of investment property	-	3,315
Proceeds from disposal of investment securities	7,772	10,739
Net cash outflow on acquisition of a subsidiary	(3,582)	-
Loan to associates	(833)	(43,488)
Net cash flows used in investing activities	(115,299)	(115,346)
<u>Cash flows from financing activities</u>		
Interest paid	(2,907)	(1,047)
Repayment of hire purchase creditors	(5,062)	(3,641)
Proceeds from bank loans and bill payable	108,592	165,194
Repayment of bank loans and bills payable	(28,526)	(7,378)
Dividend paid to non-controlling shareholders of subsidiaries	(9,300)	-
Loan from / (repayment to) minority shareholders of subsidiary companies	3,592	(17,116)
Capital contribution from non-controlling interest of a subsidiary company	497	20
Dividend paid on ordinary shares	(6,622)	(10,595)
Net cash flows from financing activities	60,264	125,437
Net increase / (decrease) in cash and cash equivalents	5,828	(15,916)
Effect of exchange rate changes on cash and cash equivalents	(7)	23
Cash and cash equivalents at beginning of the year	170,885	186,778
Cash and cash equivalents at end of the year	176,706	170,885

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 2012	82,275	351	(19)	379	148,473	788	232,247
Effect of the change in accounting policy	-	-	-	-	13,068	10,440	23,508
As restated 1 June 2012	82,275	351	(19)	379	161,541	11,228	255,755
Profit for the year	-	-	-	-	72,992	18,564	91,556
<u>Other comprehensive income</u>							
Net gain on fair value changes of available-for-sale financial assets	-	-	-	213	-	-	213
Foreign currency translation	-	-	8	-	-	-	8
Other comprehensive income for the year, net of tax	-	-	8	213	-	-	221
Total comprehensive income for the year	-	-	8	213	72,992	18,564	91,777
<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)	-
Capital contributed by non-controlling interest	-	-	-	-	-	20	20
Total contributions by and distributions to owners	-	123	-	-	(10,595)	(103)	(10,575)
Closing balance as at 31 May 2013	82,275	474	(11)	592	223,938	29,689	336,957
Opening balance as at 1 June 2013	82,275	474	(11)	592	177,320	1,444	262,094
Effect of the change in accounting policy	-	-	-	-	46,618	28,245	74,863
As restated 1 June 2013	82,275	474	(11)	592	223,938	29,689	336,957
Profit for the year	-	-	-	-	87,138	39,859	126,997
<u>Other comprehensive income</u>							
Net gain on fair value changes of available-for-sale financial assets	-	-	-	6,850	-	-	6,850
Foreign currency translation	-	-	3	-	-	-	3
Other comprehensive income for the year, net of tax	-	-	3	6,850	-	-	6,853
Total comprehensive income for the year	-	-	3	6,850	87,138	39,859	133,850
<u>Contributions by and distributions to owners</u>							
Dividends on ordinary shares	-	-	-	-	(6,622)	-	(6,622)
Dividend paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	(9,300)	(9,300)
Capital contributed by non-controlling interest	-	-	-	-	-	497	497
Total contributions by and distributions to owners	-	-	-	-	(6,622)	(8,803)	(15,425)
Closing balance as at 31 May 2014	82,275	474	(8)	7,442	304,454	60,745	455,382

Company				
	Share Capital	Fair Value Adjustment Reserve	Retained Earnings	Total equity
	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Opening balance as at 1 June 2012	82,275	-	26,824	109,099
Profit for the year	-	-	7,124	7,124
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	7,124	7,124
<u>Contributions by and distribution to owners</u>				
Dividends on ordinary shares	-	-	(10,595)	(10,595)
Closing balance as at 31 May 2013	82,275	-	23,353	105,628
Opening balance as at 1 June 2013	82,275	-	23,353	105,628
Profit for the year	-	-	25,257	25,257
<u>Other comprehensive income</u>				
Net gain on fair value changes of available-for-sale financial assets	-	6,400	-	6,400
Other comprehensive income for the year, net of tax	-	6,400	-	6,400
Total comprehensive income for the year	-	6,400	25,257	31,657
<u>Contributions by and distribution to owners</u>				
Dividends on ordinary shares	-	-	(6,622)	(6,622)
Closing balance as at 31 May 2014	82,275	6,400	41,988	130,663

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 2014 is 529,760,000 shares (FY2013: 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 financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements of the previous financial year, except where new or amended Financial Reporting Standards ("FRS") and interpretations to FRS ("INT FRS") became effective from this financial year, and the change in accounting policy for investment properties.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the following:

(i) FRS 113 Fair Value Measurement

FRS 113 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across FRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within FRSs.

The adoption of FRS 113 does not have any material impact on the accounting policies of the Group. The Group will incorporate the additional disclosures required by FRS 113 into the financial statements.

(ii) The financial effects of the change in the accounting policy for investment properties are summarised in note 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

With effect from 4QFY14, the Group changed its accounting policy with respect to the subsequent measurement of investment properties from cost method to fair value model, with the changes in fair values recognised in the statement of comprehensive income. This change aligns the Group's accounting policy with industry practice and provides more relevant financial information to the users of the financial statements.

The change in accounting policy was applied retrospectively and accordingly with the restatement of the comparative financial statements. The effects of the change on the Group's financial statements are as follows:

<u>Financial Position Statement</u>	As at 31 May 2014	As at 31 May 2013	As at 1 June 2012
	\$' 000	\$' 000	\$' 000
	Increase/(Decrease)	Increase/(Decrease)	Increase/(Decrease)
Investment Properties	114,126	74,863	23,509
Retained earnings	67,947	46,618	13,068
Non-controlling interest	46,179	28,245	10,440
<u>Income Statement</u>			

With the change in accounting policy for investment properties, no depreciation was charged for the current year. Should there be no change in accounting policy, the depreciation on investment properties would amount to \$2.0 million for FY14 (FY13: \$0.3 million). The fair value gain on investment properties of \$37.2 million recognised in the current year comprised the change in fair value since the end of the last financial year. The change in accounting policy has the effect of increasing the basic EPS by 4.03 cents for FY14 (FY13: 6.33 cents).

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-14	12 months ended 31-May-13 (Restated)
(a) On a basic basis	16.45	13.78
(b) On a fully diluted basis	16.45	13.78

Earnings per share is calculated based on 529,760,000 ordinary shares in issue (FY2013: 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

	Group		Company	
	As at 31-May-14	As at 31-May-13 (Restated)	As at 31-May-14	As at 31-May-13
Net asset value per ordinary share based on issued share capital at the end of the year reported on (cents)	74.49	58.00	24.66	19.94

Net asset value per share is calculated based on 529,760,000 ordinary shares in issue at the end of the current financial year (FY2013: 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					
	FY14		FY13		Increase/(Decrease)	
	\$'000	%	\$'000	%	\$'000	%
Construction	424,724	56.4%	376,792	74.5%	47,932	12.7%
Property Development	199,494	26.5%	23,617	4.7%	175,877	744.7%
Ready-mixed Concrete	110,954	14.7%	103,438	20.5%	7,516	7.3%
Engineering & leasing	274	0.0%	506	0.1%	(232)	-45.8%
Investment holding :						
- Workers' Dormitory	18,182	2.4%	1,244	0.2%	16,938	1361.6%
- Other investment	261	0.0%	9	0.0%	252	2800.0%
Total Revenue	753,889	100.0%	505,606	100.0%	248,283	49.1%

The Group reported a 49.1% or \$248.3 million increase in revenue from \$505.6 million in FY13 to \$753.9 million in FY14. The surge in revenue was mainly due to a 744.7% increase in revenue generated from the Property Development segment arising from M-Space, The Midtown, Spottiswoode Suites and Lincoln Suites.

Revenue in Construction segment also increased by 12.7% or \$47.9 million, which was mainly due to higher revenue recognition from the on-going and new construction projects. The construction segment continues to be the major contributor to the Group's revenue, contributing about 56.4% to the Group's revenue while its Property Development segment and Ready-mixed Concrete segment contributed about 26.5% and 14.7% to the Group's revenue respectively. The Workers' Dormitory segment also made its contribution of 2.4% to the Group's revenue.

The Group's gross profit rose significantly from \$65.0 million in FY13 to \$142.1 million in FY14. This was mainly due to gross profit arising from M-Space, The Midtown and the dormitory business.

Distribution expenses increased from \$2.6 million in FY13 to \$6.5 million in FY14 which arose from the increase in selling and marketing expenses from the sale of development properties namely Spottiswoode Suites and The Midtown.

Administrative expenses rose from \$17.4 million in FY13 to \$23.0 million in FY14 which was mainly due to higher provision for directors' remuneration based on the Group's performance for FY14. With the adoption of the fair value model in respect of the Group's accounting policy for investment properties, there has been a net gain on fair value of certain assets in FY14 as disclosed in Paragraph 1(a) (Note A) of this announcement. In view that such fair value gain of the Group's assets are unrealised gain, it will not form part of the profits of the Group for the purpose of calculating the Executive Directors' performance bonus under their respective service agreements, as their performance bonus will not be affected by the fair value changes to the Group's assets.

Other operating expenses increased from \$5.9 million in FY13 to \$8.6 million which was due mainly to increase in depreciation charges for property, plant and equipments, property taxes as well as the allowance for doubtful debt due to the liquidation of a customer from the Ready-mixed Concrete Business segment.

Finance costs increased from \$1.0 million to \$2.9 million which was due to interest paid for phase 1 and phase 2 dormitories which TOP was obtained in March 2013 and September 2013 respectively whereas in FY13, the interest incurred was capitalised in the investment properties.

Share of results of associates decreased from share of profit of \$3.3 million in FY13 to share of loss of \$3.0 million in FY14. In FY13, the share of profit of \$3.3 million was mainly due to the accounting for the share of results from one of the Group's associates, which was classified as investment securities in prior year. In FY14, the share of losses was mainly due to the selling and marketing expenses arising from the sale of Newest, KAP Residences, Eco-tech@Sunview and Floraville.

Non-controlling interest ("NCI") increased from \$18.6 million in FY13 to \$39.9 million in FY14 which was mainly due to NCI's share of profit from the full recognition of profit from the industrial development, M-Space as well as the share of profit from the dormitory business and the share of fair value gains on its Mandai investment property.

After taking into account of the above, the Group's profit before tax (excluding fair value gain on investment properties) increased from \$47.9 million in FY13 to \$104.3 million in FY14 by \$56.4 million or 117.7%.

The Group's income tax expense increased from \$7.4 million in FY13 to \$14.5 million in FY14 which was mainly due to higher tax provision as a result of higher profit for the financial year.

Overall, the Group's net profit after tax for FY14 was \$127.0 million. The Group's net profit and earnings per share attributable to the owners of the parent for FY14 was \$87.1 million and 16.45 cents respectively. These represent an improvement of 19.4% or \$14.1 million for the net profit and EPS when compared against FY13.

B) Financial Position Statements

Property, plant and equipment increased from \$58.8 million in FY13 to \$82.0 million in FY14 which was largely due to the addition of the factory located at Pioneer Close through the acquisition of 100%-owned AKHL as well as purchase of plant, equipment and vessels, partly offset by depreciation charges and disposal of plant and equipment.

Long term investment properties increased from \$211.4 million in FY13 to \$262.4 in FY14 million. The increase of \$51.0 million was mainly due to the fair value gain on the Group's investment properties as well as additional cost incurred for the Mandai dormitory.

Investment securities increased from \$9.3 million in FY13 to \$98.9 million in FY14 which was mainly due to the long term investment in high yield corporate bonds and purchase of 38 million quoted shares of CCL.

Investment in associates decreased from positive \$1.1 million in FY13 to negative \$0.6 million in FY14 which was mainly due to the share of losses of associates.

In line with the increase in business activities, other receivables and deposits, amounts due by jointly-controlled entities, amounts due by associates, trade, other payables and accruals as well as construction work-in-progress in excess of progress billings all recorded increases. Despite the increase in Group revenue, trade receivables decreased from \$161.2 million in FY13 to \$158.6 million in FY14 which was mainly due to better collection as a result of the mature stage of completion for several construction projects.

Total borrowings increased from \$270.4 million in FY13 to \$356.0 million in FY14 which was mainly due to additional bank borrowing to finance the dormitory at Mandai Estate, the 65%-owned property development project at Mandai Link as well as long term investment in corporate bonds and quoted securities. The increase was also to finance the purchase of tugs and barges as well as the consolidation of the bank loan through the acquisition of 100%-owned AKHL. The increase in bank borrowings was partly offset by the full repayment of bank loan pertaining M-Space.

C) Cash flow Statements

Net cash generated from operating activities of \$60.9 million in FY14 which was mainly due to operating cash flow before changes in working capital of \$118.9 million after offsetting net working capital outflow of \$48.0 million and payment of income tax and interest charges amounted to \$10.0 million.

Net cash used in investing activities of \$115.3 million in FY14 which was mainly due to long term investment in high yield corporate bonds, quoted securities, purchase of property, plant and equipment and progressive payments for investments in residential properties, acquisition of 100%-owned AKHL and cost incurred in workers' dormitory offset by proceeds from disposal of property, plant and equipment bonds and shares.

Net cash generated from financing activities of \$60.3 million in FY14 which was mainly attributed by the additional bank loans obtained to finance the dormitory at Mandai Estate, 65%-owned property development at Mandai Link and investment in high yield corporate bonds, purchase of quoted securities as well as purchase of tugs and barges offset by repayment of bank loans, hire purchase creditors and dividends paid to shareholders of the Company and non-controlling shareholder of a subsidiary.

Overall, cash and cash equivalents stood at \$176.7 million as at 31 May 2014, representing an improvement of \$5.8 million from \$170.9 million as at 31 May 2013.

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 2014 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

The recent URA's press release on 1 July 2014 showed that prices of residential properties decreased further by 1.1% in 2Q14, compared to the 1.3% decline in the previous quarter, 1Q14. The BCA's forecast released on 9 Jan 2014 indicated that private construction demand is expected to moderate to \$12b to \$16b in 2014, compared to \$21b in 2013 following the government cooling measures to stabilize the property market. The construction industry is expected to be challenging due to the increasing cost pressure arising from the higher foreign worker levy as well as the keen competition. In light of this, the Group is cautiously optimistic of the outlook for the construction industry in the next 12 months.

The Group will continue to focus on its core business of construction and remain active in tendering for new projects in the public and private sectors to generate sustainable revenue and profitability. With the addition of three contracts worth \$170.0 million comprising Westlite dormitory, the Midtown and Spottiswoode Suites, the Group's order book stood at \$1.2 billion to-date. This will provide the Group with a sustainable flow of activities for the Group through FY17.

Going forward, the Group's dormitory business segment is expected to continue to contribute to the Group's revenue. In addition, the Group's investment in the high yield corporate bonds and quoted securities as well as investment properties will generate reasonable coupons, dividends and rental income to diversify the Group's earnings. The Group's 50% joint venture development projects, The Midtown and Spottiswoode Suites which the Group has sold 96% and 77% of its developments respectively, will also contribute their revenue and profit respectively to the Group in FY15.

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	:	First & Final	Special
Dividend Type	:	Cash	Cash
Dividend Amount per share	:	\$0.01	\$0.0125
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	\$0.0025
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 2014, will be paid on 16 October 2014.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 3 October 2014 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 2 October 2014 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 2 October 2014 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)

FY2014							
	Construction	Manufacturing of Concrete	Engineering & Leasing of Construction Machinery	Property Development	Investment Holding	Elimination	Group
Revenue							
External Customers	424,724	110,954	274	199,494	18,443	-	753,889
Inter-segment	38,928	12,736	21,831	-	26,677	(100,172)	-
Total revenue	463,652	123,690	22,105	199,494	45,120	(100,172)	753,889
Results:							
Interest income	2,556	42	79	180	73	-	2,930
Finance cost	497	339	11	243	1,817	-	2,907
Dividend income	27	-	-	-	228	-	255
Depreciation and amortisation	6,313	3,520	1,792	26	158	(28)	11,781
Fair value gain on investment property	122	-	-	-	34,881	2,239	37,242
<u>Other non-cash expenses:</u>							
Impairment loss in value in investment property	500	-	-	-	-	-	500
Share of results of associates	(280)	-	-	(2,277)	(456)	-	(3,013)
Bad debt written off	31	-	-	-	4	-	35
Allowance for impairment on doubtful receivables	-	528	-	-	-	-	528
Segment profit	30,233	4,973	4,213	57,087	46,796	(1,785)	141,517
Assets:							
Investment in associates	920	-	-	(1,466)	(17)	-	(563)
Additions to non-current assets	14,715	7,709	4,223	-	13,521	(2,239)	37,929
Segment assets	489,897	60,426	32,166	331,695	511,525	(321,530)	1,104,179
Segment liabilities	304,311	35,571	7,954	299,404	253,244	(251,687)	648,797

FY2013 (Restated)							
	Construction	Manufacturing of Concrete	Engineering & Leasing of Construction Machinery	Property Development	Investment Holding	Elimination	Group
Revenue							
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
Results:							
Interest income	1,008	2	35	52	117	-	1,214
Finance cost	168	310	24	1	544	-	1,047
Dividend income	16	-	-	-	-	-	16
Depreciation and amortisation	5,235	2,692	1,586	34	46	(65)	9,528
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
Fair value gain on investment property	-	-	-	-	46,994	4,026	51,020
<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	47,594	1,517	98,923
Assets:							
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	341,633	(258,793)	867,538
Segment liabilities	245,868	33,306	9,076	278,562	160,633	(196,864)	530,581

(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-14 \$'000	31-May-13 \$'000	
		(Restated)	
Sales reported for first half year	328,056	234,924	39.6%
Operating profit after tax and before deducting NCI reported for first half year	19,025	19,780	-3.8%
Sales reported for second half year	425,833	270,682	57.3%
Operating profit after tax and before deducting NCI reported for second half year	107,972	71,776	50.4%

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*	11,920	6,622
Preference Shares	-	-
Total	11,920	6,622

* 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	40	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	40	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. Position held since 1999.	He is also responsible for the asphalt, sand quarry and vessel charter division.
Ong Lee Yap	48	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	32	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.	He is also responsible for the property development division.
Ong Sui Hui	35	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 23, 2014