



LIAN BENG GROUP LTD

First Half Financial Statement And Dividend Announcement

First Half financial statements on consolidated results for the period ended 30 November 2011.

These figures have not been audited.

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

1(a)(i) An income statement 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		
	6 months ended 30 November 2011 S\$'000	6 months ended 30 November 2010 S\$'000	% Increase /(Decrease)
Revenue	237,670	249,283	-4.7%
Cost of sales	(201,487)	(210,272)	-4.2%
Gross profit	36,183	39,011	-7.2%
Other operating income	10,912	968	1027.3%
Distribution expenses	(724)	(496)	46.0%
Administrative expenses	(8,132)	(6,838)	18.9%
Other operating expenses	(1,847)	(4,301)	-57.1%
Finance costs	(371)	(488)	-24.0%
Profit before taxation	36,021	27,856	29.3%
Taxation	(5,531)	(5,158)	7.2%
Profit for the period	30,490	22,698	34.3%
Other comprehensive income :			
Foreign currency translation	(117)	156	-175.0%
Net (loss)/gain on fair value changes of available-for-sale financial assets	(3)	42	-107.1%
Other comprehensive (loss)/income for the period, net of tax	(120)	198	-160.6%
Total other comprehensive income for the period, net of tax	30,370	22,896	32.6%
Profit attributable to :			
Owners of the parent	30,126	22,578	33.4%
Non-controlling interests	364	120	203.3%
	30,490	22,698	34.3%
Total comprehensive income attributable to:			
Owners of the parent	30,006	22,776	31.7%
Non-controlling interests	364	120	203.3%
	30,370	22,896	32.6%

Notes to Income Statements:

	The Group		
	6 months ended 30 November 2011 S\$'000	6 months ended 30 November 2010 S\$'000	% Increase /(Decrease)
Other income including interest income	833	461	80.7%
Gain on disposal of plant & equipment	259	92	181.5%
Depreciation of property, plant and equipment	(3,470)	(2,745)	26.4%
Depreciation of investment properties	(25)	(54)	-53.7%
Bad debt written off Note 1	-	(2,006)	-100.0%
Gain on sale of investment property held for sale Note 2	7,896	-	NM
Gain on sale of investment property	-	263	-100.0%
Dividend income from investment securities Note 3	1,625	5	NM
Foreign exchange gain / (loss)	205	(323)	-163.5%

* Not Meaningful

Explanatory notes:

- The bad debt written off in 1H2011 arose from the write off of an amount owed by Manhattan Resources following an out-of-court settlement for both Suit 605 of 2008/Z and Suit 274 of 2010/A.
- The gain on sale of investment property held for sale was due to the sale of the property at New Industrial Road.
- The increase in dividend income from investment securities arose from the dividend received from the Group's 19% 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	
	30-Nov-11	31-May-11	30-Nov-11	31-May-11
<u>Non-current assets</u>				
Property, plant and equipment	42,677	42,612	-	-
Investment properties	58,573	47,317	-	-
Intangible assets	129	129	-	-
Investment in subsidiaries	-	-	30,738	30,738
Investment securities	13,193	11,589	-	-
	114,572	101,647	30,738	30,738
<u>Current assets</u>				
Construction work-in-progress	13,573	8,784	-	-
Investment properties held for sale	-	24,309	-	-
Development properties	92,696	127,108	-	-
Development properties held for sale	6,154	6,154	-	-
Inventories	2,954	6,437	-	-
Trade receivables	119,976	133,566	-	-
Other receivables and deposits	17,051	10,586	5,227	3
Prepayments	1,237	815	6	8
Receivables from related parties	4	3	79,606	78,789
Amounts due from an associated company	6,709	-	6,709	-
Amounts due from jointly-controlled entities	10	17	5,223	-
Asset held for sale (Note)	-	-	-	-
Investment securities	12	13	-	-
Fixed deposits	21,082	9,858	-	127
Cash and bank balances	163,733	140,005	887	20,534
	445,191	467,655	97,658	99,461
<u>Current liabilities</u>				
Progress billings in excess of construction work-in-progress	103,669	106,886	-	-
Trade and other payables	121,358	111,284	42	44
Accruals	9,103	10,816	250	412
Amounts due to related parties	-	-	45,954	38,591
Bank loans	162	27,551	-	-
Bills payable	-	1,644	-	-
Current portion of obligations under hire purchase	4,016	3,634	-	-
Provision for taxation	10,563	8,474	-	-
	248,871	270,289	46,246	39,047
Net current assets	196,320	197,366	51,412	60,414
<u>Non-current liabilities</u>				
Bank loans	91,453	100,213	-	-
Obligations under hire purchase	6,611	6,771	-	-
Deferred tax liabilities	1,667	2,762	-	-
	99,731	109,746	-	-
Net assets	211,161	189,267	82,150	91,152
<u>Equity attributable to equity holders of the Company</u>				
Share capital	82,275	82,275	82,275	82,275
Foreign currency translation reserve	258	375	-	-
Fair value adjustment reserve	290	293	-	-
Accumulated profits	126,513	104,863	(125)	8,877
	209,336	187,806	82,150	91,152
Non-controlling interests	1,825	1,461	-	-
Total equity	211,161	189,267	82,150	91,152
	-	-	-	-

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 2011

Secured (S\$)	Unsecured (S\$)
4,178,000	0

As at 31 May 2011

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

Amount repayable after one year

As at 30 November 2011

Secured (S\$)	Unsecured (S\$)
98,064,000	0

As at 31 May 2011

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

Details of any collateral

As at 30 November 2011, the Group's borrowings of S\$102.2 million (31 May 2011 : S\$139.8 million) are secured by the Group's freehold properties, development properties, investment properties, plant, machinery and motor vehicles. The bank facilities of the subsidiary companies are also secured by corporate guarantees from the Company.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group (S\$'000) 6 months ended 30-Nov-11	The Group (S\$'000) 6 months ended 30-Nov-10
Cash flows from operating activities		
Profit before taxation	36,021	27,856
Adjustments for:-		
Depreciation of property, plant and equipment	3,470	2,745
Depreciation of investment properties	25	54
Dividend income from investment securities	(1,625)	(5)
Gain on sale of property, plant and equipment	(259)	(92)
Net fair value loss/(gain) on investment securities	1	(3)
Gain on sale of investment property held for sale	(7,896)	-
Gain on sale of investment property	-	(263)
Interest income	(567)	(165)
Interest expense	371	488
Exchange translation difference	(117)	156
Bad debt written off	-	2,006
Allowance for impairment on doubtful receivables	-	3
Operating cash flows before changes in working capital	29,424	32,780
Changes in working capital :-		
Development properties	34,987	1,783
Construction work-in-progress	(8,006)	24,801
Inventories	3,483	2,158
Trade receivables	13,590	(24,429)
Other receivables and deposits	(6,250)	(1,676)
Prepayments	(422)	(49)
Trade payables, other payables, accruals and bills payable	1,424	23,760
Balances with related parties	6	(405)
	38,812	25,943
Cash generated from operations	68,236	58,723
Interest paid capitalised in development properties	(575)	(728)
Income tax recovered	-	3
Income tax paid	(4,537)	(2,336)
Net cash flows generated from operating activities	63,124	55,662
Cash flows from investing activities		
Interest received	344	47
Dividend income from investment securities	1,625	5
Additional investment in investment securities	(1,600)	-
Loan to an associated company	(6,709)	-
Purchase of property, plant and equipment	(1,669)	(5,011)
Purchase of investment properties	(11,281)	(3,598)
Proceeds from disposal of property, plant and equipment	566	245
Proceeds from disposal of investment property	-	473
Proceeds from disposal of investment property held for sale	32,205	-
Net cash flows generated from / (used in) investing activities	13,481	(7,839)
Cash flows from financing activities		
Interest paid	(371)	(488)
Proceeds from hire purchase creditors	-	1,575
Repayment of hire purchase creditors	(1,951)	(1,823)
Dividend paid on ordinary shares	(8,476)	(4,238)
Repayment of bank loans	(36,149)	(13,371)
Loan from minority shareholder of a subsidiary company	5,294	620
Net cash flows used in financing activities	(41,653)	(17,725)
Net increase in cash and cash equivalents	34,952	30,098
Cash and cash equivalents at beginning of the period	149,863	70,757
Cash and cash equivalents at end of the period *	184,815	100,855
* Breakdown of cash and cash equivalents at the end of period:	\$'000	\$'000
Cash at bank and in hand	163,733	88,769
Fixed deposits	21,082	12,364
Bank overdrafts	-	(278)
Total	184,815	100,855

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

	Group					
	Share Capital	Translation Reserves	Fair Value Adjustment Reserves	Accumulated Profits	Non-controlling interests	Total Equity
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Balance as at 1 June 2010	82,275	19	247	60,919	564	144,024
Profit for the period	-	-	-	22,578	120	22,698
<u>Other comprehensive income</u>						
Net gain on fair value changes of available-for-sale financial assets	-	-	42	-	-	42
Foreign currency translation	-	156	-	-	-	156
Other comprehensive income for the period, net of tax	-	156	42	-	-	198
Total comprehensive income for the period	-	156	42	22,578	120	22,896
<u>Distribution to owners</u>						
Dividends on ordinary shares	-	-	-	(4,238)	-	(4,238)
Balance as at 30 November 2010	82,275	175	289	79,259	684	162,682
Balance as at 1 June 2011	82,275	375	293	104,863	1,461	189,267
Profit for the period	-	-	-	30,126	364	30,490
<u>Other comprehensive income/(loss)</u>						
Net loss on fair value changes of available-for-sale financial assets	-	-	(3)	-	-	(3)
Foreign currency translation loss	-	(117)	-	-	-	(117)
Other comprehensive income/(loss) for the period, net of tax	-	(117)	(3)	-	-	(120)
Total comprehensive income/(loss) for the period	-	(117)	(3)	30,126	364	30,370
<u>Distribution to owners</u>						
Dividends on ordinary shares	-	-	-	(8,476)	-	(8,476)
Balance as at 30 November 2011	82,275	258	290	126,513	1,825	211,161

	Company		
	Share Capital	Accumulated Profits	Total Equity
	S\$ '000	S\$ '000	S\$ '000
Balance as at 1 June 2010	82,275	5,240	87,515
Loss for the period	-	(2,475)	(2,475)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive loss for the period	-	(2,475)	(2,475)
<u>Distribution to owners</u>			
Dividends on ordinary shares	-	(4,238)	(4,238)
Balance as at 30 November 2010	82,275	(1,473)	80,802
Balance as at 1 June 2011	82,275	8,877	91,152
Loss for the period	-	(526)	(526)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive loss for the period	-	(526)	(526)
<u>Distribution to owners</u>			
Dividends on ordinary shares	-	(8,476)	(8,476)
Balance as at 30 November 2011	82,275	(125)	82,150

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 2011 is 529,760,000 shares (FY 2011: 529,760,000 shares)

1(d)(iv) A statement showing all sales, transfer, disposals, cancellations and/or use of treasury shares as at the end of the current financial period reported on

Not Applicable

2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not Applicable

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 31 May 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 construction 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 1H FY2012 and prior years. Hence, no restatements of comparatives is required.

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-11	30-Nov-10
(a) On a basic basis	5.69	4.26
(b) On a fully diluted basis	5.69	4.26

Earnings per share is calculated based on 529,760,000 ordinary shares for the half year. (1H11: 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

	Group		Company	
	As at 30-Nov-11	As at 31-May-11	As at 30-Nov-11	As at 31-May-11
Net asset value per ordinary share based on issued share capital at the end of the period reported on (cents)	39.52	35.45	15.51	17.21

Net asset value per share is calculated based on 529,760,000 ordinary shares in issue at the end of the current period. (FY2011: 529,760,000 shares)

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

A) Comprehensive Income Statements

Group revenue for the half year ended 30 November 2011 ("1H12") declined by 4.7% to \$237.7 million from \$249.3 million recorded in the corresponding period last year ("1H11"). The construction segment remained the key driver to the Group revenue, contributing about 73% while its property development and ready-mixed concrete segments contributed 12% and 15%. The decrease in the overall Group revenue was mainly due to lower construction work recognised in the construction segment. The impact was offset by the increase in revenue from the ready-mixed concrete and property development segments.

Cost of sales decreased in line with the revenue decline and gross profit decreased by 7.2% to \$36.2 million from \$39.0 million in 1H11.

Taking into account the increase in other income that was due to the sale of the property at New Industrial Road and taxation, the Group recorded a 34.3% increase in profit after tax to \$30.5 million for 1H12, compared to \$22.7 million for 1H11. As such, net profit margin increased to 12.8% in 1H12 from 9.1% in 1H11.

B) Financial Position Statements

Long term investment properties increased to \$58.6 million in 1H12 from \$47.3 million in FY2011 mainly due to progressive payments for the long term investment in residential properties and development cost incurred for workers' dormitory.

In line with decrease in business activity, trade debtor registered a decrease from \$133.6 million to \$120.0 million.

Development properties decreased from \$127.1 million to \$92.7 million due mainly to increase in progressive income offset by costs incurred for the residential property development projects at Ola Residences, Lincoln Suites as well as the industrial property development project at M Space located at Mandai. It also included cost incurred for the newly acquired property known as "Dragon Mansion".

Amount due from an associated company was mainly due to contribution to the Group's 38% owned associated company for the acquisition of the property to be redeveloped into a 16-storey hotel at Middle Road.

Other receivable and deposit increased to \$17.1 million from \$10.6 million was mainly due to a contribution to be paid by the Group's 50% owned joint venture partner for the acquisition of property known as "Dragon Mansion" for redevelopment.

The decrease in the investment property held for sale was due to the sale of the industrial property at New Industrial Road.

Trade and other payables increased from \$111.3 million to \$121.4 million due mainly to a contribution already paid by the shareholder of the Group's 55% owned subsidiary for the industrial and dormitory development project at Mandai.

Total borrowings decreased from \$139.8 million to \$102.2 million mainly due to repayment of bank borrowings in 1H12.

C) Cash Flow Statements

Net cash generated from operating activities increased from \$55.7 million in 1H11 to \$63.1 million in 1H12. This was mainly due to net working capital inflow in the half year ended 30 November 2011.

Net cash generated from investing activities was mainly due to the sale of the investment property at New Industrial Road offset by progressive payments for investments in residential properties and development cost incurred for workers' dormitory as well as loan to an associated company for the acquisition of the property to be redeveloped into a 16-storey hotel at Middle Road.

Net cash used in financing activities was mainly attributable to repayment of bank borrowings offset by contributions from the minority shareholder of the Group's 55%-owned property development project at Mandai Estates.

Overall, cash and cash equivalents stood at \$184.8 million as at 30 November 2011, representing an improvement of \$84.0 million, from \$100.8 million as at 30 November 2010.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Group's Half Year Results is in line with the cautious market outlook previously announced in the paragraph 10 of the First Quarter Results announcement.

10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

While the momentum of the private residential property sector appears to be moving cautiously due to the cooling measures, the industrial and commercial property sectors have picked up momentum as they are exempted from the cooling measures. The public sector property market continues to maintain a strong momentum due to the strong demand for HDB homes. Hence, the Group is still cautiously optimistic of the outlook for the construction industry for 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. In addition, the Group is also actively seeking for growth opportunities for its ready-mixed concrete and engineering businesses that will enhance the shareholders' value of the Group.

As at 30 November 2011, the Group's order book stood at \$772 million which will provide it with a sustainable flow of activity.

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.

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**

Not applicable

- 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**

Not applicable

- 16 A breakdown of sales**

Not applicable

- 17 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
10 January 2012

**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 2011**

We, Ong Pang Aik and Ong Lay Koon, being Directors of Lian Beng Group Ltd (“the Company”), do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited half year financial results for the period ended 30 November 2011 to be false or misleading.

For and on behalf of the Board of Directors.

Ong Pang Aik
Chairman and Managing Director

Ong Lay Koon
Executive Director

10 January 2012