



LIAN BENG GROUP LTD

Third Quarter Financial Statement And Dividend Announcement

Third Quarter financial statements on consolidated results for the period ended 29 February 2012.

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		
	9 months ended 29 February 2012 S\$'000	9 months ended 28 February 2011 S\$'000	% Increase /(Decrease)
Revenue	333,652	379,936	-12.2%
Cost of sales	(279,806)	(322,359)	-13.2%
Gross profit	53,846	57,577	-6.5%
Other operating income	12,169	4,972	144.8%
Distribution expenses	(2,125)	(781)	172.1%
Administrative expenses	(12,056)	(11,196)	7.7%
Other operating expenses	(2,903)	(5,528)	-47.5%
Finance costs	(510)	(692)	-26.3%
Share of results of associates	(31)	-	NM
Profit before taxation	48,390	44,352	9.1%
Taxation	(7,850)	(7,492)	4.8%
Profit for the period	40,540	36,860	10.0%
Other comprehensive income :			
Foreign currency translation	(391)	275	-242.2%
Fair value adjustment on available-for-sale financial assets	44	27	63.0%
Other comprehensive (loss)/income for the period, net of tax	(347)	302	-214.9%
Total other comprehensive income for the period, net of tax	40,193	37,162	8.2%
Profit attributable to :			
Owners of the Company	40,560	36,629	10.7%
Non-controlling interests	(20)	231	-108.7%
	40,540	36,860	10.0%
Total comprehensive income attributable to:			
Owners of the Company	40,213	36,931	8.9%
Non-controlling interests	(20)	231	-108.7%
	40,193	37,162	8.2%

Notes to Income Statements:

	The Group		
	9 months ended 29 February 2012 S\$'000	9 months ended 28 February 2011 S\$'000	% Increase /(Decrease)
Other income including interest income	1,432	976	46.7%
Gain on disposal of plant & equipment	472	131	260.3%
Depreciation of property, plant and equipment	(5,247)	(4,255)	23.3%
Depreciation of investment properties	(38)	(61)	-37.7%
Bad debt written off	Note 1	(2,006)	-100.0%
Gain on sale of investment property held for sale	Note 2	7,896	-
Gain on sale of investment property	Note 3	-	3,662
Dividend income from investment securities	Note 4	1,817	9
Foreign exchange gain/(loss)		405	(553)

* Not Meaningful

Explanatory notes:

- The bad debt written off 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 in 9M11.
- The gain on sale of investment property held for sale was due to the gain arising from the sale of the industrial property at New Industrial Road.
- The gain on sale of investment property was mainly due to the gain arising from the sale of the commercial unit at Suntec City Tower One in 9M11.
- 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	
	29-Feb-12	31-May-11	29-Feb-12	31-May-11
<u>Non-current assets</u>				
Property, plant and equipment	41,322	42,612	-	-
Investment properties	62,224	47,317	-	-
Intangible assets	129	129	-	-
Investment in subsidiaries	-	-	30,739	30,738
Investment in associates	(31)	-	-	-
Investment securities	17,273	11,589	-	-
	120,917	101,647	30,739	30,738
<u>Current assets</u>				
Construction work-in-progress	8,855	8,784	-	-
Investment properties held for sale	-	24,309	-	-
Development properties	80,350	127,108	-	-
Development properties held for sale	6,154	6,154	-	-
Inventories	3,679	6,437	-	-
Trade receivables	129,718	133,566	-	-
Other receivables and deposits	17,615	10,586	5,227	3
Prepayments	1,126	815	7	8
Receivables from related parties	3	3	75,925	78,789
Amount due from an associated company	6,710	-	6,710	-
Amounts due from jointly-controlled entities	18	17	5,227	-
Asset held for sale (Note)	-	-	-	-
Investment securities	14	13	-	-
Fixed deposits	108,073	9,858	-	127
Cash and bank balances	70,271	140,005	233	20,534
	432,586	467,655	93,329	99,461
<u>Current liabilities</u>				
Progress billings in excess of construction work-in-progress	96,394	106,886	-	-
Trade and other payables	112,926	111,284	56	44
Accruals	10,914	10,816	344	412
Amounts due to related parties	-	-	41,697	38,591
Bank loans	164	27,551	-	-
Bills payable	-	1,644	-	-
Current portion of obligations under hire purchase	3,931	3,634	-	-
Provision for taxation	9,443	8,474	-	-
	233,772	270,289	42,097	39,047
Net current assets	198,814	197,366	51,232	60,414
<u>Non-current liabilities</u>				
Bank loans	91,412	100,213	-	-
Obligations under hire purchase	5,697	6,771	-	-
Deferred tax liabilities	1,638	2,762	-	-
	98,747	109,746	-	-
Net assets	220,984	189,267	81,971	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	(16)	375	-	-
Fair value adjustment reserve	337	293	-	-
Accumulated profits/(losses)	136,947	104,863	(304)	8,877
	219,543	187,806	81,971	91,152
Non-controlling interests	1,441	1,461	-	-
Total equity	220,984	189,267	81,971	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 29 February 2012

Secured (S\$)	Unsecured (S\$)
4,095,000	0

As at 31 May 2011

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

Amount repayable after one year

As at 29 February 2012

Secured (S\$)	Unsecured (S\$)
97,109,000	0

As at 31 May 2011

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

Details of any collateral

As at 29 February 2012, the Group's borrowings of S\$101.2 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 statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group (\$'000) 9 months ended 29-Feb-12	The Group (\$'000) 9 months ended 28-Feb-11
<u>Cash flows from operating activities</u>		
Profit before taxation	48,390	44,352
Adjustments for:-		
Depreciation of property, plant and equipment	5,247	4,255
Depreciation of investment properties	38	61
Dividend income from investment securities	(1,817)	(9)
Gain on sale of property, plant and equipment	(472)	(131)
Net fair value gain on investment securities	(1)	(2)
Gain on sale of investment property held for sale	(7,896)	-
Gain on sale of investment property	-	(3,662)
Interest income	(992)	(565)
Interest expense	510	692
Exchange translation difference	(391)	275
Bad debt written off	-	2,006
Share of results of associates	31	-
(Writeback/) Allowance for impairment on doubtful receivables	(6)	3
Operating cash flows before changes in working capital	42,641	47,275
Changes in working capital :-		
Development properties	47,631	(6,507)
Construction work-in-progress	(10,563)	34,360
Inventories	2,758	(2,534)
Trade receivables	3,848	(27,895)
Other receivables and deposits	(6,702)	3,150
Prepayments	(311)	174
Trade payables, other payables, accruals and bills payable	(5,197)	27,871
Balances with related parties	5	(296)
	31,469	28,323
Cash generated from operations	74,110	75,598
Interest paid capitalised in development properties	(873)	(1,054)
Income tax recovered	366	31
Income tax paid	(8,372)	(4,436)
Net cash flows generated from operating activities	65,231	70,139
<u>Cash flows from investing activities</u>		
Interest received	639	88
Dividend income from investment securities	1,817	9
Additional investment in investment securities	(5,613)	-
Loan to an associated company	(6,710)	-
Purchase of property, plant and equipment	(2,097)	(5,404)
Purchase of investment properties	(14,945)	(25,451)
Proceeds from disposal of property, plant and equipment	785	301
Proceeds from disposal of investment property	-	11,138
Proceeds from disposal of investment property held for sale	32,205	-
Net cash flows generated from / (used in) investing activities	6,081	(19,319)
<u>Cash flows from financing activities</u>		
Interest paid	(510)	(692)
Proceeds from hire purchase creditors	-	1,504
Repayment of hire purchase creditors	(2,950)	(2,726)
Dividend paid on ordinary shares	(8,476)	(4,238)
Repayment of bank loans	(36,188)	(15,169)
Proceeds from bank loans	-	15,000
Loan from minority shareholder of a subsidiary company	5,293	3,942
Net cash flows used in financing activities	(42,831)	(2,379)
Net increase in cash and cash equivalents	28,481	48,441
Cash and cash equivalents at beginning of the period	149,863	70,757
Cash and cash equivalents at end of the period *	178,344	119,198
* Breakdown of cash and cash equivalents at the end of period:	\$'000	\$'000
Cash at bank and in hand	70,271	107,742
Fixed deposits	108,073	12,036
Bank overdrafts	-	(580)
Total	178,344	119,198

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	-	-	-	36,629	231	36,860
<u>Other comprehensive income</u>						
Net gain on fair value changes of available-for-sale financial assets	-	-	27	-	-	27
Foreign currency translation	-	275	-	-	-	275
Other comprehensive income for the period, net of tax	-	275	27	-	-	302
Total comprehensive income for the period	-	275	27	36,629	231	37,162
<u>Distribution to owners</u>						
Dividends on ordinary shares	-	-	-	(4,238)	-	(4,238)
Balance as at 28 February 2011	82,275	294	274	93,310	795	176,948
Balance as at 1 June 2011	82,275	375	293	104,863	1,461	189,267
Profit for the period	-	-	-	40,560	(20)	40,540
<u>Other comprehensive income</u>						
Net gain on fair value changes of available-for-sale financial assets	-	-	44	-	-	44
Foreign currency translation	-	(391)	-	-	-	(391)
Other comprehensive income for the period, net of tax	-	(391)	44	-	-	(347)
Total comprehensive income/(loss) for the period	-	(391)	44	40,560	(20)	40,193
<u>Distribution to owners</u>						
Dividends on ordinary shares	-	-	-	(8,476)	-	(8,476)
Balance as at 29 February 2012	82,275	(16)	337	136,947	1,441	220,984
	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	-		(2,759)		(2,759)	
Other comprehensive income for the period, net of tax	-		-		-	
Total comprehensive loss for the period	-		(2,759)		(2,759)	
<u>Distribution to owners</u>						
Dividends on ordinary shares	-		(4,238)		(4,238)	
Balance as at 28 February 2011	82,275		(1,757)		80,518	
Balance as at 1 June 2011	82,275		8,877		91,152	-
Loss for the period	-		(705)		(705)	
Other comprehensive income for the period, net of tax	-		-		-	
Total comprehensive loss for the period	-		(705)		(705)	
<u>Distribution to owners</u>						
Dividends on ordinary shares	-		(8,476)		(8,476)	
Balance as at 29 February 2012	82,275		(304)		81,971	-

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 29 February 2012 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 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 9M12 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)	9 months ended	
	29-Feb-12	28-Feb-11
(a) On a basic basis	7.66	6.91
(b) On a fully diluted basis	7.66	6.91

Earnings per share is calculated based on 529,760,000 ordinary shares for the current period. (9M11: 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	As at	As at	As at
	29-Feb-12	31-May-11	29-Feb-12	31-May-11
Net asset value per ordinary share based on issued share capital at the end of the period reported on (cents)	41.44	35.45	15.47	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 nine months ended 29 February 2012 ("9M12") declined by 12.2% to \$333.6 million from \$379.9 million recorded in the corresponding period last year ("9M11"). The construction segment remained the key driver to the Group revenue, contributing about 75% while its property development and ready-mixed concrete segments contributed 9% and 16%. 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 segment.

Cost of sales decreased in line with the revenue decline and gross profit decreased by 6.5% to \$53.8 million from \$57.6 million in 9M11.

Other operating income rose 144.8% to \$12.2 million in 9M12, mainly attributable to gain on sale of the property at New Industrial Road. The increase in distribution expense of \$1.3 million or 172.1% was due to increase in selling and marketing expense arising from the sale of the 141-unit industrial building, M-Space at Mandai Estates.

Taking into account the taxation, the Group recorded a 10% increase in profit after tax to \$40.5 million for 9M12, compared to \$36.9 million for 9M11. As such, net profit margin increased to 12.2% in 9M12 from 9.7% in 9M11.

B) Financial Position Statements

Long term investment properties increased to \$62.2 million in 9M12 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.

Development properties decreased from \$127.1 million to \$80.4 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".

The amount due by an associated company was mainly due to the Group's contribution in relation to the acquisition of a property located at Middle Road for redevelopment.

Other receivable and deposit increased to \$17.6 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.

Total borrowings decreased from \$139.8 million to \$101.2 million mainly due to repayment of bank borrowings in 9M12.

C) Cash Flow Statements

Net cash generated from operating activities declined from \$70.1 million in 9M11 to \$65.2 million in 9M12. This was mainly due to higher income tax paid to IRAS in 9M12.

Net cash generated from 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 as well as loan 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.

Overall, cash and cash equivalents stood at \$178.3 million as at 29 February 2012, representing an improvement of \$59.1 million, from \$119.2 million as at 28 February 2011.

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

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

The private sector property market is expected to maintain a steady momentum led by mass market segment as well as industrial and commercial sectors. Along with this, the public sector construction demand continues to be robust on the back of continued strong public housing developments as well as construction demand for institutional buildings and civil engineering projects. 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 planning to carve out its ready-mixed concrete and engineering businesses for a spin-off and proposed listing in Taiwan which will unlock the shareholders' value as well as exploring growth opportunities for the Group.

As at 29 February 2012, the Group's order book stood at \$742 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
11-Apr-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 third quarter ended 29 February 2012**

We, Ong Pang Aik and Ong Lay Koon, being Directors of Lian Beng Group Ltd ("the Company"), do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited third quarter financial results for the period ended 29 February 2012 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

11 April 2012