



## LIAN BENG GROUP LTD

Registration No. 199802527Z

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### RESPONSE TO SGX QUERY ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MAY 2020 ("ANNUAL REPORT 2020")

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The Board of Directors of Lian Beng Group Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to inform shareholders that the Company has received the following query from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") regarding the Annual Report 2020 and sets out its response as follows:

#### **Query:**

If there are material discrepancies between the issuer's interim full year results and its audited full year results, the issuer is required to disclose and explain the material discrepancies via an SGXNET announcement under Listing Rule 704(6).

Please explain the material discrepancies in the values in net cash flows used in investing activities and net cash flows used in financing activities in: (a) the Company's Statement of Cash Flows found on page 81 and 82 of the Annual Report 2020; and (b) the Company's full year financial statements for FY2020 which was issued on 29 July 2020. Please also explain how the Company has complied with Listing Rule 704(6).

#### **Company's response:**

The net cash flows used in investing activities and net cash flows used in financing activities in the audited consolidated statement of cash flows ("**ACF**"), as compared to the unaudited consolidated statement of cash flows ("**UCF**"), for the financial year ended 31 May 2020, are as follows:

	Per UCF	Per ACF	Difference
	S\$'000	S\$'000	S\$'000
Proceeds from disposal of a subsidiary	13,500	4,046	(9,454)
Net cash flows used in investing activities	(23,285)	(32,739)	(9,454)
Repayment of bank loans and bills payable	(180,259)	(170,819)	9,440
Net cash flows used in financing activities	(56,542)	(47,102)	9,440

The difference is due to a change in presentation whereby the proceeds from disposal of a subsidiary presented in the UCF represents the cash consideration for the disposal while that in the ACF represents the net cash inflows after considering amounts used to repay bank loans of S\$9,440,000 and interest of S\$14,000. The reconciliation is also presented in Note 6(f), page 123 and 124 of the audited financial statements within the Annual Report 2020.

The Company has complied with Listing Rule 704(6) as the above difference arise due to a change in presentation, and have no impact on the net increase in cash and cash equivalents held and the cash and cash equivalents at the end of the financial year ended 31 May 2020 in the consolidated statement of cash flows of the Group.

#### **BY ORDER OF THE BOARD**

Ong Pang Aik  
Chairman and Managing Director  
26 September 2020