



**LIAN BENG GROUP LTD**  
Registration No. 199802527Z

**Lian Beng Group Ltd and its subsidiaries**  
**Condensed Interim Consolidated Financial Statements**  
**For the six months ended 30 November 2022**

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**Lian Beng Group Ltd and its subsidiaries**  
**Condensed interim consolidated statement of comprehensive income**  
**For the six months ended 30 November 2022**

	Note	Group		Increase/ (decrease) %
		Six months ended 30 Nov 2022 ("1H2023") S\$'000	Six months ended 30 Nov 2021 ("1H2022") S\$'000	
<b>Revenue</b>	4.2	421,002	377,315	11.6
Cost of sales		(379,009)	(343,800)	10.2
<b>Gross profit</b>		41,993	33,515	25.3
Other operating income	6.1	9,455	9,959	(5.1)
Distribution expenses		(2,305)	(2,510)	(8.2)
Administrative expenses		(15,273)	(14,891)	2.6
Other operating expenses	6.1	(10,471)	(7,262)	44.2
Finance costs		(14,764)	(6,974)	111.7
Impairment losses on financial assets		(93)	(66)	40.9
Share of results of associates		12,858	12,707	1.2
Share of results of joint ventures		586	2,183	(73.2)
		21,986	26,661	(17.5)
Fair value gain on investment property held for sale		13,637	–	NM
Profit before taxation		35,623	26,661	33.6
Taxation	7	(4,022)	(2,909)	38.3
<b>Profit for the period, net of taxation</b>		31,601	23,752	33.0
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified to profit or loss:</i>				
Net loss on equity instruments at fair value through other comprehensive income ("FVOCI")		(6,988)	(1,191)	486.7
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net loss on debt instruments at FVOCI		(2,113)	(334)	532.6
Foreign currency translation loss		(1,001)	(45)	NM
<b>Other comprehensive income for the period, net of taxation</b>		(10,102)	(1,570)	543.4
<b>Total comprehensive income for the period</b>		21,499	22,182	(3.1)
<b>Profit attributable to:</b>				
Owners of the Company		22,010	14,876	48.0
Non-controlling interests		9,591	8,876	8.1
		31,601	23,752	33.0
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		12,149	13,202	(8.0)
Non-controlling interests		9,350	8,980	4.1
		21,499	22,182	(3.1)
<b>Earnings per share (Singapore cents)</b>				
Basic and diluted	9	4.40	2.98	48.0

NM – not meaningful

*The accompanying accounting policies and explanatory notes form an integral part of the condensed interim financial statements.*

**Lian Beng Group Ltd and its subsidiaries**  
**Condensed interim statements of financial position**  
**As at 30 November 2022**

	Note	Group		Company	
		30 Nov 2022 S\$'000	31 May 2022 S\$'000	30 Nov 2022 S\$'000	31 May 2022 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	12	239,154	227,019	–	–
Investment properties	13	695,569	674,201	–	–
Investment in subsidiaries		–	–	165,988	165,988
Investment in joint ventures		24,402	24,107	–	–
Investment in associates		68,063	56,008	–	–
Investment securities	11	151,112	170,567	12,851	13,227
Amounts due from subsidiaries		–	–	33,783	33,783
Amounts due from associates		33,266	35,066	–	–
		<b>1,211,566</b>	<b>1,186,968</b>	<b>212,622</b>	<b>212,998</b>
<b>Current assets</b>					
Contract assets		76,974	113,333	–	–
Capitalised contract costs		505	2,662	–	–
Development properties		170,406	120,062	–	–
Inventories		7,861	17,228	–	–
Trade receivables		83,136	66,529	–	–
Other receivables and deposits		13,971	21,804	122	710
Prepayments		12,041	13,718	79	5
Amounts due from subsidiaries		–	–	195,606	182,687
Amounts due from joint ventures		59,252	59,548	54,947	54,947
Amounts due from associates		206,861	199,034	–	–
Investment property held for sale	13	41,637	5,243	–	–
Investment securities	11	18,108	19,910	–	–
Cash and cash equivalents		246,861	228,893	2,820	7,554
		<b>937,613</b>	<b>867,964</b>	<b>253,574</b>	<b>245,903</b>
<b>Current liabilities</b>					
Contract liabilities		54,657	52,689	–	–
Trade and other payables		233,444	237,555	39	39
Accruals		22,335	25,006	104	142
Provisions		665	947	–	–
Lease liabilities		12,832	10,765	–	–
Amounts due to associates		1,549	1,554	–	–
Amounts due to joint ventures		950	950	–	–
Amounts due to subsidiaries		–	–	231,569	218,679
Bank loans	14	385,688	306,589	–	–
Provision for taxation		5,359	6,865	91	46
		<b>717,479</b>	<b>642,920</b>	<b>231,803</b>	<b>218,906</b>
<b>Net current assets</b>		<b>220,134</b>	<b>225,044</b>	<b>21,771</b>	<b>26,997</b>
<b>Non-current liabilities</b>					
Refundable rental deposits		3,209	3,127	–	–
Lease liabilities		60,210	51,320	–	–
Bank loans	14	456,683	457,404	–	–
Deferred tax liabilities		4,465	3,169	–	–
		<b>524,567</b>	<b>515,020</b>	<b>–</b>	<b>–</b>
<b>Net assets</b>		<b>907,133</b>	<b>896,992</b>	<b>234,393</b>	<b>239,995</b>

**Lian Beng Group Ltd and its subsidiaries**  
**Condensed interim statements of financial position**  
**As at 30 November 2022**

	Note	Group		Company	
		30 Nov 2022 S\$'000	31 May 2022 S\$'000	30 Nov 2022 S\$'000	31 May 2022 S\$'000
<b><u>Equity attributable to owners of the Company</u></b>					
Share capital	15	82,275	82,275	82,275	82,275
Treasury shares	15	(17,777)	(17,777)	(17,777)	(17,777)
Retained earnings		721,227	706,720	178,764	183,990
Other reserves		(17,070)	(4,718)	(8,869)	(8,493)
		768,655	766,500	234,393	239,995
<b>Non-controlling interests</b>		138,478	130,492	–	–
<b>Total equity</b>		<b>907,133</b>	<b>896,992</b>	<b>234,393</b>	<b>239,995</b>

*The accompanying accounting policies and explanatory notes form an integral part of the condensed interim financial statements.*

**Lian Beng Group Ltd and its subsidiaries**  
**Condensed interim statements of changes in equity**  
**For the six months ended 30 November 2022**

**GROUP – 1H2023**

	Attributable to owners of the Company					Non-controlling interests S\$'000	Total equity S\$'000
	Share capital (Note 15) S\$'000	Treasury shares (Note 15) S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total reserves S\$'000		
<b>Balance at 1 June 2022</b>	82,275	(17,777)	706,720	(4,718)	702,002	130,492	896,992
<b>Profit for the period, net of taxation</b>	–	–	22,010	–	22,010	9,591	31,601
<u>Other comprehensive income</u>							
Net (loss)/gain on equity instruments at FVOCI	–	–	–	(6,997)	(6,997)	9	(6,988)
Net loss on debt instruments at FVOCI	–	–	–	(2,085)	(2,085)	(28)	(2,113)
Foreign currency translation loss	–	–	–	(779)	(779)	(222)	(1,001)
<b>Other comprehensive income for the period, net of taxation</b>	–	–	–	(9,861)	(9,861)	(241)	(10,102)
<b>Total comprehensive income for the period</b>	–	–	22,010	(9,861)	12,149	9,350	21,499
<u>Contribution by and distribution to owners</u>							
Dividends paid on ordinary shares (Note 8)	–	–	(9,994)	–	(9,994)	–	(9,994)
Dividends paid to non-controlling interests of subsidiaries	–	–	–	–	–	(1,364)	(1,364)
<b>Total transactions with owners in their capacity as owners</b>	–	–	(9,994)	–	(9,994)	(1,364)	(11,358)
<u>Others</u>							
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	–	–	2,491	(2,491)	–	–	–
<b>Total others</b>	–	–	2,491	(2,491)	–	–	–
<b>Balance at 30 November 2022</b>	82,275	(17,777)	721,227	(17,070)	704,157	138,478	907,133

**Lian Beng Group Ltd and its subsidiaries**  
**Condensed interim statements of changes in equity**  
**For the six months ended 30 November 2022**

**GROUP – 1H2022**

	Attributable to owners of the Company					Non-controlling interests S\$'000	Total equity S\$'000
	Share capital (Note 15) S\$'000	Treasury shares (Note 15) S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total reserves S\$'000		
<b>Balance at 1 June 2021</b>	82,275	(17,777)	673,247	2,299	675,546	116,797	856,841
<b>Profit for the period, net of taxation</b>	–	–	14,876	–	14,876	8,876	23,752
<u>Other comprehensive income</u>							
Net (loss)/gain on equity instruments at FVOCI	–	–	–	(1,216)	(1,216)	25	(1,191)
Net (loss)/gain on debt instruments at FVOCI	–	–	–	(376)	(376)	42	(334)
Foreign currency translation (loss)/gain	–	–	–	(82)	(82)	37	(45)
<b>Other comprehensive income for the period, net of taxation</b>	–	–	–	(1,674)	(1,674)	104	(1,570)
<b>Total comprehensive income for the period</b>	–	–	14,876	(1,674)	13,202	8,980	22,182
<u>Contribution by and distribution to owners</u>							
Dividends paid on ordinary shares (Note 8)	–	–	(4,997)	–	(4,997)	–	(4,997)
Dividends paid to non-controlling interests of subsidiaries	–	–	–	–	–	(6,713)	(6,713)
<b>Total transactions with owners in their capacity as owners</b>	–	–	(4,997)	–	(4,997)	(6,713)	(11,710)
<u>Others</u>							
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	–	–	200	(200)	–	–	–
<b>Total others</b>	–	–	200	(200)	–	–	–
<b>Balance at 30 November 2021</b>	82,275	(17,777)	683,326	425	683,751	119,064	867,313

**Lian Beng Group Ltd and its subsidiaries**  
**Condensed interim statements of changes in equity**  
**For the six months ended 30 November 2022**

**COMPANY – 1H2023**

	Attributable to owners of the Company					Total equity S\$'000
	Share Capital (Note 15) S\$'000	Treasury shares (Note 15) S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total reserves S\$'000	
<b>Balance at 1 June 2022</b>	82,275	(17,777)	183,990	(8,493)	175,497	239,995
<b>Profit for the period, net of taxation</b>	–	–	4,768	–	4,768	4,768
<u>Other comprehensive income</u>						
Net loss on equity instruments at FVOCI	–	–	–	(376)	(376)	(376)
<b>Other comprehensive income for the period, net of taxation</b>	–	–	–	(376)	(376)	(376)
<b>Total comprehensive income for the period</b>	–	–	4,768	(376)	4,392	4,392
<u>Contribution by and distribution to owners</u>						
Dividends paid on ordinary shares (Note 8)	–	–	(9,994)	–	(9,994)	(9,994)
<b>Balance at 30 November 2022</b>	82,275	(17,777)	178,764	(8,869)	169,895	234,393

**COMPANY – 1H2022**

	Attributable to owners of the Company					Total equity S\$'000
	Share Capital (Note 15) S\$'000	Treasury shares (Note 15) S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total reserves S\$'000	
<b>Balance at 1 June 2021</b>	82,275	(17,777)	186,251	(9,099)	177,152	241,650
<b>Profit for the period, net of taxation</b>	–	–	14,697	–	14,697	14,697
<u>Other comprehensive income</u>						
Net gain on equity instruments at FVOCI	–	–	–	170	170	170
<b>Other comprehensive income for the period, net of taxation</b>	–	–	–	170	170	170
<b>Total comprehensive income for the period</b>	–	–	14,697	170	14,867	14,867
<u>Contribution by and distribution to owners</u>						
Dividends paid on ordinary shares (Note 8)	–	–	(4,997)	–	(4,997)	(4,997)
<b>Balance at 30 November 2021</b>	82,275	(17,777)	195,951	(8,929)	187,022	251,520



**Lian Beng Group Ltd and its subsidiaries**  
**Condensed interim consolidated cash flow statement**  
**For the six months ended 30 November 2022**

	Note	<b>Group</b>	
		<b>1H2023</b>	<b>1H2022</b>
		S\$'000	S\$'000
<b>Cash flows from operating activities</b>			
Profit before taxation		35,623	26,661
<u>Adjustments for:</u>			
Amortisation of capitalised contract costs		2,157	2,331
Amortisation of prepaid facility fee		45	45
Bad debts written off		77	4
Depreciation of property, plant and equipment		11,104	8,458
Dividend income from investment securities		(936)	(652)
Fair value gain on investment property held for sale		(13,637)	–
Fair value loss on investment securities	6.1	110	712
Gain on disposal of property, plant and equipment	6.1	(182)	(637)
Loss/(gain) on disposal of investment properties	6.1	27	(142)
Gain on disposal of investment securities		–	(20)
Gain on disposal of investment in a joint venture		–	(90)
Impairment losses on financial assets		93	66
Amounts of provision used		(282)	(346)
Interest income		(6,272)	(5,788)
Interest expense		14,764	6,974
Negative goodwill on acquisition of a subsidiary	16	(236)	–
Unrealised exchange differences		2,570	2,066
Share of results of associates and joint ventures		(13,444)	(14,890)
<b>Operating cash flows before changes in working capital</b>		<b>31,581</b>	<b>24,752</b>
<u>Changes in working capital:</u>			
Development properties		(45,404)	46,304
Capitalised contract costs		–	(4,962)
Contract assets		36,359	(27,160)
Contract liabilities		1,957	2,909
Inventories		9,367	778
Trade receivables		(16,692)	(22,682)
Other receivables and deposits		2,873	1,196
Prepayments		1,677	(1,703)
Trade and other payables and accruals		(9,224)	25,064
Balances with affiliated companies, joint ventures and associates		6,442	(2,859)
<b>Total changes in working capital</b>		<b>(12,645)</b>	<b>16,885</b>
Cash flows from operations		18,936	41,637
Income tax paid		(4,339)	(4,712)
<b>Net cash flows from operating activities</b>		<b>14,597</b>	<b>36,925</b>

**Lian Beng Group Ltd and its subsidiaries**  
**Condensed interim consolidated cash flow statement**  
**For the six months ended 30 November 2022**

	Note	Group	
		1H2023	1H2022
		S\$'000	S\$'000
<b>Cash flows from investing activities</b>			
Interest received		3,894	3,230
Dividend income from investment securities		936	652
Dividend income from associates		490	4,410
Additions to investment securities		(3,891)	(39,832)
Purchase of property, plant and equipment		(11,036)	(9,741)
Additional investments in investment properties		(118)	(50)
Net cash outflow on acquisition of a subsidiary	16	(28,226)	–
Proceeds from capital refund, redemption and disposal of investment securities		15,518	9,171
Proceeds from disposal of property, plant and equipment		271	697
Proceeds from disposal of investment properties		5,216	2,142
Proceeds from disposal of investment in a joint venture		–	565
Loans to associates		(11,497)	(564)
Repayment of loans by joint ventures		–	1,998
Investment in an associate		(300)	–
<b>Net cash flows used in investing activities</b>		<b>(28,743)</b>	<b>(27,322)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(14,209)	(6,709)
Proceeds from bank loans		225,387	81,828
Repayment of bank loans		(147,018)	(65,225)
Repayment of lease liabilities		(6,279)	(3,538)
Dividends paid on ordinary shares	8	(9,994)	(4,997)
Dividends paid to non-controlling interests of subsidiaries		(1,364)	(6,713)
Repayment of loans by joint ventures		12	–
Repayment of loans due to non-controlling interests of a subsidiary		(13,668)	–
Loans from non-controlling interests of a subsidiary		–	236
Release/(placement) of restricted cash – fixed deposits and bank balances pledged for bank loan		1,339	(7,415)
<b>Net cash flows from/(used in) financing activities</b>		<b>34,206</b>	<b>(12,533)</b>
Net increase/(decrease) in cash and cash equivalents		20,060	(2,930)
Cash and cash equivalents at beginning of the period		215,581	208,274
Effect of exchange rate changes on cash and cash equivalents		(753)	(660)
<b>Cash and cash equivalents at end of the period</b>		<b>234,888</b>	<b>204,684</b>
<b>Breakdown of cash and cash equivalents at end of the period</b>			
Fixed deposits		111,461	5,404
Cash on hand and at banks		135,400	207,053
Cash and cash equivalents per statement of financial position		246,861	212,457
Restricted cash – fixed deposits and bank balances pledged for bank loan		(11,973)	(7,773)
<b>Cash and cash equivalents at end of the period</b>		<b>234,888</b>	<b>204,684</b>

## **1. Corporate information**

Lian Beng Group Ltd (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange.

The Company’s immediate and ultimate holding company is Ong Sek Chong & Sons Pte Ltd, which is incorporated and domiciled in Singapore.

The registered office and principal place of business of the Company is located at 29 Harrison Road, Lian Beng Building, Singapore 369648.

The principal activity of the Company is investment holding. The principal activities of the Group are construction, dormitory, investment holding and property development.

These condensed interim consolidated financial statements as at and for the six months ended 30 November 2022 comprised the Company and its subsidiaries (collectively, the “**Group**”).

## **2. Basis of preparation**

The condensed interim consolidated financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 May 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar (SGD or S\$) and all values in the tables are rounded to the nearest thousand (S\$’000) except when otherwise indicated.

### **2.1 New and amended standards adopted by the Group**

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 June 2022. The adoption of these new and revised standards did not have any effect on the financial performance or position of the Group and the Company.

### **2.2 Use of judgements and estimates**

In the process of applying the Group’s accounting policies, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 May 2022.

## **2. Basis of preparation (cont'd)**

### **2.2 Use of judgements and estimates (cont'd)**

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### **2.2.1 Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements as follows:**

##### Sale of development properties

For the sale of development properties, the Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. In making the assessment, the Group considered the terms of the contracts entered into with customers and the provisions of relevant laws and regulations applicable to the contracts. The assessment of whether the Group has an enforceable right to payment for performance completed to date involves judgment made in determining the enforceability of the right to payment under the legal environment of the jurisdictions where the contracts are subject to.

#### **2.2.2 Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are as follows:**

##### **(i) Revenue recognition on construction contracts and development properties under construction**

For contract revenue from construction contracts and the sale of development properties where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the goods and services promised to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the contract. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the performance obligation within the contract. For sale of development properties, land cost is not deemed an input cost and deemed a fulfilment cost.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Significant judgements are used to estimate these total contract costs to complete and total contract consideration. In making these estimates, management has relied on the expertise of the project directors to determine the progress of the construction and also on past experience of completed projects.

The carrying amount of contract assets and contract liabilities arising from construction contracts and sale of development properties at the end of the reporting period were S\$76,974,000 and S\$54,657,000 (31 May 2022: S\$113,333,000 and S\$52,689,000) respectively.

## **2. Basis of preparation (cont'd)**

### **2.2 Use of judgements and estimates (cont'd)**

2.2.2 Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are as follows: (cont'd)

(ii) Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying amounts of trade receivables and contract assets as at the end of the reporting were S\$83,136,000 and S\$76,974,000 (31 May 2022: S\$66,529,000 and S\$113,333,000) respectively.

(iii) Estimation of net realisable value of development properties

Development properties are stated at the lower of cost and net realisable value.

Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting period and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale. The carrying amount of development properties at the end of the reporting period was S\$170,406,000 (31 May 2022: S\$120,062,000).

(iv) Fair value measurement of investment properties and investment property held for sale

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss.

The Group engaged independent valuation specialists to determine fair value as at 31 May 2022. The valuation techniques adopted were the Direct Comparison Method and Income Approach Method. The first involves analysing recent sales evidence of similar properties. Adjustments are made to differences in location, age, tenure, floor area, condition, exposure, date of sale, amongst other factors, before arriving at the fair value of the properties. The second involves the conversion of the net income of the properties into a capital sum at a suitable rate of return which reflects the quality of the investment. The net income is the balance sum after deducting property tax, cost of repairs and maintenance and a reasonable percentage for vacancy from the gross rent. The fair value of the properties is arrived at by capitalising the net income at a suitable rate of return.

## **2. Basis of preparation (cont'd)**

### **2.2 Use of judgements and estimates (cont'd)**

2.2.2 Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are as follows: (cont'd)

(iv) Fair value measurement of investment properties and investment property held for sale (cont'd)

For the purpose of this condensed interim financial statements, the Management reviewed the valuation reports prepared by professional valuers as at 31 May 2022 to determine whether the facts and assumptions used has materially changed. The Management assessed that there is no material change in the estimates and assumptions used to determine the fair value of the investment properties at 30 November 2022 and no fair value change was recorded for the six months ended 30 November 2022, except for the fair value gain of S\$13,637,000 recognised on its investment property held for sale. The fair value of the investment property held for sale was determined based on its disposal value.

The carrying amounts of the Group's investment properties and investment property held for sale as at the end of the reporting period were S\$695,569,000 and S\$41,637,000 (31 May 2022: S\$674,201,000 and S\$5,243,000) respectively.

## **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## **4. Segment and revenue information**

For management purposes, the Group is organised into business units based on their products and services, and has four operating segments as follows:

- (i) The construction segment is in the business of constructing residential, institutional, industrial and commercial properties, and civil engineering projects as the main contractor. The construction segment also engages in other construction-related activities such as the provision of scaffolding and engineering services, sale of ready-mix concrete, reinforcement bar fabrication, and leasing construction machinery;
- (ii) The dormitory segment is involved in the rental of dormitory units and provision of dormitory accommodation services;
- (iii) The investment holding segment holds investments in properties and quoted and unquoted securities for long-term capital appreciation, and recurring income such as rental, interest, dividend and distribution income; and
- (iv) The property development segment, which includes its fund management and investment segment, is undertaken by the Company's listed subsidiary SLB and its subsidiaries ("SLB Group"). This segment includes the development and sale of properties (residential, commercial and industrial), provision of development management services, as a fund manager, as well as investment in the funds managed by fund managers.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

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**4.1 Reportable segment**

<b>1H2023</b>	<b>Construction</b>	<b>Dormitory</b>	<b>Investment holding</b>	<b>Property development</b>	<b>Adjustments and eliminations</b>	<b>Notes</b>	<b>Consolidated</b>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000
<b>Revenue:</b>							
External customers	353,983	12,060	16,727	38,232	–		421,002
Inter-segment	1	3	4,002	–	(4,006)	A	–
<b>Total revenue</b>	<b>353,984</b>	<b>12,063</b>	<b>20,729</b>	<b>38,232</b>	<b>(4,006)</b>		<b>421,002</b>
<b>Results:</b>							
Interest income <sup>(1)</sup>	451	854	3,776	1,729	(538)		6,272
Dividend income <sup>(1)</sup>	–	–	934	2	–		936
Finance costs	1,487	2,458	7,669	3,687	(537)		14,764
Depreciation and amortisation	9,526	37	1,469	82	(10)		11,104
Share of results of associates	–	2,913	1,001	8,944	–		12,858
Share of results of joint ventures	(14)	–	346	254	–		586
Fair value gain on investment property held for sale	–	–	13,637	–	–		13,637
<i>Other non-cash expenses/(income):</i>							
Amortisation of capitalised contract costs	–	–	–	2,157	–		2,157
Impairment losses on financial assets	93	–	–	–	–		93
Provisions made	186	–	–	86	–		272
Bad debts written off	77	–	–	–	–		77
<b>Segment (loss)/profit</b>	<b>(5,814)</b>	<b>10,906</b>	<b>18,035</b>	<b>12,473</b>	<b>23</b>	<b>B</b>	<b>35,623</b>
<b>30 November 2022</b>							
<b>Assets:</b>							
Investment in associates	–	22,370	22,885	22,808	–		68,063
Investment in joint ventures	266	–	22,092	2,044	–		24,402
Additions to non-current assets	23,015	56	342	33	–	C	23,446
<b>Segment assets</b>	<b>740,328</b>	<b>329,028</b>	<b>1,053,670</b>	<b>417,420</b>	<b>(391,267)</b>	<b>D</b>	<b>2,149,179</b>
<b>Segment liabilities</b>	<b>439,142</b>	<b>149,897</b>	<b>737,406</b>	<b>226,288</b>	<b>(310,687)</b>	<b>E</b>	<b>1,242,046</b>

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**4.1 Reportable segment (cont'd)**

<b>1H2022</b>	<b>Construction</b>	<b>Dormitory</b>	<b>Investment holding</b>	<b>Property development</b>	<b>Adjustments and eliminations</b>	<b>Notes</b>	<b>Consolidated</b>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000
<b>Revenue:</b>							
External customers	310,134	10,339	16,960	39,882	–		377,315
Inter-segment	2	42	10,174	–	(10,218)	A	–
<b>Total revenue</b>	<b>310,136</b>	<b>10,381</b>	<b>27,134</b>	<b>39,882</b>	<b>(10,218)</b>		<b>377,315</b>
<b>Results:</b>							
Interest income <sup>(1)</sup>	56	391	3,914	1,701	(274)		5,788
Dividend income <sup>(1)</sup>	–	–	650	2	–		652
Finance costs	544	1,112	3,805	1,787	(274)		6,974
Depreciation and amortisation	6,831	45	1,498	88	(4)		8,458
Share of results of associates	–	2,846	651	9,210	–		12,707
Share of results of joint ventures	(2)	–	1,831	354	–		2,183
<i>Other non-cash expenses/(income):</i>							
Amortisation of capitalised contract costs	–	–	–	2,331	–		2,331
Impairment losses on financial assets	66	–	–	–	–		66
Provisions made	536	–	–	–	–		536
Bad debts written off	–	4	–	–	–		4
<b>Segment (loss)/profit</b>	<b>(6,933)</b>	<b>9,823</b>	<b>8,203</b>	<b>15,484</b>	<b>84</b>	B	<b>26,661</b>
<b>30 November 2021</b>							
<b>Assets:</b>							
Investment in associates	–	18,351	17,003	5,011	(67)		40,298
Investment in joint ventures	287	–	12,986	2,014	(65)		15,222
Additions to non-current assets	18,047	36	54	39	–	C	18,176
<b>Segment assets</b>	<b>663,416</b>	<b>322,231</b>	<b>1,055,859</b>	<b>398,359</b>	<b>(426,848)</b>	D	<b>2,013,017</b>
<b>Segment liabilities</b>	<b>355,106</b>	<b>156,244</b>	<b>721,059</b>	<b>216,066</b>	<b>(302,771)</b>	E	<b>1,145,704</b>



#### **4.1 Reportable segment (cont'd)**

Notes:

(1) Included in revenue and other operating income.

A. Inter-segment revenues are eliminated on consolidation.

B. Profit/(loss) from inter-segment sales are added to/(deducted from) segment profit/(loss) to arrive at "Profit before taxation" presented in the consolidated statement of comprehensive income.

C. Additions to non-current assets consist of additions to property, plant and equipment and investment properties.

D. Investment in associates, investment in joint ventures and inter-segment assets are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position.

E. Deferred tax liabilities, provision for taxation and inter-segment liabilities are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

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**4.2 Disaggregation of revenue**

<b>1H2023</b>	<b>Construction</b> S\$'000	<b>Dormitory</b> S\$'000	<b>Investment</b> <b>holding</b> S\$'000	<b>Property</b> <b>development</b> S\$'000	<b>Total</b> <b>revenue</b> S\$'000
<b>Primary geographical market</b>					
Singapore	353,983	12,060	15,026	38,042	419,111
Others	–	–	1,701	190	1,891
	<b>353,983</b>	<b>12,060</b>	<b>16,727</b>	<b>38,232</b>	<b>421,002</b>
<b>Major revenue streams</b>					
Construction contracts revenue	304,859	–	–	–	304,859
Revenue from sale of goods	40,717	–	–	–	40,717
Revenue from rendering of services	366	–	1,452	–	1,818
Rental and service income from dormitories	–	12,060	–	–	12,060
Sale of development properties	–	–	–	37,456	37,456
Rental, interest, dividend and distribution income	8,041	–	15,275	776	24,092
	<b>353,983</b>	<b>12,060</b>	<b>16,727</b>	<b>38,232</b>	<b>421,002</b>
<b>Timing of transfer of goods or services</b>					
Over time	305,225	452	1,452	37,456	344,585
At a point in time	40,717	156	–	–	40,873
Rental income from dormitories and other rental, interest, dividend and distribution income	8,041	11,452	15,275	776	35,544
	<b>353,983</b>	<b>12,060</b>	<b>16,727</b>	<b>38,232</b>	<b>421,002</b>
<b>1H2022</b>					
	<b>Construction</b> S\$'000	<b>Dormitory</b> S\$'000	<b>Investment</b> <b>holding</b> S\$'000	<b>Property</b> <b>development</b> S\$'000	<b>Total</b> <b>revenue</b> S\$'000
<b>Primary geographical market</b>					
Singapore	310,134	10,339	15,297	39,688	375,458
Others	–	–	1,663	194	1,857
	<b>310,134</b>	<b>10,339</b>	<b>16,960</b>	<b>39,882</b>	<b>377,315</b>
<b>Major revenue streams</b>					
Construction contracts revenue	273,659	–	–	–	273,659
Revenue from sale of goods	32,392	–	–	–	32,392
Revenue from rendering of services	210	–	2,725	–	2,935
Rental and service income from dormitories	–	10,339	–	–	10,339
Sale of development properties	–	–	–	39,495	39,495
Rental, interest, dividend and distribution income	3,873	–	14,235	387	18,495
	<b>310,134</b>	<b>10,339</b>	<b>16,960</b>	<b>39,882</b>	<b>377,315</b>
<b>Timing of transfer of goods or services</b>					
Over time	273,869	336	2,725	39,495	316,425
At a point in time	32,392	176	–	–	32,568
Rental income from dormitories and other rental, interest, dividend and distribution income	3,873	9,827	14,235	387	28,322
	<b>310,134</b>	<b>10,339</b>	<b>16,960</b>	<b>39,882</b>	<b>377,315</b>

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**5. Financial assets and financial liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>30 Nov 2022</b>	<b>31 May 2022</b>	<b>30 Nov 2022</b>	<b>31 May 2022</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b><i>Financial assets at FVPL</i></b>				
Investment securities	6,006	6,296	–	–
<b><i>Financial assets at FVOCI</i></b>				
Investment securities	163,214	184,181	12,851	13,227
<b><i>Financial assets at amortised cost</i></b>				
Trade receivables	82,400	65,019	–	–
Other receivables and deposits	13,971	21,804	122	710
Amounts due from joint ventures	59,252	59,548	54,947	54,947
Amounts due from associates	240,127	234,100	–	–
Amounts due from subsidiaries	–	–	229,389	216,470
Cash and cash equivalents	246,861	228,893	2,820	7,554
	<b>642,611</b>	<b>609,364</b>	<b>287,278</b>	<b>279,681</b>
<b><i>Financial liabilities at amortised cost</i></b>				
Trade and other payables	229,443	238,315	39	39
Accruals	22,335	25,006	104	142
Amounts due to joint ventures	950	950	–	–
Amounts due to associates	1,549	1,554	–	–
Amounts due to subsidiaries	–	–	231,569	218,679
Bank loans	842,371	763,993	–	–
Lease liabilities	73,042	62,085	–	–
	<b>1,169,690</b>	<b>1,091,903</b>	<b>231,712</b>	<b>218,860</b>

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**6. Profit before taxation**

**6.1 Significant items**

	<b>Group</b>	
	<b>1H2023</b>	<b>1H2022</b>
	S\$'000	S\$'000
<b>Other operating income:</b>		
Gain on disposal of property, plant and equipment	182	637
Gain on disposal of investment properties	–	142
Government grants and incentives	1,508	3,297
Interest income	3,561	2,929
Rental income from development properties	2,768	1,815
Negative goodwill on acquisition of a subsidiary	236	–
Others	1,200	1,139
	9,455	9,959
<b>Other operating expenses:</b>		
Depreciation of property, plant and equipment	(3,382)	(2,598)
Fair value loss on investment securities	(110)	(712)
Loss on disposal of investment properties	(27)	–
Loss on foreign exchange, net	(4,755)	(2,286)
Property tax	(1,200)	(953)
Others	(997)	(713)
	(10,471)	(7,262)

**6.2 Significant related party transaction**

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during 1H2023 and 1H2022:

	<b>Group</b>	
	<b>1H2023</b>	<b>1H2022</b>
	S\$'000	S\$'000
Rental income – other related parties	5	4
Management fee income – joint ventures	117	99
Construction revenue – associates	39,606	31,244
Interest income – associates	2,793	2,774
Supply of labour – associates	(5)	30
	(5)	30

**7. Income tax expense**

	<b>Group</b>	
	<b>1H2023</b>	<b>1H2022</b>
	S\$'000	S\$'000
Current taxation	2,719	1,966
Deferred taxation	1,296	935
Withholding tax	7	8
	4,022	2,909
Income tax expense recognised in the statement of comprehensive income	4,022	2,909

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**8. Dividends**

	<b>Group and Company</b>	
	<b>1H2023</b>	<b>1H2022</b>
	S\$'000	S\$'000
<b>Declared and paid during the period</b>		
<i>Dividends on ordinary shares:</i>		
- Tax-exempt (one-tier) final dividend for financial year ended 31 May 2022 (“ <b>FY2022</b> ”) of 2.0 Singapore cents per share (1H2022: final dividend for financial year ended 31 May 2021 of 1.0 Singapore cent per share)	9,994	4,997
<b>Proposed but not yet recognised as a liability as at 30 November</b>		
- Tax-exempt (one-tier) interim dividend proposed in respect of the financial year ending 31 May 2023 (“ <b>FY2023</b> ”) of 1.0 Singapore cents per share (1H2022: interim dividend for FY2022 of 1.0 Singapore cent per share)	4,997	4,997

**9. Earnings per share – basic and diluted**

	<b>Group</b>	
	<b>1H2023</b>	<b>1H2022</b>
	S\$'000	S\$'000
Profit attributable to owners of the Company	22,010	14,876
Weighted average number of shares in issue ('000)	499,689	499,689
<b>Earnings per share (Singapore cents)</b>		
Basic and diluted	4.40	2.98

As there were no potential ordinary shares granted during 1H2023 and 1H2022, and no potential ordinary shares outstanding as at the end of 1H2023 and 1H2022, the basic and fully diluted earnings per share are the same.

**10. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>30 Nov 2022</b>	<b>31 May 2022</b>	<b>30 Nov 2022</b>	<b>31 May 2022</b>
Net asset value per ordinary share (Singapore cents) based on the total number of issued shares excluding treasury shares	153.83	153.40	46.91	48.03

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**11. Investment securities**

	<b>Group</b>		<b>Company</b>	
	<b>30 Nov 2022</b>	<b>31 May 2022</b>	<b>30 Nov 2022</b>	<b>31 May 2022</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current</b>				
<i>At FVPL</i>				
– Quoted equity investments (SGD)	2,781	2,715	–	–
– Quoted equity investments (HKD)	1,371	633	–	–
– Quoted equity investments (USD)	1,854	756	–	–
– Quoted debt investments (AUD)	–	2,192	–	–
	6,006	6,296	–	–
<i>At FVOCI</i>				
– Quoted equity investments (SGD)	296	2,384	–	–
– Quoted equity investments (USD)	303	331	–	–
– Quoted equity investments (AUD)	11	11	–	–
– Quoted debt investments (SGD)	7,614	6,699	–	–
– Quoted debt investments (USD)	3,859	4,169	–	–
– Quoted debt investments (AUD)	19	20	–	–
	12,102	13,614	–	–
Total current investment securities	18,108	19,910	–	–
<b>Non-current</b>				
<i>At FVOCI</i>				
– Quoted equity investments (SGD)	36,232	44,536	–	–
– Quoted equity investments (HKD)	13,118	13,520	12,851	13,227
– Quoted equity investments (USD)	25,210	27,177	–	–
– Quoted equity investments (GBP)	1,177	1,648	–	–
– Quoted equity investments (AUD)	3,675	4,264	–	–
– Quoted debt investments (SGD)	32,925	34,815	–	–
– Quoted debt investments (USD)	6,128	7,106	–	–
– Quoted debt investments (AUD)	1,957	2,212	–	–
– Unquoted equity investments (SGD)	960	7,681	–	–
– Unquoted equity investments (USD)	12,098	5,543	–	–
– Unquoted equity investments (GBP)	10,945	11,370	–	–
– Unquoted equity investments (AUD)	4,118	8,070	–	–
– Unquoted equity investments (EUR)	2,569	2,625	–	–
Total non-current investment securities	151,112	170,567	12,851	13,227

Capital refund, redemption and disposal of equity investments at FVOCI

During 1H2023, the Group had received capital refund, redeemed and disposed of certain equity investments designated at FVOCI with fair value of S\$12,662,000 (1H2022: S\$5,786,000). The cumulative gain arising from derecognition of these equity investments of S\$2,491,000 (1H2022: S\$200,000) was transferred from fair value adjustment reserve to retained earnings.

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**11.1 Fair value measurement**

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices in active market included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs are obtained from various sources including market participants, dealers, fund managers and brokers, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group 30 November 2022	Quoted prices in active markets for identical instruments (Level 1) S\$'000	Significant observable inputs other than quoted prices (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	Total S\$'000
<b><i>Financial assets measured at fair value:</i></b>				
<u>Financial assets at FVPL</u>				
- Quoted equity investments (SGD)	2,781	–	–	2,781
- Quoted equity investments (HKD)	1,371	–	–	1,371
- Quoted equity investments (USD)	1,854	–	–	1,854
<u>Financial assets at FVOCI</u>				
- Quoted equity investments (SGD)	2,045	34,483	–	36,528
- Quoted equity investments (HKD)	13,118	–	–	13,118
- Quoted equity investments (USD)	–	25,513	–	25,513
- Quoted equity investments (GBP)	1,177	–	–	1,177
- Quoted equity investments (AUD)	–	3,686	–	3,686
- Quoted debt investments (SGD)	–	40,539	–	40,539
- Quoted debt investments (USD)	–	9,987	–	9,987
- Quoted debt investments (AUD)	–	1,976	–	1,976
- Unquoted equity investments (SGD)	–	–	960	960
- Unquoted equity investments (USD)	–	–	12,098	12,098
- Unquoted equity investments (GBP)	–	–	10,945	10,945
- Unquoted equity investments (AUD)	–	–	4,118	4,118
- Unquoted equity investments (EUR)	–	–	2,569	2,569
	22,346	116,184	30,690	169,220

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**11.1 Fair value measurement (cont'd)**

(b) *Assets and liabilities measured at fair value (cont'd)*

Group 31 May 2022	Quoted prices in active markets for identical instruments (Level 1) S\$'000	Significant observable inputs other than quoted prices (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	Total S\$'000
<b>Financial assets measured at fair value:</b>				
<u>Financial assets at FVPL</u>				
- Quoted equity investments (SGD)	2,715	-	-	2,715
- Quoted equity investments (HKD)	633	-	-	633
- Quoted equity investments (USD)	756	-	-	756
- Quoted debt investments (AUD)	-	2,192	-	2,192
<u>Financial assets at FVOCI</u>				
- Quoted equity investments (SGD)	2,797	44,123	-	46,920
- Quoted equity investments (HKD)	13,520	-	-	13,520
- Quoted equity investments (USD)	-	27,508	-	27,508
- Quoted equity investments (GBP)	1,648	-	-	1,648
- Quoted equity investments (AUD)	-	4,275	-	4,275
- Quoted debt investments (SGD)	-	41,514	-	41,514
- Quoted debt investments (USD)	-	11,275	-	11,275
- Quoted debt investments (AUD)	-	2,232	-	2,232
- Unquoted equity investments (SGD)	-	-	7,681	7,681
- Unquoted equity investments (USD)	-	-	5,543	5,543
- Unquoted equity investments (GBP)	-	-	11,370	11,370
- Unquoted equity investments (AUD)	-	-	8,070	8,070
- Unquoted equity investments (EUR)	-	-	2,625	2,625
	22,069	133,119	35,289	190,477
<b>Company</b>				
<b>30 November 2022</b>				
<b>Financial assets measured at fair value:</b>				
<u>Financial assets at FVOCI</u>				
- Quoted equity investments (HKD)	12,851	-	-	12,851
<b>Company</b>				
<b>31 May 2022</b>				
<b>Financial assets measured at fair value:</b>				
<u>Financial assets at FVOCI</u>				
- Quoted equity investments (HKD)	13,227	-	-	13,227



**11.1 Fair value measurement (cont'd)**

(c) Level 3 fair value measurements

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Valuation techniques	Unobservable inputs	Range
<b>30 Nov 2022</b>			
Unquoted equity investments	Net asset valuation	Note 1	Not applicable
<b>31 May 2022</b>			
Unquoted equity investments	Net asset valuation	Note 1	Not applicable

Note 1 – Unquoted equity investments

The fair values of unquoted equity investments are determined based on the fair values of the underlying assets and liabilities of the investee companies.

(ii) *Movement in Level 3 assets and liabilities measured at fair value*

The following table presents the reconciliation for all assets other than investment properties and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	<b>Group</b>	
	<b>30 Nov 2022</b>	<b>31 May 2022</b>
	S\$'000	S\$'000
<b>Financial assets at FVOCI</b>		
<u>Unquoted equity investments</u>		
Balance at beginning of financial period/year	35,289	11,905
Total (losses)/gains included in OCI	(502)	2,991
Purchases	1,315	24,573
Capital refund, redemption and disposal	(5,412)	(4,180)
Balance at end of financial period/year	30,690	35,289

(iii) *Transfer between fair value hierarchy*

There is no such transfer during 1H2023 and FY2022.

**12. Property, plant and equipment**

During 1H2023, the Group acquired property, plant and equipment amounting to S\$23,328,000 (1H2022: S\$18,126,000) and disposed of property, plant and equipment amounting to S\$89,000 (1H2022: S\$60,000).

**Lian Beng Group Ltd and its subsidiaries**  
**Notes to the condensed interim consolidated financial statements**  
**For the six months ended 30 November 2022**

**13. Investment properties/investment property held for sale**

The Group's investment properties consist of dormitory, offices, commercial and residential properties, which are held for long-term rental yields and/or capital appreciation. They are mainly leased to third parties under operating leases.

**Statement of financial position:**

	Group	
	30 Nov 2022 S\$'000	31 May 2022 S\$'000
<b><u>Investment properties</u></b>		
Balance at beginning of financial period/year	674,201	681,485
- Acquisition of a subsidiary (Note 16)	49,250	-
- Additions during the financial period/year	118	44
- Disposals during the financial period/year	-	(9,330)
- Straight-lining of rental income	-	543
- Net fair value gain recognised in the statement of comprehensive income	13,637	6,702
- Reclassification to investment property held for sale	(41,637)	(5,243)
Balance at end of financial period/year	695,569	674,201
<b><u>Investment property held for sale</u></b>		
Reclassification from investment properties*	41,637	5,243

\* During the 1H2023, the Group's wholly-owned subsidiary, Lian Beng (Joo Chiat) Pte. Ltd. entered into an option to purchase agreement for the disposal of 381 Joo Chiat Road, Singapore. In accordance with *SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations*, the investment property was classified as held for sale as at 30 November 2022. The disposal was completed on 14 December 2022 (Note 17).

During FY2022, the Group's wholly-owned subsidiary, LB Land Pte. Ltd. entered into an option to purchase agreement for the disposal of 111 Emerald Hill Road #05-02, 111 Emerald Hill, Singapore. In accordance with *SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations*, the investment property was classified as held for sale as at 31 May 2022. The disposal was completed on 8 June 2022.

**14. Bank loans**

	Group		Company	
	30 Nov 2022 S\$'000	31 May 2022 S\$'000	30 Nov 2022 S\$'000	31 May 2022 S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	385,778	306,679	-	-
Less: Prepaid facility fee	(90)	(90)	-	-
	385,688	306,589	-	-

**Lian Beng Group Ltd and its subsidiaries**  
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**14. Bank loans (cont'd)**

	<b>Group</b>		<b>Company</b>	
	<b>30 Nov 2022</b>	<b>31 May 2022</b>	<b>30 Nov 2022</b>	<b>31 May 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<u>Amount repayable after one year</u>				
Secured	456,893	457,659	–	–
Less: Prepaid facility fee	(210)	(255)	–	–
	456,683	457,404	–	–
<b>Total</b>	<b>842,371</b>	<b>763,993</b>	<b>–</b>	<b>–</b>

There is no unsecured loan for the financial period/year ended 30 November 2022 and 31 May 2022. The Group's loans are generally secured by corporate guarantee provided by the Group and the assignment of rights, titles and benefits with respect to certain property, plant and equipment, investment properties, development properties, investment securities, fixed deposits and bank balances.

**15. Share capital and treasury shares**

(a) Share capital

	<b>Group and Company</b>			
	<b>30 Nov 2022</b>		<b>31 May 2022</b>	
	<b>No. of shares</b>	<b>S\$'000</b>	<b>No. of shares</b>	<b>S\$'000</b>
	<b>'000</b>		<b>'000</b>	
<b><i>Issued and fully paid ordinary shares:</i></b>				
At beginning and end of financial period/year	529,760	82,275	529,760	82,275

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

Outstanding convertibles and subsidiary holdings

The Company did not have any outstanding share convertibles or subsidiary holdings as at 30 November 2022 and 30 November 2021.

(b) Treasury shares

	<b>Group and Company</b>			
	<b>30 Nov 2022</b>		<b>31 May 2022</b>	
	<b>No. of shares</b>	<b>S\$'000</b>	<b>No. of shares</b>	<b>S\$'000</b>
	<b>'000</b>		<b>'000</b>	
At beginning and end of financial period/year	(30,071)	(17,777)	(30,071)	(17,777)

Treasury shares relate to ordinary shares of the Company that is held by the Company. There were no sales, transfers, disposals, cancellation and/or use of treasury shares during 1H2023 and FY2022.

Total number of issued shares excluding treasury shares as at 30 November 2022, 31 May 2022 and 30 November 2021 were 499,689,000.

**16. Acquisition of a subsidiary**

On 31 August 2022 (the “acquisition date”), the Company through its wholly-owned subsidiary, Lian Beng (Harrison) Pte. Ltd., acquired 100% equity interest in Food Empire Real Estates Pte. Ltd (“**FERE**”), a company which owns Food Empire Building, located at 31 Harrison Road, Singapore. Food Empire Building is being rented out to generate rental income.

The condensed interim consolidated financial statements include the results of FERE for the 3 months period from the acquisition date.

The fair value of the identifiable assets and liabilities of FERE as at the acquisition date were:

	<b>Fair value recognised on acquisition S\$'000</b>
<b>Assets</b>	
Investment property	49,250
Other receivables and deposits	3
Cash and cash equivalents	610
	<hr/>
	49,863
	<hr/>
<b>Liabilities</b>	
Trade and other payables	(20,655)
Accruals	(29)
Provision for taxation	(107)
	<hr/>
	(20,791)
	<hr/>
Total identifiable net assets at fair value	29,072
Negative goodwill on acquisition	(236)
	<hr/>
Total consideration	28,836
	<hr/>
<b>The cash outflow on acquisition is as follows:</b>	
Total consideration paid	28,836
Net cash acquired with the subsidiary	(610)
	<hr/>
Net cash outflow on acquisition	28,226
	<hr/>

**17. Subsequent events**

On 14 December 2022, the Group, through its wholly-owned subsidiary, completed the disposal of a commercial investment property which was classified as an investment property held for sale as at 30 November 2022 (Note 13).

**1. Review**

The condensed consolidated statement of financial position of Lian Beng Group Ltd and its subsidiaries as at 30 November 2022 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

**2. Review of Performance of the Group**

**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 (a) 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; and (b) 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**

Revenue

The Group recorded revenue of S\$421.0 million in 1H2023, an increase of 11.6% from S\$377.3 million in 1H2022. This was mainly due to higher revenue generated by Construction Segment.

Revenue from the Construction Segment rose 14.1% from S\$310.1 million in 1H2022 to S\$354.0 million in 1H2023. The segment's revenue was lifted by the increase in the level of construction activity year-on-year, with the commencement of some new projects as well as the progress made in various on-going construction projects during the period.

Revenue from the Property Development Segment decreased by 4.1% from S\$39.9 million in 1H2022 to S\$38.2 million in 1H2023, mainly due to a decrease in revenue recognised from INSPACE as the construction of the development project approached completion.

Revenue from the Investment Holding and Dormitory Segments recorded a net increase of 5.5% to S\$28.8 million in 1H2023, from S\$27.3 million in 1H2022, mainly due to higher occupancy and rent achieved by the Group's dormitory business.

Cost of sales

In line with the increased business activity, and taking into account higher labour and material costs incurred by the Construction Segment, cost of sales rose 10.2% to S\$379.0 million in 1H2023, from S\$343.8 million in 1H2022.

Gross profit

As a result of the above, gross profit increased 25.3% to S\$42.0 million in 1H2023, from S\$33.5 million in 1H2022.

Operating expenses

Other operating expenses increased by 44.2% to S\$10.5 million in 1H2023, from S\$7.3 million in 1H2022, mainly due to higher net unrealised exchange loss of S\$2.5 million in 1H2023. This arose mainly from the revaluation of the Group's monetary assets denominated in Australian Dollar following its depreciation against the Singapore Dollar.

Finance cost increased to S\$14.8 million in 1H2023, from S\$7.0 million in 1H2022, mainly due to higher bank loans and interest rates.

**2. Review of Performance of the Group (cont'd)**

**A) Comprehensive Income Statements (cont'd)**

Share of profit from joint ventures

Share of profit from joint ventures decreased from S\$2.2 million in 1H2022 to S\$0.6 million in 1H2023, mainly as a result of higher finance costs incurred by the joint venture companies.

Taxation

In line with the higher taxable income, the Group's income tax expense increased from S\$2.9 million in 1H2022 to S\$4.0 million in 1H2023.

Profit attributable to owners of the Company

Taking into account the above and the fair value gain on investment property held for sale of S\$13.6 million, profit attributable to owners of the Company increased by 48.0% to S\$22.0 million in 1H2023, from S\$14.9 million in 1H2022.

**B) Financial Position Statements**

Current and non-current assets

Investment in associates increased from S\$56.0 million in May 2022 to S\$68.1 million in November 2022. The increase took into account share of profit from associates of S\$12.9 million in 1H2023, which was partially offset by dividend income of S\$0.5 million from associates.

Total investment securities decreased from S\$190.5 million in May 2022 to S\$169.2 million in November 2022, mainly due to the capital refund, redemption and disposal of investment securities that amounted to S\$15.5 million and fair value loss. The decrease was partially offset by the acquisition of S\$3.9 million of investment securities for recurring income.

Contract assets decreased from S\$113.3 million in May 2022 to S\$77.0 million in November 2022, mainly due to higher progressive billings for development units sold for INSPACE as the development project's construction progressed.

Development properties increased from S\$120.1 million in May 2022 to S\$170.4 million in November 2022, mainly due to the acquisition of properties at 30 and 31 North Canal Road, Singapore and 225 King Street, Melbourne. These acquisitions were completed in June 2022 and August 2022 respectively.

Trade receivables increased from S\$66.5 million in May 2022 to S\$83.1 million in November 2022, mainly due to higher progressive billings on the development units sold for INSPACE.

Inventories decreased from S\$17.2 million in May 2022 to S\$7.9 million in November 2022, mainly due to the use of construction materials for the Group's construction projects.

Other receivables and deposits decreased from S\$21.8 million in May 2022 to S\$14.0 million in November 2022, mainly due to the utilisation of deposits paid for the acquisition of development properties at 30 and 31 North Canal Road, Singapore and 225 King Street, Melbourne upon completion of the acquisitions.

**2. Review of Performance of the Group (cont'd)**

**B) Financial Position Statements (cont'd)**

Current and non-current liabilities

Total lease liabilities increased S\$10.9 million from S\$62.1 million in May 2022 to S\$73.0 million in November 2022, mainly due to acquisition of property, plant and equipment through hire purchase arrangements and capitalisation of lease payments during 1H2023.

Total bank loans increased from S\$764.0 million in May 2022 to S\$842.4 million in November 2022, mainly due to loans drawn down for the acquisition of FERE as well as the development properties at 30 and 31 North Canal Road, Singapore and 225 King Street, Melbourne.

**C) Cash Flow Statements**

In 1H2023, cash and cash equivalents (excluding fixed deposits and bank balances pledged for bank loans) increased by S\$19.3 million from S\$215.6 million in May 2022 to S\$234.9 million in November 2022. The increase took into account net cash flows from operating activities of S\$14.6 million and net cash flows from financing activities of S\$34.2 million, partially offset by net cash used in investing activities of S\$28.7 million.

Net cash from operating activities of S\$14.6 million was mainly due to operating cash inflow before changes in working capital of S\$31.6 million, offset by net working capital outflow of S\$12.7 million and income tax paid of S\$4.3 million.

Net cash used in investing activities of S\$28.7 million was mainly attributable to (i) net cash outflow on acquisition of FERE of S\$28.2 million, (ii) loan to associates of S\$11.5 million and (iii) purchases of property, plant and equipment of S\$11.0 million. This was partially offset by (i) net proceeds of S\$15.5 million from the capital refund, redemption and disposal of investment securities, and (ii) net proceeds from the disposal of investment property of S\$5.2 million.

Net cash from financing activities of S\$34.2 million was mainly attributable to net proceeds of S\$78.4 million from bank loans, which was partially offset by (i) payment for interest of S\$14.2 million, (ii) repayment of loans due to non-controlling interests of a subsidiary of S\$13.7 million, (iii) dividend paid on ordinary shares of S\$10.0 million, and (iv) repayment of lease liabilities of S\$6.3 million.

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

No forecast or prospect statement has previously been disclosed.

**4. 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.**

According to advanced estimates announced by the Ministry of Trade and Industry Singapore (“MTI”) on 3 January 2023, Singapore’s construction sector grew 6.5% year-on-year in 2022. In absolute terms, the value added by the construction sector remained 19.3% below the pre-pandemic level, as construction progress continued to be hampered by labour shortages and supply chain disruptions even as border restrictions were lifted post-pandemic.

The Group expects operating conditions in the construction sector to remain challenging with pressure to complete existing projects amid rising labour and raw material cost. The current interest rate environment is also expected to impact the Group’s cost of borrowing and, consequently, its margins.

As at 12 January 2023, the Group’s Construction Segment order book stood at S\$1.7 billion after taking into account revenue recognised up to 30 November 2022, which is expected to provide a steady flow of activity for the Group through FY2027. The S\$1.9 billion order book announced on 4 January 2023 was derived before taking into account revenue recognised between September 2022 and November 2022.

The Group will closely monitor the delivery of these projects, while prudently tendering for public and private sector contracts as opportunities arise.

On the Property Development Segment, with the gradual pick up of construction activities, supported in part by the relaxation of border restrictions on the inflow of migrant workers, the Group will continue to actively monitor the progress to ensure smooth development and completion of its projects.

Barring any unforeseen circumstances, the Group expects the Investment Holding and Dormitory Segments to continue generating stable recurring income.

The Group will continue to prioritise cost control and exercise caution when exploring business opportunities in the region for sustainable growth.

**5. Dividend information**

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

Any dividend recommended for the current financial period reported on? Yes

Name of dividend	Interim
Dividend type	Cash
Dividend amount per share	1.0 Singapore cent
Tax rate	Tax-exempt (1-tier)

**(b) Corresponding Period of the Immediately Preceding Financial Year Yes**

Name of dividend	Interim
Dividend type	Cash
Dividend amount per share	1.0 Singapore cent
Tax rate	Tax-exempt (1-tier)

**(c) Date payable**

The interim cash dividend will be paid on 6 February 2023.



**5. Dividend information (cont'd)**

**(d) Record date**

The Share Transfer Books and Register of Members of the Company will be closed on 27 January 2023, at 5.00 p.m. 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 27 January 2023 will be registered to determine shareholders' entitlements to the interim dividend.

Members whose shares are credited to the securities accounts with The Central Depository (Pte) Limited as at 5.00 p.m. on 27 January 2023 will be entitled to the interim dividend.

**6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

Not applicable.

**7. Interested person transactions**

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

**8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**9. Confirmation by the Board**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months period ended 30 November 2022 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Ong Pang Aik <sup>BBM (L)</sup>  
Chairman and Managing Director

Ong Lay Koon  
Executive Director

Singapore  
12 January 2023