



**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 2021**

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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 2021**

	Note	Group		Increase/ (decrease) %
		Six months ended 30 Nov 2021 ("1H2022") S\$'000	Six months ended 30 Nov 2020 ("1H2021") S\$'000	
<b>Revenue</b>	4.2	377,315	197,503	91.0
Cost of sales		(343,800)	(172,707)	99.1
<b>Gross profit</b>		<b>33,515</b>	<b>24,796</b>	<b>35.2</b>
Other operating income	6.1	9,959	21,028	(52.6)
Distribution expenses		(2,510)	(1,201)	109.0
Administrative expenses		(14,891)	(15,198)	(2.0)
Other operating expenses	6.1	(7,262)	(4,974)	46.0
Finance costs		(6,974)	(5,628)	23.9
Impairment losses on financial assets		(66)	(88)	(25.0)
Share of results of associates		12,707	4,590	176.8
Share of results of joint ventures		2,183	1,602	36.3
Profit before taxation		26,661	24,927	7.0
Taxation	7	(2,909)	(2,763)	5.3
<b>Profit for the period, net of taxation</b>		<b>23,752</b>	<b>22,164</b>	<b>7.2</b>
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified to profit or loss:</i>				
Net (loss)/gain on equity instruments at fair value through other comprehensive income ("FVOCI")		(1,191)	2,141	NM
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net (loss)/gain on debt instruments at FVOCI		(334)	533	NM
Foreign currency translation (loss)/gain		(45)	524	NM
<b>Other comprehensive income for the period, net of taxation</b>		<b>(1,570)</b>	<b>3,198</b>	<b>NM</b>
<b>Total comprehensive income for the period</b>		<b>22,182</b>	<b>25,362</b>	<b>(12.5)</b>
<b>Profit attributable to:</b>				
Owners of the Company		14,876	17,614	(15.5)
Non-controlling interests		8,876	4,550	95.1
		<b>23,752</b>	<b>22,164</b>	<b>7.2</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		13,202	20,841	(36.7)
Non-controlling interests		8,980	4,521	98.6
		<b>22,182</b>	<b>25,362</b>	<b>(12.5)</b>
<b>Earnings per share (Singapore cents)</b>				
Basic and diluted	9	2.98	3.52	(15.5)

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 2021**

	Note	Group		Company	
		30 Nov 2021 S\$'000	31 May 2021 S\$'000	30 Nov 2021 S\$'000	31 May 2021 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	12	189,797	180,190	–	–
Investment properties	13	673,665	681,485	–	–
Investment in subsidiaries		–	–	173,991	173,991
Investment in joint ventures		15,222	13,695	–	–
Investment in associates		40,298	31,478	–	–
Investment securities	11	185,486	155,012	12,791	12,621
Amounts due from subsidiaries		–	–	33,783	33,783
Amounts due from associates		36,867	38,667	–	–
Deferred tax assets		–	768	–	–
		1,141,335	1,101,295	220,565	220,395
<b>Current assets</b>					
Contract assets		112,974	85,814	–	–
Capitalised contract costs		4,012	1,381	–	–
Development properties		134,588	180,892	–	–
Inventories		14,897	15,675	–	–
Trade receivables		85,022	62,344	–	–
Other receivables and deposits		17,601	18,891	123	123
Prepayments		11,744	10,041	83	4
Tax recoverable		–	22	–	–
Amounts due from subsidiaries		–	–	191,887	190,602
Amounts due from joint ventures		66,319	68,447	54,947	54,947
Amounts due from associates		195,304	188,629	–	–
Investment securities	11	10,894	12,090	–	–
Cash and cash equivalents		212,457	208,632	8,886	10,114
Investment properties held for sale		5,870	–	–	–
		871,682	852,858	255,926	255,790
<b>Current liabilities</b>					
Contract liabilities		46,998	44,011	–	–
Trade and other payables		242,541	226,664	11	27
Accruals		25,137	21,552	103	137
Provisions		3,810	4,156	–	–
Lease liabilities		7,712	3,722	–	–
Amounts due to associates		1,213	1,199	–	–
Amounts due to joint ventures		950	950	–	–
Amounts due to subsidiaries		–	–	224,798	233,747
Bank loans and bills payable	14	322,681	298,057	–	–
Provision for taxation		6,214	8,974	59	68
		657,256	609,285	224,971	233,979
<b>Net current assets</b>		214,426	243,573	30,955	21,811
<b>Non-current liabilities</b>					
Refundable rental deposits		2,926	2,828	–	–
Amounts due to subsidiaries		–	–	–	556
Lease liabilities		18,849	12,055	–	–
Bank loans	14	464,319	470,957	–	–
Deferred tax liabilities		2,354	2,187	–	–
		488,448	488,027	–	556
<b>Net assets</b>		<b>867,313</b>	<b>856,841</b>	<b>251,520</b>	<b>241,650</b>

**Lian Beng Group Ltd and its subsidiaries**  
**Condensed interim statements of financial position**  
**As at 30 November 2021**

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	Note	Group		Company	
		30 Nov 2021 S\$'000	31 May 2021 S\$'000	30 Nov 2021 S\$'000	31 May 2021 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		683,326	673,247	195,951	186,251
Other reserves		425	2,299	(8,929)	(9,099)
		<hr/>	<hr/>	<hr/>	<hr/>
		748,249	740,044	251,520	241,650
<b>Non-controlling interests</b>		119,064	116,797	–	–
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total equity</b>		<b>867,313</b>	<b>856,841</b>	<b>251,520</b>	<b>241,650</b>
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*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 2021

GROUP – 1H2022

	Attributable to owners of the Company					Non-controlling interests S\$'000	Total equity S\$'000
	Share capital (Note 14) S\$'000	Treasury shares (Note 14) 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 2021**

**GROUP – 1H2021**

	Attributable to owners of the Company					Non-controlling interests S\$'000	Total equity S\$'000
	Share capital (Note 14) S\$'000	Treasury shares (Note 14) S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total reserves S\$'000		
<b>Balance at 1 June 2020</b>	82,275	(17,777)	646,474	(5,213)	641,261	118,923	824,682
<b>Profit for the period, net of taxation</b>	–	–	17,614	–	17,614	4,550	22,164
<u>Other comprehensive income</u>							
Net gain on equity instruments at FVOCI	–	–	–	2,076	2,076	65	2,141
Net gain/(loss) on debt instruments at FVOCI	–	–	–	704	704	(171)	533
Foreign currency translation gain	–	–	–	447	447	77	524
<b>Other comprehensive income for the period, net of taxation</b>	–	–	–	3,227	3,227	(29)	3,198
<b>Total comprehensive income for the period</b>	–	–	17,614	3,227	20,841	4,521	25,362
<u>Change in ownership interests of subsidiary</u>							
Acquisition of additional interest in SLB Development Ltd. (“SLB”)	–	–	–	852	852	(2,788)	(1,936)
<b>Total changes in ownership interests of subsidiary</b>	–	–	–	852	852	(2,788)	(1,936)
<u>Contribution by and distribution to owners</u>							
Dividends paid to non-controlling interests of subsidiaries	–	–	–	–	–	(1,763)	(1,763)
<b>Total transactions with owners in their capacity as owners</b>	–	–	–	–	–	(1,763)	(1,763)
<u>Others</u>							
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	–	–	162	(162)	–	–	–
<b>Total others</b>	–	–	162	(162)	–	–	–
<b>Balance at 30 November 2020</b>	82,275	(17,777)	664,250	(1,296)	662,954	118,893	846,345

**Lian Beng Group Ltd and its subsidiaries**  
**Condensed interim statements of changes in equity**  
**For the six months ended 30 November 2021**

**COMPANY – 1H2022**

	Attributable to owners of the Company					Total equity S\$'000
	Share Capital (Note 14) S\$'000	Treasury shares (Note 14) 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 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

**COMPANY – 1H2021**

	Attributable to owners of the Company					Total equity S\$'000
	Share Capital (Note 14) S\$'000	Treasury shares (Note 14) S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total reserves S\$'000	
<b>Balance at 1 June 2020</b>	82,275	(17,777)	178,756	(8,366)	170,390	234,888
<b>Profit for the period, net of taxation</b>	–	–	2,148	–	2,148	2,148
<u>Other comprehensive income</u>						
Net loss on equity instruments at FVOCI	–	–	–	553	553	553
<b>Other comprehensive income for the period, net of taxation</b>	–	–	–	553	553	553
<b>Total comprehensive income for the period</b>	–	–	2,148	553	2,701	2,701
<b>Balance at 30 November 2020</b>	82,275	(17,777)	180,904	(7,813)	173,091	237,589



**Lian Beng Group Ltd and its subsidiaries**  
**Condensed interim consolidated cash flow statement**  
**For the six months ended 30 November 2021**

	Note	Group	
		1H2022	1H2021
		S\$'000	S\$'000
<b>Cash flows from operating activities</b>			
Profit before taxation		26,661	24,927
<u>Adjustments for:</u>			
Amortisation of capitalised contract costs		2,331	987
Amortisation of prepaid facility fee		45	–
Depreciation of property, plant and equipment		8,458	8,472
Dividend and distribution income from investment securities		(652)	(572)
Fair value loss/(gain) on investment securities	6.1	712	(450)
Gain on disposal of property, plant and equipment	6.1	(637)	(249)
Gain on disposal of investment properties	6.1	(142)	–
Gain on disposal of investment securities		(20)	(190)
Impairment losses on financial assets		66	88
Write-back of provision for onerous contract		(346)	–
Interest income		(5,788)	(5,716)
Interest expense		6,974	5,628
Gain on dilution of an investment in a joint venture		–	(113)
Gain on disposal of investment in a joint venture		(90)	–
Unrealised exchange differences		2,066	(2,525)
Bad debts written off		4	–
Share of results of associates and joint ventures		(14,890)	(6,192)
Waiver of amount due to associate		–	(4)
<b>Operating cash flows before changes in working capital</b>		24,752	24,091
<u>Changes in working capital:</u>			
Development properties		46,304	3,201
Capitalised contract costs		(4,962)	(790)
Contract assets		(27,160)	(15,519)
Contract liabilities		2,909	(8,943)
Inventories		778	(3,863)
Trade receivables		(22,682)	(23,853)
Other receivables and deposits		1,196	(3,361)
Prepayments		(1,703)	(4,324)
Trade and other payables and accruals		19,127	36,412
Balances with affiliated companies, joint ventures and associates		(2,859)	(2,694)
Total changes in working capital		10,948	(23,734)
Cash flows from operations		35,700	357
Income tax paid		(4,712)	(3,677)
<b>Net cash flows from/(used in) operating activities</b>		30,988	(3,320)
<b>Cash flows from investing activities</b>			
Interest received		3,230	3,785
Dividend and distribution income from investment securities		652	572
Dividend income from associates		4,410	961
Additions to investment securities		(39,832)	(42,816)
Purchase of property, plant and equipment		(9,741)	(3,507)
Additional investments in investment properties		(50)	(109)

**Lian Beng Group Ltd and its subsidiaries**  
**Condensed interim consolidated cash flow statement**  
**For the six months ended 30 November 2021**

	Note	Group	
		1H2022 S\$'000	1H2021 S\$'000
Proceeds from capital refund, redemption and disposal of investment securities		9,171	33,458
Proceeds from disposal of property, plant and equipment		697	308
Proceeds from disposal of investment properties		2,142	–
Proceeds from disposal of investment in a joint venture		565	–
Loans to associates		(564)	(5,132)
Repayment of loans by joint ventures		1,998	675
Additional investment in an associate		–	(157)
Additional investment in SLB		–	(1,936)
<b>Net cash flows used in investing activities</b>		<b>(27,322)</b>	<b>(13,898)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(6,709)	(5,326)
Proceeds from bank loans and bills payable		81,828	90,775
Repayment of bank loans and bills payable		(65,225)	(66,156)
Loan from/(repayment of) lease liabilities		2,399	(1,589)
Dividends paid on ordinary shares	8	(4,997)	–
Dividends paid to non-controlling interests of subsidiaries		(6,713)	(1,763)
Loans from joint ventures		–	8
Repayment of loans to associates		–	(130)
Repayment of loans due to non-controlling interests of a subsidiary		–	(80)
Loans from non-controlling interests of a subsidiary		236	–
Placement of restricted cash – fixed deposits and bank balances pledged for bank loans		(7,415)	–
<b>Net cash flows (used in)/from financing activities</b>		<b>(6,596)</b>	<b>15,739</b>
Net decrease in cash and cash equivalents		(2,930)	(1,479)
Cash and cash equivalents at beginning of the period		208,274	194,602
Effect of exchange rate changes on cash and cash equivalents		(660)	1,085
<b>Cash and cash equivalents at end of the period</b>		<b>204,684</b>	<b>194,208</b>
<b>Breakdown of cash and cash equivalents at end of the period</b>			
Fixed deposits		5,404	22,010
Cash on hand and at banks		207,053	187,012
Cash and cash equivalents per statement of financial position		212,457	209,022
Restricted cash – fixed deposits and bank balances pledged for bank loan		(7,773)	(14,814)
<b>Cash and cash equivalents at end of the period</b>		<b>204,684</b>	<b>194,208</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 Securities Trading Limited (“**SGX-ST**”). The registered office and principal place of business of the Company is located at 29 Harrison Road, Lian Beng Building, Singapore 369648.

These condensed interim consolidated financial statements as at and for the six months ended 30 November 2021 comprised the Company and its subsidiaries (collectively, the “**Group**”). The principal activity of the Company is investment holding. The principal activities of the Group are construction, dormitory, investment holding and property development.

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

## **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 2021.

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 Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 June 2021. The adoption of these new standards did not have any significant impact on the condensed consolidated interim financial statements of the Group.

### **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 2021.

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. Basis of preparation (cont'd)**

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

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.

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 amounts of contract assets and contract liabilities arising from construction contracts and sale of development properties at the end of the reporting period are S\$112,974,000 and S\$46,998,000 (31 May 2021: S\$85,814,000 and S\$44,011,000) 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 amount of trade receivables and contract assets as at the end of the reporting were S\$85,022,000 and S\$112,974,000 (31 May 2021: S\$62,344,000 and S\$85,814,000) 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 is S\$134,588,000 (31 May 2021: S\$180,892,000)

(iv) Fair value measurement of investment properties

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 2021. The valuation techniques adopted were the Direct Comparison Method, Income Approach Method and Discounted Cash Flow 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. The third involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

**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 (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 2021 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 2021 and no fair value change was recorded for the six months ended 30 November 2021.

**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, rental, as well as dividend yields; 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>1H2022</b>	<b>Construction</b>	<b>Dormitory</b>	<b>Investment holding</b>	<b>Property development</b>	<b>Adjustments and eliminations</b>	<b>Note</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	–
Total revenue	310,136	10,381	27,134	39,882	(10,218)		377,315
<b>Results:</b>							
Interest income	56	391	3,914	1,701	(274)		5,788
Dividend income	–	–	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
Write-back of provision for onerous contract	(346)	–	–	–	–		(346)
Bad debts written off	–	4	–	–	–		4
Segment (loss)/profit	(6,933)	9,823	8,203	15,484	84	B	26,661
<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>	663,416	322,231	1,055,859	398,359	(426,848)	D	2,013,017
<b>Segment liabilities</b>	355,106	156,244	721,059	216,066	(302,771)	E	1,145,704

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

<b>1H2021</b>	<b>Construction</b>	<b>Dormitory</b>	<b>Investment holding</b>	<b>Property development</b>	<b>Adjustments and eliminations</b>	<b>Note</b>	<b>Consolidated</b>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000
<b>Revenue:</b>							
External customers	156,068	10,395	12,006	19,034	–		197,503
Inter-segment	–	–	2,870	–	(2,870)	A	–
<b>Total revenue</b>	<b>156,068</b>	<b>10,395</b>	<b>14,876</b>	<b>19,034</b>	<b>(2,870)</b>		<b>197,503</b>
<b>Results:</b>							
Interest income	89	436	3,828	1,637	(274)		5,716
Dividend income	198	–	374	–	–		572
Finance costs	342	1,114	3,364	1,083	(275)		5,628
Depreciation and amortisation	6,856	44	1,434	190	(52)		8,472
Share of results of associates	–	3,387	(637)	1,840	–		4,590
Share of results of joint ventures	(1)	–	1,906	(303)	–		1,602
<i>Other non-cash expenses:</i>							
Amortisation of capitalised contract costs	–	–	–	987	–		987
Impairment losses on financial assets	88	–	–	–	–		88
<b>Segment (loss)/profit</b>	<b>(1,057)</b>	<b>10,144</b>	<b>9,818</b>	<b>6,021</b>	<b>1</b>	<b>B</b>	<b>24,927</b>
<b>31 May 2021:</b>							
<b>Assets:</b>							
Investment in associates	–	19,915	16,300	(4,592)	(145)		31,478
Investment in joint ventures	289	–	11,156	2,315	(65)		13,695
Additions to non-current assets	22,346	80	123,030	29	–	C	145,485
<b>Segment assets</b>	<b>622,791</b>	<b>330,295</b>	<b>1,046,508</b>	<b>401,425</b>	<b>(446,866)</b>	<b>D</b>	<b>1,954,153</b>
<b>Segment liabilities</b>	<b>300,195</b>	<b>160,302</b>	<b>724,709</b>	<b>222,505</b>	<b>(310,399)</b>	<b>E</b>	<b>1,097,312</b>



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

Notes:

- 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, deferred tax assets, tax recoverable 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>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, 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>
<b>1H2021</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	156,068	10,395	10,816	18,832	196,111
Others	–	–	1,190	202	1,392
	<b>156,068</b>	<b>10,395</b>	<b>12,006</b>	<b>19,034</b>	<b>197,503</b>
<b>Major revenue streams</b>					
Construction contracts revenue	137,440	–	–	–	137,440
Revenue from sale of goods	17,993	–	–	–	17,993
Revenue from rendering of services	20	–	2,822	–	2,842
Rental and service income from dormitories	–	10,395	–	–	10,395
Sale of development properties	–	–	–	18,696	18,696
Rental, interest, dividend and distribution income	615	–	9,184	338	10,137
	<b>156,068</b>	<b>10,395</b>	<b>12,006</b>	<b>19,034</b>	<b>197,503</b>
<b>Timing of transfer of goods or services</b>					
Over time	137,460	277	2,822	18,696	159,255
At a point in time	17,993	124	–	–	18,117
Rental, interest, dividend and distribution income	615	9,994	9,184	338	20,131
	<b>156,068</b>	<b>10,395</b>	<b>12,006</b>	<b>19,034</b>	<b>197,503</b>

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**5. Financial assets and financial liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>30 Nov 2021</b>	<b>31 May 2021</b>	<b>30 Nov 2021</b>	<b>31 May 2021</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b><i>Financial assets at FVPL</i></b>				
Investment securities	5,420	6,288	–	–
<b><i>Financial assets at FVOCI</i></b>				
Investment securities	190,960	160,814	12,791	12,621
<b><i>Financial assets at amortised cost</i></b>				
Trade receivables	84,425	60,774	–	–
Other receivables and deposits	17,601	18,891	123	123
Amounts due from joint ventures	66,319	68,447	54,947	54,947
Amounts due from associates	232,171	227,296	–	–
Amounts due from subsidiaries	–	–	225,670	224,385
Cash and cash equivalents	212,457	208,632	8,886	10,114
	<b>612,973</b>	<b>584,040</b>	<b>289,626</b>	<b>289,569</b>
<b><i>Financial liabilities at amortised cost</i></b>				
Trade and other payables	240,766	223,634	11	27
Accruals	25,137	21,552	103	137
Amounts due to joint ventures	950	950	–	–
Amounts due to associates	1,213	1,199	–	–
Amounts due to subsidiaries	–	–	224,798	234,303
Bank loans and bills payable	787,000	769,014	–	–
Lease liabilities	26,561	15,777	–	–
	<b>1,081,627</b>	<b>1,032,126</b>	<b>224,912</b>	<b>234,467</b>

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**6. Profit before taxation**

**6.1 Significant items**

	<b>Group</b>	
	<b>1H2022</b>	<b>1H2021</b>
	S\$'000	S\$'000
<b>Other operating income:</b>		
Dividend income	–	198
Fair value gain on investment securities	–	450
Gain on foreign exchange, net	–	2,825
Gain on disposal of property, plant and equipment	637	249
Gain on disposal of investment properties	142	–
Government grants and incentives	3,297	13,130
Interest income	2,929	2,925
Rental income from development properties	1,815	–
Others	1,139	1,251
	9,959	21,028
<b>Other operating expenses:</b>		
Depreciation of property, plant and equipment	(2,598)	(2,510)
Fair value loss on investment securities	(712)	–
Grant expenses	–	(879)
Loss on foreign exchange, net	(2,286)	–
Property tax	(953)	(808)
Others	(713)	(777)
	(7,262)	(4,974)

**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 1H2022 and 1H2021:

	<b>Group</b>	
	<b>1H2022</b>	<b>1H2021</b>
	S\$'000	S\$'000
Rental income – other related parties	4	4
Management fee income – joint ventures	99	97
Construction revenue – associates	31,244	8,346
Supply of labour – associates	30	30
	31,377	8,477

**7. Income tax expense**

	<b>Group</b>	
	<b>1H2022</b>	<b>1H2021</b>
	S\$'000	S\$'000
Current taxation	1,966	1,897
Deferred taxation	935	858
Withholding tax	8	8
	2,909	2,763
Income tax expense recognised in the statement of comprehensive income	2,909	2,763

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**8. Dividends**

	<b>Group</b>	
	<b>1H2022</b>	<b>1H2021</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 paid in respect of the financial year ended 31 May 2021 ("FY2021") of 1 Singapore cent per share (1H2021: Nil)	4,997	–
	<hr/> 4,997	<hr/> –

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

Earnings per share is calculated based on the Group's net profit attributable to equity holders of the Company for 1H2022 of S\$14,876,000 (1H2021: S\$17,614,000) over 499,689,000 (1H2021: 499,689,000) shares, being the weighted average number of shares in issue during 1H2022 and 1H2021.

As there were no share options and warrants granted during 1H2022 and 1H2021, and no share options and warrants outstanding as at the end of 1H2022 and 1H2021, the basic and fully diluted earnings per share are the same.

**10. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>30 Nov 2021</b>	<b>31 May 2021</b>	<b>30 Nov 2021</b>	<b>31 May 2021</b>
Net asset value per ordinary share (Singapore cents) based on the total number of issued shares excluding treasury shares	149.74	148.10	50.34	48.36
	<hr/>			

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**11. Investment securities**

	<b>Group</b>		<b>Company</b>	
	<b>30 Nov 2021</b>	<b>31 May 2021</b>	<b>30 Nov 2021</b>	<b>31 May 2021</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current</b>				
<i>At FVPL</i>				
– Quoted equity investments (SGD)	2,533	2,988	–	–
– Quoted equity investments (HKD)	557	669	–	–
– Quoted equity investments (USD)	959	330	–	–
– Quoted debt investments (GBP)	710	2,301	–	–
– Quoted debt investments (AUD)	661	–	–	–
	5,420	6,288	–	–
<i>At FVOCI</i>				
– Quoted equity investments (SGD)	436	372	–	–
– Quoted equity investments (USD)	317	272	–	–
– Quoted equity investments (AUD)	11	12	–	–
– Quoted debt investments (SGD)	3,982	4,808	–	–
– Quoted debt investments (USD)	716	334	–	–
– Quoted debt investments (AUD)	12	4	–	–
	5,474	5,802	–	–
Total current investment securities	10,894	12,090	–	–
<b>Non-current</b>				
<i>At FVOCI</i>				
– Quoted equity investments (SGD)	54,879	50,825	–	–
– Quoted equity investments (HKD)	12,791	12,621	12,791	12,621
– Quoted equity investments (USD)	30,493	26,067	–	–
– Quoted equity investments (GBP)	1,777	1,831	–	–
– Quoted equity investments (AUD)	4,681	5,098	–	–
– Quoted debt investments (SGD)	40,042	31,916	–	–
– Quoted debt investments (USD)	13,531	13,737	–	–
– Quoted debt investments (AUD)	1,894	1,012	–	–
– Unquoted equity investments (SGD)	1,000	439	–	–
– Unquoted equity investments (USD)	4,045	2,525	–	–
– Unquoted equity investments (GBP)	12,318	4,966	–	–
– Unquoted equity investments (AUD)	5,458	3,975	–	–
– Unquoted equity investments (EUR)	2,577	–	–	–
Total non-current investment securities	185,486	155,012	12,791	12,621

Capital refund, redemption and disposal of equity investments at FVOCI

During 1H2022, the Group had received capital refund, redeemed and disposed of certain equity investments at FVOCI which had a total fair value amounting to S\$5,786,000 (1H2021: S\$8,524,000) on the date when the equity investments were refunded, redeemed or disposed. The cumulative gain on disposal of S\$200,000 (1H2021: S\$162,000) was reclassified from fair value 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 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:

<b>Group</b>	<b>Quoted prices in active markets for identical instruments</b>	<b>Significant observable inputs other than quoted prices</b>	<b>Significant unobservable inputs</b>	<b>Total</b>
<b>30 November 2021</b>	(Level 1) S\$'000	(Level 2) S\$'000	(Level 3) S\$'000	S\$'000
<b><i>Financial assets measured at fair value:</i></b>				
<b><i>Financial assets at FVPL</i></b>				
- Quoted equity investments (SGD)	2,533	–	–	2,533
- Quoted equity investments (HKD)	557	–	–	557
- Quoted equity investments (USD)	959	–	–	959
- Quoted debt investments (GBP)	–	710	–	710
- Quoted debt investments (AUD)	–	661	–	661
<b><i>Financial assets at FVOCI</i></b>				
- Quoted equity investments (SGD)	3,067	52,248	–	55,315
- Quoted equity investments (HKD)	12,791	–	–	12,791
- Quoted equity investments (USD)	–	30,810	–	30,810
- Quoted equity investments (GBP)	1,777	–	–	1,777
- Quoted equity investments (AUD)	–	4,692	–	4,692
- Quoted debt investments (SGD)	–	44,024	–	44,024
- Quoted debt investments (USD)	–	14,247	–	14,247
- Quoted debt investments (AUD)	–	1,906	–	1,906
- Unquoted equity investments (SGD)	–	–	1,000	1,000
- Unquoted equity investments (USD)	–	–	4,045	4,045
- Unquoted equity investments (GBP)	–	–	12,318	12,318
- Unquoted equity investments (AUD)	–	–	5,458	5,458
- Unquoted equity investments (EUR)	–	–	2,577	2,577
	21,684	147,927	25,398	196,380

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

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

Group 31 May 2021	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)	2,988	-	-	2,988
- Quoted equity investments (HKD)	669	-	-	669
- Quoted equity investments (USD)	330	-	-	330
- Quoted debt investments (GBP)	-	2,301	-	2,301
<u>Financial assets at FVOCI</u>				
- Quoted equity investments (SGD)	3,877	47,320	-	51,197
- Quoted equity investments (HKD)	12,621	-	-	12,621
- Quoted equity investments (USD)	-	26,339	-	26,339
- Quoted equity investments (GBP)	1,831	-	-	1,831
- Quoted equity investments (AUD)	-	5,110	-	5,110
- Quoted debt investments (SGD)	-	36,724	-	36,724
- Quoted debt investments (USD)	-	14,071	-	14,071
- Quoted debt investments (AUD)	-	1,016	-	1,016
- Unquoted equity investments (SGD)	-	-	439	439
- Unquoted equity investments (USD)	-	-	2,525	2,525
- Unquoted equity investments (GBP)	-	-	4,966	4,966
- Unquoted equity investments (AUD)	-	-	3,975	3,975
	22,316	132,881	11,905	167,102

(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 2021</b>			
Unquoted equity investments	Net asset valuation	Note 1	Not applicable
<b>31 May 2021</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 company.



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

(c) Level 3 fair value measurements (cont'd)

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

	<b>Group</b>	
	<b>30 Nov 2021</b>	<b>31 May 2021</b>
	S\$'000	S\$'000
<b>Financial assets at FVOCI</b>		
<u>Unquoted equity investments</u>		
Balance at beginning of period/year	11,905	7,713
Total gains/(losses) for the period/year included in OCI	40	(546)
Purchases	16,268	4,738
Capital refund, redemption and disposal	(2,815)	–
Balance at end of period/year	25,398	11,905

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during 1H2022 and FY2021.

**12. Property, plant and equipment**

During 1H2022, the Group acquired property, plant and equipment amounting to S\$18,126,000 (1H2021: S\$6,626,000) and disposed of property, plant and equipment amounting to S\$60,000 (1H2021: S\$59,000).

**13. Investment properties**

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:***

	<b>Group</b>	
	<b>30 Nov 2021</b>	<b>31 May 2021</b>
	S\$'000	S\$'000
Balance at beginning of period/year	681,485	560,164
- Acquisition during the financial period/year	–	122,855
- Additions during the financial period/year	50	113
- Disposal during the financial period/year	(2,000)	–
- Reclassified to investment properties held for sale	(5,870)	–
- Net fair value loss recognised in the statement of comprehensive income	–	(1,647)
Balance at end of period/year	673,665	681,485

**Lian Beng Group Ltd and its subsidiaries**  
**Notes to the condensed interim consolidated financial statements**  
**For the six months ended 30 November 2021**

**14. Bank loans and bills payable**

	<b>Group</b>		<b>Company</b>	
	<b>30 Nov 2021</b>	<b>31 May 2021</b>	<b>30 Nov 2021</b>	<b>31 May 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<u>Amount repayable within one year or on demand</u>				
Secured	322,771	298,147	–	–
Less: Prepaid facility fee	(90)	(90)	–	–
	<b>322,681</b>	<b>298,057</b>	<b>–</b>	<b>–</b>
<u>Amount repayable after one year</u>				
Secured	464,619	471,302	–	–
Less: Prepaid facility fee	(300)	(345)	–	–
	<b>464,319</b>	<b>470,957</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>787,000</b>	<b>769,014</b>	<b>–</b>	<b>–</b>

The Group's bank 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 2021</b>		<b>31 May 2021</b>	
	<b>No. of shares</b>		<b>No. of shares</b>	
	<b>'000</b>	<b>S\$'000</b>	<b>'000</b>	<b>S\$'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 2021 and 30 November 2020.

**15. Share capital and treasury shares (cont'd)**

(b) Treasury shares

	<b>Group and Company</b>			
	<b>30 Nov 2021</b>		<b>31 May 2021</b>	
	No. of shares '000	S\$'000	No. of shares '000	S\$'000
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 1H2022 and FY2021.

Total number of issued shares excluding treasury shares as at 30 November 2021, 31 May 2021 and 30 November 2020 are 499,689,000.

**16. Subsequent events**

On 3 December 2021, SLB Group's 33.33%-owned associated company, Ultra Infinity Pte. Ltd. ("UIPL"), together with CEL Development Pte. Ltd. ("CEL") and Sing-Haiyi Crystal Pte. Ltd. ("SHCPL"), have successfully made an offer for the enbloc acquisition of the development known as Peace Centre / Peace Mansion by way of private treaty at a price of S\$650 million (the "Project"). On 14 December 2021, CEL, SHCPL and UIPL (collectively, the "JV Partners") incorporated two joint venture companies, Sophia Residential Pte. Ltd. and Sophia Commercial Pte. Ltd. (collectively, the "JV Companies", and each, a "JV Company"), to jointly undertake the Project. Each JV Company has an initial issued and paid-up share capital of S\$10.00. CEL, SHCPL and UIPL each contributed and hold 40%, 30% and 30% respectively in the share capital of each JV Company.

**1. Review**

The condensed consolidated statement of financial position of Lian Beng Group Ltd and its subsidiaries as at 30 November 2021 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\$377.3 million in 1H2022, an increase of 91.0% from S\$197.5 million in 1H2021. This was mainly attributable to higher revenue generated from the Construction Segment and the Property Development Segment.

Revenue from the Construction Segment rose 98.7% from a low base of S\$156.1 million in 1H2021 to S\$310.1 million in 1H2022. Following the lifting of the Circuit Breaker in 1H2021, the pace of work resumption had been slow due to manpower disruption from the workers' movement control and stringent safe management measures. The higher revenue in 1H2022 reflects a year-on-year improvement in the level of construction activity and progress made in various construction projects.

Revenue from the Property Development Segment rose by 109.5% from S\$19.0 million in 1H2021 to S\$39.9 million in 1H2022, mainly due to the increase in the number of units sold in 1H2022 for INSPACE, along with the higher revenue recognition in line with construction progress made. The higher revenue was partially offset by the absence of revenue recognised from Mactaggart Foodlink as the project had obtained its temporary occupation permit in March 2021.

Revenue from the Investment Holding Segment increased by 41.3% to S\$17.0 million in 1H2022, from S\$12.0 million in 1H2021, mainly due to contribution from the investment property BreadTalk IHQ, following the completion of its acquisition in April 2021.

Cost of sales

In line with the higher level of business activity, cost of sales increased by 99.1% to S\$343.8 million in 1H2022, from S\$172.7 million in 1H2021.

Gross profit

As a result of the above, gross profit increased 35.2% to S\$33.5 million in 1H2022, from S\$24.8 million in 1H2021. Gross profit margin decreased from 13% in 1H2021 to 9% in 1H2022 mainly due to higher cost of sales recognised by the Construction Segment due to the ongoing Covid-19 situation.

Operating income and expenses

Other operating income fell 52.4% to S\$10.0 million in 1H2022, from S\$21.0 million in 1H2021, mainly due to (i) a decrease in grants and incentives extended by the Singapore government in view of the Covid-19 pandemic from S\$13.1 million in 1H2021 to S\$3.3 million in 1H2022, and (ii) the absence of net unrealised exchange gain recognised in 1H2022 as compared to S\$2.5 million recognised in 1H2021.

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

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

Distribution expenses rose 109.0% from S\$1.2 million in 1H2021 to S\$2.5 million in 1H2022, mainly due to higher marketing expenses incurred for development project INSPACE, in line with the sale of more units and progress made in the construction of the project.

Other operating expenses increased by S\$2.3 million from S\$5.0 million in 1H2021 to S\$7.3 million in 1H2022, mainly attributable to a net unrealised exchange loss of S\$2.1 million in 1H2022. The unrealised exchange loss mainly arose from the revaluation of the Group's (i) British Pound and Australian Dollar denominated assets following the depreciation of these currencies against the Singapore Dollar, and (ii) US Dollar bank denominated loans as a result of the appreciation of US Dollar against Singapore Dollar.

Finance cost increased 23.9% from S\$5.6 million in 1H2021 to S\$7.0 million in 1H2022, mainly due to the increase in interest expense on bank loans drawn down for development property Thye Hong Centre and investment property BreadTalk IHQ, which was acquired in December 2020 and April 2021 respectively.

Share of profit from associates increased from S\$4.6 million in 1H2021 to S\$12.7 million in 1H2022, on the back of higher development profits from the sale of units in Affinity @ Serangoon, Riverfront Residences and Rezi 24, along with progress made in the construction of these projects.

Profit attributable to owners of the Company

Profit attributable to owners of the Company decreased by 15.5% from S\$17.6 million in 1H2021 to S\$14.9 million in 1H2022. Despite higher profit contribution from the Property Development Segment, only 77.6% of the Property Development Segment's profit, representing the effective interest held by the Group in SLB and excluding non-controlling interest, was recognised as attributable to owners of the Company. In view of this, the increase in contribution by the Property Development Segment to profit attributable to owners of the Company was offset by the higher loss incurred by the Construction Segment.

**B) Financial Position Statements**

Current and non-current assets

Investment in associates increased from S\$31.5 million in May 2021 to S\$40.3 million in November 2021, mainly due to share of profit from associates S\$12.7 million in 1H2022, offset by dividend income of S\$4.4 million from associates.

Total investment securities increased from S\$167.1 million in May 2021 to S\$196.4 million in November 2021, mainly due to acquisition of investment securities of S\$39.8 million for recurring income, partially offset by capital refund, redemption and disposal of S\$9.2 million and fair value loss.

Contract assets increased to S\$113.0 million in November 2021 from S\$85.8 million in May 2021, mainly due to higher contract assets recognised for development project INSPACE as more units were sold during 1H2022.

Capitalised contract costs increased from S\$1.4 million in May 2021 to S\$4.0 million in November 2021, mainly due to an increase in marketing expenses capitalised from the sale of development units at INSPACE during 1H2022.

Development properties decreased from S\$180.9 million in May 2021 to S\$134.6 million in November 2021, mainly due to an increase in sale of development units of INSPACE.

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

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

Current and non-current assets (cont'd)

Trade receivables increased from S\$62.3 million in May 2021 to S\$85.0 million in November 2021, mainly due to progressive billings for (i) development units sold for INSPACE, and (ii) construction projects following the resumption of construction activities.

Investment properties held for sale of S\$5.9 million in November 2021 consist of the 3 residential investment properties which are in progress of disposal as at November 2021.

Current and non-current liabilities

Accruals increased from S\$21.6 million in May 2021 to S\$25.1 million in November 2021, mainly due to increase in accrued marketing expenses for development project INSPACE as more units were sold during 1H2022.

Total lease liabilities increased from S\$15.8 million in May 2021 to S\$26.6 million in November 2021, mainly due to acquisition of property, plant and equipment and capitalisation of lease payments through lease arrangement during 1H2022.

**C) Cash Flow Statements**

In 1H2022, cash and cash equivalents (excluding fixed deposits and bank balances pledged for bank loans) decreased by S\$2.9 million to S\$204.7 million in November 2021. The decrease takes into account net cash used in investing activities of S\$27.3 million and financing activities of S\$6.6 million, partially offset by net cash from operating activities of S\$31.0 million.

Net cash from operating activities of S\$31.0 million was mainly due to operating cash inflow before changes in working capital of S\$24.8 million and net working capital inflow of S\$10.9 million, partially offset by income tax paid of S\$4.7 million.

Net cash used in investing activities of S\$27.3 million mainly comprised purchase of investment securities of S\$39.8 million and property, plant and equipment of S\$9.7 million. This was partially offset by (i) net proceeds of S\$9.2 million from the capital refund, redemption and disposal of investment securities, (ii) dividend received from associates of S\$4.4 million, (iii) interest received of S\$3.2 million, (iv) net proceeds from the disposal of investment properties of S\$2.1 million, and (v) repayment of loans by joint ventures of S\$2.0 million.

Net cash used in financing activities of S\$6.6 million was mainly attributable to (i) placement of fixed deposits and cash at bank pledged for bank loans of S\$7.4 million, (ii) dividends amounting to S\$6.7 million paid to non-controlling interests of subsidiaries, (iii) payment for interest of S\$6.7 million, and (iv) dividend paid on ordinary shares of S\$5.0 million. This was partially offset by net proceeds from bank loans and bills payable of S\$16.6 million and net loan from lease liabilities of S\$2.4 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 the Ministry of Trade and Industry Singapore (“MTI”) advanced estimates released on 3 January 2022, Singapore’s construction sector grew 18.7 per cent year-on-year in 2021. In absolute terms, the value-added of the construction sector remained 26.0 per cent below its pre-Covid level, as activity at construction worksites continued to be weighed down by labour shortages due to border restrictions on the entry of migrant workers.

The construction industry continues to be plagued by rising cost and manpower issues. The Group expects operating conditions in the construction sector to remain challenging with pressure to complete existing projects amid manpower shortage and deployment challenges.

As at 14 January 2022, the Group’s Construction Segment order book stands at S\$1.3 billion, which should support the Group’s activities through FY2026. The Group will closely monitor the delivery of these projects, while selectively tendering for public and private sector contracts as opportunities arise.

In view of the manpower challenges, the Group’s Property Development Segment expects possible delays in the completion of some of its projects. Nevertheless, the Group will diligently monitor the situation to ensure smooth progress, and take the necessary initiatives to moderate any financial impact arising from the delays.

Barring any unforeseen circumstances, the Group expects the Dormitory Segment’s occupancy rate to improve as border restrictions are gradually lifted, and the Investment Holding segment 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** No

**(c) Date payable**

The interim cash dividend will be paid on 31 January 2022.

**(d) Record date**

The Share Transfer Books and Register of Members of the Company will be closed on 24 January 2022, 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 24 January 2022 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 24 January 2022 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 2021 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  
14 January 2022