



FOR IMMEDIATE RELEASE

Lian Beng achieves FY2017 profit to shareholder of S\$53.2 million

- Group proposes final dividend of S\$0.0125 per share; including interim dividend of S\$0.01 per share, total dividend will be S\$0.0225 per share, representing a dividend payout of approximately 21.1% for FY2017
- Maintains strong financial position with cash and cash equivalents of S\$187.8 million as at 31 May 2017
- Construction order book of approximately \$538 million to-date offers steady flow of activity through FY2020
- Group will continue exploring business expansion through local or overseas acquisition, joint venture and/or strategic alliances that complement its construction, property development and investment business

SINGAPORE, 26 July 2017 – Lian Beng Group (“Lian Beng” or “the Group”) (聯明集團), a Singapore BCA Grade A1 construction group, reported a profit to shareholders of S\$53.2 million for its full year ended 31 May 2017 (“FY2017”).

The Group’s FY2017 gross profit increased 33.5% increase to S\$74.9 million for its full year ended 31 May 2017 (“FY2017”) mainly due to the recognition of profit upon completion of the industrial development project, Mandai Foodlink, based on Completion of Construction Method in 4QFY2017.

Table 1 – Financial highlights

(S\$ '000)	Full year ended 31 May 2017 (FY2017)	Full year ended 31 May 2016 (FY2016)	% change
Revenue	281,665	445,415	(36.8%)
Gross profit	74,881	56,100	33.5%
Profit to shareholders	53,237	102,930	(48.3%)



FY2017 revenue decreased by 36.8% to \$281.7 million mainly due to the decrease in revenue from the Construction and Ready-mixed Concrete business segments. On a positive note, Property Development revenue surged from \$0.2 million in FY2016 to \$87.8 million in FY2017 for the segment, contributed by the recognition of the revenue upon the completion of its 65%-owned industrial development project, Mandai Foodlink. The Investment Holding segment comprising property portfolio in Australia and Singapore as well as investment securities portfolio has also contributed significantly to the Group's revenue. In percentage contribution terms, recurring income businesses such as Dormitory and Investment Holdings are growing to become more significant, mitigating the effects of the more cyclical and project-based construction and property development.

The share of results of associates and joint ventures decreased from \$99.7 million in FY2016 to \$15.7 million in FY2017 mainly due to the completion of the associates' and joint ventures' development projects namely, NEWest and the Midtown and Midtown Residences which have been completed as at 31 May 2016.

As a result of the above factors, the Group recorded a 48.3% y-o-y decrease in profit to shareholders for FY2017 to S\$53.2 million. The Group maintained a strong balance sheet with healthy cash level of S\$187.8 million as at 31 May 2017 which allows it to continue to explore local and overseas opportunities to further expand its business.

Mr Ong Pang Aik (王邦益), Lian Beng's Executive Chairman, commented, "We are proposing a final dividend of S\$0.0125 per share. Adding the interim dividend, the total dividend for FY2017 will be \$0.0225 per share, representing a dividend payout of approximately 21.1%."

The recent MTI's press release dated 14 July 2017 reported that the local construction sector contracted by 5.6% in Apr-Jun 2017. The decline was due to the weakness in both private and public sector construction activities. In view of the above, the Group is cautiously optimistic of the outlook of the construction market in the next 12 months. Despite the challenging market conditions, the Group's net construction order book stood at \$538 million as at 31 May 2017, which will provide a steady flow of activity through FY2020. The Group will continue to tender for public and private sector projects leveraging on its strong track record.



The Group continues to expand its investment property portfolio to grow its recurring income. Earlier this month, in a 50-50 joint venture, it entered into a sale and purchase agreement to acquire Wilkie Edge for S\$280 million. The Group disposed its investment property in June 2017 at Collins Street, Melbourne, Australia to capitalise on its capital appreciation.

The Group's 51% joint venture industrial development, T-Space@Tampines has sold 43% of its development units. The Group is also looking forward to the sales launch of its 10% joint venture Gaobeidian township project in the PRC to capitalise on the rising real estate prices boosted by the recent favourable announcement of the new Xiongan special economic zone.

The Group's 49%-owned Papan Westlite workers dormitory, which commenced operations in June 2016, is currently 99% occupied. Along with its 55%-owned Mandai Westlite workers dormitory, which is also almost fully occupied, the Group's dormitory business has been generating stable recurring rental income.

Mr Ong added, "We will continue to diversify our income streams which has helped us reduce the reliance on any one sector. We will continue exploring business expansion through local or overseas acquisition, joint venture and/or strategic alliances that complement its construction, property development and investment business."

- The End -

About Lian Beng Group Ltd

Established in 1973, Lian Beng Group Ltd is one of few Singapore's major home-grown construction groups with integrated civil engineering and construction support service capabilities. The Group is principally involved in the construction of residential, industrial and commercial projects, and civil engineering projects as a main contractor.

As a Building and Construction Authority (BCA) Grade A1 contractor in General Building, Lian Beng can tender for public sector building projects of unlimited contract value, while its A2 grade in Civil Engineering allows it to tender for engineering projects of up to \$85 million in contract value. Based on years of experience and impeccable track record, the Group has established a reputation in managing large-scale and complex construction projects.



Lian Beng also engages in other construction related activities such as the provision of scaffolding and engineering services, supply of ready-mix concrete and asphalt premix, leasing of equipment and machinery, reinforcement bar fabrication, sourcing and management of construction materials and training of foreign construction labour.

Apart from construction, Lian Beng also engages in property development locally and overseas, mostly through joint ventures. Some of its completed and ongoing property development projects include Lincoln Suites, M-Space, Spottiswoode Suites, The Midtown & Midtown Residences, NEWest, KAP Residences, Eco-tech@Sunview and Hexacube. The Group also has a few property investment projects locally and overseas which include Prudential Tower. In addition, Lian Beng presently operates two local workers' dormitories, both through joint ventures.

The Group, an advocate for sustainable living, was awarded with the Green Mark Platinum award by BCA in 2010 for its project at 29 Harrison Road, the Group's headquarters building.

Lian Beng Group Ltd was listed on the Main Board of the Singapore Exchange in 1999.

For more information, please visit <http://www.lianbeng.com.sg>.

Issued for and on behalf of Lian Beng Group Ltd

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