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FOR IMMEDIATE RELEASE

Lian Beng's 1QFY2013 profit to shareholders decreased 44.9% yoy to S$10.5 million due to lower revenue recognition and one-off gain in 1QFY2012

- **1QFY2013 revenue dropped 16.5% to $113.4 million because revenue from industry property development can only be recognised upon TOP according to INT FRS 115**
- **55%-owned industrial development, M-Space, fully sold**
- **Group to launch 50%-owned Spottiswoode Suites and 50%-owned Hougang Plaza in FY2013**
- **Group's construction order book at S$650 million as at 31 August 2012 keeps Group busy to FY2015**

SINGAPORE, 10 October 2012 – Lian Beng Group ("Lian Beng" or "the Group") (联明集团), a Singapore BCA Grade A1 construction group, reported a 44.9% year-on-year (yoy) decrease in profit to shareholders to S$10.5 million for its three month months ended 31 August 2012 ("1QFY2013") due a one-off gain of S$7.9 million on the sale of an investment property in 1QFY2012 and a lower revenue recognition because of the adoption of revised financial reporting standard INT FRS 115.

1QFY2013 revenue dropped 16.5% to $113.4 million because revenue from industry property development can only be recognised upon receiving the Temporary Occupation Permit (TOP) according to INT FRS 115. The Group has fully sold its 55%-owned industrial development, M-Space, but revenue of which could not be recognised until the project's TOP in FY2014.

Financial highlights (S$ 'million)	3 months ended 31 Aug 2012 (1QFY2013)	3 months ended 31 Aug 2011 (1QFY2012)	%change
Revenue	113.4	135.8	(16.5)%
Gross profit	15.9	20.5	(22.4)%
Gross profit margin (%)	14.1%	15.1%	(1.0) pp
Gain on sale of investment property	-	7.9	N.M.
Profit to shareholders after tax and NCI	10.5	19.1	(44.9)%
pp. – denotes percentage points ***N.M. – Not meaningful***			

Table 1 – Financial highlights for 3 months ended 31 Aug 2012 (1QFY2013) against 1QFY2012

Mr Ong Pang Aik (王邦益), Lian Beng's Executive Chairman, commented, "Our 1QFY2013 net profit declined because of the adoption of the INT FRS 115 and the one-off gain for our sale of property in 1QFY2012, but we made good progress in our property development business. We have sold all units of M-Space, and plan to launch our 50%-owned Spottiswoode Suites and 50%-owned Hougang Plaza within this financial year."

With the increase activities on the property development front in the quarter, the Group's Development properties as at 31 August 2012 increased to $184.5 million from $96.7 million as at 31 May 2012 mainly due to the increase in costs incurred mainly for Spottiswoode Suites and Hougang Plaza offset by the increase in progressive income received from M-Space, Ola Residences and Lincoln Suites as well as the reclassification of development cost for the vacant land at Mandai Estate that was granted permission to develop the workers' dormitory from development property to investment property. On the other hand, the Group's total borrowings increased to $209.1 million as at 31 August 2012 from $111.1 million as at 31 May 2012 mainly due to bank borrowings to finance the development projects at Spottiswoode Suites and Hougang Plaza.

The increase in property development activities has also affected the Group's cash flow. Net cash used in operating activities increased to $70.3 million in 1QFY2013 as a higher working capital was required for the acquisitions and development of the Spottiswoode Suites and Hougang Plaza. Net cash used in investing activities increased to $25.5 million in 1QFY2013 was mainly attributable to the purchase of vessels, plant and equipment and progressive payments for investments in residential properties as well as development cost incurred for the workers' dormitory and the reclassification of development cost for that vacant land at Mandai Estate.

Notwithstanding the impact from the increased activities on the property development front, the Group's cash position remains strong with S$184.3 million in cash and cash equivalents as at 31 August 2012.

The Ministry of National Development (MND) announced on 13 June 2012[1] that the second half 2012 (2HCY2012) government land sales (GLS) programme will comprise 15 Confirmed List sites and 24 Reserve List sites yielding about 14,200 private residential units and 388,000 sqm of commercial space. The Group hopes to seek opportunities for both construction and property development in this GLS programme.

[1] http://www.ura.gov.sg/pr/text/2012/pr12-60.html

The Group's construction order book stood at S$650 million as at 31 August 2012, providing the Group with a continuous flow of construction activities through FY2015.

- The End -

About Lian Beng Group

Since its early pillars of foundation in 1973, Lian Beng Group Ltd (SGX: Lian Beng) has grown from being a sub-contractor to a reputable building construction group through a tenacious focus on its core strengths while being ahead of the industry cycle through active viable diversification. Lian Beng, an A1 grade contractor with the Building and Construction Authority (BCA) in General Building, enables it to tender for public sector building projects of unlimited contract value. The Group has left its mark in the building industry both locally and regionally in the public and private residential, institutional, industrial and commercial sectors, with some of its completed projects encompassing the *Grand Duchess, The Lakeshore, The Sixth Avenue Residences and many other government sector projects.* Additionally, Lian Beng's A2 grade in Civil Engineering with BCA opens the doors to civil engineering projects of up to S$85 million in contract value. Leveraging on its integrated business model, the Group has foraged into property development of both residential and commercial properties in Singapore; synergistic with the Group's existing core business. Some of its property development and investment projects include O*LA Residences, Kovan Residences, 111 Emerald Hill, Lincoln Suites* and *Mandai Industrial.*

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, Lian Beng Group Headquarters.

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

Issued for and on behalf of Lian Beng Group Ltd

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