

NEWS RELEASE

Lian Beng's 1H20 Profit Rises 38% to \$18.6M

- ✓ 88% rise in revenue to \$311M
- ✓ Healthy cash position of \$172 million
- ✓ Declares tax-exempt interim dividend of \$0.01
- ✓ \$1.6-billion order book to provide steady flow of activities through FY2023

Singapore, 13 January 2020 – Homegrown main contractor Lian Beng Group (“the Group”) has reported a 37.7% increase in profit attributable to shareholders to \$18.6 million on revenue of \$311.4 million for the six months ended 30 November 2019 (“1H2020”), compared to a profit of \$13.5 million on revenue of \$165.3 million in the preceding period (“1H2019”). Earnings per share was 3.72 cents in 1H2020, compared to 2.70 cents for 1H2019.

For the second quarter ended 30 November 2019 (“2Q2020”), the Group recorded a 51.1% increase in profit attributable to shareholders to \$11.2 million, from \$7.4 million in the corresponding period a year ago (“2Q2019”). This was on the back of a 102.8% increase in revenue to \$164.7 million, from \$81.2 million in 2Q2019. Earnings per share was 2.24 cents in 2Q2020, compared to 1.48 cents for 2Q2019.

Financial Highlights

\$m	Second quarter ended 30 Nov		Change
	2019	2018	%
Revenue	164.7	81.2	102.8
Gross profit	24.8	17.2	44.2
Profit attributable to shareholders	11.2	7.4	51.1
EPS (Sgp cents)	2.24	1.48	51.1
Net asset value per share (Sgp cents)	141.41	138.90*	1.8

*As at 31 May 2019

Executive Chairman Ong Pang Aik, (王邦益) said, “Lian Beng has delivered a healthy set of results amid a competitive industry landscape, and are looking forward to building on this momentum.”



The Group enjoyed increases in revenue contributed by both its Construction and Property Development business segments during the quarter. Higher revenue generation from the Construction business was driven by increased business activity and construction projects which are mostly in the initial stage of construction during the quarter. For the Property Development segment, the Group recognised higher revenue from its industrial property, Mactaggart Foodlink, based on construction progress.

Driven by the commencement of new projects, the increase in the level of construction activity enabled the Group to record a 44.2% increase in gross profit to \$24.8 million in 2Q2020, compared to \$17.2 million in 2Q2019.

Taking into account a \$0.6-million gain on disposal of Wellprime Pte Ltd, a former subsidiary company that held the development site at 50 Lorong 21 Geylang, Lian Beng recorded pre-tax profit of \$15.8 million in 2Q2020, compared to \$10.2 million in the preceding year.

At the close of 2Q2020, the Group's cash and cash equivalents stood at a healthy \$172.4 million. Net asset value per share also improved to 141.4 cents, from 138.9 cents as at 31 May 2019.

Looking ahead, Lian Beng is cautiously optimistic of the outlook of the construction industry. Construction demand hit a five-year high in 2019 and is projected to remain strong in the year ahead, on the back of a good pipeline of major infrastructure projects.

In December 2019, the Group bagged a \$178-million contract via its 60%-owned subsidiary, United Tec Construction Pte. Ltd, to construct a 640-unit private residential development at Clementi Avenue 1. With this latest contract, Lian Beng has secured a total of four contracts worth an aggregate \$693 million since the start of its 2020 financial year. The contract has also lifted its order book to date to \$1.6 billion, which should support the Group's activities through FY2023.

Going forward, the Group will build on its strong track record and expertise to tender actively for public and private sector projects. At the same time, through its property development subsidiary, SLB Development Ltd, it will continue to monitor the property market closely for opportunities to replenish its land bank, while also embarking on its new fund management business.



About Lian Beng Group Ltd

Established in 1973, Lian Beng Group Ltd is one of 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 is able to tender for public sector building projects of unlimited contract value, while its A2 grading in Civil Engineering allows it to tender for engineering projects of up to \$85 million in contract value.

Backed by years of experience and an impeccable track record, the Group has established a reputation for 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, reinforcement bar fabrication, sourcing and management of construction materials and training of foreign construction labour. Apart from construction, Lian Beng also engages in property investment, with investment projects locally and overseas. The Group also operates two local workers' dormitories, both through joint ventures.

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

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

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