



FOR IMMEDIATE RELEASE

Lian Beng's FY2018 profit to shareholder increases 2.1% to S\$54.4 million

- Other operating income increased by 280.5% to S\$54.3 million mainly due to gain on disposal of investment properties at Collins Street and Franklin Street, Melbourne, Australia
- Group proposes final dividend of S\$0.0125 per share
- Cash and cash equivalents increased by \$21.4 million to \$209.2 million as at 31 May 2018
- Construction order book of approximately S\$947 million as at 31 May 2018 offers steady flow of activity through FY2022

SINGAPORE, 26 July 2018 – Lian Beng Group (“Lian Beng” or “the Group”) (聯明集團), a Singapore BCA Grade A1 construction group, reported a 2.1% year-on-year (“yoy”) increase in its profit to shareholders to S\$54.4 million for its full year ended 31 May 2018 (“FY2018”).

Table 1 – Financial highlights

(S\$ '000)	FY ended 31 May 2018 (FY2018)	FY ended 31 May 2017 (FY2017)	% change
Revenue	243,885	281,665	(13.4%)
Gross profit	62,010	74,881	(17.2%)
Other operating income	54,322	14,275	280.5%
Fair value gain on investment properties	9,657	14,563	(33.7%)
Profit before taxation	77,124	70,208	9.9%
Taxation	20,476	7,427	175.7%
Profit to shareholders	54,382	53,238	2.1%



FY2018 revenue decreased 13.4% to S\$243.9 million in FY18 mainly due to the decrease in revenue for Property Development segment, offset by the better revenue from its construction, investment holding and ready-mixed concrete segments. As a result of the lower revenue, the Group's gross profit decreased 17.2% to S\$62.0 million. Reversing the retreat, other operating income increased by 280.5% or S\$40.0 million from S\$14.3 million for FY2017 to S\$54.3 million for FY2018 mainly due to the gain on disposal of investment properties at 247 and 249 Collins Street and 50 Franklin Street, Melbourne, Australia.

Fair value gain on investment properties of S\$9.7 million was recognised for FY2018 as compared to S\$14.6 million for FY2017, a decrease of 33.7% or S\$4.9 million. Despite the lower fair value gain, the Group's FY2018 profit before taxation improved 9.9% to S\$77.1 million.

The Group's tax expense increased by 175.7% or S\$13.0 million from S\$7.4 million for FY2017 to S\$20.5 million for FY2018 mainly due to the tax provisions for the gain on disposal of the properties at Collins Street, Franklin Street and St Kilda Road in Melbourne, Australia. As a result of the higher tax, the Group's FY2018 profit to shareholder inched out a 2.1% improvement to S\$54.4 million.

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 FY2018 will be \$0.0225 per share, matching the total dividends given out for FY2017."

Cash and cash equivalents increased by \$21.4 million from S\$187.8 million as at 31 May 2017 to \$209.2 million as at 31 May 2018. The Group's strong balance sheet and healthy cash level enable it to continue to explore local and overseas opportunities to further expand its business.



The Ministry of Trade and Industry Singapore (“MTI”) announced on 13 July 2018 in its press release that the Singapore economy grew by 3.8% in the second quarter of 2018 year-on-year, moderating from the 4.3% growth in the previous quarter. According to the flash estimate released by the Urban Redevelopment Authority (“URA”) on 2 July 2018, the private property index for the second quarter of 2018 increased by 4.9 points or 3.4% compared to 3.9% increase in the previous quarter. With the various existing property cooling measures, the Group expects prices in the residential property market to remain moderate in year 2018.

The Group's subsidiary, SLB Development Ltd (“SLB”), has a few property development projects on hand. Its industrial development T-Space@Tampines, which it holds 51% equity interest, has obtained its TOP in June 2018. Sales status of T-Space@Tampines is 93.6% as at 30 June 2018. SLB has also launched Mactaggart Foodlink, an industrial development project, in May 2018. Sales status of Mactaggart Foodlink is 60.7% as at 30 June 2018. SLB’s residential properties projects, Affinity@Serangoon and Riverfront Residences, which it holds 20% equity interests each, were launched for sales in June 2018 and July 2018 respectively.

The property market remains challenging. SLB will continue to monitor the market closely and will be cautious when seeking opportunities to replenish its land bank. It will continue to explore business opportunities in the region through acquisition, joint venture and/or strategic alliances that will complement its property development business.

The Group will tread cautiously and continue to tender for public and private sector projects leveraging on its strong track record and proven expertise. It will also focus on technologies and innovations to improve productivity and efficiency so as to sustain its competitiveness in tendering and securing good and profitable projects. The Group's net construction order book stood at S\$947 million as at 31 May 2018, which will provide a steady flow of activity through FY2022.

- 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 investment. The Group also has a few property investment projects locally and overseas, and 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

For more information, please contact:

Financial PR Pte Ltd

EI LEE (el@financialpr.com.sg)

T: +65 6438 2990F: +65 6438 0064