



FOR IMMEDIATE RELEASE

## Lian Beng achieves 9MFY2018 profit to shareholder of S\$16.9 million

- Maintains strong financial position with cash and cash equivalents of S\$145.9 million as at 28 February 2018
- Construction order book stood at approximately S\$924 million as at 28 February 2018 offers steady flow of activity through FY2022

SINGAPORE, 12 April 2018 – Lian Beng Group (“Lian Beng” or “the Group”) (联明集团), a Singapore BCA Grade A1 construction group, reported a profit to shareholders of S\$16.9 million for its nine months ended 28 February 2018 (“9MFY2018”).

Table 1 – Financial highlights

(S\$ '000)	9 months ended 28 February 2018 (9MFY2018)	9 months ended 28 February 2017 (9MFY2017)	% change
Revenue	146,472	156,234	(6.2%)
Gross profit	36,234	39,364	(8.0%)
Profit to shareholders	16,873	21,249	(20.6%)

9MFY2018 revenue decreased by 6.2% to S\$146.5 million mainly due to a decrease in revenue generated from the construction segment offset by the better revenue in the investment holding and ready-mixed concrete segments.

Other operating income improved 65.9% to S\$17.1 million for 9MFY2018 mainly due to the gain on disposal of investment property at Collins Street, Melbourne. Other operating expenses decreased 39.9% to \$6.8 million for 9MFY2018 mainly due to foreign exchange gain (net) in 9MFY2018 as compared to a foreign exchange loss (net) as well as impairment loss on investment securities incurred in the corresponding 9MFY2017. Finance costs increased 58.3% to S\$10.8 million for 9MFY2018 mainly due to the increase in borrowings to finance the purchase of investment securities as well as interest cost incurred for the investment properties located at 50 Franklin Street, Melbourne, Australia and 24 Leng Kee Road, Singapore.



After taking into account the above factors, the Group recorded a 20.6% decrease in profit to shareholders of S\$16.9 million for 9MFY2018.

The Group maintained a strong balance sheet with healthy cash level of S\$145.9 million as at 28 February 2018 which allows it to continue to explore local and overseas opportunities to further expand its business.

The Group's net construction order book stood at S\$924 million as at 28 February 2018, which will provide a steady flow of activity through FY2022. This includes the two residential building contracts worth S\$336.3 million at Serangoon North Avenue 1 and Potong Pasir Avenue 1 as well as the Group's largest building contract worth S\$435 million awarded by HDB for Defu Industrial City.

According to Building and Construction Authority (BCA)'s forecast, the total local construction demand for 2018 is likely to improve from S\$24.5 billion in 2017 to between S\$26 billion and S\$31 billion. The recent slew of property collective sales is also likely to boost the private construction demand for the next one to two years. In light of the above positive development, the Group is cautiously optimistic of the construction and property outlook for the next 12 months. The Group will continue to tender for construction projects leveraging on its track record and expertise, and explore further investment projects.

Mr Ong Pang Aik (王邦益), Lian Beng's Executive Chairman, commented, "The construction sector is cyclical and there are bound to be ups and downs over the years. We have grown stronger and are now able to ride through downturns as we have built a strong foundation and diversified our revenue streams. The local construction outlook is looking more positive. We are well-poised to ride the next wave."

Mr Ong added, "We are planning for the spin-off of our property development business and have launched the IPO of this business under SLB Development Ltd on 11 April 2018. We believe this separate listing can create value for our shareholders."

- 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>.

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Issued for and on behalf of Lian Beng Group Ltd

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