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Lian Beng's 1QFY2015 profit to shareholders up 58.5% to S\$12.0 million

- 1QFY2015 revenue increased 10.8% to S\$167.6 million on higher revenue from construction segment and workers' dormitory business
- Share of results of associates and JVs improved to S\$5 million on recognition of profits from development projects NEWest, KAP Residences, The Midtown and Midtown Residences
- Construction order book stood at approximately S\$1.0 billion to provide sustainable flow of activities through FY2017
- Group's cash and cash equivalent stood at S\$150.9 million as at 31 August 2014, ready to fund potential business opportunities
- Group expects core construction business to continue to drive revenue growth and recognition of profits from property development projects to continue to contribute positively to earnings

SINGAPORE, 13 October 2014 – Lian Beng Group (“Lian Beng” or “the Group”) (聯明集團), a Singapore BCA Grade A1 construction group, posted a 58.5% increase year-on-year (“yoy”) in its profit to shareholders to S\$12.0 million for its first quarter ended 31 August 2014 (“1QFY2015”) largely due to the recognition of profits from the Group's property development projects.

Table 1 – Financial highlights

(S\$ '000)	3 months ended 31 August 2014 (1QFY2015)	3 months ended 31 August 2013 (1QFY2014) (Restated)	%change
Revenue	167,637	151,251	10.8%
Share of results of associates and JVs	5,060	(3,638)	-
Profit for the period	13,479	8,766	53.8%
Profit to shareholders	11,972	7,551	58.5%

1QFY2015 revenue improved 10.8% to S\$167.6 million on higher revenue from the construction segment and the workers' dormitory business.



The Group has adopted several new Financial Reporting Standards (“FRS”) with effect from 1 June 2014. The financial statements of 1QFY2014 were correspondingly restated with these changes. Owing to the adoption of FRS 111 on Joint Arrangements and Revised FRS 28 on Investment in Associates and Joint Ventures (“JV”), the results from the Group’s associates companies and JVs are now depicted separately.

The Group’s share of results from associates and JVs climbed from a loss of S\$3.6 million in 1QFY2014 to a profit of S\$5.0 million in 1QFY2015. These profits were largely recognised from JV property development projects NEWest, KAP Residences, The Midtown and Midtown Residences.

1QFY2024 taxation decreased by 27.5% yoy to S\$1.3 million mainly due to claims made by the Group for the investment in innovation and productivity improvements under the Productivity and Innovation Credit (“PIC”) Scheme.

As a result of the lower taxation and the profits from development projects, the Group’s profit to shareholders for 1QFY2015 improved 58.5% to S\$12.0 million.

Mr Ong Pang Aik (王邦益), Lian Beng’s Executive Chairman, commented, “We are gradually seeing the fruits of the seeds we sowed in the past. The strengthening of our construction order book to above S\$1 billion level last year has now gradually translated to higher construction revenue for us. Also, the property development projects which we had increasingly participated through JV in the past are bringing in the results now. This positive outcome is testimony of the management’s acumen in diversifying our business to include more revenue sources.”

Recently, the Group and its JV partner have sold their stake in 122 Middle Investment Pte. Ltd. (“122 MIPL”), which owns the property at 122 Middle Road, to Nanshan Group Singapore Co Pte Ltd for S\$270 million. The Group has also sold, through its associate company, a single strata unit of 5,952 sq ft of Prudential Tower for S\$16.368 million, or S\$2,750 per sq ft (“psf”). Other units of this property are gradually put on sales. The results of these sales will be reflected in the Group’s results in the coming quarters.



The Group's construction order book stood at approximately S\$1.0 billion as at 31 August 2014 providing it with sustainable flow of construction activities through FY2017. With a cash and cash equivalent of S\$150.9 million as at 31 August 2014, the Group holds a sizeable war chest to fund business opportunities it finds lucrative.

The Group is cautiously optimistic that its core construction business will continue to grow and also expects its JV property development projects to continue to bring positive results as the sales status of these projects are encouraging. The Midtown, Spottiswoode Suites and NEWest have achieved comfortable sales status of 96%, 77% and 82% respectively, while KAP is almost fully sold.

- 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, 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, mostly through joint ventures. Some of its property development and investment projects include OLA Residences, Kovan Residences, 111 Emerald Hill, Lincoln Suites, M-Space, Spottiswoode Suites and The Midtown & Midtown Residences. Lian Beng has also developed and presently operates a workers' dormitory, through a joint venture, at Mandai Estate.

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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