



FOR IMMEDIATE RELEASE

Lian Beng achieves 1QFY2018 profit to shareholder of S\$8.9 million

- Gain on disposal of Group’s investment property in Melbourne boosts other operating income to S\$10.5 million
- Maintains strong financial position with cash and cash equivalents of S\$146.0 million as at 31 August 2017
- Re-built land bank for future re-development with recent successful en bloc purchase of HUDC estates, Rio Casa and Serangoon Ville via 20%-owned associate companies
- Construction order book of approximately \$661 million as at 31 August 2017 offers steady flow of activity through FY2020

SINGAPORE, 12 October 2017 – Lian Beng Group (“Lian Beng” or “the Group”) (聯明集團), a Singapore BCA Grade A1 construction group, reported a profit to shareholders of S\$8.9 million for its first quarter ended 31 August 2017 (“1QFY2018”).

Table 1 – Financial highlights

(S\$ '000)	3 months ended 31 August 2017 (1QFY2018)	3 months ended 31 August 2016 (1QFY2017)	% change
Revenue	37,181	70,801	(47.5%)
Gross profit	12,409	18,583	(33.1%)
Other operating income	10,455	3,351	212.0%
Profit to shareholders	8,942	12,661	(29.4%)

1QFY2018 revenue decreased by 47.5% to \$37.2 million mainly due to the decrease in revenue from the Construction business segment.



Other operating income increased to \$10.5 million in 1QFY2018 from \$3.4 million in 1QFY2017 mainly due to gain on disposal of the Group's investment property at 247 & 249 Collins Street, Melbourne, Australia.

Mr Ong Pang Aik (王邦益), Lian Beng's Executive Chairman, commented, "While our property acquisitions for property investment are mostly for long term yield, we may sometimes dispose of properties if substantial capital gain presents a good opportunity to take profit of the investment."

Corresponding to the lower revenue, the Group recorded a 29.4% y-o-y decrease in profit to shareholders for 1QFY2018 to S\$8.9 million. Mr Ong added, "Our investments in property investment have helped us mitigate the cyclical nature of project-based segments such as construction and property development. The returns from property investment have enabled us to sustain our profit level despite the lower contribution from construction and property development segments."

The Group maintained a strong balance sheet with healthy cash level of S\$146.0 million as at 31 August 2017 which allows it to continue to explore local and overseas opportunities to further expand its business.

In May 2017, the Group's 20%-owned associate company, Rio Casa Venture Pte Ltd was successful in its tender for the collective purchase of Rio Casa at Hougang Avenue 7, Singapore at the purchase price of S\$575 million. Rio Casa is a former HUDC estate which has been privatised. In July 2017, the Group's 20%-owned associate company, Oxley Serangoon Pte Ltd was also successful in the collective purchase of Serangoon Ville at Serangoon North Avenue 1 at a purchase price of S\$499 million. Serangoon Ville is also a former HUDC estate which has been privatised. The Group's strong financial position has enabled it to seize the opportunity to acquire properties to increase its land bank for future redevelopment.

In an effort to boost local construction demand, the Government announced in September 2017 that it plans to bring forward S\$1.4 billion in public amenities works. It is bringing forward another \$700 million worth of projects to this year and next on top of the \$700 million worth of contracts that it had announced in February 2017. In light of this, the Group is cautiously optimistic of the outlook for the construction industry and will continue to tender for projects leveraging on its strong track record and proven expertise. The Group's net construction order book stood at \$661 million as at 31 August 2017, which will provide a steady flow of activity through FY2020.



- 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 development locally and overseas, mostly through joint ventures. Some of its completed and ongoing property development projects include Lincoln Suites, M-Space, Spottiswoode Suites, The Midtown & Midtown Residences, NEWest, KAP Residences, Eco-tech@Sunview and Hexacube. The Group also has a few property investment projects locally and overseas which include Prudential Tower. In addition, Lian Beng 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

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