



NEWS RELEASE

Lian Beng Reports 9M Profit of \$18.3M on Revenue of \$253.9M

✓ Strong cash position of \$149.2 million

✓ \$1.26-billion order book to provide steady flow of activities through FY2022

Singapore, 12 April 2019 – Home-grown main contractor Lian Beng Group (“the Group”) has recorded a profit attributable to shareholders of \$18.3 million on revenue of \$253.9 million for the nine months ended 28 February 2019 (“9M2019”). This translates to earnings per share of 3.67 cents.

Financial Highlights

\$m	Nine months ended 28 February		Change
	2019	2018 (restated)	%
Revenue	253.9	256.6	(1.0)
Gross profit	61.7	58.0	6.3
Profit attributable to shareholders	18.3	25.9	(29.2)
EPS (Sgp cents)	3.67	5.18	(29.2)

Revenue for the period reflects improvements in the Group’s Construction and Investment Holding business segments that were offset by lower revenue recognised in the Property Development segment, compared to the same period a year ago (“9M2018”). This resulted in a 1.0% decrease compared to \$256.6 million recorded in 9M2018.

The Group’s profit attributable to shareholders for 9M2019 took into account a decreased share of profit of associates and joint ventures of \$2.0 million, compared to \$10.5 million in 9M2018, largely as a result of losses recorded by its Property Development associate companies. The losses were mainly due to the adoption of the Singapore Financial Reporting Standard (International) (“SFRS(I)”), under which borrowing costs relating to development properties that are ready for sale are required to be expensed as incurred, instead of being capitalised. The Group profit also took into account a one-time gain on disposal of an investment property in Australia in 9M2018. The Group did not undertake any disposal of property in 9M2019.

For the three months ended 28 February 2019 (“3Q2019”), profit attributable to shareholders was \$3.6 million on revenue of \$91.0 million, compared to a restated profit of \$8.1 million and revenue of \$90.6 million for the same period the year before (“3Q2018”) due to the adoption of SFRS(I) as mentioned above.



As at 28 February 2019, the Group's equity attributable to shareholders stood at \$677.3 million while cash and cash equivalents remained at a healthy \$149.2 million.

According to the Building and Construction Authority of Singapore's January report, total construction demand in 2019 should range between S\$27 billion and S\$32 billion, compared to the S\$30.5 billion awarded in 2018. This is on the back of a decent pipeline of major public infrastructure and industrial projects. Private sector demand is expected to be supported by the redevelopment of en-bloc sales sites concluded in the second half of 2018, as well as new industrial projects. This bodes well for the Group's construction business as it leverages its track record and expertise to build up its order book.

Nevertheless, the Group continues to hold a cautious view of the residential property market outlook, as property cooling measures continue to weigh on the market segment. It will monitor the market closely for opportunities to replenish its land bank, as well as for business opportunities in the region that will complement its property development business.

Lian Beng has an order book of S\$1.26 billion as at 28 February 2019. This is expected to provide it with a steady flow of activities through FY2022.

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, 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, 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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