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## Lian Beng's 9MFY2013 net profit decreased 24.2% to S\$30.7 million

- 9MFY2013 revenue increased 5.1% to S\$350.7 million on higher revenue recognition from construction projects
- Group's cash and cash equivalents remained strong at S\$161.8 million as at 28 February 2013
- Group's construction order book, including recent contract wins of Bartley Ridge, and projects at Sunview and Tampines Crescent, stands at S\$986 million

SINGAPORE, 11 April 2013 – Lian Beng Group (“Lian Beng” or “the Group”) (聯明集團), a Singapore BCA Grade A1 construction group, reported a 24.2% year-on-year (yoy) decrease in net profit to S\$30.7 million for its nine months ended 28 February 2013 (“9MFY2013”) mainly due to a lower gross margin for the period, higher operating expenses for the period and a one-off gain of S\$7.9 million on the sale of an investment property in 9MFY2012.

Table 1 – Financial highlights for 9 months ended 28 February 2013 (9MFY2013) against 9MFY2012

Financial highlights (S\$ 'million)	9 months ended 28 Feb 2013 (9MFY2013)	9 months ended 28 Feb 2012 (9MFY2012)	%change
Revenue	350.7	333.7	5.1%
Gross profit	48.9	53.8	(9.1%)
Gross profit margin (%)	14.0%	16.1%	(2.1 pp)
Gain on sale of investment property	-	7.9	N.M.
Profit for the period	30.7	40.5	(24.2%)
<i>pp. – denotes percentage points</i>			
<i>N.M. – Not meaningful</i>			



9MFY2013 revenue improved 5.1% to \$350.7 million was mainly due to the higher revenue recognition from construction projects. Revenue could have been higher but due to conformance to INT FRS 115, revenue from the Group's 55%-owned industrial development, M-Space, can only be recognised upon receiving the Temporary Occupation Permit (TOP) in FY2014, even though M-Space is fully-sold.

9MFY2013 gross profit decreased 9.1% to S\$48.9 million as a result of the lower gross margin. 9MFY2013 operating expenses were also higher, in particular, other operating expenses increased by 32.5% or S\$0.9 million due to the increase in depreciation expense arising from the addition of the factory located at Sungei Kadut.

As a result of the factors such as the lower gross margin, the adoption of the INT FRS 115, the higher operating expenses and the one-off gain for our sale of property in 9MFY2012, the Group's 9MFY2013 net profit declined 24.2% to S\$30.7 million.

Increased involvement in property development has brought significant impact to the Group's balance sheet, with development properties increasing from S\$96.7 million as at 31 May 2012 to S\$190.4 million as at 28 February 2013, and bank borrowings increasing from \$111.1 million as at 31 May 2012 to S\$259.7 million as at 28 February 2013. Effects were also felt at the Group's cash flow with net cash used in operating activities increasing to S\$76.5 million in 9MFY2013 as a higher working capital was required for the acquisitions and development of the Spottiswoode Suites and Hougang Plaza. Notwithstanding, the Group's cash and cash equivalents remained strong at S\$161.8 million as at 28 February 2013.

Mr Ong Pang Aik (王邦益), Lian Beng's Executive Chairman, commented "Our strong order book, including the recent contract wins of Bartley Ridge, and projects at Sunview and Tampines, reaches S\$986 million as at 11 April 2013, will provide us a steady and substantial revenue flow in the next few financial years."

- The End -



### **About Lian Beng Group Ltd**

Established in 1973, Lian Beng Group Ltd (SGX: Lian Beng) is one of Singapore's major home-grown building 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.

Lian Beng's status with the Building and Construction Authority (BCA) as an A1 grade contractor in General Building enables it to tender for public sector building projects of unlimited contract value, while its A2 grade in Civil Engineering allows it to handle engineering projects of up to \$85 million in contract value. Through its years of experience and track record, the Group has established for itself a reputation for its ability to handle large-scale and complex projects.

Beyond construction, Lian Beng is also engaged in other construction related activities. These include the provision scaffolding and engineering services, supply of ready-mix concrete, leasing of equipment and machinery, reinforcement bar fabrication and training of foreign construction labour.

The Group 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 and M-Space.

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, Lian Beng Group Headquarters.

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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