



FOR IMMEDIATE RELEASE

Lian Beng records net profit of S\$19.0 million on a 39.6% yoy increase in revenue to S\$328.1 million for 1HFY2014

- Construction segment revenue grew 29.1% yoy to approximately S\$223 million with strong outstanding order book of S\$1.0 billion lasting till 2016
- Fully-sold 55%-owned industrial property project, M-Space to TOP in 3QFY2014
- Strong cash and cash equivalent of S\$198.0 million as at 30 November 2013 to fund growth opportunities

SINGAPORE, 13 January 2014 – Lian Beng Group (“Lian Beng” or “the Group”) (聯明集團), a Singapore BCA Grade A1 construction group, reported a 39.6% year-on-year (“yoy”) growth in revenue to S\$328.1 million for the six months ended 30 November 2013 (“1HFY2014”). The net profit registered at S\$19.0 million, a decline of 3.8% from a year ago mainly due to higher marketing costs incurred by the Group’s property projects.

Table 1 – Financial highlights

(S\$ '000)	6 months ended 30 November 2013 (1HFY2014)	6 months ended 30 November 2012 (1HFY2013)	%change
Revenue	328,056	234,924	39.6%
Gross profit	41,270	30,595	34.9%
Gross profit margin (%)	12.6%	13.0%	(0.4 pp.)
Profit for the period	19,025	19,780	(3.8%)
Profit to shareholders	16,685	19,213	(13.2%)

pp. – Percentage points

For 1HFY2014, the Group witnessed top-line growth across all business segments, namely construction, property development and ready-mix concrete. Revenue for the construction segment increased 29.1% yoy to approximately S\$223 million, representing 68% of the Group’s revenue. The projects that contributed to the growth include Spottiswoode Park, Hedges Park, Goodwood Residence, Waterfront Isle and others.

Sales of the Group’s property projects jumped from S\$9.2 million for 1HFY2013 to S\$39.2 million for 1HFY2014. This increase was mainly attributable to higher revenue recognized from the Group’s property projects including Lincoln Suites and Midtown Residences.



Sales from the Group's ready-mix concrete segment increased 9.3% yoy to S\$57.8 million for 1HFY2014 from S\$52.9 million a year ago.

Gross profit rose 34.9% to S\$41.3 million for 1HFY2014, albeit at a lower gross margin partly due to the lower gross margins of the construction projects in the period and a different revenue mix.

Other operating income decreased from S\$6.1 million to S\$2.3 million for 1HFY2014 due to the decrease in dividend income received in the period and write-back of impairment loss on unquoted investment securities in 1HFY2013.

Distribution expenses increased from S\$1.4 million to S\$4.9 million for 1HFY2014 mainly due to the selling and marketing expenses from the sale of the Spottiswoode Suites and The Midtown Residences.

For 1HFY2014, there was a share of losses of associates of S\$2.6 million mainly due to the selling and marketing expenses arising from the sale of NEWest, KAP Residences and Eco-Tech@Sunview.

Owing to the above factors, the Group's net profit dipped 3.8% to S\$19.0 million for 1HFY2014.

Mr Ong Pang Aik (王邦益), Lian Beng's Executive Chairman, said, "With the upward revision of Singapore's construction demand from between S\$22 billion and S\$30 billion to between S\$31 billion and S\$38 billion for 2014¹, we would be able to seize the potential opportunities to tender and secure for more public and private sector projects."

The Group's construction order book stood at S\$1.0 billion as at 30 November 2013.

On the property development forefront, the Group expects to recognize most of the revenue from its 55%-owned industrial property project, M-Space @ Mandai Estate upon receipt of Temporary Occupation Permit ("TOP") in 3QFY2014. This project was co-developed with Centurion Corporation and was fully sold out last year.

- The End -

About Lian Beng Group Ltd

¹ Source: Channel NewsAsia, Building and Construction Authority, <http://www.channelnewsasia.com/news/business/s-pore-construction/948124.html>



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 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 also 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>.

Issued for and on behalf of Lian Beng Group Ltd

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