



聯明集團有限公司

LIAN BENG GROUP LTD

Company Registration No. 199802527Z

FOR IMMEDIATE RELEASE

Lian Beng Posts FY21 Profit of \$26M

- ✓ **Bottom line supported by improvement in associates' performance, and favourable foreign exchange and interest rates**
- ✓ **Healthy financial position with \$209m cash in hand**
- ✓ **\$1.4-billion order book to provide steady flow of activities through FY2025**
- ✓ **Proposes final dividend of S\$0.01 per share**

Singapore, 29 July 2021 – Homegrown building construction and property development company **Lian Beng Group** (the “Group”) has posted a profit attributable to shareholders of S\$26.1 million for the financial year ended 31 May 2021 (“FY2021”), on revenue of S\$514.5 million. This is in comparison with a profit attributable to shareholders of S\$28.7 million on revenue of S\$556.0 million for the financial year ended 31 May 2020 (“FY2020”).

The Group has proposed a first and final dividend of 1 cent per share for FY2021.

Performance Review

Amid the implementation of various Covid-19 control measures in Singapore, the Group’s Construction, Property Development, Investment Holding and Dormitory businesses recorded revenue contractions year-on-year.

Revenue for the Construction business fell 7.2% to S\$427.5 million, mainly due to the slow pace of work resumption amid manpower shortage arising from tighter border measures, disruptions in manpower deployment due to the workers’ movement control, as well as additional safe management measures implemented at the worksites.

The Property Development segment registered an 8.2% decline to \$42.4 million, mainly due to lower revenue recognition from the construction of Mactaggart Foodlink, following its receipt of the temporary occupation permit in March 2021. The decline was partially offset by higher revenue recognition from construction progress made in INSPACE, along with the sale of T-Space’s remaining unit during the year.

Revenue from the Group’s Investment Holding and Dormitory segment saw a 9.6% contraction to \$44.6 million, in view of rental relief granted to tenants and on the back of lower occupancy for the Group’s dormitory business.



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Amid the general decline in business activity, the Group recorded a turnaround in its share of results from associates in the Property Development and Dormitory businesses to \$6.5 million, from a loss of \$10.9 million in FY2020, as well as favourable foreign exchange and interest rates.

At the close of the financial year, the Group's cash and cash equivalents remained at a healthy \$208.6 million. Net asset value per share increased to 148.10 cents as at 31 May 2021, compared to 141.24 cents as at 31 May 2020.

Commenting on the results, Mr Ong Pang Aik, Chairman and Managing Director, said, "The Covid-19 pandemic has made the operating environment very challenging year for the construction industry. We are thankful that our strategy to build diversified revenue streams has enabled us to tide through this difficult period."

Outlook

The Group expects operating conditions in the construction sector to remain challenging, as the pace of construction activities is likely to remain constrained by manpower shortage and deployment challenges. In March 2021, the Group, through its 60%-owned subsidiary United Tec Construction Pte. Ltd., secured a \$131-million contract for the construction of a private residential development at Canberra Drive. This brings its order book as at 29 July 2021 to a healthy S\$1.4 billion, which should support its activities through FY2025.

The manpower crunch is expected to delay the completion of some projects under the Group's Property Development business. The Group will actively monitor the situation to ensure smooth progress and moderate any financial impact arising from the delay.

The Group is also looking forward to contributions from Thye Hong Centre to its development property portfolio, and BreadTalk IHQ to its Investment Holding portfolio, following the completion of their acquisitions in December 2020 and April 2021 respectively.



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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, 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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