聯明集團有限公司
LIAN BENG GROUP LTD
Company Registration No. 199802527Z

FOR IMMEDIATE RELEASE

Lian Beng Records 66.7% Rise in FY22 Net Profit to S$43.5M

✓ Bottom line bolstered by contributions from Property Development, Investment Holding and Dormitory businesses

✓ Healthy financial position with S$228.9m cash in hand

✓ Construction order book of S$1.7-billion

✓ Proposes final dividend of S$0.02 per share

Singapore, 27 July 2022 – Homegrown building construction and property development company **Lian Beng Group** (the "Group") has posted a 66.7% jump in profit attributable to shareholders to S$43.5 million for the financial year ended 31 May 2022 ("FY2022"), compared to S$26.1 million in the preceding financial year ("FY2021"). This was on the back of a 53.2% increase in revenue to S$788.3 million, from S$514.5 million in FY2021 as activity levels across all business segments recorded improvements. Earnings per share ("EPS") was 8.70 cents, rising 66.7% over the EPS of 5.22 cents in FY2021.

In view of the good performance, the Group's board of directors has proposed a final, tax-exempt dividend of S$0.02 per share, subject to shareholders' approval at the Group's annual general meeting in September 2022. This, together with the interim dividend of S$0.01 per share paid out in January 2022, will bring the full-year dividend for FY2022 to S$0.03 per share.

Commenting on the results, Mr Ong Pang Aik, Chairman and Managing Director, said, "Our performance in FY2022 demonstrates the resilience of our diversification strategy. Our construction business continued to contend with challenging conditions of labour shortage, supply chain disruptions and rising costs. Thankfully, our property development, investment holdings and dormitory businesses performed well, and their positive contribution to the Group's bottom line has enabled us to turn in a decent set of results."

Performance Review

With the easing of Covid-19 containment measures in Singapore throughout FY2022, the Group's Construction, Property Development, and Investment Holding and Dormitory business segments

all registered higher business activity and revenue contribution compared to the previous financial year.

Revenue for the Construction segment rose 49.6% to S$639.5 million in FY2022, from S$427.5 million in FY2021 when stringent safe management measures including restrictions on the entry of foreign workers into Singapore, as well as the movement of foreign workers within the country, were in place. Following the easing of safe management measures, the Group has been working hard to deliver on projects secured prior to the pandemic. Nevertheless, as manpower and material costs have risen substantially, the margins for these projects have been impacted.

The Property Development segment generated a significant 119.0% growth in revenue to S$92.8 million, from S$42.4 million in FY2021. This was mainly driven by an increase in the number of units sold and progress made in the construction of the light industrial property, INSPACE.

Revenue from the Investment Holding and Dormitory segment also rose 25.5% to S$56.0 million in FY2022, from S$44.6 million in FY2021, mainly boosted by rental contribution from the investment property, BreadTalk IHQ, which was acquired in April 2021, along with higher occupancy and rent from the dormitory business.

With revenue contribution increasing across the business segments, gross profit increased 39.2% to S$83.2 million in FY2022, from S$59.8 million in FY2021.

The Group registered a marked improvement in share of profit from associates to S$29.6 million, from $6.5 million a year ago. Contributing to this was the Group's share of profit from the construction progress and sale of units at private residential projects Affinity @ Serangoon and Riverfront Residences, share of fair value gain from investment properties in Singapore, as opposed to a loss in FY2021, as well as share of profit from associate companies engaged in hospitality business in the United Kingdom due to improved occupancy and room rates and reversal of impairment losses on the hotel properties arising from the easing of border restrictions. The Group also recorded a share of profit from joint ventures, as a result of fair value gain on investment properties held by the joint ventures, as opposed to a fair value loss in FY2021.

At the close of the financial year, the Group's cash and cash equivalents stood at S$228.9 million, compared to S$208.6 million as at end-FY2021. Net asset value per share rose to 153.40 Singapore cents as at 31 May 2022, compared to 148.10 Singapore cents as at 31 May 2021.

Outlook

The Group expects the prevalent labour shortage, along with rising construction material costs to continue posing operational challenges in both the construction and property development industries, in the form of delays in construction progress amid strong pressure to complete existing projects and limit the impact of rising costs. In addition, the current interest rate environment is expected to raise the Group's cost of borrowing and consequently affect its overall margins.

The Group will continue to actively monitor the progress of its construction and property development projects, to ensure smooth development and completion. It will also maintain financial prudence when seeking opportunities to replenish its property development land bank, in view of the additional property cooling measures implemented by the Singapore government. Barring unforeseen circumstances, the Group expects the Investment Holdings and Dormitory segment to continue generating stable recurring income.

As at 27 July 2022, the Group's Construction order book stands at S$1.7 billion. The Group will selectively tender for public and private sector projects, taking into consideration the prevailing market conditions.

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. In addition, Lian Beng 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. The Group also engages in property development through its 77.6%-owned subsidiary, SLB Development Ltd, which is listed on Singapore Exchange Catalist.

Apart from construction and property development, Lian Beng 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 Singapore Exchange Mainboard in 1999. For more information, please visit http://www.lianbeng.com.sg.

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