



FOR IMMEDIATE RELEASE

## Lian Beng's 1HFY2015 profit to shareholders doubles to S\$35.5 million, proposes interim dividend of S\$0.01 per share

- 1HFY2015 revenue up 26.1% to S\$367.6 million on higher revenue from construction segment and workers' dormitory business
- Share of results of associates and JVs totalled S\$21.5 million on disposal of stake in hotel development and recognition of profits from residential property development projects NEWest, KAP Residences, The Midtown and Midtown Residences
- Construction order book stood at approximately S\$821 million as at 30 November 2014, providing sustainable flow of activities through FY2017
- Group's cash and cash equivalent stood at S\$166.9 million as at 30 November 2014, ready to fund potential business opportunities

**SINGAPORE, 12 January 2015** – Lian Beng Group (“Lian Beng” or “the Group”) (聯明集團), a Singapore BCA Grade A1 construction group, doubled its interim profit to shareholder to S\$35.5 million for its first half ended 30 November 2014 (“1HFY2015”) largely due to the share of results of associates and joint ventures (“JV”) amounting to S\$21.5 million comprising the disposal of the Group's stake in the hotel development at Middle Road and the recognition of profits from the Group's residential property development projects.

**Table 1 – Financial highlights**

(S\$ '000)	6 months ended 30 November 2014 (1HFY2015)	6 months ended 30 November 2013 (1HFY2014) (Restated)	%change
Revenue	367,611	291,638	26.1%
Share of results of associates and JVs	21,456	(964)	-
Profit for the period	38,556	19,637	96.3%
Profit to shareholders	35,491	17,297	105.2%

1HFY2015 revenue improved 26.1% year-on-year (“yoy”) to S\$367.6 million on higher revenue from the construction segment and the workers' dormitory business.



The Group has adopted several new Financial Reporting Standards (“FRS”) with effect from 1 June 2014. The financial statements of 1QFY2014 were correspondingly restated with these changes. Owing to the adoption of FRS 111 on Joint Arrangements and Revised FRS 28 on Investment in Associates and JV, the results from the Group’s associates companies and JVs are now depicted separately.

The Group’s share of results from associates and JVs turned from a loss of S\$1.0 million in 1HFY2014 to a profit of S\$21.5 million in 1HFY2015 partly due to the profits recognised from property development projects NEWest, KAP Residences, The Midtown and Midtown Residences, and mainly from the disposal of the Group’s 19%-owned JV company, 122 Middle Investment Pte Ltd (“122 MIPL”) which owned the hotel development at 122 Middle Road. 122 MIPL was disposed at a consideration of S\$270 million in September 2014.

1HFY2015 taxation decreased by 22.3% yoy to S\$2.6 million mainly due to claims made by the Group for the investment in innovation and productivity improvements under the Productivity and Innovation Credit (“PIC”) Scheme.

As a result of the lower taxation and the higher share of results of associates and JVs, the Group’s profit to shareholders for 1HFY2015 improved 105.2% to S\$35.5 million.

Mr Ong Pang Aik (王邦益), Lian Beng’s Executive Chairman, commented, “Our revenue from our core construction business and our dormitory business continue to improve while our property development and investment business has also brought the additional earnings. With the strong set of results, we are proposing an interim dividend per share of one Singapore cent to share the bountiful harvest with our shareholders.”

The Group expects the local construction industry to remain challenging with keener competition and higher labour cost and foreign worker levy. Nonetheless, the Group is cautiously optimistic of its core construction business as its construction order book as at 30 November 2014 stood at approximately S\$821 million, providing it with sustainable flow of construction activities through FY2017. This order book does not include the recent project secured, namely, the construction of the Group’s development project, a food industry building at Mandai Link.



The Group also expects its JV residential property development projects to continue to bring positive results as the sales status of these projects have been encouraging. The Midtown, Spottiswoode Suites, NEWest and KAP Residences have achieved comfortable sales status of 96%, 78%, 85% and 99% respectively. The Group will also be co-developing a workers' dormitory and training centre for The Association of Process Industry ("ASPRI") at Jalan Papan. The proposed dormitory, when completed, will also contribute to the Group's recurring income.

Better net cash flows from operating activities enable the Group to end its first half of the financial year with a cash and cash equivalent of S\$166.9 million. The stronger war chest will allow the Group to continue to seek opportunities, local and abroad, to further expand its business and diversify its revenue sources.

- The End -

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

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 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 development, mostly through joint ventures. Some of its completed and ongoing property development projects include Lincoln Suites, M-Space, Spottiswoode Suites, The Midtown & Midtown Residences, NEWest, KAP Residences, Eco-tech@Sunview and Hexacube. The Group also has a few property investment projects which include Prudential Tower. In addition, Lian Beng has also developed and presently 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.



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