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Lian Beng's 9MFY2016 profit to shareholders up 34.7% to S\$72.6 million

- 9MFY2016 profit to shareholders increased mainly due to higher share of profits from associates and joint ventures (JVs) which are profit recognition from residential property development projects NEWest, KAP Residences, The Midtown and Midtown Residences, office units strata sales of Prudential Tower in the period and one-off recognition from Eco-tech@Sunview
- In 3QFY2016, Group secured a \$117.6 million construction contract to build an industrial building project, T-Space, at Tampines North Drive 1; Group's 40% JV secured a \$176.3 million civil engineering subcontract for asphalt pavement works
- Group's construction order book stood at approximately S\$384.5 million as at 29 February 2016, providing it with sustainable flow of construction activities through FY2019

SINGAPORE, 13 April 2016 – Lian Beng Group (“Lian Beng” or “the Group”) (聯明集團), a Singapore BCA Grade A1 construction group, reported a 34.7% increase in its profit to shareholders to S\$72.6 million for its nine months ended 29 February 2016 (“9MFY2016”).

Table 1 – Financial highlights

(S\$ '000)	9 months ended 29 Feb 2016 (9MFY2016)	9 months ended 28 Feb 2015 (9MFY2015)	%change
Revenue	367,164	569,887	(35.6%)
Gross profit	42,879	56,735	(24.4%)
Share of results of associates	27,921	17,484	59.7%
Share of results of JVs	35,358	12,178	190.3%
Profit to shareholders	72,550	53,869	34.7%



9MFY2016 revenue decreased 35.6% to S\$367.2 million mainly due to the decrease in revenue from the construction segment and the ready-mixed concrete segment. Correspondingly, gross profit fell 24.4% to S\$42.9 million.

For 9MFY2016, the Administrative expense increased from \$19.1 million to \$21.5 million mainly due to increase in bank charges, store rentals and other administrative expenses. Finance cost also increased \$2.2 million to \$6.2 million for 9MFY2016 mainly attributable to interest incurred by the Group's subsidiary, Lian Beng - Centurion (Mandai) Pte Ltd arising from the increase in bank loan for its working capital purposes.

Notwithstanding the lower gross profit and higher expenses in general, the Group's profit to shareholders for 9MFY2016 increased 34.7% to S\$72.6 million. This improvement came as a result of the increase in the Group's share of results from associates and JVs, which surged to S\$63.3 million for 9MFY2016 mainly from the profits recognised from property development projects NEWest, KAP Residences, The Midtown and Midtown Residences, a one-off profit recognition from industrial development project, Ecotech@Sunview and further office units strata sales of Prudential Tower in the period.

Mr Ong Pang Aik (王邦益), Lian Beng's Executive Chairman, commented, "We will continue to leverage on our experience and capabilities to tender for more construction projects in the public and private sectors, and also to seek out property development and investment opportunities."

The Group maintained a healthy cash level of S\$188.2 million as at 29 February 2016 which allows it to continue to explore local and overseas opportunities to expand its business further.

In 3QFY2016, the Group secured a \$117.6 million construction contract to build an industrial building project, T-Space, at Tampines North Drive 1. With this new project, the Group's order book increased to \$384.5 million as at 29 February 2016, which will provide the Group with a sustainable flow of activities through FY2019. The Group's 40%-owned joint venture, United E&P Pte Ltd, also secured a \$176.3 million civil engineering subcontract for asphalt pavement works.



The construction of 49%-owned Westlite Papan dormitory is completing soon and the dormitory is expected to commence operation in mid-2016. This new dormitory, upon operation, will contribute to the Group's share of associates' profit in a recurring manner.

The Building and Construction Authority ("BCA") reported on 15 January 2016 that the total construction demand in 2015 was approximately \$27.2 billion, falling short of its earlier estimates of \$29 billion to \$36 billion, mainly due to the rescheduling of a few major public infrastructure contracts such as MRT projects from the fourth quarter last year to early this year. The BCA also estimates that the total construction demand for 2016 to be between \$27 billion and \$34 billion, with about 65% driven by public sector demand, which will be the highest proportion of construction demand from the public sector since 2002, indicating a weakening private sector construction demand.

The Group expects the construction industry to remain challenging with labour cost remaining high. The Group will continue to leverage on its established track record and reputation, and proven capability to tender for more projects.

- 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.

For more information, please visit <http://www.lianbeng.com.sg>.

Issued for and on behalf of Lian Beng Group Ltd

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