

NEWS RELEASE

Lian Beng Posts 21% Rise in 1Q20 Profit to \$7.4M

✓ Strong cash position of \$192 million

✓ \$1.4-billion order book to provide steady flow of activities through FY2023

Singapore, 14 October 2019 – Homegrown main contractor Lian Beng Group (“the Group”) has posted a 21.3% improvement in profit attributable to shareholders to \$7.4 million on revenue of \$146.8 million for the 3 months ended 31 August 2019 (“1Q2020”). This compares with a profit attributable to shareholders of \$6.1 million on revenue of \$84.1 million for the 3 months ended 31 August 2019 (“1Q2019”). Earnings per share was 1.48 cents, compared to 1.22 cents for 1Q2019.

Financial Highlights

\$m	First quarter ended 31 Aug		Change
	2019	2018	%
Revenue	146.8	84.1	74.5
Gross profit	22.1	25.8	(14.4)
Profit attributable to shareholders	7.4	6.1	21.3
EPS (Sgp cents)	1.48	1.22	21.3
Net asset value per share (Sgp cents)	140.22	138.90*	1.0

*As at 31 May 2019

The 74.5% improvement in Group revenue was mainly driven by increased business activity and the corresponding higher contribution from the Construction business segment on progressive revenue recognition of ongoing projects. It also took into account lower contribution from the Property Development segment, following the completion of its industrial project, T-Space @ Tampines, in 1Q2019.

In line with the 114.0% rise in cost of sales arising from the commencement of new projects and consequent increase in construction activities, the Group booked a gross profit of \$22.1 million, compared to a gross profit of \$25.8 million a year ago.

Following the progress made in the construction of Affinity @ Serangoon and Riverfront Residences, in both of which it holds a 20% stake, the Group recorded a share of profit from associates of \$1.4 million, from a share of loss from associates of \$3.1 million in 1Q2019. This, along with a significant decline in marketing expenses, helped to lift pre-tax profit by 11.5% to \$11.7 million, compared to \$10.5 million in 1Q2019.



At the close of the financial first quarter, the Group's cash and cash equivalents stood at a robust \$191.7 million. Net asset value per share also improved to 140.22 cents, from 138.90 cents as at 31 May 2019.

Lian Beng is cautiously optimistic of the outlook of the construction industry in the year ahead, on the back of healthy demand for construction services from the public sector. In July 2019, it secured a contract worth \$234.7 million via its 60%-owned subsidiary, United Tec Construction Pte. Ltd, for the construction of NTUC Fairprice Co-operative Ltd's fresh food distribution centre. Building on the momentum, United Tec also bagged a contract for the construction of a residential development at Kampong Java Road worth \$107.5 million in September 2019. These contracts brought Lian Beng's order book to date to \$1.4 billion, which should support the Group's activities through FY2023.

The Group will leverage its strong track record and expertise to tender actively for public and private sector projects. At the same time, through its property development subsidiary, SLB Development Ltd, it will continue to monitor the property market closely for opportunities to replenish its land bank, while remaining open to business prospects in the region that will complement its property development business. It will also prudently seek suitable opportunities to build up its new fund management business as part of its effort to ensure long-term sustainable growth, having received approval from SLB's shareholders for diversification into fund management at an extraordinary general meeting on 26 September 2019.

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 and asphalt premix, 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 owns 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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