



**FOR IMMEDIATE RELEASE**

## **Lian Beng Reports Profit of \$18M for 1H21**

- ✓ **Bottom line buoyed by Investment Holdings and Property Development Segment**
  - ✓ **Strong financial position with \$194m cash in hand**
  - ✓ **\$1.5-billion order book to provide steady flow of activities through FY2023**

Singapore, 14 January 2021 – Homegrown building construction and property development company **Lian Beng Group** (“the Group”) has registered profit attributable to shareholders of \$17.6 million for the six months ended 30 November 2020 (“1H2021”), on revenue of \$197.5 million, which represented a 36.6% decline from \$311.6 million recorded in the previous corresponding period (“1H2020”).

### **Financial Highlights**

\$m	6 months ended 30 November		Change
	2020	2019	%
Revenue	197.5	311.6	(36.6)
Gross profit	24.8	47.1	(47.3)
Profit attributable to shareholders	17.6	18.6	(5.2)
EPS (Sgp cents)	3.52	3.72	(5.4)

The sharp decline in group revenue was mainly due to lower contribution from the Construction business, which endured more than four months of work suspension under the Singapore government’s “circuit breaker” measures. Subsequent to that, the pace of activity resumption has remained slow, with disruptions in foreign workforce deployment and the additional time and costs incurred in complying with safe management regulations and measures. The negative impact of this to the Group’s performance was mitigated by the Singapore government Covid-19 support grants.

The mandatory safe management practices measures implemented in conjunction with the Covid-19 pandemic also resulted in a marginal decline in revenue recognition by the Group’s Property Development business as construction of its projects fell behind schedule. Lower occupancy in the dormitory business and the rental rebates given to tenant by the Investment Holdings business have also resulted in revenue and margin contractions, but these were mitigated by a favourable interest rate environment.



聯明集團有限公司

LIAN BENG GROUP LTD

Company Registration No. 199802527Z

Contributing to the Group's bottom line was a turnaround in its share of profit from joint ventures following its disposal of a joint venture in April 2020, as well as improved profitability in its Property Development business on the back of the sale of more units at Affinity @ Serangoon, Riverfront Residences and Rezi 24 and profit recognition based on their construction progress.

At the close of 1H2021 on 30 November 2020, the Group's cash and cash equivalents remained at a healthy \$194.2 million, while net asset value per share was 145.6 cents, compared to 141.2 cents as at 31 May 2020.

Going forward, the Group expects operating conditions in the construction sector to remain challenging, with the level of activity to be limited as long as pandemic-related measures remain in place. Amid the evolving COVID-19 situation in the region, the supply chain for materials may also be disrupted. As a result, costs to complete the construction projects may be impacted.

Amid the uncertain operating climate, the Group is cognisant of the need to prioritise cash conservation and cost control, and has not declared any interim dividend for 1H2021. The funds will be retained to ensure that it is able to meet its working capital requirements and has the ability to capitalise on potential investment opportunities.

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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 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 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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