



FOR IMMEDIATE RELEASE

## Lian Beng's achieves FY2016 profit to shareholders of S\$102.9 million, proposes S\$0.02 per share dividends

- FY2016 profit to shareholders maintained above S\$100 million as in FY2015 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
- Group proposes first and final dividends and special dividends of total S\$0.02 per share, matching those of FY2015

**SINGAPORE, 27 July 2016**—Lian Beng Group (“Lian Beng” or “the Group”) (聯明集團), a Singapore BCA Grade A1 construction group, reported a profit to shareholders of S\$102.9 million for its financial year (“FY”) ended 31 May 2016 (“FY2016”).

Table 1 – Financial highlights

(S\$ '000)	FY ended 31 May 2016 (FY2016)	FY ended 31 May 2015 (FY2015)	%change
Revenue	445,415	746,998	(40.4%)
Gross profit	56,100	79,299	(29.3%)
Share of results of associates	62,063	21,542	188.1%
Share of results of JVs	37,667	22,083	70.6%%
Profit to shareholders	102,930	108,028	(4.7%)
Net Asset Value per share (cents) as at end-FY	109.13	91.00	19.9%



FY2016 revenue decreased 40.4% to S\$445.4 million mainly due to the decrease in revenue from the construction segment and the ready-mixed concrete segment as a result of the slowdown in the private sector construction demand. Correspondingly, gross profit fell 29.3% to S\$56.1 million.

For FY2016, other operating expenses increased \$9.6 million to \$19.8 million mainly due to impairment loss on Group's investment securities. Finance costs increased \$3.0 million to \$8.5 million mainly due to the 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 for FY2016, the Group's profit to shareholders for FY2016 maintained above S\$100 million as in FY2015, returning at S\$102.9 million. Offsetting the lower gross profit and higher expenses for FY2016 was the increase in the Group's share of results from associates and JVs, which surged to S\$99.7 million for FY2016 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 financial year.

Mr Ong Pang Aik (王邦益), Lian Beng's Executive Chairman, commented, "We are proposing the same level of dividends as the year before, i.e. a first and final dividends of S\$0.01 per share and a special dividends of S\$0.01 per share, totalling S\$0.02 per share." Together with the interim dividends of S\$0.01 per share, the total dividends for FY2016 add up to S\$0.03 per share, representing a dividend yield of approximately 6.3%<sup>1</sup>.

The Group maintained a healthy cash level of S\$160.1 million as at 31 May 2016 which allows it to continue to explore local and overseas opportunities to expand its business further.

---

<sup>1</sup> Based on closing price of S\$0.475 per share on 26 Jul 2016



According to the Building and Construction Authority (“BCA”), the preliminary estimate of private sector construction demand for the first five months of 2016 is S\$3.38 billion<sup>2</sup>, indicating a weakening private sector construction demand, considering that the private sector construction demand for 2015 was S\$13.78 billion. In this light, 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 Group also expects its investment in the high yield bonds as well as investment properties to generate stable interest and rental incomes going forward.

Mr Ong added, “Our current financial position allows us to continue seeking out property development and investment opportunities locally and overseas. We will continue to explore business expansion through acquisition, joint venture and/or strategic alliances that will complement our existing business segments.”

- 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.

---

<sup>2</sup> Source: [https://www.bca.gov.sg/keyconstructioninfo/others/free\\_stats.pdf](https://www.bca.gov.sg/keyconstructioninfo/others/free_stats.pdf)



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

For more information, please contact:

Financial PR Pte Ltd

El LEE ([el@financialpr.com.sg](mailto:el@financialpr.com.sg))

T: +65 6438 2990 F: +65 6438 0064