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**FOR IMMEDIATE RELEASE**

## **Lian Beng Books 1H22 Profit of \$15M**

- ✓ **Cash and cash equivalent of \$212m**
- ✓ **Strong order book of \$1.3b**
- ✓ **Declares tax-exempt interim dividend of \$0.01 per share**

Singapore, 14 January 2022 – Homegrown building construction and property development company **Lian Beng Group** (the “Group”) has posted profit attributable to shareholders of \$14.9 million on revenue of \$377.3 million for the six months ended 30 November 2021 (“1H2022”). Profit attributable to shareholders for the previous corresponding period (“1H2021”) amounted to \$17.6 million, on revenue of \$197.5 million.

The Group has declared a tax-exempt interim dividend of \$0.01 per share.

The Group’s revenue was lifted by a general increase in activities across its Construction, Property Development and Investment Holding segments.

The Construction segment recorded a 98.7% increase in revenue to \$310.1 million, from \$156.1 million in 1H2021, as the level of construction activity and progress made in various construction projects improved in 1H2022, in contrast with the operating conditions of 1H2021 when the pace of work resumption was slowed down by manpower disruption from the control of workers’ movement and stringent safe management measures.

Revenue from the Property Development segment rose 109.5% to \$39.9 million, from \$19.0 million in 1H2021, on the back of the increase in number of units sold in 1H2022 for a light industrial project INSPACE, along with higher revenue recognition in line with construction progress made on the project. Meanwhile, the revenue from the Investment Holding segment increased by 41.3% to \$17.0 million in 1H2022, from \$12.0 million in 1H2021, mainly due to contribution from BreadTalk IHQ, following the completion of the Group’s acquisition of the property in April 2021. The Group’s Dormitory segment recorded relatively stable occupancy and revenue year-on-year.

The Group’s profit before tax improved by 7.0% to \$26.7 million in 1H2022 from \$24.9 million in 1H2021, mainly driven by higher contribution of \$15.5 million from the Property Development segment in 1H2022 from \$6.0 million in 1H2021, and taking into account unrealised exchange loss



of \$2.1 million and wider loss from the Construction segment. The improvement in level of construction activity and progress was offset by the rising labour and material cost amid the ongoing Covid-19 situation and the decrease in government grant.

After deducting taxation of \$2.9 million and higher profit attributable to non-controlling interests of \$8.9 million, versus taxation of \$2.8 million and profit attributable to non-controlling interests of \$4.6 million in 1H2021, profit attributable to shareholders declined 15.5% to \$14.9 million, from \$17.6 million recorded a year ago.

Mr Ong Pang Aik (王邦益), Chairman and Managing Director of Lian Beng Group, said, “The construction industry continues to be plagued by rising cost and manpower issues. The Group expects the construction sector’s operating conditions to remain difficult in the year ahead, amid continued manpower shortage and deployment challenges.”

As at 30 November 2021, cash and cash equivalents stood at a healthy \$212.5 million, compared to \$208.6 million as at 31 May 2021, while net asset value per share improved to 149.74 cents, from 148.10 cents as at 31 May 2021.

The Group’s order book as at 14 January 2022 was \$1.3 billion, which should support its construction business activities through FY2026. The Group will closely monitor the delivery of these projects, while selectively tendering for public and private sector contracts as opportunities arise.

Manpower challenges may also impact the completion of some projects under the Property Development segment and the Group will take the necessary initiatives to moderate any financial impact in the event of a delay. Meanwhile, barring any unforeseen circumstances, the Group expects its Dormitory and Investment Holding segments to continue generating stable recurring income in the ensuing months.

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聯明集團有限公司

LIAN BENG GROUP LTD

Company Registration No. 199802527Z

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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, 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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