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Lian Beng's 1QFY2014 revenue up 44.2% y-o-y to S\$163.5 million on higher revenue from construction and property development as well as revenue from dormitory business

- 1QFY2014 profit to shareholders decreased 30.9% to S\$7.3 million mainly due to marketing expenses of Group's recently-launched property development projects
- Group's cash and cash equivalents stood strong at S\$200.7 million as at 31 August 2013
- Construction order book of S\$1.2 billion as at 31 August 2013 to provide constant flow of activities through FY2016

SINGAPORE, 10 October 2013 – Lian Beng Group (“Lian Beng” or “the Group”) (聯明集團), a Singapore BCA Grade A1 construction group, reported a 44.2% year-on-year (yoy) increase in revenue to S\$163.5 million for its first three months ended 31 August 2013 (“1QFY2013”). The improvement in revenue was mainly due to the higher revenue recognition from its construction, property development and ready-mixed concrete segments, as well as the revenue contribution from its relatively new dormitory business.

Table 1 – Financial highlights for financial period ended 31 August 2013 (1QFY2014) against 1QFY2013

Financial highlights (S\$ '000)	3 months ended 31 August 2013 (1QFY2014)	3 months ended 31 August 2012 (1QFY2013)	%change
Revenue	163,487	113,407	44.2%
Gross profit	19,997	15,942	25.4%
Gross profit margin (%)	12.2%	14.1%	-
Distribution expenses	(3,003)	(218)	1277.5%
Share of results of associates	(1,629)	8	N.M.
Profit for the period	8,477	10,575	(19.8%)
Profit to shareholders	7,262	10,508	(30.9%)
<i>pp. – denotes percentage points</i>			
<i>N.M. – Not meaningful</i>			



In line with the higher revenue, 1QFY2014 gross profit rose 25.4% to S\$20.0 million, albeit at a lower gross margin partly due to the lower gross margins of the construction projects in the period and a different revenue mix.

Other operating income decreased by approximately S\$1.7 million to S\$1.0 million for 1QFY2013 due to the decrease in dividend income received in the quarter. Distribution expenses increased by approximately S\$2.8 million to S\$3.0 million for 1QFY2014 mainly due to the selling and marketing expenses from the sale of the Group's 50%-owned property development projects Spottiswoode Suites and The Midtown & Midtown Residences. For 1QFY2014, there was a share of losses of associates of S\$1.6 million mainly due to the selling and marketing expenses arising from the sale of NEWest, KAP Residences and Eco-Tech@Sunview. Non-controlling interest ("NCI") increased by approximately S\$1.1 million to S\$1.2 million for 1QFY2014 mainly due to the NCI's share of profit in the dormitory business. Owing to the above factors, the Group's 1QFY2014 profit to shareholders declined 30.8% to S\$7.3 million.

Long-term investment properties increased from S\$136.6 million as at 31 May 2013 to S\$143.7 million as at 31 August 2013 mainly due to the progressive payments for the residential properties and development cost incurred for the workers' dormitory at Mandai Estate. Total borrowings increased from S\$270.4 million as at 31 May 2013 to S\$279.4 million as at 31 August 2013 mainly due to the bank borrowing to finance the dormitory at Mandai Estate. The Group's cash and cash equivalents stood strong at S\$200.7 million as at 31 August 2013.

Mr Ong Pang Aik (王邦益), Lian Beng's Executive Chairman, added "The strong revenue growth in our first quarter augurs well as we enter the new financial year. We look forward to the impending TOP of M-Space, upon which, we will be able to fully recognise the revenue of this 55%-owned property development project."



The Building and Construction Authority (BCA) has revised upwards the local construction demand forecast¹. Total construction demand for 2013 is now expected to fall between S\$28 billion and S\$34 billion, up from the earlier forecast of between \$26 billion and \$32 billion. Construction demand forecast for 2014 and 2015 has also been revised upward from between \$20 billion and \$28 billion, to \$22 billion and \$30 billion per annum. This upward revision indicates a robust construction sector for the next few years. As much as the Group's construction order book stood at a strong S\$1.2 billion as at 31 August 2013 which provides it with constant flow of activities through FY2016, the Group will continue to seek more business opportunities with the bright outlook in the construction sector ahead.

- 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, leasing of equipment and machinery, reinforcement bar fabrication and training of foreign construction labour.

Apart from construction, Lian Beng also engages in property development, mostly through joint ventures. Some of its property development and investment projects include OLA Residences, Kovan Residences, 111 Emerald Hill, Lincoln Suites, M-Space, Spottiswoode Suites and The Midtown & Midtown Residences. Lian Beng also 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>.

¹ BCA's construction demand forecast, 3 September 2013:
http://www.bca.gov.sg/keyconstructioninfo/others/free_stats.pdf



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