



FOR IMMEDIATE RELEASE

## Lian Beng's 1HFY2013 profit to shareholders decreased 36.2% yoy to S\$19.2 million

- 1HFY2013 revenue dipped 1.2% to S\$234.9 million on lower revenue recognised from property development segment
- Group has started to sell 50%-owned Spottiswoode Suites and will launch 50%-owned Hougang Plaza in 2HFY2013
- Group's construction order book at S\$547 million as at 30 November 2012 keeps Group busy to FY2015

SINGAPORE, 14 January 2013 – Lian Beng Group (“Lian Beng” or “the Group”) (聯明集團), a Singapore BCA Grade A1 construction group, reported a 36.2% year-on-year (yoy) decrease in profit to shareholders to S\$19.2 million for its six months ended 30 November 2012 (“1HFY2013”) mainly due to a one-off gain of S\$7.9 million on the sale of an investment property in 1HFY2012.

1HFY2013 revenue dipped 1.2% to \$234.9 million was mainly due to the lower revenue recognised from the property development segment. Revenue from the Group's industry property development can only be recognised upon receiving the Temporary Occupation Permit (TOP) according to INT FRS 115. Even though the Group's 55%-owned industrial development, M-Space, is fully-sold, the Group could not recognize revenue from this project until its TOP in FY2014.

Financial highlights (S\$ 'million)	6 months ended 30 Nov 2012 (1HFY2013)	6 months ended 30 Nov 2011 (1HFY2012)	%change
Revenue	234.9	237.7	(1.2)%
Gross profit	30.6	36.2	(15.4)%
Gross profit margin (%)	13.0%	15.2%	(2.2) pp
Gain on sale of investment property	-	7.9	N.M.
Profit to shareholders after tax and NCI	19.2	30.1	(36.2)%
<i>pp. – denotes percentage points</i>			
<i>N.M. – Not meaningful</i>			

Table 1 – Financial highlights for 6 months ended 30 November 2012 (1HFY2013) against 1HFY2012



1HFY2013 gross profit decreased 15.4% to S\$30.6 million came as result of the lower gross margin of 13.0%, a decline of 2.2 percentage points from that for 1HFY2012. The lower 1HFY2013 net profit was a result of a few factors such as the decline in gross margin, the adoption of the INT FRS 115 and the one-off gain for our sale of property in 1HFY2012.

Mr Ong Pang Aik (王邦益), Lian Beng's Executive Chairman, commented, "As of to-date, we have sold all units of M-Space, have started the sales of our 50%-owned Spottiswoode Suites and will launch our 50%-owned Hougang Plaza in 2HFY2013."

The increase involvement in property development has brought significant changes to the Group's balance sheet, with development properties increasing from S\$96.7 million as at 31 May 2012 to S\$181.3 million as at 30 November 2012, and bank borrowings increasing from \$111.1 million as at 31 May 2012 to S\$207.4 million as at 30 November 2012. Effects were also felt at the Group's cash flow with net cash used in operating activities increasing to S\$63.9 million in 1HFY2013 as a higher working capital was required for the acquisitions and development of the Spottiswoode Suites and Hougang Plaza.

On 2 Jan 2013, HDB announced that it will target to launch 23,000 build-to-order (BTO) flats in 2013, increasing from its original target of 20,000<sup>1</sup>, thus offering more tender opportunities for construction companies.

The Group's construction order book stood at S\$547 million as at 30 November 2012, providing the Group with a continuous flow of construction activities through FY2015.

- The End -

### **About Lian Beng Group**

Since its early pillars of foundation in 1973, Lian Beng Group Ltd (SGX: Lian Beng) has grown from being a sub-contractor to a reputable building construction group through a tenacious focus on its core strengths while being ahead of the industry cycle through active viable diversification. As an A1 grade contractor with the Building and Construction Authority (BCA) in General Building, Lian Beng is able to tender for public sector building projects of unlimited contract value.

The Group has left its mark in the building industry both locally and regionally in the public and private residential, institutional, industrial and commercial sectors, with some of its completed projects encompassing the *Grand Duchess*, *The Lakeshore*, *The Sixth Avenue Residences* and many other government sector projects. Additionally, Lian Beng's A2 grade in Civil Engineering with BCA opens the doors to civil engineering projects of up to S\$85 million in contract value.

<sup>1</sup> <http://www.hdb.gov.sg/fi10/fi10296p.nsf/PressReleases/720D0E5099437E0D48257AE70000B840?OpenDocument>



Leveraging on its integrated business model, the Group has foraged into property development of both residential and commercial properties in Singapore; synergistic with the Group's existing core business. Some of its property development and investment projects include *OLA Residences*, *Kovan Residences*, *111 Emerald Hill*, *Lincoln Suites* and *Mandai Industrial*.

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, Lian Beng Group Headquarters.

For more information, please visit <http://www.lianbeng.com.sg>.

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### Issued for and on behalf of Lian Beng Group Ltd

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