



LIAN BENG GROUP LTD

Registration No. 199802527Z

PROPOSED SPIN-OFF AND LISTING OF THE GROUP'S PROPERTY DEVELOPMENT BUSINESS – REGISTRATION OF FINAL OFFER DOCUMENT

Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings as in the Company's announcements dated 12 October 2017 and 27 March 2018 (the "Announcements").

1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of Lian Beng Group Ltd (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the Announcements and is pleased to announce the launch of the initial public offering of SLB Development Ltd. ("**SLB**"), following the registration, on 11 April 2018, by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") acting as agent of the Monetary Authority of Singapore of the offer document dated 11 April 2018 (the "**Final Offer Document**") issued in conjunction with the invitation to the public to subscribe for SLB Shares ("**Invitation**").

SAC Capital Private Limited ("**SAC Capital**") is the Sponsor, Issue Manager, Underwriter and Placement Agent in connection with the Invitation.

The Invitation comprises an offering of 238,000,000 new SLB Shares (the "**New Shares**") for which SLB invites applications for pursuant to the Invitation, subject to and on the terms and conditions of the Final Offer Document, at S\$0.23 (the "**Issue Price**") for each New Share as follows:

- (a) a public offer of 8,000,000 New Shares offered to the public in Singapore for subscription (the "**Offer Shares**"); and
- (b) a placement of 230,000,000 New Shares (the "**Placement Shares**"),

payable in full on application.

The total number of issued SLB Shares immediately after the completion of the Invitation will be 913,000,000 SLB Shares.

The Invitation is expected to raise gross proceeds of approximately S\$54.7 million. Based on the Issue Price and the post-Invitation share capital of SLB of 913,000,000 Shares, the market capitalisation of SLB will be approximately S\$210.0 million. The Company will retain a shareholding interest in SLB of approximately 73.9% immediately after the Invitation.

In respect of the Invitation, SLB and SAC Capital have, on 11 April 2018, entered into:

- (i) a sponsorship and management agreement;
- (ii) an underwriting and placement agreement; and
- (iii) a continuing sponsorship agreement.

Please refer to the Final Offer Document for full details on the SLB Group and the Invitation.

Ms Ong Lay Koon, the Company's Executive Director, will be the Non-Executive Non-Independent Chairman of SLB, as stated in the offer document.

2. FINANCIAL EFFECTS OF THE INVITATION

For illustrative purposes, the proforma financial effects of the Invitation are set out below to provide Shareholders with further information on the financial effects of the Invitation on the Company. The financial effects have been computed based on the latest audited consolidated financial statements of the Group for the financial year ended 31 May 2017 (“FY2017”) and the following assumptions:

- (a) the completion of the restructuring exercise to be undertaken pursuant to the Invitation (the “**Restructuring Exercise**”);
- (b) the Invitation would raise estimated net proceeds of approximately S\$51.4 million; and
- (c) the Company’s shareholding interest in SLB would be diluted as a result of the Invitation, from 100% immediately before the Invitation to 73.9% immediately after the Invitation;

As the proforma financial effects set out below are based on the latest audited consolidated financial statements of the Group for FY2017, they are therefore not necessarily reflective of the future financial position of the Group following the Invitation.

2.1. Share Capital

As no new ordinary shares will be issued by the Company (“**Shares**”) in connection with the Restructuring Exercise and the Invitation, the Restructuring Exercise and the Invitation will not have any impact on the share capital of the Company.

2.2. Earnings per share (“EPS”)

Assuming that the Restructuring Exercise and the Invitation had been completed on 1 June 2016, the financial effects on the EPS of the Group for FY2017 would be as follows:

	Audited FY2017	Before the Invitation	After the Invitation
Profit attributable to owners of the Company (S\$’000)	53,238	53,238	49,107 ⁽¹⁾
EPS (basic) (cents) ⁽²⁾	10.65	10.65	9.83

Notes:

- (1) Excluding the effects of any potential earnings to be realised from the deployment of the proceeds from the Invitation or expenses relating to the Invitation.
- (2) Basic EPS is computed based on 499,689,200 Shares for FY2017.

2.3. Net asset value (“NAV”) per Share

Assuming that the Restructuring Exercise and the Invitation had been completed on 31 May 2017, the financial effects on the NAV per Share of the Group would be as follows:

	Audited as at 31 May 3017	Before the Invitation	After the Invitation
NAV (S\$’000)	588,219	588,219	604,395 ⁽¹⁾
NAV per Share (cents) ⁽²⁾	117.72	117.72	120.95

Notes:

- (1) Based on the estimated net proceeds of S\$51.4 million from the Invitation.
- (2) Based on 499,689,200 Shares as at 31 May 2017.
- (3) Capitalisation of S\$60 million of amount due by SLB to the Company.
- (4) Payment of dividend of S\$38.4 million by subsidiaries of SLB to LBG and its subsidiaries subsequent to FY2017.

2.4. Gearing

Assuming that the Restructuring Exercise and the Invitation had been completed on 31 May 2017, the financial effects on the gearing of the Group would be as follows:

	Audited as at 31 May 2017	Before the Invitation	After the Invitation
Gearing Ratio ⁽¹⁾	0.85 times	0.85 times	0.74 times

Note:

- (1) Based on the total net external borrowings of the Group.

3. INDICATIVE TIMETABLE

The following is an indicative timetable for the various events in the Invitation:

<u>Indicative date and time</u>	<u>Event</u>
11 April 2018, 6.00 p.m.	Open of Invitation
18 April 2018, 12.00 noon	Close of the list of applications to subscribe for the Invitation Shares (the “ Application List ”)
19 April 2018	Balloting of applications, if necessary (in the event of over-subscription for the Offer Shares)
20 April 2018, 9.00 a.m.	Commence trading on a “ready” basis
25 April 2018	Settlement date for all trades done on a “ready” basis

All dates and times referred to above are Singapore dates and times.

The above timetable is only indicative and is subject to change as it assumes that the closing of the Application List is 18 April 2018, the date of admission of SLB to the Official List of the SGX-ST is 20 April 2018, the SGX-ST’s shareholding spread requirement will be complied with and the Invitation Shares will be issued or allotted and fully paid prior to 20 April 2018. The actual date on which SLB Shares commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST.

The above timetable and procedures may be subject to such modifications as the SGX-ST may, in its discretion, decide, including the decision to permit trading on a “ready” basis and the commencement date of such trading.

In the event of any changes in the closure of the Application List or the shortening or extension of the time period during which the Invitation is open, SLB will publicly announce the same:

- (a) through a SGXNET announcement to be posted on the internet at the SGX-ST website

<http://www.sgx.com>; and

(b) in a local English newspaper.

Results of the Invitation, including the level of subscription and the basis of allotment of the Offer Shares, will be provided as soon as practicable after the closure of the Application List through the channels stated in (a) and (b) above.

Investors should refer to the SGX-ST announcement on the “ready” trading date on the internet (at the SGXST website <http://www.sgx.com>) or the newspapers or check with their brokers on the date on which trading on a “ready” basis will commence.

Please refer to the accompanying press release dated 11 April 2018 issued by SLB.

Shareholders and other investors are reminded to exercise caution when dealing in the shares of the Company. In the event that Shareholders and other investors are in doubt about the actions they should take, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Ong Pang Aik
Chairman and Managing Director
11 April 2018

IMPORTANT NOTICE

This announcement does not constitute an offer, invitation to purchase or subscribe for or solicitation of SLB Shares in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract or commitment whatsoever. The information in this announcement is qualified in its entirety by, and is subject to, the more detailed information set out in the Final Offer Document. The information presented in this announcement is subject to change. Copies of the Final Offer Document relating to the Invitation may be obtained, subject to availability, from SAC Capital. Anyone wishing to purchase SLB Shares should read the Final Offer Document before deciding whether to purchase SLB Shares and will need to make an application in the manner set out in the Final Offer Document. Any decision to purchase SLB Shares should be made solely on the basis of information contained in the Final Offer Document and no reliance should be placed on any information other than that contained in the Final Offer Document.