

## NEWS RELEASE

### DIVERSIFIED PROPERTY DEVELOPER, SLB DEVELOPMENT LTD., LAUNCHES IPO

- **238,000,000 New Shares at S\$0.23 each – 8,000,000 Offer Shares by way of public offer, and 230,000,000 Placement Shares by way of placement**
- **Diversified portfolio across residential, mixed-use, industrial and commercial property sectors in Singapore and the PRC**
- **Strong heritage – spin-off of property development business segment from Lian Beng Group<sup>1</sup>**
- **Five Singapore pipeline property development projects and Gaobeidian Project in the PRC to be launched for sale in 2H2018**
- **Gross Development Value of S\$892 million and estimated development profits of S\$136 million from property development projects<sup>2</sup>**
- **Source for opportunities to expand overseas, particularly in Asia-Pacific, Western Europe and North America regions**

**Singapore, April 11, 2018** – Diversified property developer, SLB Development Ltd. (“**SLB**”, and together with its subsidiaries, associated companies and other companies in which SLB holds an interest, the “**Group**”), launched today its initial public offering (“**IPO**” or “**Invitation**”) in connection with its proposed listing on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), in respect of 238,000,000 new shares (“**New Shares**”) at S\$0.23 each (“**Issue Price**”).

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<sup>1</sup> Comprising Lian Beng Group Ltd, its subsidiaries and associated companies, which includes the Group (as defined herein) unless otherwise indicated

<sup>2</sup> Source: Offer Document dated April 11, 2018; As at January 31, 2018, based on the Group’s shareholding interests in the companies undertaking property development projects including Khong Guan Industrial Building; 50 Lorong 21 Geylang; T-Space @ Tampines; 31/A to 39/A (odd nos.) and 41 to 51 (odd nos.) Lorong 24 Geylang; Hexacube; Rio Casa; Serangoon Ville; Floravista; and Gaobeidian Project in the PRC

Mr Matthew Ong, Executive Director and CEO of SLB, said, “This IPO presents a platform for SLB to leapfrog into its next chapter of growth. Together with our partners, we’ve demonstrated a sharp acumen for project selection and execution abilities that we hope to leverage on to expand our portfolio, both in Singapore and overseas, and we hope investors will join us on this exciting journey.”

### **Established Track Record; Diversified Portfolio**

SLB is spun-off from SGX-ST Main Board-listed Lian Beng Group Ltd (“**Lian Beng**”), which has extensive experience and an established track record in the property development industry over the last 17 years. SLB has undertaken property development projects spanning across the residential, mixed-use as well as industrial and commercial sectors, and property development projects ranging from small to large scale.

Its portfolio comprises five residential and mixed-use property developments, namely Spottiswoode Suites, KAP & KAP Residences, Floravista, Floraview and Floraville, NEWest, The Midtown & Midtown Residences; three industrial property developments, namely Eco-Tech @ Sunview, Mandai Foodlink, and T-Space @ Tampines which is slated to achieve completion in FY2019; and a freehold commercial property development in Singapore, namely Hexacube.

Among other business strategies, SLB employs a joint venture strategy, working with other established property developers to manage risks and undertake larger property development projects.

The Group is led by an experienced and dedicated management team with in-depth property development and construction knowledge, thereby allowing SLB to source for and identify suitable sites with good potential for development and assess whether such sites offer good investment returns or profitable development opportunities.

“With a strong heritage in construction under Lian Beng Group, we have the requisite knowledge to manage costs and processes efficiently, and leverage on the existing features of land sites or buildings in redevelopment to add value to our property development projects,” added Mr Ong.

Founded in 1973, Lian Beng has grown to become one of Singapore’s major home-grown building construction groups. Lian Beng diversified into property development in Singapore in 2000 and has completed approximately 17 property development projects, of which 8 were undertaken by the Group. The Lian Beng Group (including the Group) has also won various awards including “Best Boutique Developer”, “Best Industrial Development” for T-Space @ Tampines and “Best Luxury Condo Architectural Design” for Spottiswoode Suites in the PropertyGuru Asia Property Awards Singapore 2017.

### **Poised for Growth**

SLB’s Singapore pipeline property development projects include three residential sites – Serangoon Ville, Rio Casa and Lorong 24 Geylang – and two industrial property development projects – Khong Guan Industrial Building and 50 Lorong 21 Geylang. Overseas, it owns a stake in the Gaobeidian mixed-use property development project in Hebei Province, the PRC (the “**Gaobeidian Project**”).

These sites are all expected to be launched for sale in 2H2018, amidst an improvement in the prices of non-landed residential properties<sup>3</sup> and tapering of industrial supply in the coming years that is expected to stabilise industrial prices and rentals<sup>4</sup>.

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<sup>3</sup> Information and statistics were extracted from the URA’s news release titled “Release of 4th Quarter 2017 real estate statistics” published on 26 January 2018

<sup>4</sup> Information and statistics were extracted from JTC’s Quarterly Market Report for Industrial Properties for the Fourth Quarter 2017

Average home prices in the PRC rose 8.3% in the period from January 2017 to August 2017, despite cooling measures imposed by the PRC government<sup>5</sup>, which bodes well for the impending launch of the Gaobeidian Project, a mixed-use property development project. The Gaobeidian Project is also well-positioned to benefit from its ideal location, being located in a new special economic zone in the PRC, and ease of connectivity to Beijing by high-speed rail.

“Our ongoing property development projects, coupled with our pipeline property development projects to be launched in 2H2018, amount to a gross development value of approximately S\$892 million<sup>6</sup>. Development profits from these projects and the unsold completed properties held by the Group are estimated to be approximately S\$136 million<sup>6</sup>. Concurrently, we also look forward to recognise revenue from T-Space @ Tampines when it completes in FY2019,” commented Mr Ong.

A total of 4.6 million square feet is expected for the Group’s pipeline property development projects, which are to be launched for sale in 2H2018<sup>7</sup>. The Group expects to recognise the estimated development profits progressively for the Singapore residential property development projects according to the percentage-of-completion method as the projects are launched for sale and as construction progresses.

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<sup>5</sup> Information and statistics were extracted from the publication titled “Emerging Trends in Real Estate – Asia Pacific 2018” published by Pricewaterhouse Coopers LLP

<sup>6</sup> As at January 31, 2018, based on the Group’s shareholding interests in the companies undertaking the property development projects comprising: Khong Guan Industrial Building; 50 Lorong 21 Geylang; T-Space @ Tampines; 31/A to 39/A (Odd nos.) and 41 to 51 (Odd nos.) Lorong 24 Geylang; Hexacube; Rio Casa; Serangoon Ville; Floravista; and the Gaobeidian Project in the PRC

<sup>7</sup> Refers to proposed/expected GFA for all Singapore pipeline property development projects not yet launched and approximate land area of Gaobeidian Project in the PRC

While it focuses on execution of these pipeline property development projects, moving forward, SLB will continue to work with its partners to seek and acquire well-located sites and buildings where it can utilise innovative designs and lifestyle themes to develop quality properties. SLB will also explore suitable opportunities to undertake wholly-owned property development projects, and venture into hospitality developments.

Under Lian Beng Group, SLB's management had conducted extensive studies and research on the PRC, UK, Australia and Vietnam markets, gathering knowledge on the supply and demand, and customers' preferences in these target markets.

“Using this knowledge and network, we will source for opportunities to undertake property development projects in Asia-Pacific, Western Europe and North America regions – in countries such as the UK, Australia, Hong Kong, Japan, Korea, Vietnam, Malaysia, Cambodia and Myanmar – that offer healthy rates of return and aid in diversifying the Group's activities and income stream,” concluded Mr Ong.

### **The Invitation & Use of Proceeds**

The Invitation of 238,000,000 New Shares at an Issue Price of S\$0.23 each represents 26.07% of the Group's post-Invitation share capital of 913,000,000 shares.

The Invitation comprises:

- a) 8,000,000 Offer Shares at S\$0.23 each by way of public offer; and
- b) 230,000,000 Placement Shares at S\$0.23 each by way of placement, payable in full on application.

Based on the Issue Price of S\$0.23 per New Share, the post-Invitation market capitalisation of SLB is expected to be approximately S\$210.0 million. Lian Beng Group is expected to retain 73.93% interest in SLB after the Invitation.



The IPO is expected to raise gross proceeds of S\$54.7 million and net proceeds of S\$51.4 million, excluding listing expenses. 32.9% of the gross proceeds are earmarked for replenishment of the Group's land bank and overseas expansion, while 33.6% will go towards funding of existing property development projects in the pipeline and general working capital purposes.

The Invitation will close at 12.00 noon on April 18, 2018. The listing and trading of SLB shares is expected to commence on a "ready" basis at 9.00 a.m. on April 20, 2018.

SAC Capital Private Limited is the Sponsor, Issue Manager, Underwriter and Placement Agent in relation to the Invitation.

Copies of the Offer Document dated April 11, 2018 and the accompanying Application Forms may be obtained on request, subject to availability, during office hours, from: SAC Capital Private Limited, 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. An electronic copy of the Offer Document is also available on the SGX-ST website at <http://www.sgx.com>. Anyone wishing to subscribe for and/or purchase the New Shares will need to make an application in the manner set forth in the said Offer Document.

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**SLB Development Ltd.**  
新聯明發展有限公司

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## **IMPORTANT NOTICE**

Capitalised terms used herein shall, unless otherwise defined, bear the same meanings assigned to them in the Offer Document of SLB Development Ltd. (the “Company”) dated 11 April 2018 (the “Offer Document”).

This news release is for informational purposes only and does not constitute, or form any part of any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities nor shall it or any part of it form the basis of, or be relied on in connection with, any contract of commitment whatsoever. Any offer of securities will be made in or accompanied by the Offer Document. This news release contains statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the results of business operations and financial condition, industry, environment and future events and plans of the Company. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. In light of these risks and uncertainties, actual events, results and developments may differ materially from those expressed or implied by the forward-looking statements. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of the Company. The financial performance of the Company is not guaranteed. Prospective investors are cautioned not to place undue reliance on these forward-looking statements which are based on the Company’s current view of future events. The information herein does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by, the detailed information in the Offer Document.

The Offer Shares are offered for subscription solely on the basis of the information contained and representations made in the Offer Document that has been registered by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) acting as agent on behalf of the Monetary Authority of Singapore.

None of the Company, SAC Capital Private Limited or any of their respective affiliates, advisers or representatives shall have any liability whatsoever for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this news release or its contents or otherwise arising in connection with this news release, to the extent permitted by law. A potential investor should read the Offer Document first, and in particular, the section on “Risk Factors” for a discussion of certain factors to be considered, and make his own assessment before deciding whether to subscribe for or purchase the Offer Shares. Any decision to subscribe for or purchase any Offer Shares should be made solely on the basis of information contained in the Offer Document after seeking appropriate professional advice, and you should not rely on any information other than that contained in the Offer Document. An investment in the shares of the Company (“Shares”) is subject to investment risks, including the possible loss of the principal amount invested. It is intended that Shareholders may only deal in their listed Shares through trading on Catalist. Listing of the Shares on Catalist does not guarantee a liquid market for the Shares. The Offer Document may be obtained on request, subject to availability, during office hours from SAC Capital Private Limited at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. A copy of this Offer Document is also available on the SGX-ST’s website at <http://www.sgx.com>. Anyone wishing to subscribe for the Offer Shares will need to make an application in the manner set out in the Offer Document.