



LIAN BENG GROUP LTD
Registration No. 199802527Z

PROPOSED SPIN-OFF AND LISTING OF THE GROUP'S PROPERTY DEVELOPMENT BUSINESS

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**") wishes to announce that the Company is exploring a possible spin-off of its property development business (the "**Proposed Spin-Off**") to be listed on the Catalyst Board (the "**Proposed Listing**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Company has appointed SAC Capital Private Limited ("**SAC Capital**") as the financial advisor in relation to the Proposed Spin-Off and the sponsor and issue manager in relation to the Proposed Listing.

2. RATIONALE FOR THE PROPOSED SPIN-OFF

The Company believes that the Proposed Spin-Off and Proposed Listing will, *inter alia*:

- a. provide a transparent valuation to benchmark the property development business;
- b. allow the property development business be financially independent and raise the funds required for without relying on the Group's financing; and
- c. allow the senior management personnel of each group to focus their attention on their assigned business segments and deliver the best possible value to the respective shareholders.

3. CONSULTATION WITH SGX-ST

- 3.1 Pursuant to a submission made by SAC Capital (for and on behalf of the Company), the SGX-ST had on 12 October 2017 informed the Company that, based on the submission and representations of the Company, it has no objection that the Proposed Spin-Off does not amount to a chain listing under Rule 210(6) of the Listing Manual. The SGX-ST however reserves the right to amend and/or vary the above decision as and such decision is subject to changes in the SGX-ST's policies.
- 3.2 The Company is in the process of finalising the terms of the Proposed Spin-Off and Proposed Listing, and a detailed announcement will be made in this regard at the appropriate time. In the event that the Company is required to seek shareholders' approval for the Proposed Spin-Off and/or the Proposed Listing pursuant to the provisions of the Listing Manual, it will convene an extraordinary general meeting in due course.
- 3.3 The Company will announce any material developments on the Proposed Spin-Off and Proposed Listing as and when appropriate.

4. CAUTIONARY STATEMENT

The Company would like to highlight that the Proposed Spin-Off is in its preliminary stages and is dependent on, *inter alia*, the results of preparatory work to be undertaken, the requisite approvals from the relevant regulatory authorities, approval of the shareholders and the then-prevailing market conditions. Further, the Directors may, notwithstanding that all requisite regulatory approvals have been obtained or will be obtained in due course, decide not to proceed with the Proposed Spin-off and Proposed Listing if, having regard to investors' interests and response at the material time and any other relevant factors, the Directors deem it not in the interests of the Company to proceed with the same. Accordingly, there is no assurance that the Proposed Spin-Off and Proposed Listing will materialise in due course.

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

BY ORDER OF THE BOARD

Ong Pang Aik
Chairman and Managing Director
12 October 2017