



SLB Development Ltd.

新聯明發展有限公司

(Incorporated in the Republic of Singapore on 17 October 2017)

(Company Registration Number: 201729864H)

INVITATION TO SUBSCRIBE FOR 238,000,000 NEW ORDINARY SHARES IN SLB DEVELOPMENT LTD. (THE “NEW SHARES”)

Prior to making a decision to purchase the New Shares, you should carefully consider all the information contained in the offer document dated 11 April 2018 (the “Offer Document”) issued by SLB Development Ltd. (the “Company” and together with its Subsidiaries, Associated Companies and other companies in which it holds an interest as at the date of the Offer Document, the “Group”) in respect of the Invitation. This Product Highlights Sheet should be read in conjunction with the Offer Document. You will be subject to various risks and uncertainties, including the potential loss of your entire principal amount invested. If you are in doubt as to investing in the New Shares, you should consult your legal, financial, tax or other professional adviser(s).

This Product Highlights Sheet¹ is an important document.

- It highlights the key information and risks relating to the offer of the New Shares contained in the Offer Document. It complements the Offer Document^{1, 2}.
- You should not subscribe for the New Shares if you do not understand the nature of an investment in our ordinary shares, our business or are not comfortable with the accompanying risks.
- If you wish to subscribe for the New Shares, you will need to make an application in the manner set out in the Offer Document. If you do not have a copy of the Offer Document, please contact us to request for one.

Issuer	SLB Development Ltd.	Place of incorporation	Republic of Singapore
Details of this Invitation	Total number of New Shares to be offered – 238,000,000 Offer – 8,000,000 New Shares Placement – 230,000,000 New Shares	Total amount to be raised in this Invitation	Gross proceeds – Approximately S\$54.7 million Net proceeds – Approximately S\$51.4 million
Issue Price	S\$0.23 for each New Share	Listing status of Issuer and the Securities	An application has been made to the SGX-ST for permission to deal in, and for the listing and quotation of, all of our existing Shares already issued and the New Shares on Catalist. The New Shares are expected to be listed on 20 April 2018.
Issue Manager	SAC Capital Private Limited	Underwriter	SAC Capital Private Limited

¹ This Product Highlights Sheet 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 in the Company nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. This Product Highlights Sheet shall be read in conjunction with the Offer Document. Any decision to subscribe for any securities must be made solely on the basis of information contained in the Offer Document. Capitalised terms used in this Product Highlights Sheet, unless otherwise defined, shall bear the meanings as defined in the Offer Document.

² The Offer Document, registered by the SGX-ST acting as agent on behalf of the Authority on 11 April 2018, 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, or accessible at the SGX-ST’s website at <http://www.sgx.com>.

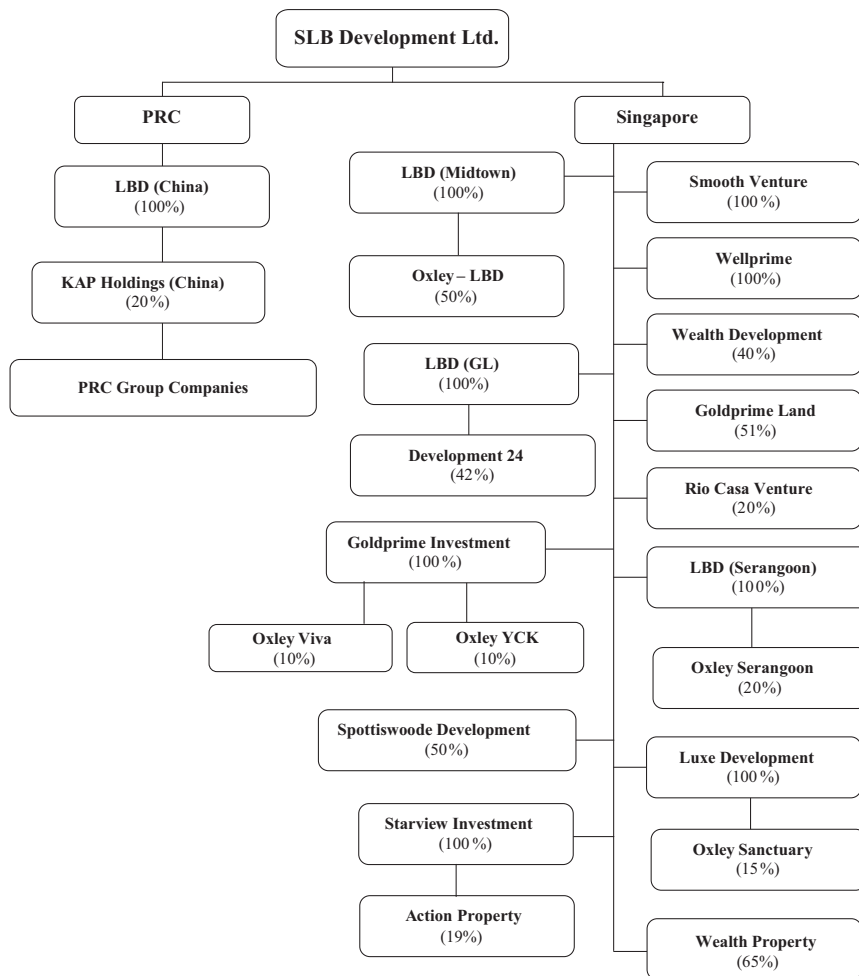
OVERVIEW

WHO ARE WE AND WHAT DO WE DO?

Our Company was incorporated in Singapore on 17 October 2017 under the Companies Act as a private company limited by shares under the name of “LBD Holding Pte. Ltd.”. On 13 March 2018, our Company name was changed to “Lian Beng Development Holding Pte. Ltd.”, and subsequently to “SLB Development Pte. Ltd.” on 15 March 2018. Our Company was converted into a public company limited by shares and our name was changed to “SLB Development Ltd.” on 23 March 2018.

Our Group develops and sells residential, mixed-use, industrial and commercial development properties mainly in Singapore. We pride ourselves as a property developer in Singapore with experience in different types of property development projects such as small to large scale residential developments, mixed-use developments, industrial and commercial developments that cover a broad spectrum of needs.

The structure of our Group is as follows:



Currently, our Group’s property development projects are mainly in Singapore, the details of which are found in the section entitled “General Information on our Group – Our Property Development Projects” of the Offer Document. We have leveraged upon our expertise in the property development market in Singapore and expanded our geographical reach to the PRC in 2014 through a joint venture participation in the Gaobeidian Project.

Residential development. We undertake residential developments of various sizes and types either through our Subsidiaries or through joint ventures. The Lian Beng Group (including our Group) has undertaken condominium developments ranging from small to large scale developments.

Further Information

Refer to the “General Information on our Group – History and Development” and “General Information on our Group – Business Overview” sections on pages 106 to 110 of the Offer Document for more information on our background and business.

Refer to the “Group Structure” section on pages 74 to 77 of the Offer Document for more information on the structure of our Group.

Mixed-use development. Our mixed-use property development projects tend to range between mid to high-rise developments and mostly consist of retail and residential units to diversify our product offerings to the market and cater to purchasers' preferences. One of our property development projects, The Midtown & Midtown Residences is a 12-storey mixed-use development comprising 107 commercial units and 160 residential units. Another of our property development projects, KAP & KAP Residences is a 7-storey mixed-use development comprising 107 commercial units and 142 residential units.

Industrial development. We have experience in developing industrial properties and our property development projects range from small scale projects, to large scale projects which exceed 700,000 sq ft of GFA. One of our industrial property development projects, T-Space @ Tampines, is a 9-storey strata industrial development with amenities such as a swimming pool, clubhouse and games court.

Commercial development. We have experience in undertaking commercial property development projects, which are mostly a mix of retail and office units. One of our commercial property development projects, Hexacube, is a 5-storey development with retail and office units.

WHO ARE OUR DIRECTORS AND KEY EXECUTIVES?

Our Board of Directors comprise the following Directors:

- (a) Ong Lay Koon (Non-Executive Non-Independent Chairman)
- (b) Ong Eng Keong (Wang Yongqiang) (Executive Director and CEO)
- (c) Owi Kek Hean (Lead Independent Director)
- (d) Foo Der Rong (Independent Director)

Our Executive Officers are:

- (a) Cheong Chee Kuan (CFO)
- (b) Lawrence Lee Hun Lin (General Manager)
- (c) Chong Su Hui, Joanna (Zhang Shuhui, Joanna) (Sales and Marketing Manager)
- (d) Tiny (Development Manager)

Refer to the "Directors, Executive Officers and Staff" section on pages 139 to 148 of the Offer Document for more information on our Directors and Executive Officers.

WHO ARE OUR CONTROLLING SHAREHOLDERS?

As at the Latest Practicable Date, our Controlling Shareholder, Lian Beng, held 100.0% of our Company's total issued share capital.

Immediately after the Invitation, Lian Beng is expected to hold 73.93% of our Company's total issued share capital and is expected to remain as a Controlling Shareholder.

Ong Sek Chong & Sons Pte Ltd, Ong Pang Aik and Ong Lay Huan are deemed interested in all the Shares of our Company held by Lian Beng. The shareholders of Ong Sek Chong & Sons Pte Ltd are Ong Pang Aik (40.0%), Ong Lay Huan (36.0%), Ong Lay Koon (12.0%) and Ong Lee Yap (12.0%).

Refer to the "Shareholders" section on page 68 of the Offer Document for more information on our Controlling Shareholders.

HOW WAS OUR HISTORICAL FINANCIAL PERFORMANCE AND WHAT IS OUR CURRENT FINANCIAL POSITION?

Key information on the results of operations of our Group

(S\$'000)	Audited			Unaudited	
	FY2015	FY2016	FY2017	HY2017	HY2018
Revenue	–	–	87,631	–	–
Gross profit	–	–	14,931	–	–
Profit before taxation	29,296	68,866	19,645	7,636	7,127
Profit attributable to the owners of the Company	29,866	69,413	15,847	8,456	7,738
Pre-Invitation EPS (cents) ⁽¹⁾	4.42	10.28	2.35	1.25	1.15
Post-Invitation EPS (cents) ⁽²⁾	3.27	7.60	1.74	0.93	0.85

Refer to the "Selected Combined Financial Information" and "Management's Discussion and Analysis of Results of Operations and Financial Position" sections on pages 78 to 105 of the Offer Document for more information on our financial performance and position.

Key cash flows information

(S\$'000)	Audited			Unaudited	
	FY2015	FY2016	FY2017	HY2017	HY2018
Net cash flows (used in)/from operating activities	(61,801)	2,758	10,559	(8,428)	(32,829)
Net cash flows (used in)/from investing activities	(9,261)	(6,493)	34,128	48,794	23,630
Net cash flows from/ (used in) financing activities	83,997	5,514	(35,812)	(31,414)	4,072
Net increase/(decrease) in cash and cash equivalents	12,935	1,779	8,875	8,952	(5,127)
Cash and cash equivalents at beginning of the year/period	2,695	15,630	17,409	17,409	26,284
Cash and cash equivalents at end of the year/period	15,630	17,409	26,284	26,361	21,157

Key information on the financial position of our Group

(S\$'000)	Audited	Unaudited	Unaudited Pro Forma	
	As at 31 May 2017	As at 30 November 2017	As at 31 May 2017	As at 30 November 2017
Current assets	245,466	311,084	269,058	336,575
Non-current assets	71,042	23,593	67,062	18,013
Current liabilities	157,798	266,927	146,335	226,838
Non-current liabilities	96,724	35,790	106,164	35,790
Equity attributable to owners of the Company	62,014	32,370	83,649	92,370
NAV per Share (cents) ⁽³⁾	9.19	4.80	12.39	13.68

Notes:

- (1) For comparative purposes, pre-Invitation EPS for the Period Under Review have been computed based on the profit for the years/periods attributable to owners of the Company and our pre-Invitation share capital of 675,000,000 Shares.
- (2) For comparative purposes, post-Invitation EPS for the Period Under Review have been computed based on the profit for the years/periods attributable to owners of the Company and our post-Invitation share capital of 913,000,000 Shares.
- (3) For comparative purposes, our NAV per Share as at 31 May 2017 and 30 November 2017 have been computed based on equity attributable to owners of the Company and our pre-Invitation share capital of 675,000,000 Shares.

The most significant factors contributing to our financial performance for FY2017 were as follows:

- Our revenue of S\$87.6 million recognised in FY2017 was derived from our development property at Mandai Foodlink which was completed and handed over to the purchasers upon obtaining TOP in FY2017. In FY2016, we did not record any revenue from the sale of development properties as none of our development projects held by our Subsidiaries were completed and handed over to purchasers.
- Our profit before taxation decreased by S\$49.2 million or 71.5% from S\$68.9 million in FY2016 to S\$19.6 million in FY2017. The decrease in profit before taxation was mainly due to: (a) a decrease in share of results of joint ventures by S\$32.3 million or 84.7% from S\$38.2 million in FY2016 to S\$5.9 million in FY2017 mainly due to a decrease in our share of profits of joint ventures from the completion of the mixed-use development project, The Midtown & Midtown Residences; and (b) a decrease in share of results of associates by S\$29.9 million or 92.8% from S\$32.2 million in FY2016 to S\$2.3 million in FY2017 mainly due to the decrease in share of profits from associates from the completion of the mixed-use development properties namely, NEWest and KAP & KAP Residences, and the absence of the one-off profit recognised in FY2016 from Eco-Tech @ Sunview, partially offset by the increase in gross profit of S\$14.9 million from the recognition of revenue in FY2017 upon Mandai Foodlink obtaining TOP in FY2017.
- In FY2017, our net cash flows generated from operating activities amounted to S\$10.6 million mainly due to: (a) operating cash inflows before changes in working capital of S\$12.9 million; (b) a decrease in development properties of S\$3.9 million; and (c) an increase in trade, other payables and accruals of S\$3.0 million, partially offset by: (i) an increase in trade receivables of S\$8.0 million; (ii) an increase in other receivables and deposits of S\$51,000; and (iii) decrease in amounts payable to related companies of S\$0.1 million. We paid interest expenses of S\$1.0 million which were capitalised as part of development property.
- As at 31 May 2017, equity attributable to owners of the Company amounted to S\$62.0 million.

The most significant factors contributing to our financial performance for HY2018 were as follows:

- In HY2017 and HY2018, we did not record any revenue from the sale of development properties as none of our development projects were completed and handed over to the purchasers.
- Our profit before taxation decreased by S\$0.5 million or 6.7% from S\$7.6 million in HY2017 to S\$7.1 million in HY2018. The decrease in profit before taxation was mainly due to: (a) a decrease in share of results of joint ventures by S\$3.8 million or 75.1% from S\$5.0 million in HY2017 to S\$1.2 million in HY2018 mainly due to a decrease in our share of profits of joint ventures from the completion of the residential development project, Spottiswoode Suites; and (b) a decrease in share of results of associates by S\$4.2 million or 98.3% from share of profit of S\$4.3 million in HY2017 to S\$0.1 million in HY2018 mainly due to a decrease in our share of profits of associates from the completion of the mixed-use development project, KAP & KAP Residences, partially offset by the increase in fair value gain on our investment property, Khong Guan Industrial Building, of S\$7.0 million in HY2018.
- In HY2018, our net cash flows used in operating activities amounted to S\$32.8 million mainly due to: (a) operating cash outflows before changes in working capital of S\$1.5 million; (b) an increase in development properties of S\$53.8 million mainly due to the increase in development expenditure of S\$41.6 million for T-Space @ Tampines and the acquisition cost of our industrial development project, 50 Lorong 21 Geylang of S\$12.2 million; (c) an increase in trade receivables of S\$14.9 million mainly due to the increase in GST receivables of S\$0.5 million and an increase in trade receivables of S\$17.1 million for T-Space @ Tampines, offset by the decrease in trade receivables of S\$2.7 million for Mandai Foodlink; and (d) an increase in other receivables and deposits of S\$0.1 million, partially offset by: (i) an increase in trade and other payables and accruals of S\$32.7 million mainly due to an increase in progress billings to customers of S\$34.7 million for T-Space @ Tampines, offset by the decrease in GST payable of S\$2.0 million; and (ii) an increase in amounts payable to related companies of S\$7.1 million. We paid interest expenses of S\$1.3 million which were capitalised as part of development property and income tax of S\$1.1 million in HY2018.
- As at 30 November 2017, equity attributable to owners of the Company amounted to S\$32.4 million.

The above factors are not the only factors contributing to our financial performance in FY2015, FY2016, FY2017 and HY2018. Please refer to the other factors set out in the “Management’s Discussion and Analysis of Results of Operations and Financial Position” section on pages 84 to 105 of the Offer Document.

INVESTMENT HIGHLIGHTS

WHAT ARE OUR BUSINESS STRATEGIES AND FUTURE PLANS?

Business strategies

We diversify across various development types. We diversify our property developments across various sectors such as small to large scale residential developments, mixed-use developments, industrial and commercial developments. We are able to manage our exposure to the fluctuations in demand and/or changes in regulations for each type of property development. We intend to continue to adopt this strategy when venturing into new markets overseas so that we are able to capitalise on different opportunities as they arise.

We participate in joint ventures with suitable partners. We enter into joint ventures with other established property developers in order to manage our risk and undertake larger property development projects. Our Group managed to establish a presence in the PRC through such joint ventures and we will continue to enter into strategic partnerships and joint ventures to enhance the future growth of our property development business, including expansion in overseas markets.

We add value to our property development projects. We add value by providing innovative ways to undertake property development projects. One of our commercial property development projects, Hexacube, was developed through partial demolition of the original building on the land site by retaining the basement and first floors. We also undertook retro-fitting works and created a new façade to refresh the exterior of the development property. By doing so, we were able to save time and costs, resulting in efficiency in the property development project.

We set our sights beyond Singapore. Under the property development division of the Lian Beng Group, our management team had ventured into the property development industry in the PRC, and had explored opportunities in the UK, Australia and Vietnam. Our Group is currently in the midst of developing several property development projects in Singapore and the PRC, and may in the future expand our property development business to other overseas jurisdictions.

Future plans

Focus on developing quality residential, mixed-use, industrial and commercial properties, launch and commence construction for our ongoing property development projects in the pipeline. We intend to continue growing our property development business in Singapore by acquiring land sites and buildings with good locations for development into quality residential, mixed-use, industrial and commercial properties, and utilise innovative designs and lifestyle themes to cater to our target customers. We believe that by continuing to develop quality residential, mixed-use, industrial and commercial property development projects, our Group will be able to generate a stable income stream from diverse sources. We may also venture into hospitality developments (including hotels) if suitable opportunities arise. We intend to continue to engage in strategic partnerships and joint ventures to co-operate with like-minded partners with complementary strengths to enhance the future growth of our business, but remain open to undertaking more wholly-owned property development projects where suitable.

Acquire new development sites for our land bank. To ensure sustainable growth for our Group, it is essential to replenish our land banks with suitable land parcels for future developments. Thus, we intend to continue sourcing for development sites that are located at vibrant and accessible areas with suitable amenities. This will allow us to capitalise on suitable development opportunities and expand on our portfolio. We will also monitor the property market closely for new preferences among potential home buyers or emerging trends in the property market to adjust our land acquisition strategy accordingly.

Refer to the “General Information on our Group – Business Overview” and “Prospects and Future Plans – Future Plans” sections on pages 109, 110, 137 and 138 of the Offer Document for more information on our business strategies and future plans.

<p>Expand into overseas property development. Leveraging on our experience and expertise in property development in Singapore, we have also established our presence in the PRC, and explored the UK, Australia and Vietnam markets. We intend to source for appropriate opportunities to undertake suitable residential, mixed use, industrial, commercial and/or hospitality (such as hotels) developments overseas, including the Asia-Pacific region, Western Europe and North America, in countries such as the UK, Australia, Hong Kong, Japan, Korea, Vietnam, Malaysia, Cambodia and Myanmar. This will diversify our Group’s activities and income stream, and mitigate our exposure to the cyclical property development market of Singapore. We intend to actively tap on our existing relationships with our joint venture partners and networks in these regions to deepen our presence in these overseas markets.</p>	
<p style="text-align: center;">WHAT ARE THE KEY TRENDS, UNCERTAINTIES, DEMANDS, COMMITMENTS OR EVENTS WHICH ARE REASONABLY LIKELY TO HAVE A MATERIAL EFFECT ON US?</p>	
<p>For the current financial year ending 31 May 2018, barring unforeseen circumstances, our Directors have observed the following trends based on the operation of our Group as at the Latest Practicable Date:</p> <p>(a) We expect that the demand for our new property development projects in Singapore will stabilise subject to market conditions in our industry, any new cooling measures that may be introduced by the government on the property market, and the general performance of the local and global economy. We expect to recognise revenue from the sale of our T-Space @ Tampines project upon obtaining TOP in FY2019;</p> <p>(b) We expect to incur development and construction costs in connection with our property development projects in Singapore, namely Rio Casa, Serangoon Ville, Khong Guan Industrial Building, 50 Lorong 21 Geylang and 31/A to 39/A (Odd Nos.) and 41 to 51 (Odd Nos.) Lorong 24 Geylang; and</p> <p>(c) We expect a significant increase in our operating expenses in line with the expansion of our operations and in view of the fees payable to our Directors and expenses arising in connection with our listing on Catalist.</p> <p>The above are not the only trends, uncertainties, demands, commitments or events that could reasonably likely to have a material effect on us. Please refer to the other factors set out in the “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position”, and “Prospects and Future Plans” sections of the Offer Document.</p>	<p>Refer to the “Prospects and Future Plans – Trend Information” section on page 136 of the Offer Document for more information on key trends, and our business and financial prospects.</p>
<p style="text-align: center;">WHAT ARE THE KEY RISKS WHICH HAD MATERIALLY AFFECTED OR COULD MATERIALLY AFFECT US AND YOUR INVESTMENT IN OUR SECURITIES?</p>	
<p>We consider the following to be the most important key risks which had materially affected or could materially affect our business operations, financial position and results, and your investment in our Shares.</p> <p>We are affected by the political, economic and social conditions in the countries in which our Group operate. Developments with respect to currency fluctuations, social instability, interest rates, inflation, wage controls, taxation, expropriation, price and exchange control regulations, industry laws and regulations, government policies and other political, legal, economic or diplomatic developments in or affecting the markets in which our Group operates or will operate may have a material and adverse effect on our financial condition, results of operations, prospects and business. We have no control over such conditions and developments and there is no assurance that such conditions and developments will not occur and/or materially and adversely affect our business operations.</p> <p>Other than Singapore, we have a business presence in the PRC. We may also expand into other countries in which we presently do not have a business presence. Internal strife, political upheavals, epidemics and civil commotions in these jurisdictions may affect our ability to operate or conduct business in those countries. Property development markets may also be affected by increased hostilities, armed conflicts, terrorist attacks and other acts of war or violence. Such events may lead to a loss of business confidence and even recession which could be adverse to our Group’s financial condition, results of operations and business.</p>	<p>Refer to the “Risk Factors” section on pages 38 to 56 of the Offer Document for more information on the risk factors.</p>

We are affected by the performance of the property industry in the countries in which we operate. We currently have property development projects in Singapore and the PRC. Our property development business is therefore subject to the performance of the property market in the countries in which we operate, where property prices are largely affected by the local supply and demand for properties. The demand for properties typically follows a cyclical pattern and is generally affected by local and global economic conditions, local market sentiment and expectations, government regulations, competition from other property developers, extent of supply of properties for sales and availability of financing.

For the Period Under Review, all of our revenue was generated from Singapore, and our current and proposed property development projects are predominantly located in Singapore. Therefore, the business and future growth of our Group is to a large extent dependent on the economic, regulatory, political and social conditions in Singapore. Despite the growth of the property market in Singapore in the past, there is no guarantee that such growth will be sustainable at the same rate or at all in the future. A downturn in the Singapore economy will dampen general sentiments in the property market in Singapore and may therefore affect the demand for our properties and their pricing. We may also have to hold back new project launches due to poor sentiments in a soft market. This will invariably have a material and adverse effect on the business and financial performance of our Group.

In addition, the Singapore government monitors the property market closely and adopts measures at its discretion to promote a sustainable and stable property market. For example, the Singapore government had previously implemented property cooling measures and curbs such as the imposition of additional buyer's stamp duty, the increase in minimum cash downpayment, the stipulation of a maximum loan tenure and the lowering of loan-to-value limits. It has also imposed additional conveyance duties on residential property-holding entities in March 2017. Such measures may have a material and adverse impact on our Group's performance if buyers are more prudent in their purchase of properties due to the aforesaid cooling measures.

The financial performance and profitability of our Group may be affected if the Singapore or the PRC government introduces more stringent or new measures which affect the property market's performance in Singapore or the PRC (as the case may be).

We may not be able to obtain all necessary licences for our property development projects. Our business is subject to various laws and regulations in Singapore and the countries we operate in. Various certificates, licences and approvals are required for each property development project in Singapore, the PRC and other jurisdictions in which we may operate. While we have been able to obtain the necessary certificates, licences and approvals for the completed property development projects of our Company and Subsidiaries as at the Latest Practicable Date, there is no guarantee that we will be able to obtain the same for our current or future property development projects (including our ongoing property development projects for which applications are currently under review by the relevant authorities). Our Group's operations and business may be materially and adversely affected if we are unable to obtain the necessary certificates or licences or do not comply with any conditions imposed by such certificates or licences, or any other approvals required for our property development projects.

In particular, we may not have control over the board of directors or a majority shareholding interest in joint venture companies, and will be dependent on our joint venture partners to ensure compliance with the applicable laws and regulations.

Under the relevant PRC laws and regulations, a property developer needs to apply for various licences, permits, certificates and approvals for developing and constructing a building. As at the Latest Practicable Date, one of our PRC Group Companies has only obtained some of the relevant licences, permits and approvals for certain structures on the land for its ongoing property development project. As such, it may be: (i) subjected to fines; (ii) required to take remedial actions to rectify the behaviour, including but not limited to applying for the permits and certificates retrospectively; and (iii) required to pay compensation for any losses resulting from the non-compliances. We are of the view that any such fines or remedial actions will not have a material impact on our operations and financial condition. In the event that the PRC Group Company is subject to any potential liabilities apart from the fines or remedial actions described above, this may result in increased costs and lower returns on our investment in the PRC Group Company than originally expected. In addition, although we are of the view that the risk of having to make provisions for the value of our investment in, including loans extended to, the PRC Group Company is remote, any such provisions due to unforeseen circumstances may adversely affect our financial performance and financial condition.

As at the Latest Practicable Date, there have been no past cases of fines or penalties in relation to the lack of the relevant permits and licences by the authorities in the jurisdictions in which we operate which have had a material and adverse effect on our Group. However, our Group is unable to give any assurance that such events will not occur in the future.

We are subject to risks associated with debt financing. Our acquisition of land sites and buildings and the development of properties are usually financed by way of internally-generated funds, loans from banks and financial institutions, and deposit monies from purchasers. Due to the capital intensive nature for our property development business, we may finance a substantial portion of our property development projects (including the site acquisition price and construction costs) through banks loans and credit facilities. As such, the availability of adequate financing is crucial to our ability to acquire land sites and buildings, and to complete property development projects according to schedule. However, we cannot assure you that financing options will always be available on terms and conditions acceptable to us, or that we will be able to renew our existing bank loans and credit facilities upon maturity or to do so on terms and conditions acceptable to us. To fund certain development expenses relating to our pipeline of property development projects, we have entered into the LB Loan Agreement to obtain shareholders' loans from our Controlling Shareholder, Lian Beng.

In addition, our future financial performance and business operations could be materially and adversely affected by a decrease in the amount of banking facilities available to us, or due to an increase in interest expenses on our bank borrowings, which could be caused by factors outside our Group's control such as global situations or the gradual normalisation of interest rates. Our financial standing when seeking future financing may also be weakened if there is a material increase in interest rates which will result in an increase in the cost of borrowing and financing costs.

We may also experience negative cash flow from operating activities that may affect our ability to repay the outstanding loans and debts. A property development project usually experiences net cash outflow in its early stage of development until payments are collected from customers of the properties sold and/or when the properties of the projects are substantially sold. As such, our cash flow may fluctuate depending on our sales performance and the timing and extent of the receipt of payments from our customers. In the event that we are unable to generate sufficient cash flow to meet the financing costs of our property development projects for any reasons whatsoever, our business, results of operations and financial position may be materially and adversely affected.

Debt financing may also involve the imposition of debt covenants on our Group, which may: (a) increase our vulnerability to general adverse industry and economic conditions; (b) require us to seek consent for the payment of dividends or limit our ability to pay dividends; (c) limit our ability to pursue growth plans; (d) limit our flexibility in reacting to or planning for changes in the business and industry; (e) limit our ability to obtain further third party loans and borrowings; and/or (f) require us to dedicate a substantial portion of our cash flow from operations to payments on our debts, thereby reducing the availability of our Group's cash flow to fund working capital requirements, capital expenditure and other general corporate purposes.

We cannot give any assurance that future loans granted to us will not contain such debt covenants. As at the Latest Practicable Date, the banking facilities obtained by our Company, our Subsidiaries and Associated Companies include, *inter alia*, the following material restrictive debt covenants: (a) restrictions on payments of dividends or other distributions; (b) restrictions on obtaining further loans and borrowings from financial institutions; and/or (c) restrictions on repayment of loans extended by shareholders and related parties (including our Company).

The above are not the only risk factors that had a material effect or could have a material effect on our business operations, financial position and results, and our Shares. Refer to the "Risk Factors" section on pages 38 to 56 of the Offer Document for a discussion on other risk factors and for more information on the above risk factors. Prior to making a decision to invest in our Shares, you should consider all the information contained in the Offer Document.

WHAT ARE THE RIGHTS ATTACHED TO THE SECURITIES OFFERED?

As at the date of the Offer Document, our issued and paid-up share capital was S\$93,648,456 consisting of 675,000,000 Shares.

We have only one class of shares, being ordinary shares. The New Shares offered will have the same rights as our existing issued and paid-up Shares, including voting rights. Subject to our Constitution, Shareholders will be entitled to all rights attached to their Shares in proportion to their shareholding, such as any cash dividends declared by our Company and any distribution of assets upon liquidation of our Company. There are no restrictions on the transferability of fully paid Shares except where required by law or the Catalist Rules or the rules or by-laws of any stock exchange on which our Company is listed.

Refer to “Appendix E – Description of our Shares” on pages E-1 to E-5 of the Offer Document for more information on the New Shares offered in the Invitation.

HOW WILL THE PROCEEDS OF THE OFFER BE USED?

The estimated net proceeds to be raised by our Company from the issue of the New Shares (after deducting the estimated expenses in relation to the Invitation of approximately S\$3.4 million) is approximately S\$51.4 million.

The allocation of the gross proceeds raised from the New Shares for each principal intended use of proceeds from the issue of the New Shares and the estimated listing expenses are set out below:

	Estimated amount (S\$'000)	Estimated amount allocated for each dollar of gross proceeds raised from the Invitation (as a % of the gross proceeds)
Use of proceeds from the Invitation		
Acquisition of new land sites and buildings for development, redevelopment and overseas expansion of its business	18,000	32.9
Funding of existing property development projects in the pipeline and other general working capital purposes	18,377	33.6
Repayment of bridging loan	15,000	27.4
Net proceeds from the Invitation	51,377	93.9
Total estimated listing expenses	3,363	6.1
Gross proceeds from the Invitation	54,740	100.0

Refer to the “Use of Proceeds and Listing Expenses” section on pages 33 and 34 of the Offer Document for more information on our use of proceeds.

WILL WE BE PAYING DIVIDENDS AFTER THE OFFER?

We currently do not have a fixed dividend policy. The form, frequency and amount of future dividends on our Shares will depend on our earnings, financial position, results of operations, cash flow, capital needs, general business condition, the terms of the borrowing arrangements (if any), plans for expansion and other factors which our Directors may deem appropriate (“Dividend Factors”). Subject to our Constitution and in accordance with the Companies Act, our Company may declare an annual dividend subject to the approval of our Shareholders in a general meeting but no dividend or distribution shall be declared in excess of the amount recommended by our Directors. Subject to our Constitution and in accordance with the Companies Act, our Directors may also from time to time declare an interim dividend without the approval of our Shareholders. In making their recommendations, our Directors will consider, *inter alia*, our retained earnings and expected future earnings, operations, cash flow, capital requirements and general financing condition, as well as general business conditions and other factors which our Directors may deem appropriate. Our Company may pay all dividends out of our profits.

Refer to the “Dividend Policy” on page 64 of the Offer Document for more information on our dividend policy.

DEFINITIONS

In this Product Highlights Sheet, unless the context otherwise requires, the following definitions apply:

“Associated Company”	In relation to a corporation, means: (a) any corporation in which the corporation or its subsidiary has, or the corporation and its subsidiary together have, a direct interest in voting shares of not less than 20.0% but not more than 50.0% of the total votes attached to all the voting shares in the corporation; or (b) any corporation, other than a subsidiary of the corporation or a corporation which is an associated company by virtue of paragraph (a), the policies of which the corporation or its subsidiary, or the corporation together with its subsidiary, is or are able to control or influence materially
“Catalist”	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	Any or all of the rules in Section B: Rules of Catalist of the Listing Manual of the SGX-ST, as may be amended, varied or supplemented from time to time
“CEO”	Chief Executive Officer
“CFO”	Chief Financial Officer
“Companies Act”	The Companies Act (Chapter 50) of Singapore as may be amended, varied or supplemented from time to time
“Constitution”	The constitution of our Company
“Controlling Shareholder”	A person who has a direct or indirect interest in our Shares of an aggregate of not less than 15.0% of the total votes attached to all our Shares, or in fact exercises control over our Company
“Directors”	The directors of our Company as at the date of the Offer Document, unless otherwise stated
“EPS”	Earnings per Share
“Executive Officers”	The executive officers of our Group as at the date of the Offer Document, unless otherwise stated
“FY”	Financial year ended or ending 31 May, as the case may be
“Gaobeidian Project”	Our Group’s mixed-use property development project in Gaobeidian, Hebei Province, the PRC
“GFA”	Gross floor area
“Group”	Our Company, Subsidiaries, Associated Companies and other companies in which we hold an interest as at the date of the Offer Document, as set out in the section entitled “Group Structure” of the Offer Document
“HY”	Half year ended 30 November
“Invitation”	The invitation by our Company to the public in Singapore to subscribe for the New Shares at the Issue Price, subject to and on the terms and conditions of the Offer Document
“Issue Price”	S\$0.23 for each New Share
“Latest Practicable Date”	15 March 2018, being the latest practicable date prior to the lodgement of the Offer Document with the SGX-ST acting as agent on behalf of the Authority
“LB Loan Agreement”	The shareholder’s loan agreement entered into between our Company and Lian Beng, further details of which are found in the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position – Liquidity and Capital Resources” of the Offer Document
“Lian Beng”	Lian Beng Group Ltd
“Lian Beng Group”	Lian Beng, its Subsidiaries and Associated Companies, which includes our Group unless otherwise indicated

“NAV”	Net asset value (excluding non-controlling interests)
“New Shares”	The 238,000,000 new Shares (including the Placement Shares and Offer Shares) for which our Company invites applications to subscribe, pursuant to the Invitation, subject to and on the terms and conditions of the Offer Document
“Offer”	The offer of the Offer Shares by our Company to the public in Singapore for subscription at the Issue Price, subject to and on the terms and conditions of the Offer Document
“Period Under Review”	The period which comprises FY2015, FY2016, FY2017 and HY2018
“Placement”	The placement of the Placement Shares by the Placement Agent on behalf of our Company for subscription at the Issue Price, subject to and on the terms and conditions of the Offer Document
“PRC Group Companies”	The companies incorporated in the PRC in which we have an effective equity interest not exceeding 10.0%
“Shareholder”	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
“Share”	Ordinary shares in the capital of our Company
“TOP”	Temporary Occupation Permit, a temporary permit issued by the Commissioner of Building Control that allows the owner to occupy the building or part thereof, provided that the pre-requisites for a TOP can be complied with. A building may only be occupied upon the issuance of a TOP or CSC

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of SFA or any statutory modification thereof, as the case may be.

The terms “Subsidiaries” and “related companies” shall have the meanings ascribed to them respectively in the Companies Act or any statutory modification thereof, as the case may be.

CONTACT INFORMATION

WHO CAN YOU CONTACT IF YOU HAVE ENQUIRIES RELATING TO OUR OFFER?

HOW DO YOU CONTACT US?

The Company

SLB Development Ltd.

Address : 29 Harrison Road, #07-00, Lian Beng Building, Singapore 369648

Telephone No. : +65 6501 0306

Website : www.slbdevelopment.com.sg

Sponsor, Issue Manager, Underwriter and Placement Agent

SAC Capital Private Limited

Address : 1 Robinson Road, #21-02, AIA Tower, Singapore 048542

Telephone No. : +65 6221 5590