



SLB Development Ltd.

(Incorporated in the Republic of Singapore under Registration No. 201729864H)

INTERESTED PERSON TRANSACTION – EXTENSION OF SHAREHOLDER’S LOAN BY LIAN BENG GROUP LTD

Introduction

The Board of Directors of SLB Development Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers Shareholders to the Offer Document dated 11 April 2018 issued by the Company in connection with its initial public offering and the announcement dated 13 August 2020 in relation to the terms of the shareholders' loan granted by Lian Beng Group Ltd ("**LBG**") to the Company. The Board wishes to inform Shareholders that the Company has entered into a second supplemental agreement to further vary the shareholders' loan agreement as follows (the "**Second Supplemental Agreement**"):-

1. The maturity date of the shareholders' loan has been extended for one year from 20 April 2023, and the principal amount of the shareholder's loan shall be repayable on 20 April 2024; and
2. The interest payable on the principal amount of the shareholders' loan has been amended from 1.25% per annum above SIBOR to 1.25% per annum above SORA with effect from 1 June 2022, and shall be subject to review every 6 months. The aforesaid change in interest rate is due to the proposed discontinuation of SIBOR in line with global interest rate benchmark reforms.

Save for the above, all other terms of the shareholders' loan agreement remain unchanged.

Details of the interested person

LBG is a controlling shareholder of the Company holding 77.60% of the total issued shares of the Company and is therefore considered an interested person of the Company within the meaning of Chapter 9 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"). Accordingly, the entry into the Second Supplemental Agreement constitutes an interested person transaction ("**IPT**") and is subject to the provisions of Chapter 9 of Catalist Rules.

Rationale for the Second Supplemental Agreement

The Company and LBG have agreed to the terms of the Second Supplemental Agreement as (i) the extended maturity date will allow the Company more flexibility to manage its cash flow, and (ii) the interest charged by LBG reflects the prevailing interest rate environment.

Statement from the Audit Committee

The Audit Committee having considered the terms of and the rationale for the Second Supplemental Agreement, and after taking steps to ensure that the terms of the Second Supplemental Agreement are commensurate to prevailing market interest rates, are of the opinion that the transaction was conducted on an arm's length basis and on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders.

Value of the IPT

Pursuant to Rule 909(3) of the Catalist Rules, in the case of borrowing of funds from an interested person, the aggregate value of the transaction is the interest payable on the borrowing. Based on a principal of S\$33.8 million drawn down under the shareholders' loan agreement since the entry of the shareholders' loan agreement on 14 February 2018 until 31 May 2022, the total interest payable amounted to approximately S\$3.28 million. Assuming that the maximum amount of shareholders' loan of S\$80.0 million is drawn down by the Company and the interest rate is at 2.5% per annum from 1 June 2022 until 20 April 2024, the total value of the IPT is S\$3.7 million representing 2.14% of the Group's latest audited net tangible assets value ("NTA") as at 31 May 2021, being S\$171.7 million. At present, the Group does not have the intention to drawdown further loans extended under the shareholders' loan agreement. The Group will continue to monitor the interest payable and will seek the approval from Shareholders when required.

Total IPTs entered into with LBG and its subsidiaries

(i) IPTs under IPT general mandate

The aggregate value of all IPTs entered into with LBG and its subsidiaries from 1 June 2022 until the date of this announcement covered by the IPT general mandate granted by the Shareholders during the Company's Annual General Meeting on 28 September 2021 amounted to S\$2.8 million based on the Group's effective interest.

(ii) IPTs not under IPT general mandate

The aggregate value of the IPTs entered into by the Group with LBG and its subsidiaries from 1 June 2022 until the date of this announcement, apart from those IPTs covered by the IPT mandate amounted to S\$0.2 million.

Save for the above, the Group has not entered into any transactions with any other interested persons from 1 June 2022 until the date of this announcement.

Interest of Directors and Controlling Shareholders

Save as disclosed herein, none of the Directors or controlling shareholders of the Company has any direct or indirect interest (other than through their respective shareholdings in the Company), in the Second Supplemental Agreement.

Documents available for inspection

A copy of the Second Supplemental Agreement is available for inspection during normal business hours at the registered office of the Company for a period of three months from the date of this announcement.

BY ORDER OF THE BOARD
Matthew Ong
Executive Director and Chief Executive Officer
15 August 2022

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**").

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Charmian Lim at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542 (Telephone: +65 6232 3210).