

A DIVERSIFIED PROPERTY DEVELOPER



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 in respect of 238,000,000 New Shares comprising:

- A** 8,000,000 Offer Shares at S\$0.23 for each Offer Share by way of public offer; and
- B** 230,000,000 Placement Shares at S\$0.23 for each Placement Share by way of placement,
payable in full on application.

Sponsor, Issue Manager,
Underwriter and Placement Agent



SAC Capital Private Limited
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200401542N)

OFFER DOCUMENT DATED 11 APRIL 2018

(Registered by the Singapore Exchange Securities Trading Limited acting as agent on behalf of the Monetary Authority of Singapore on 11 April 2018)

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s).

An application has been made by SAC Capital Private Limited (the "Sponsor" and "Issue Manager") to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in, and for the listing and quotation of, all the ordinary shares (the "Shares") in the capital of SLB Development Ltd. ("SLB" or the "Company") already issued and the new Shares (the "New Shares") which are the subject of the Invitation (as defined herein) on the Catalyst. The dealing in and quotation of the Shares and New Shares will be in Singapore dollars.

Companies listed on the Catalyst may carry higher investment risk when compared with larger or more established companies listed on the SGX-ST Main Board. In particular, companies may list on the Catalyst without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on the Catalyst. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

This Invitation is made in or accompanied by this Offer Document that has been registered by the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore (the "Authority"). We have not lodged or registered this Offer Document in any other jurisdiction.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission to the Catalyst but relies on the Sponsor and Issue Manager confirming that the Company is suitable to be listed on the Catalyst and complies with the Catalyst Rules (as defined herein). Neither the Authority nor the SGX-ST has, in any way, considered the merits of the Shares or units of Shares being offered for investment.

The registration of this Offer Document by the SGX-ST as agent acting on behalf of the Authority does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, or requirements under the SGX-ST's listing rules, have been complied with.

Acceptance of applications will be conditional upon the allotment and issue of the New Shares and the listing and quotation of all our existing issued Shares and the New Shares on the Catalyst. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed, and you will not have any claims against us, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent, or our advisers or agents.

After the expiration of six months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Document; and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Document.

Investing in the Shares involves risks which are described in the section entitled "RISK FACTORS" of this Offer Document.

A DIVERSIFIED PROPERTY DEVELOPER



◦ ABOUT SLB DEVELOPMENT LTD.

SLB Development Ltd. is a diversified property developer with extensive experience and track record across the residential, mixed-use as well as industrial and commercial sectors, and property development projects ranging from small to large scale. The diversified nature of its portfolio allows effective management of exposure to the fluctuations in demand and/or changes in regulations for each type of property development.

Led by an experienced management team, SLB has built strong networks of business relationships with other property developers and contractors, and has expanded its presence beyond Singapore to the PRC.

◦ COMPETITIVE STRENGTHS

1

Established track record undertaking various types of property development

- 17 years of industry experience in Singapore's property development industry under the Lian Beng Group, and the ability to add value to property development projects through innovation
- Diversified track record across small to large scale, residential, mixed-use, industrial and commercial developments

2

Established network of business relationships with other property developers and contractors

- Joint ventures ("JV") with other established property developers allow SLB to develop an extensive and established network of partners and to capitalise on suitable market opportunities for future growth
- Extensive network of contractors, suppliers, financiers, consultants and property agents provide SLB access to professional advice and knowledge of development sites available for sale

3

Experience venturing beyond Singapore

- Extensive studies and market research are undertaken to gather knowledge about the supply and demand factors and customers' preferences in SLB's target markets
- Apart from the Gaobeidian Project in the PRC, the management team has experience exploring markets in the United Kingdom, Australia and Vietnam

4

Led by an experienced and dedicated management team that is able to make decisions promptly and react quickly to changes in the industry

- Management team possesses in-depth knowledge of property development business and a strong understanding of the property market in Singapore
- SLB is able to source and identify suitable sites for development by tapping on the management team's experience, network and market knowledge
- Lean management team facilitates efficient and quick decision-making to secure a land site or building

OUR PORTFOLIO

s\$892M

Gross Development Value of property development projects ¹

s\$136M

Estimated Development Profits ¹

4.6M sq ft

Expected to be launched for sale in 2H2018 ²



5

RESIDENTIAL & MIXED-USE PROPERTY DEVELOPMENTS LAUNCHED³



3

RESIDENTIAL PIPELINE PROPERTY DEVELOPMENT PROJECTS



2

INDUSTRIAL PIPELINE PROPERTY DEVELOPMENT PROJECTS



3

INDUSTRIAL PROPERTY DEVELOPMENTS LAUNCHED³



1

COMMERCIAL PROPERTY DEVELOPMENT LAUNCHED³



1

OVERSEAS PROPERTY DEVELOPMENT PROJECT TO BE LAUNCHED (GAOBEIDIAN, THE PRC)

¹ 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

² Refers to proposed / expected GFA for all Singapore pipeline property development projects not yet launched and approximate land area of the Gaobeidian Project in the PRC

³ Please refer to the section entitled "General Information on our Group – Our Property Development Projects" of this Offer Document for further details on these property development projects launched

PIPELINE PROPERTY DEVELOPMENTS TO BE LAUNCHED IN 2H2018⁴

Development Name	Location	Tenure	Description	Effective Interest (%)	Proposed / Expected GFA (sq ft) ⁵
Singapore					
Serangoon Ville	Blocks 128-134 Serangoon North Avenue 1	Leasehold	Residential	20	914,479
Rio Casa	Blocks 344-350 Hougang Avenue 7	Leasehold	Residential	20	1,220,389
-	31/A to 39/A (Odd Nos.) and 41 to 51 (Odd Nos.) Lorong 24 Geylang	Freehold	Residential	42	80,654
Khong Guan Industrial Building	20 Mactaggart Road	Freehold	Industrial	100	56,823
-	50 Lorong 21 Geylang	Freehold	Industrial	100	22,529
Development Name	Location	Tenure	Description	Effective Interest (%)	Approximate Land Area (sq ft) ⁵
Hebei Province, the PRC					
Sino-Singapore Health City (Gaobeidian Project)	Gaobeidian, Hebei Province, PRC	Leasehold	Mixed-Use	At or below 10	2,334,711

⁴ For further details of these projects, please refer to the section entitled "General Information On Our Group – Our Property Development Projects" of this Offer Document

⁵ Based on conversion of 1.0 sq m = 10.7639 sq ft, rounded off to nearest whole number

◦ ONGOING PROPERTY DEVELOPMENTS

T-SPACE @ TAMPINES

Revenue from sale of units to be recognised in FY2019 upon obtaining TOP

SG RESIDENTIAL PIPELINE PROPERTY DEVELOPMENT PROJECTS

Percentage of completion recognition in FY2019 as Singapore residential pipeline property development projects are launched for sale, and as construction progresses



◦ FUTURE PLANS

1

Develop quality properties, launch and commence construction for ongoing property development projects in the pipeline

- Acquire well-located land sites and buildings, and utilise innovative designs and lifestyle themes to meet targeted customers' demand
- Continue to engage in strategic partnerships and joint ventures while undertaking suitable wholly-owned property development projects
- Venture into hospitality developments if suitable opportunities arise

2

Acquire new development sites for land bank

- Replenish land banks by sourcing for sites located at vibrant and accessible areas with suitable amenities
- Capitalise on suitable development opportunities and expand portfolio
- Monitor property markets closely and adjust land acquisition strategies accordingly

3

Expand into overseas property development

- Established presence in Singapore and explored markets in the United Kingdom, Australia and Vietnam
- Source for opportunities to undertake property development projects in Asia-Pacific, Western Europe and North America regions, including tapping on relationships with joint venture partners and networks
- Diversify Group's activities and income stream to mitigate exposure to cyclical property development market of Singapore

◦ HOW TO APPLY

Applications for the Offer Shares may be made through:

- ATMs and Internet Banking websites of DBS, OCBC and UOB
- Printed WHITE Offer Shares Application Form which forms part of this Offer Document

◦ IMPORTANT DATES

Opening date and time for the Invitation	11 April 2018, at 6.00 p.m.
Closing date and time for the Invitation	18 April 2018, at 12.00 noon
Commence trading on a "Ready" basis	20 April 2018, at 9.00 a.m.

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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Ong Lay Koon (Non-Executive Non-Independent Chairman) Ong Eng Keong (Executive Director and CEO) (Wang Yongqiang) Owi Kek Hean (Lead Independent Director) Foo Der Rong (Independent Director)
COMPANY SECRETARIES	:	Wee Woon Hong, LLB (Hons) Srikanth Rayaprolu, ACIS
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	:	29 Harrison Road #07-00 Lian Beng Building Singapore 369648
SPONSOR, ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT	:	SAC Capital Private Limited 1 Robinson Road #21-02 AIA Tower Singapore 048542
INDEPENDENT AUDITOR AND REPORTING ACCOUNTANT	:	Ernst & Young LLP One Raffles Quay Level 18 North Tower Singapore 048583 Partner-in-charge: Nelson Chen Wee Teck (a practicing member of the Institute of Singapore Chartered Accountants)
SOLICITORS TO THE INVITATION AND LEGAL ADVISERS TO OUR COMPANY ON SINGAPORE LAW	:	Opal Lawyers LLC 30 Raffles Place #19-04 Chevron House Singapore 048622
LEGAL ADVISERS TO OUR COMPANY ON PRC LAW	:	Global Law Office 15/F Tower 1 China Central Place No. 81 Jianguo Road Chaoyang District Beijing 100025, PRC
LEGAL ADVISERS TO THE SPONSOR, ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT ON SINGAPORE LAW	:	Lee & Lee 50 Raffles Place #06-00 Singapore Land Tower Singapore 048623
PROPERTY VALUERS FOR THE SINGAPORE PROPERTIES	:	Savills Valuation and Professional Services (S) Pte Ltd 30 Cecil Street #20-03 Prudential Tower Singapore 049712

CORPORATE INFORMATION

Knight Frank Pte Ltd

10 Collyer Quay
#08-01 Ocean Financial Centre
Singapore 049315

**Colliers International Consultancy & Valuation
(Singapore) Pte Ltd**

1 Raffles Place
#45-00 One Raffles Place
Singapore 048616

**PROPERTY VALUER FOR THE
PRC PROPERTIES**

: **Cushman & Wakefield Limited**
16/F, Jardine House
Central
Hong Kong

**INDEPENDENT FINANCIAL
ADVISER**

: **Xandar Capital Pte. Ltd.**
3 Shenton Way
#24-02 Shenton House
Singapore 068805

**SHARE REGISTRAR FOR THE
INVITATION AND SINGAPORE
TRANSFER AGENT**

: **M & C Services Private Limited**
112 Robinson Road
#05-01
Singapore 068902

PRINCIPAL BANKERS

: **Malayan Banking Berhad**
2 Battery Road
#16-01 Maybank Tower
Singapore 049907

Oversea-Chinese Banking Corporation Limited

63 Chulia Street
#10-00
Singapore 049514

United Overseas Bank Limited

80 Raffles Place
UOB Plaza 1
Singapore 049513

RECEIVING BANKER

: **United Overseas Bank Limited**
80 Raffles Place
UOB Plaza 1
Singapore 049513

DEFINITIONS

In this Offer Document and the accompanying Application Forms and, in relation to Electronic Applications, the instructions appearing on the screens of the ATMs of Participating Banks or the IB websites of the relevant Participating Banks, unless the context otherwise requires, the following definitions apply throughout where the context so admits, with the exception of the “Audited Combined Financial Statements for the Financial Years Ended 31 May 2015, 2016 and 2017”, the “Interim Condensed Unaudited Financial Information for the Six-Month Period Ended 30 November 2017” and the “Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 31 May 2017 and the Six-Month Period Ended 30 November 2017” as set out in Appendices A, B and C:

Companies within our Group (each a “Group Company”)

“Action Property”	:	Action Property Pte. Ltd.
“Company”	:	SLB Development Ltd.
“Development 24”	:	Development 24 Pte. Ltd.
“Goldprime Investment”	:	Goldprime Investment Pte. Ltd.
“Goldprime Land”	:	Goldprime Land Pte. Ltd.
“Group”	:	Our Company, Subsidiaries, Associated Companies and other companies in which we hold an interest as at the date of this Offer Document, as set out in the section entitled “Group Structure” of this Offer Document
“KAP Holdings”	:	KAP Holdings (China) Pte. Ltd.
“LBD (China)”	:	LBD (China) Pte. Ltd.
“LBD (GL)”	:	LBD (GL) Pte. Ltd.
“LBD (Midtown)”	:	LBD (Midtown) Pte. Ltd.
“LBD (Serangoon)”	:	LBD (Serangoon) Pte. Ltd.
“Luxe Development”	:	Luxe Development Pte. Ltd.
“Oxley-LBD”	:	Oxley-LBD Pte. Ltd.
“Oxley Sanctuary”	:	Oxley Sanctuary Pte. Ltd.
“Oxley Serangoon”	:	Oxley Serangoon Pte. Ltd.
“Oxley Viva”	:	Oxley Viva Pte. Ltd.
“Oxley YCK”	:	Oxley YCK Pte. Ltd.

DEFINITIONS

<i>“PRC Group Companies”</i>	:	The companies incorporated in the PRC in which we have an effective equity interest not exceeding 10.0%
<i>“Rio Casa Venture”</i>	:	Rio Casa Venture Pte. Ltd.
<i>“Smooth Venture”</i>	:	Smooth Venture Pte Ltd
<i>“Spottiswoode Development”</i>	:	Spottiswoode Development Pte. Ltd.
<i>“Starview Investment”</i>	:	Starview Investment Pte. Ltd.
<i>“Wealth Development”</i>	:	Wealth Development Pte. Ltd.
<i>“Wealth Property”</i>	:	Wealth Property Pte. Ltd.
<i>“Wellprime”</i>	:	Wellprime Pte. Ltd.

Other Corporations and Agencies

<i>“ACRA”</i>	:	Accounting and Corporate Regulatory Authority of Singapore
<i>“Authority” or “MAS”</i>	:	The Monetary Authority of Singapore
<i>“BCA”</i>	:	Building and Construction Authority
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“CPF”</i>	:	The Central Provident Fund
<i>“Independent Auditor and Reporting Accountant”</i>	:	Ernst & Young LLP
<i>“JTC”</i>	:	JTC Corporation
<i>“Lian Beng”</i>	:	Lian Beng Group Ltd
<i>“Lian Beng Group”</i>	:	Lian Beng, its Subsidiaries and Associated Companies, which includes our Group unless otherwise indicated
<i>“LTA”</i>	:	Land Transport Authority
<i>“MOM”</i>	:	Ministry of Manpower
<i>“NEA”</i>	:	National Environment Agency
<i>“New Lian Beng Group”</i>	:	Lian Beng, its Subsidiaries and Associated Companies, excluding our Group

DEFINITIONS

<i>“Participating Banks”</i>	:	United Overseas Bank Limited (“UOB”), DBS Bank Ltd. (including POSB Bank) (“DBS Bank”) and Oversea-Chinese Banking Corporation Limited (“OCBC”), and each a “Participating Bank”
<i>“PUB”</i>	:	Public Utilities Board
<i>“Receiving Bank”</i>	:	UOB
<i>“SAFE”</i>	:	The State Administration of Foreign Exchange of the PRC
<i>“SCCS”</i>	:	Securities Clearing & Computer Services (Pte) Limited
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Registrar”</i>	:	M & C Services Private Limited
<i>“SIC”</i>	:	Securities Industry Council of Singapore
<i>“SLA”</i>	:	Singapore Land Authority
<i>“Sponsor”, “Issue Manager”, “Underwriter”, “Placement Agent” or “SAC Capital”</i>	:	SAC Capital Private Limited
<i>“URA”</i>	:	Urban Redevelopment Authority of Singapore
<i>“Valuers”</i>	:	Savills Valuation and Professional Services (S) Pte Ltd, Knight Frank Pte Ltd, Colliers International Consultancy & Valuation (Singapore) Pte Ltd, and Cushman & Wakefield Limited

General

<i>“Application Forms”</i>	:	The printed application forms to be used for the purpose of the Invitation and which form part of this Offer Document
<i>“Application List”</i>	:	The list of applications for the subscription of the New Shares
<i>“Asia-Pacific”</i>	:	The Asia-Pacific region, covering South-east Asia, the PRC, Hong Kong, Macau, India, Japan, South Korea, Australia and New Zealand for the purpose of this Offer Document

DEFINITIONS

<i>“Associate”</i>	:	(a) in relation to any director, CEO, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more;
		(b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
<i>“Associated Company”</i>	:	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
<i>“ATM”</i>	:	Automated teller machine of a Participating Bank
<i>“Audit Committee”</i>	:	The audit committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Board” or “Board of Directors”</i>	:	The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Catalist”</i>	:	The sponsor-supervised listing platform of the SGX-ST
<i>“Catalist Rules”</i>	:	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

DEFINITIONS

<i>“CEO”</i>	:	Chief Executive Officer
<i>“CFO”</i>	:	Chief Financial Officer
<i>“Companies Act”</i>	:	The Companies Act (Chapter 50) of Singapore as may be amended, varied or supplemented from time to time
<i>“Constitution”</i>	:	The constitution of our Company
<i>“Controlling Shareholder”</i>	:	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
<i>“Directors”</i>	:	The directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Electronic Applications”</i>	:	Applications for the Offer Shares made through an ATM, IB website or the mobile banking interface of the relevant Participating Banks, subject to and on the terms and conditions of this Offer Document
<i>“Entity”</i>	:	Includes a corporation, an unincorporated association, a partnership and the government of any state, but does not include a trust
<i>“EPS”</i>	:	Earnings per Share
<i>“Executive Director”</i>	:	The executive Director of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Executive Officers”</i>	:	The executive officers of our Group as at the date of this Offer Document, unless otherwise stated
<i>“FY”</i>	:	Financial year ended or ending 31 May, as the case may be
<i>“Gaobeidian Project”</i>	:	Our Group's mixed-use property development project in Gaobeidian, Hebei Province, the PRC
<i>“GST”</i>	:	Goods and Services Tax
<i>“HY”</i>	:	Half year ended 30 November
<i>“IB”</i>	:	Internet banking
<i>“IT”</i>	:	Information technology
<i>“Independent Directors”</i>	:	The non-executive independent Directors of our Company as at the date of this Offer Document, unless otherwise stated

DEFINITIONS

<i>“Invitation”</i>	:	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 this Offer Document
<i>“IPO”</i>	:	Initial public offering
<i>“Issue Price”</i>	:	S\$0.23 for each New Share
<i>“Latest Practicable Date”</i>	:	15 March 2018, being the latest practicable date prior to the lodgement of this Offer Document with the SGX-ST acting as agent on behalf of the Authority
<i>“LB Loan Agreement”</i>	:	The shareholders’ 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 this Offer Document
<i>“Lead Independent Director”</i>	:	The lead non-executive independent Director of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Listing Manual”</i>	:	The provisions of Sections A and B of listing manual of the SGX-ST (including the Catalist Rules), as may be amended, varied or supplemented from time to time
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“NAV”</i>	:	Net asset value (excluding non-controlling interests)
<i>“New Shares”</i>	:	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 this Offer Document
<i>“Nominating Committee”</i>	:	The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Non-Compete Undertaking”</i>	:	The non-compete undertaking given by Lian Beng to our Group, as further described in the section entitled “Potential Conflicts of Interests – Interests of Directors, Controlling Shareholders or their Associates” of this Offer Document
<i>“Non-Executive Directors”</i>	:	The non-executive Directors of our Company (including Independent Directors) as at the date of this Offer Document, unless otherwise stated
<i>“North America”</i>	:	The northern subcontinent of the Americas including Canada and the United States of America for the purposes of this Offer Document

DEFINITIONS

<i>“NSEZ”</i>	:	New special economic zone in the PRC
<i>“NTA”</i>	:	Net tangible assets (excluding non-controlling interests)
<i>“Offer”</i>	:	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 this Offer Document
<i>“Offer Document”</i>	:	This offer document dated 11 April 2018 issued by our Company in respect of the Invitation
<i>“Offer Shares”</i>	:	The 8,000,000 New Shares which are the subject of the Offer
<i>“PAT”</i>	:	Profit, net of tax, attributable to owners of our Company
<i>“PBT”</i>	:	Profit before tax
<i>“PER”</i>	:	Price earnings ratio
<i>“Period Under Review”</i>	:	The period which comprises FY2015, FY2016, FY2017 and HY2018
<i>“Placement”</i>	:	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 this Offer Document
<i>“Placement Shares”</i>	:	The 230,000,000 new Shares which are the subject of the Placement
<i>“PRC”</i>	:	The People’s Republic of China, excluding Hong Kong and Macau for the purposes of this Offer Document
<i>“Relevant Period”</i>	:	The Period Under Review and the period from 1 December 2017 to the Latest Practicable Date
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Restructuring Exercise”</i>	:	The corporate restructuring exercise undertaken in connection with the Invitation, as described in the section entitled “Restructuring Exercise” of this Offer Document
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account

DEFINITIONS

<i>“Service Agreement”</i>	:	The service agreement entered into between our Company and Matthew Ong, as described in the section entitled “Directors, Executive Officers and Staff – Service Agreement” of this Offer Document
<i>“SFA”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as may be amended, varied or supplemented from time to time
<i>“SFR”</i>	:	Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore, as may be amended, varied or supplemented from time to time
<i>“SGXNET”</i>	:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<i>“Shareholder”</i>	:	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
<i>“Share”</i>	:	Ordinary shares in the capital of our Company
<i>“Sponsorship and Management Agreement”</i>	:	The full sponsorship and management agreement dated 11 April 2018 entered into between our Company and SAC Capital pursuant to which SAC Capital shall sponsor and manage the Invitation, as described in the section entitled “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document
<i>“Substantial Shareholder”</i>	:	A person who has an interest in our Shares of an aggregate of not less than 5.0% of the total votes attached to all our Shares
<i>“UK”</i>	:	United Kingdom
<i>“US” or “USA”</i>	:	United States of America
<i>“Underwriting and Placement Agreement”</i>	:	The underwriting and placement agreement dated 11 April 2018 entered into between our Company and SAC Capital pursuant to which SAC Capital agreed to (a) underwrite our offer of the Offer Shares; and (b) subscribe and/or procure subscribers for the Placement Shares as described in the section entitled “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document

DEFINITIONS

Currencies, Units and Others

<i>“RMB”</i>	:	Renminbi, being the lawful currency of the PRC
<i>“S\$” and “cents”</i>	:	Singapore dollars and cents respectively, being the lawful currency of the Republic of Singapore
<i>“sq ft”</i>	:	Square feet
<i>“sq m”</i>	:	Square metres
<i>“%” or “per cent”</i>	:	Per centum or percentage
<i>“nm”</i>	:	Not meaningful

Names used in this Offer Document

Names in Passports

<i>“Joanna Chong”</i>	:	Chong Su Hui, Joanna (Zhang Shuhui, Joanna)
<i>“Lawrence Lee”</i>	:	Lawrence Lee Hun Lin
<i>“Matthew Ong”</i>	:	Ong Eng Keong (Wang Yongqiang)

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.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Offer Document, the Application Forms and/or the Electronic Applications to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the SFR, the Catalist Rules or any statutory modification thereof and used in this Offer Document, the Application Forms and/or the Electronic Applications shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the SFR, the Catalist Rules or any statutory modification thereof, as the case may be.

Any reference in this Offer Document, the Application Forms and/or the Electronic Applications to Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time of day in this Offer Document, the Application Forms and/or the Electronic Applications shall be a reference to Singapore time, unless otherwise stated.

DEFINITIONS

Any reference to “we”, “us”, “our”, “ourselves” or their other grammatical variations thereof in this Offer Document (save for the sections entitled “Offer Document Summary – Financial Highlights”, “Selected Combined Financial Information” and “Management’s Discussion and Analysis of Results of Operations and Financial Position”) is a reference to our Company, our Group or any member of our Group as the context requires. For the sections entitled “Offer Document Summary – Financial Highlights”, “Selected Combined Financial Information” and “Management’s Discussion and Analysis of Results of Operations and Financial Position”, references to “we”, “us”, “our”, “ourselves” or their other grammatical variations thereof refer to our Company and Subsidiaries only.

Any discrepancies in the tables included herein between the listed amounts and the total thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Where applicable, figures and percentages are rounded off.

All currency exchange rates quoted in this Offer Document have been extracted from Bloomberg L.P. Bloomberg L.P. has not consented to the inclusion of the information quoted in this Offer Document for the purposes of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable action to ensure that the information attributable to Bloomberg L.P. has been accurately and correctly extracted from the sources above and reproduced in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

Any information on our website or any website directly or indirectly linked to such website does not form part of this Offer Document and should not be relied upon by any applicant for our New Shares.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of our business, the following glossary provides a description of some of the technical terms and abbreviations used in this Offer Document. The terms and their meanings may not correspond to standard industry meanings or usage of these terms.

<i>“CSC”</i>	:	Certificate of Statutory Completion, a certificate that is issued by the Commissioner of Building Control in respect of a building project when the building works are completed
<i>“CT”</i>	:	Certificate of Title
<i>“freehold”</i>	:	An estate in land or other real property for an indefinite or indeterminate duration, and is also known as an “estate in fee simple” or “estate in perpetuity”
<i>“GFA”</i>	:	Gross floor area
<i>“ISO 14000”</i>	:	A series of standards providing a framework for firms to establish a strategic approach to their environmental policy, plans and actions
<i>“MCST”</i>	:	Management corporation strata title, a managing body of a compound which has multiple owners and shared public facilities
<i>“POC”</i>	:	Percentage of completion
<i>“SSCT”</i>	:	Subsidiary Strata Certificate of Title
<i>“TOP”</i>	:	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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us or our Directors, Executive Officers or employees acting on our behalf that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “expects”, “believes”, “plans”, “intends”, “estimates”, “anticipates”, “may”, “will”, “would” and “could” or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitation, statements as to:

- (a) our revenue and profitability;
- (b) expected growth in demand;
- (c) expected industry trends and developments;
- (d) anticipated expansion plans, completion and start-up dates for property development projects; and
- (e) other matters discussed in this Offer Document regarding matters that are not historical facts,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

- (i) changes in political, social, economic and stock or securities market conditions, and the regulatory environment, laws and regulations and interpretation thereof in the countries in which we conduct business;
- (ii) changes in currency exchange or interest rates;
- (iii) our anticipated growth strategies and expected internal growth;
- (iv) changes in the availability and prices of goods and services we need to operate our business;
- (v) changes in customers’ preference;
- (vi) changes in competitive conditions and our ability to compete under these conditions;
- (vii) changes in our future capital needs and the availability of financing and capital to fund these needs;
- (viii) the factors described in the section entitled “Risk Factors” of this Offer Document; and
- (ix) other factors beyond our control.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This list of important factors is not exhaustive. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

All forward-looking statements made by or attributable to us, or persons acting on our behalf, contained in this Offer Document are expressly qualified in their entirety by such factors.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from those expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on those statements which apply only as at the date of this Offer Document. Neither our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent, nor any other person represents or warrants that our actual future results, performance or achievements will be as discussed in those statements. Our actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. Further, our Company, our Directors, and the Sponsor, Issue Manager, Underwriter and Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.

We are, however, subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after this Offer Document is registered but before the close of the Invitation, we become aware of (a) a false or misleading statement or matter in this Offer Document; (b) an omission from this Offer Document of any information that should have been included in it under the SFA, the SFR or the Catalist Rules; or (c) a new circumstance has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority and would have been required by the SFA, the SFR or the Catalist Rules to be included in this Offer Document, if it had arisen before this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority, and that is materially adverse from the point of view of an investor, we may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority.

Where such changes occur and are material or are required to be disclosed by law, we will comply with the relevant provisions of the SFA, the SFR and the Catalist Rules, and make an announcement of the same to the SGX-ST and the public and, if required, lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority pursuant to the SFA. All applicants should take note of any such announcement, or supplementary or replacement offer document and, upon the release of the same, shall be deemed to have notice of such changes.

SELLING RESTRICTIONS

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the New Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory requirements of any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit a public offering of the New Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the New Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent.

Persons to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

DETAILS OF THE INVITATION

LISTING ON CATALIST

The Sponsor has made an application to the SGX-ST for permission to deal in, and for the listing and quotation of, all our existing issued Shares and the New Shares which are the subject of the Invitation on the Catalist. The dealing in, and listing and quotation of, our existing issued Shares and the New Shares will be in Singapore dollars.

Companies listed on the Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on the Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on the Catalist. Applicants should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with their professional adviser(s).

The Invitation is made in or accompanied by this Offer Document that has been registered by the SGX-ST acting as agent on behalf of the Authority. We have not lodged or registered this Offer Document in any other jurisdiction.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission to the Catalist but relies on the Sponsor and Issue Manager confirming that our Company is suitable to be listed on the Catalist and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has in any way considered the merits of the New Shares being offered for investment.

A copy of this Offer Document has been lodged with and registered by the SGX-ST acting as agent on behalf of the Authority. The registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority does not imply that the SFA, or any other legal or regulatory requirements, or requirements under the SGX-ST's listing rules, has been complied with.

Acceptance of applications will be conditional upon, *inter alia*, the allotment and issuance of the New Shares and upon the permission granted by the SGX-ST to deal in, and for the listing and quotation of, all our existing issued Shares and the New Shares on the Catalist. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed, and you will not have any claims against us, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent, or our advisers or agents.

After the expiration of six months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any of our Shares, on the basis of this Offer Document, and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any of our Shares or the allotment, issue or sale of any of our Shares, on the basis of this Offer Document.

We are subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after this Offer Document is registered but before the close of the Invitation, we become aware of:

- (a) a false or misleading statement in this Offer Document;

DETAILS OF THE INVITATION

- (b) an omission from this Offer Document of any information that should have been included in it under the SFA, the SFR or the Catalist Rules; or
- (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority and would have been required by the SFA, the SFR or the Catalist Rules to be included in this Offer Document, if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority, pursuant to Section 241 of the SFA.

In the event that a supplementary or replacement offer document is lodged with the SGX-ST acting as agent on behalf of the Authority, the Invitation shall be kept open for at least fourteen days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the New Shares and:

- (a) where the New Shares have not been issued to the applicants, our Company shall either:
 - (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to withdraw their applications, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven days from the date of lodgement of the supplementary or replacement offer document, give the applicants a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and we shall, within seven days from the date of lodgement of the supplementary or replacement offer document, return the applicants all monies the applicants have paid on account of their applications for the New Shares, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk; or
- (b) where the New Shares have been issued to the applicants, but trading has not commenced, we shall either:
 - (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to return to us the New Shares which they do not wish to retain title in, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;

DETAILS OF THE INVITATION

- (ii) within seven days from the date of lodgement of the supplementary or replacement offer document, give the applicants a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the New Shares which they do not wish to retain title in; or
- (iii) treat the issue of the New Shares as void, in which case the issue shall be deemed void and we shall within seven days from the date of lodgement of the supplementary or replacement offer document, return the applicants all monies the applicants have paid on account of their applications for the New Shares, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk.

An applicant who wishes to exercise his option under paragraph (a)(i) or (a)(ii) to withdraw his application shall, within fourteen days from the date of lodgement of the supplementary or replacement offer document, notify us of this, whereupon we shall, within seven days from the receipt of such notification, return to him all monies paid by him on account of his application for those New Shares without interest or any share of revenue or other benefit arising therefrom and he will not have any claim against our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent, or our advisers or agents.

An applicant who wishes to exercise his option under paragraph (b)(i) or (b)(ii) to return the New Shares issued to him shall, within fourteen days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to be evidence of title to those New Shares, to us, whereupon we shall, within seven days from the receipt of such notification and documents, if any, return to him all monies paid by him for those New Shares, without interest or any share revenue or other benefit arising therefrom and at his own risk, and he will not have any claim against our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent, or our advisers or agents, and the issue of those New Shares shall be deemed to be void.

Pursuant to Section 242 of the SFA, the Authority may, in certain circumstances, issue a stop order (the "Stop Order") to our Company, directing that no New Shares or no further New Shares to which this Offer Document relates, be allotted or issued. Such circumstances will include a situation where this Offer Document (i) contains any statement or matter which, in the Authority's opinion, is false or misleading, (ii) omits any information that should have been included in it under the SFA, (iii) does not, in the Authority's opinion, comply with the requirements of the SFA, or (iv) the Authority is of the opinion that it is in the public interest to do so.

In the event that the Authority issues a Stop Order and applications to subscribe for the New Shares have been made prior to the Stop Order, then:

- (a) where the New Shares have not been allotted and issued to the applicants, the applications for the New Shares shall be deemed to have been withdrawn and cancelled and our Company shall, within fourteen days from the date of the Stop Order, return the applicants all monies the applicants have paid on account of their applications for the New Shares; or
- (b) where the New Shares have been allotted and issued to the applicants, but trading has not commenced, the issue of the New Shares shall be deemed to be void and our Company shall, (i) if no documents purporting to evidence title to those New Shares have been issued to the applicants, within seven days from the date of the Stop Order, return the applicants all monies the applicants have paid on account of their applications for the New Shares, or (ii) if documents purporting to evidence title to those New Shares have been issued to the applicants, within seven days from the date of the Stop Order, inform applicants to return

DETAILS OF THE INVITATION

such documents to us within fourteen days from that date and within seven days from the date of receipt of such documents or the date of the Stop Order, whichever is the later, return the applicants all monies the applicants have paid on account of their applications for the New Shares.

Where monies are to be returned to the applicants for the New Shares, it shall be paid to the applicants without any interest or any share of revenue or benefit arising therefrom and at the applicants' own risk, and the applicants will not have any claim against our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent, or our advisers or agents.

This Offer Document has been seen and approved by our Directors, and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, (i) the facts stated and the opinions, intentions and expectations expressed in this Offer Document are true, fair and accurate and not misleading in all material respects as at the date of this Offer Document, (ii) there are no material facts the omission of which would make any statement in this Offer Document misleading, and (iii) this Offer Document constitutes a full and true disclosure of all material facts about the Invitation, our Group and our Shares. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

Neither our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent nor any other parties involved in the Invitation is making any representation to any person regarding the legality of an investment in our Shares by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own legal, financial, tax or other professional adviser regarding an investment in our Shares.

The New Shares are offered for subscription solely on the basis of the information contained and the representations made in this Offer Document.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by us, our Directors, and/or the Sponsor, Issue Manager, Underwriter and Placement Agent. Neither the delivery of this Offer Document, the Application Forms nor any document relating to the Invitation shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change or development reasonably likely to create any change in the affairs of our Company or our Subsidiaries or in any statement of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we will promptly make an announcement of the same to the SGX-ST and if required under the SFA, a supplementary or replacement offer document will be issued and made available to the public after a copy thereof has been lodged with the SGX-ST acting as agent on behalf of the Authority. All applicants should take note of any such announcement, and/or supplementary or replacement offer document and, upon the release of such an announcement, and/or supplementary or replacement offer document, shall be deemed to have notice of such changes.

DETAILS OF THE INVITATION

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies of our Group.

This Offer Document has been prepared solely for the purpose of the Invitation and may not be relied upon by any persons other than the applicants in connection with their application for the New Shares or for any other purpose.

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the New Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation.

Copies of this Offer Document and the Application Forms and envelopes 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 this Offer Document is also available on the SGX-ST website at <http://www.sgx.com>.

The Invitation will open at 6.00 p.m. on 11 April 2018 and will remain open until 12.00 noon on 18 April 2018 or for such further period or periods as our Company may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in our absolute discretion decide, subject to any limitation under all applicable laws. In the event a supplementary or replacement offer document is lodged with the SGX-ST acting as agent on behalf of the Authority, the Invitation will remain open for at least fourteen days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for applications to subscribe for the New Shares are set out in Appendix J entitled “Terms, Conditions and Procedures for Applications and Acceptances” of this Offer Document.

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable for the Invitation and trading in our Shares is set out below for your reference:

Indicative Date and Time	Event
11 April 2018, at 6.00 p.m.	Commencement of Offer
18 April 2018, at 12.00 noon	Close of Application List
19 April 2018	Balloting of applications, if necessary
20 April 2018 at 9.00 a.m.	Commence trading on a “ready” basis
25 April 2018	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative as it assumes that the date of closing of the Application List will be 18 April 2018, the date of admission of our Company to the Catalist is 20 April 2018, the SGX-ST’s shareholding spread requirement will be complied with, and the New Shares will be issued and fully paid-up prior to 20 April 2018. The actual date on which our Shares will 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 modification as the SGX-ST may in its absolute discretion decide, including the commencement date of trading on a “ready” basis.

We, with the agreement of the Sponsor, Issue Manager, Underwriter and Placement Agent, may at our discretion, subject to all applicable laws and regulations and the rules of the SGX-ST, agree to extend or shorten the period during which the Invitation is open.

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

- (i) through an SGXNET announcement to be posted on the Internet at the SGX-ST website <http://www.sgx.com>; and
- (ii) in a major English language newspaper in Singapore.

We will publicly announce the results of the Invitation (including the level of subscription for the New Shares and the basis of allocation of the New Shares pursuant to the Invitation), as soon as practicable after the closure of the Application List through the channels described in (i) and (ii) above.

We reserve the right to reject or accept, in whole or in part, or to scale down or ballot any application for the New Shares, without assigning any reason therefor, and no enquiry and/or correspondence on our decision will be entertained. In deciding the basis of allotment, due consideration will be given to the desirability of allotting the New Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

Investors should consult the SGX-ST announcement of the “ready” trading date on the Internet (at the SGX-ST website <http://www.sgx.com>) or local newspaper(s) in Singapore, or check with their brokers on the date on which trading on a “ready” basis will commence.

OFFER DOCUMENT SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information (including the notes thereto) appearing elsewhere in this Offer Document. As it is a summary, it does not contain all the information that potential investors should consider before investing in our Shares. Potential investors should read this entire Offer Document carefully, particularly the matters set out in the section entitled “Risk Factors” of this Offer Document before deciding to invest in our Shares.

OVERVIEW OF OUR GROUP

Our Company

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 company registration number is 201729864H.

Our Business

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. This enables us to diversify our business across various asset classes in the industry, so as to better manage our exposure to the fluctuations in demand and/or changes in regulations for each type of property development.

Further details are set out in the section entitled “General Information on our Group – Business Overview” of this Offer Document.

Our Competitive Strengths

Our Directors believe our competitive strengths are as follows:

- We have an established track record as a property developer undertaking various types of property development;
- We have an established network of business relationships with other property developers and contractors;
- We have experience venturing beyond Singapore; and
- We have an experienced and dedicated management team which size allows us to make decisions promptly and react quickly to changes in the industry.

Further details are set out in the section entitled “General Information on our Group – Competitive Strengths” of this Offer Document.

OFFER DOCUMENT SUMMARY

Our Business Strategies

Our business strategies are as follows:

- We diversify across various development types;
- We participate in joint ventures with suitable partners;
- We add value to our property development projects; and
- We set our sights beyond Singapore.

Further details are set out in the section entitled “General Information on our Group – Business Overview” of this Offer Document.

Our Future Plans

Our future plans are as follows:

- Focus on developing quality residential, mixed-use, industrial and commercial properties, launch and commence construction for our ongoing property development projects in the pipeline;
- Acquire new development sites for our land bank; and
- Expand into overseas property development.

Further details are set out in the section entitled “Prospects and Future Plans – Future Plans” of this Offer Document.

Our Contact Details

Our registered office is located at 29 Harrison Road, #07-00, Lian Beng Building, Singapore 369648. Our telephone and facsimile numbers are +65 6501 0306 and +65 6281 3123 respectively. Our website address is www.slbdevelopment.com.sg. **Information contained in our website does not constitute part of this Offer Document, and should not be relied upon.**

FINANCIAL HIGHLIGHTS

You should read the following summary financial information in conjunction with the full text of this Offer Document, including the “Audited Combined Financial Statements for the Financial Years Ended 31 May 2015, 2016 and 2017”, the “Interim Condensed Unaudited Financial Information for the Six-Month Period Ended 30 November 2017”, and the “Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 31 May 2017 and the Six-Month Period Ended 30 November 2017” as set out in Appendices A, B and C respectively, and the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

OFFER DOCUMENT SUMMARY

Selected Items from the Combined Statements of Comprehensive Income

(S\$'000)	← FY2015	Audited FY2016	FY2017 →	Unaudited HY2018
Revenue	–	–	87,631	–
Gross profit	–	–	14,931	–
Profit before taxation	29,296	68,866	19,645	7,127
Profit for the year/period, net of taxation	29,268	68,861	19,284	7,356
Profit attributable to owners of the Company	29,866	69,413	15,847	7,738
Pre-Invitation EPS (cents)⁽¹⁾	4.42	10.28	2.35	1.15
Post-Invitation EPS (cents)⁽²⁾	3.27	7.60	1.74	0.85

Selected Items from the Combined Statements of Financial Position

(S\$'000)	Audited As at 31 May 2017	Unaudited As at 30 November 2017	← Unaudited Pro Forma ⁽³⁾ As at 31 May 2017	As at 30 November 2017 →
Non-current assets	71,042	23,593	67,062	18,013
Current assets	245,466	311,084	269,058	336,575
Total assets	316,508	334,677	336,120	354,588
Non-current liabilities	96,724	35,790	106,164	35,790
Current liabilities	157,798	266,927	146,335	226,838
Total liabilities	254,522	302,717	252,499	262,628
NAV	62,014	32,370	83,649	92,370
NAV per Share (cents)⁽⁴⁾	9.19	4.80	12.39	13.68

Notes:

- (1) For comparative purposes, the pre-Invitation EPS for the Period Under Review has been computed based on the profit attributable to owners of the Company and our pre-Invitation share capital of 675,000,000 Shares.
- (2) For comparative purposes, the post-Invitation EPS for the Period Under Review has been computed based on the profit attributable to owners of the Company and our post-Invitation share capital of 913,000,000 Shares.
- (3) Please refer to the “Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 31 May 2017 and the Six-Month Period Ended 30 November 2017” as set out in Appendix C of this Offer Document for the basis of preparation of the pro forma combined financial information of our Group.
- (4) The NAV per Share has been computed based on the NAV attributable to owners of the Company and our pre-Invitation share capital of 675,000,000 Shares.

THE INVITATION

Invitation size	:	238,000,000 New Shares offered in Singapore comprising 8,000,000 Offer Shares and 230,000,000 Placement Shares. The New Shares will, upon issue and allotment, rank <i>pari passu</i> in all respects with the existing issued Shares.
Issue Price	:	S\$0.23 for each New Share.
The Offer	:	The Offer comprises an Invitation by our Company to the public in Singapore to subscribe for 8,000,000 Offer Shares at the Issue Price, subject to and on the terms and conditions of this Offer Document.
The Placement	:	The Placement comprises a placement by the Placement Agent on behalf of our Company of 230,000,000 Placement Shares at the Issue Price by way of Placement, subject to and on the terms and conditions of this Offer Document.
Clawback and Re-allocation	:	The New Shares may be re-allocated between the Offer and the Placement tranches at the discretion of the Sponsor, Issue Manager, Underwriter and Placement Agent in the event of an excess of applications in one and a deficit of applications in the other, subject to the minimum distribution requirements of the Catalist Rules.
Purpose of the Invitation	:	Our Directors believe that the listing of our Company and the quotation of our Shares on the Catalist will enhance our public image locally and internationally and enable us to tap the capital markets to fund our business growth. The Invitation will also provide members of the public, our employees, our business associates, and others who have contributed to the success of our Group with an opportunity to participate in the equity of our Company. In addition, the net proceeds from the Invitation will provide us with additional capital to fund our expansion. Please refer to the section entitled “Use of Proceeds and Listing Expenses” of this Offer Document for further details.
Listing status	:	Prior to the Invitation, there had been no public market for our Shares. Our Shares will be quoted on the Catalist in Singapore dollars, subject to the admission of our Company to the Catalist and permission for dealing in, and for the listing and quotation of, our Shares being granted by the SGX-ST and a Stop Order not being issued.
Risk factors	:	Investing in our Shares involves risks which are described in the section entitled “Risk Factors” of this Offer Document.

PLAN OF DISTRIBUTION

The Invitation

The Invitation is for 238,000,000 New Shares offered in Singapore comprising 8,000,000 Offer Shares and 230,000,000 Placement Shares for subscription under the Offer and the Placement, respectively at the Issue Price. The Invitation is managed and underwritten by SAC Capital.

Prior to the Invitation, there has been no public market for our Shares. The Issue Price is determined by us in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent after taking into consideration, *inter alia*, prevailing market conditions and estimated market demand for the New Shares determined through a book-building process. The Issue Price is the same for all the New Shares and is payable in full on application.

Investors may apply to subscribe for any number of New Shares in multiples of 1,000 Shares. In order to ensure a reasonable spread of Shareholders, we have the absolute discretion to prescribe a limit to the number of New Shares to be allotted to any single applicant and/or allot the New Shares above or under such prescribed limit as we shall deem fit.

Subject to the terms and conditions set forth in the Sponsorship and Management Agreement and the Underwriting and Placement Agreement entered into between us and SAC Capital as set out in the section entitled “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document, our Company has appointed SAC Capital to manage and act as full sponsor of the Invitation, to underwrite the Offer and to undertake the Placement on our behalf. SAC Capital will receive a management fee for its services rendered in connection with the Invitation.

Offer Shares

The Offer Shares are made available to members of the public in Singapore for application at the Issue Price. Members of the public may apply for the Offer Shares by way of printed Offer Shares Application Forms or by way of Electronic Applications. The terms, conditions and procedures for applications and acceptances are described in Appendix J entitled “Terms, Conditions and Procedures for Applications and Acceptances” of this Offer Document.

An applicant who has made an application for Offer Shares by way of an Offer Shares Application Form may not make another separate application for Offer Shares by way of an Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent.

In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for shall be made available to satisfy excess applications for the Placement Shares to the extent there is an over-subscription for the Placement Shares as at the close of the Application List.

In the event of an over-subscription for the Offer Shares as at the close of the Application List and the Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, and approved by the SGX-ST, if required.

PLAN OF DISTRIBUTION

Placement Shares

The Placement Shares are reserved for placement to retail and institutional investors in Singapore who may apply through their brokers or financial institutions. Applications for the Placement Shares may only be made by way of printed Placement Shares Application Forms. Multiple applications may be made in the case of applications by any person for (i) the Placement Shares only (via the Placement Shares Application Forms or such other form of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may in their absolute discretion deem appropriate); or (ii) Placement Shares together with a single application for the Offer Shares. The terms, conditions and procedures for applications and acceptances are described in Appendix J entitled “Terms, Conditions and Procedures for Applications and Acceptances” of this Offer Document.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for shall be made available to satisfy excess applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

Subscribers of Placement Shares may be required to pay a brokerage of up to 2.0% of the Issue Price (plus GST thereon, if applicable) to the Placement Agent or any sub-placement agent(s) that may be appointed by the Placement Agent.

Subscription for New Shares

We have been informed that none of our Directors or Substantial Shareholders intend to subscribe for New Shares pursuant to the Invitation.

None of our management or employees intend to subscribe for 5.0% or more of the New Shares in the Invitation.

To the best of our knowledge and belief, as at the date of this Offer Document, we are not aware of any person who intends to subscribe for more than 5.0% of the New Shares. However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate his interest to subscribe for more than 5.0% of the New Shares. If such person(s) were to make an application for more than 5.0% of the New Shares pursuant to the Invitation and were subsequently allotted such number of Shares, we will make the necessary announcements at the appropriate time. The final allotment of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406(1) of the Catalist Rules.

No Shares shall be issued and allotted on the basis of this Offer Document later than six months after the date of registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority.

USE OF PROCEEDS AND LISTING EXPENSES

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 ⁽¹⁾ (S\$'000)	Estimated amount allocated for each dollar of gross proceeds raised from the Invitation ⁽¹⁾ (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 ⁽²⁾	15,000	27.4
Net proceeds from the Invitation	51,377	93.9
Estimated listing expenses		
Professional fees and expenses	1,263	2.3
Underwriting and placement commission ⁽³⁾	1,642	3.0
Miscellaneous expenses (including listing and processing fees)	458	0.8
Total estimated listing expenses⁽⁴⁾	3,363	6.1
Gross proceeds from the Invitation	54,740	100.0

Notes:

- (1) Figures may not add up due to rounding.
- (2) Our Company intends to repay a bridging loan granted by OCBC for funding development expenses relating to our property development projects. The bridging loan shall be repayable six months from the date of the first disbursement or on 30 September 2018, whichever is earlier. Please refer to the section entitled "Capitalisation and Indebtedness" for further information on the bridging loan.
- (3) Pursuant to the Underwriting and Placement Agreement, SAC Capital agreed to (a) underwrite the Offer Shares for a commission of 3.0% of the Issue Price for each Offer Share, and (b) procure subscriptions for the Placement Shares for a commission of 3.0% of the Issue Price for each Placement Share.
- (4) Of the total estimated listing expenses to be borne by our Company of approximately S\$3.4 million, S\$2.3 million will be capitalised against share capital and the balance of the estimated listing expenses will be charged to profit or loss.

In the reasonable opinion of our Directors, there is no minimum amount which must be raised from the Invitation.

USE OF PROCEEDS AND LISTING EXPENSES

Please refer to the section entitled “Prospects and Future Plans” of this Offer Document for further details. In particular, our future plans may be funded apart from the proceeds from the Invitation, either through internally generated funds and/or external borrowings. Save as disclosed above, none of the proceeds from the Invitation will be used to discharge, reduce or retire any indebtedness of our Group. None of the proceeds from the Invitation will be used, directly or indirectly, to acquire or refinance the acquisition of assets other than in the ordinary course of business.

Pending the deployment of the net proceeds from the issue of the New Shares as aforesaid, the funds will be placed in short-term deposits with financial institutions and/or used to invest in short-term money market instruments and/or used for working capital requirements as our Directors may deem appropriate.

We will make immediate announcements on the use of the net proceeds from the Invitation as and when the funds are materially disbursed, and provide a status report on the use of the proceeds in our annual report.

In the event that any part of our proposed uses of the net proceeds from the Invitation does not materialise or proceed as planned, our Directors will carefully evaluate the situation and may reallocate the intended funding to other purposes and/or hold such funds on short-term deposits for so long as our Directors deem it to be in the interests of our Company and our Shareholders, taken as a whole. Any change in the use of the net proceeds will be subject to the Catalist Rules and appropriate announcements will be made by our Company on SGXNET at the SGX-ST’s website, <http://www.sgx.com>.

In the event that the amount set aside to meet the estimated listing expenses listed above is in excess of the actual expenses incurred, such excess amount will be made available for our general corporate working capital purposes.

SPONSORSHIP, MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

Pursuant to the Sponsorship and Management Agreement entered into between our Company and SAC Capital as the Sponsor and Issue Manager, our Company appointed SAC Capital to manage the Invitation on our behalf and to provide full sponsorship services in relation to the Invitation, subject to the terms and conditions of the Sponsorship and Management Agreement. SAC Capital will receive a management fee for its services rendered in connection with the Invitation. Pursuant to a continuing sponsorship agreement, SAC Capital will also receive an annual sponsorship fee for at least three years from the date of listing of our Company on the Catalist for acting as our continuing sponsor.

Pursuant to the Underwriting and Placement Agreement entered into between our Company and SAC Capital as the Underwriter and Placement Agent, SAC Capital agreed (a) to subscribe and/or procure subscriptions for the Offer Shares not subscribed for by members of the public which are also not re-allocated to satisfy excess applications for the Placement Shares, and (b) to procure subscriptions for the Placement Shares, at the Issue Price, subject to the terms and the conditions of the Underwriting and Placement Agreement.

The Underwriter will receive from our Company an underwriting commission of 3.0% of the aggregate Issue Price for the total number of Offer Shares underwritten by the Underwriter, but excluding the portion of the Offer Shares which have been applied to satisfy excess applications for Placement Shares. The Underwriter may, at its absolute discretion, appoint one or more sub-underwriters for the Offer Shares. Payment of the underwriting commission shall be made whether or not any allotment or issue of the Offer Shares is made to the Underwriter or its nominees.

The Placement Agent will receive from our Company a placement commission of 3.0% of the aggregate Issue Price for the total number of Placement Shares successfully procured for subscription by the Placement Agent, but excluding the portion of Placement Shares which have been applied to satisfy excess applications for the Offer Shares. The Placement Agent may, at its absolute discretion, appoint one or more sub-placement agents for the Placement Shares. Payment of the placement commission shall be made whether or not any allotment or issue of the Placement Shares is made to the Placement Agent or its nominees. Subscribers of the Placement Shares may be required to pay the Placement Agent an end placees' commission of up to 2.0% of the Issue Price (including GST, if applicable) for each Placement Share.

Brokerage will be paid by our Company to Participating Banks in respect of successful applications made through Electronic Applications at the rate of 0.25% (or 0.75% in the case of DBS Bank) of the Issue Price for each New Share. In addition, DBS Bank levies a minimum brokerage at the rate of S\$10,000.

The Sponsorship and Management Agreement may be terminated by the Sponsor and Issue Manager at any time prior to the time and date of the commencement of trading of our Shares on the Catalist, on the occurrence of certain events including the following:

- (a) any breach of warranties or undertakings of our Company in the Sponsorship and Management Agreement;
- (b) any occurrence of a specified event (as described in the Sponsorship and Management Agreement) which comes to the knowledge of the Sponsor and Issue Manager;

SPONSORSHIP, MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

- (c) any material adverse change, or any development involving a prospective material adverse change, in the condition (business, trading, operational, financial or otherwise), performance or general affairs of our Company or of our Group as a whole;
- (d) any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, order, notice, policy, rule, guideline or directive (whether or not having the force of law and including, without limitation, any directive, notice or request issued by ACRA, the Authority, the SIC, the SGX-ST or relevant authorities in Singapore or elsewhere) or in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority in Singapore or elsewhere including but not limited to foreign exchange controls in Singapore or overseas;
- (e) any change, or any development involving a prospective change, or any crisis, in local, national, regional or international political, industrial, legal, financial, monetary or economic conditions, taxation or exchange controls (including but not limited to the conditions in the stock market, foreign exchange market, inter-bank market or interest rates or money market, in Singapore or any other jurisdiction), or any combination of any such changes or developments or crisis, or deterioration of any such conditions;
- (f) any imminent threat or occurrence of any local, national, or international outbreak or escalation of hostilities whether war has been declared or not, terrorist attacks, or insurrection or armed conflict (whether or not involving financial markets);
- (g) any regional or local outbreak of disease that may have a material and adverse effect on the financial markets;
- (h) foreign exchange controls in Singapore and overseas or any occurrence of a combination of any such changes or developments or crises, or any deterioration of any such conditions;
- (i) the issue by the SGX-ST of a notice of refusal to admit our Company to the Catalist; or
- (j) any other occurrence of any nature whatsoever,

which event or events shall in the opinion of the Sponsor and Issue Manager (i) result or be likely to result in a material adverse fluctuation or adverse conditions in the stock market of Singapore or elsewhere; or (ii) be likely to prejudice the success of the offer, subscription or sale of the New Shares (whether in the primary market or in respect of dealings in the secondary market); or (iii) make it impossible, impracticable or non-commercial to proceed with any of the transactions contemplated in the Sponsorship and Management Agreement; or (iv) be likely to have a material adverse effect on the business, trading position, operations or prospects of our Company or of our Group as a whole; or (v) be such that no reasonable sponsor or issue manager would have entered into the Sponsorship and Management Agreement; or (vi) result or be likely to result in the issue by the SGX-ST of a notice of refusal to admit our Company to the Catalist at any point prior to the listing of all our existing issued Shares and the New Shares; or (vii) make it non-commercial or otherwise contrary to or outside the usual commercial practices in Singapore for the Sponsor and Issue Manager to observe or perform or be obliged to observe or perform the terms of the Sponsorship and Management Agreement.

SPONSORSHIP, MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

Notwithstanding the aforesaid, the Sponsor and Issue Manager may terminate the Sponsorship and Management Agreement if:

- (a) at any time up to the commencement of trading of our Shares on the Catalist, a notice of refusal to admit our Company to the Catalist shall have been issued by the SGX-ST; or
- (b) at any time after the registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority but before the close of the Application List, our Company fails and/or neglects to lodge a supplementary or replacement offer document (as the case may be) if we become aware of:
 - (i) a false or misleading statement or matter in this Offer Document;
 - (ii) an omission from this Offer Document of any information that should have been included in it under the Catalist Rules and/or the SFA; or
 - (iii) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority and would have been required by the Catalist Rules and/or the SFA to be included in this Offer Document if it had arisen before this Offer Document was lodged,that is materially adverse from the point of view of an investor; or
- (c) our existing issued Shares and the New Shares have not been admitted to the Catalist on or before 20 April 2018 (or such date as our Company and the Sponsor and Issue Manager may agree).

The Underwriting and Placement Agreement is conditional upon the Sponsorship and Management Agreement not being terminated or rescinded pursuant to the provisions of the Sponsorship and Management Agreement.

In the event that the Sponsorship and Management Agreement and/or the Underwriting and Placement Agreement is terminated, our Company reserves the right, at our absolute discretion, to cancel the Invitation.

Other than pursuant to the Sponsorship and Management Agreement and the Underwriting and Placement Agreement, there are no contracts, agreements or understandings between our Company and any person or entity that would give rise to any claim for brokerage commission, finder's fees or other payments in connection with the subscription of the New Shares.

Save as aforesaid, no commission, discount or brokerage has been paid or other special terms granted by our Company within the two years preceding the Latest Practicable Date, or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares or debentures in our Company.

Save as disclosed above, we do not have any material relationship with the Sponsor, Issue Manager, Underwriter and Placement Agent.

RISK FACTORS

Prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Document, before deciding to invest in our Shares. Before deciding to invest in our Shares, you should seek professional advice from the relevant advisers about your particular circumstances. To the best of our Directors' knowledge and belief, all risk factors which could directly and/or indirectly affect us and are material to investors in making an informed judgement of our Group have been set out below. If any of the following considerations, uncertainties or material risks develops into actual events, our business, financial performance and/or operations or prospects could be materially and adversely affected. In such cases, the trading price of our Shares could decline due to any of these considerations, uncertainties or material risks, and investors may lose all or part of their investment in our Shares.

This Offer Document also contains forward-looking statements having direct and/or indirect implications on our future performance. Our actual results may differ materially from those anticipated by these forward-looking statements due to certain factors, including the risks and uncertainties faced by us, as described below and elsewhere in this Offer Document.

RISKS RELATING TO OUR BUSINESS OR OUR INDUSTRY

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.

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.

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

RISK FACTORS

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. Please refer to the section entitled "General Information on our Group – Approvals, Permits, Licences and Government Regulations" and Appendix F entitled "Summary of Relevant PRC Laws and Regulations" of this Offer Document for further details.

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: (a) subjected to fines; (b) required to take remedial actions to rectify the behaviour, including but not limited to applying for the permits and certificates retrospectively; and (c) 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

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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. Please refer to the section entitled “Risk Factors – We are subject to risks associated with joint ventures” of this Offer Document for further information regarding the risks arising from our Group’s entry into joint ventures.

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. Please refer to the section entitled “Capitalisation and Indebtedness” of this Offer Document for further details on the bank loans and credit facilities obtained by our Company and our Subsidiaries as at the Latest Practicable Date. 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, further details of which are set out in the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position – Liquidity and Capital Resources” of this Offer Document.

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.

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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).

Our Group is exposed to construction risks

We manage and monitor the costs of our property development projects closely. In the preparation of tenders for our property development projects, we carry out internal costing and budgeting estimates based on quotations provided by our suppliers and contractors. However, delays may arise due to unforeseen circumstances, as a result of several factors, including natural calamities, adverse changes to the financial conditions or cessation of business of the contractors engaged by our Group, machinery and equipment breakdown, adverse weather conditions, delays in obtaining approvals from the relevant authorities, accidents, disputes with the contractors, a shortage of construction materials, equipment and labour and other unforeseen circumstances.

These factors may affect the launch and timely completion of property development projects, cause cost overruns or increased financing costs, and accordingly affect our profitability. Further, any delay in project completion may also expose us to claims for liquidated damages from our customers. Although we may be reimbursed by our contractors responsible for the delay or compensated via insurance under certain circumstances, there is no assurance that such reimbursement or compensation would cover our losses entirely. In the event of the aforesaid or an increase in construction costs of our development properties due to factors beyond our control, such as an increase in the cost of construction materials (including rebars, ready-mix concrete and other materials), or an increase in the cost of leasing for machinery and equipment, our profitability and financial performance may accordingly be materially and adversely affected. We had not experienced any of the foregoing events during the Relevant Period which had a material adverse impact on our operations or financial performance.

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We are dependent on our senior management team

Our success depends largely on the skills, experience and performance of our management team, especially Matthew Ong, our Executive Director and CEO, who is supported by our Executive Officers. Matthew Ong and our Executive Officers have been instrumental in expanding the business of our Group. Our growth and future development are dependent on the management team which has been crucial to the development and strategic direction of our business. We cannot guarantee that we will continue to retain the services of our management team. Our prospects, financial condition, business and results of operations may be materially and adversely affected by the loss of any of the members of the management team without timely and suitable replacement, and the inability to attract, retain and train qualified management personnel.

Please refer to the section entitled “Directors, Executive Officers and Staff” for further details regarding our management team.

Our financial results may be materially and adversely affected if we fail to source for new land sites and buildings and complete new property development projects

Our results of operations, financial condition, prospects and business may be materially and adversely affected if we cannot identify and source for profitable and new property development projects, successfully secure suitable land sites and buildings for property development and/or complete the property development projects within a scheduled time frame. Our primary sources for new land sites and buildings are our network of property agents and business contacts, private tenders, as well as public tenders such as the government land sales programmes. We are in competition with other property developers with regard to the sourcing of land sites and buildings. We acquire land sites or buildings only when the capacity and opportunity to undertake a property development project arise. As such, we are affected by the availability of suitable land sites, properties for redevelopment, and the fluctuations in their prices.

There is no assurance that our Group will always be successful in completing such property development projects under the best possible market conditions. There is also no assurance that a project, which may have been assessed to be profitable at the initial phases, will not turn out to be loss-making due to adverse changes in circumstances beyond our Group’s control. Should such situations occur, our Group’s performance may be materially and adversely affected.

Other factors which may have an adverse effect on the profitability and viability of our Group’s property development projects include adverse changes in interest rates, land costs, construction costs, unexpected project delays, and a downturn in general economic conditions and property prices.

We may not be able to implement our future plans and strategies successfully

We make no guarantee that our future business plans as set out in the section entitled “Prospects and Future Plans – Future Plans” of this Offer Document, will be commercially successful or that the actual outcome of such business plans will match our expectations. Further, our Group makes no guarantee that expectations of the demand for our property development projects in the future will be met. Our profitability may be materially and adversely affected if we fail to achieve our sales targets or business objectives.

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While we have plans to expand to other jurisdictions given the right opportunity, we give no guarantee that the performance of any acquisitions, strategic alliances, joint ventures or investments will meet expectations or that we will be able to execute our growth strategies successfully.

We are subject to risks associated with joint ventures

We undertake property development projects from time to time through the formation of joint ventures with third parties. These joint ventures involve a certain amount of business or operating risks or uncertainties, such as the inability of joint venture partners to fulfil their obligations under the joint venture agreements, and exposure to unknown liabilities incurred by the joint venture partners. Any disagreement and/or disputes with the joint venture partners may also cause a delay in the progress of the property development projects. In addition, to the extent that we have no control over the board of or do not hold a majority shareholding interest in the relevant joint venture company, we are dependent on our joint venture partners to manage and handle the daily operations, as well as ensure compliance with the applicable laws and regulations. As at the Latest Practicable Date, one of our PRC Group Companies has only obtained some of the relevant licences, permits, certificates and approvals for the development and construction of certain structures. Please refer to the section entitled “Risk Factors – We may not be able to obtain all necessary licences for our property development projects” for the disclosures relating to the operations of our PRC Group Companies.

In the event of any disagreements between us and our joint venture partners regarding the business and operations of the joint ventures, we cannot assure you that we will be able to resolve them in a manner that will be in our best interests. In addition, our joint venture partners may (a) have economic or business interests or goals that are inconsistent with ours, (b) take actions contrary to our instructions, requests, or policies, or (c) disagree as to the scope of their responsibilities and obligations. Our Group may not always be the major shareholder in such joint venture companies, which may limit our ability to influence the management, directors and decisions made under these joint ventures. Any of these and other factors may materially and adversely affect the performance of our joint ventures, which may in turn materially and adversely affect our financial condition and financial performance. Please refer to the section entitled “Group Structure” of this Offer Document for further information regarding our joint ventures. We had not experienced any disagreement with our joint venture partners during the Relevant Period which has had a material adverse impact on our operations or financial performance.

Political uncertainties or new government regulations (such as restrictions on ownership) or changes in economic, business and operating conditions may also result in a decline in our investment in these joint ventures or further limit our ability to influence the management, directors and decisions made under these joint ventures. Such business risks may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our Group may not be able to collect progress payments from customers of our property development projects

Our customers generally make progress payments according to the milestones stipulated in the sale and purchase agreements. Unforeseen circumstances affecting our Group’s customers’ willingness or ability to make progress payments may cause our Group to experience defaults in payment. We may have to commence legal proceedings for enforcement or repossession of the specific units if our customers do not make due payments for the properties purchased. There is no guarantee that we will obtain judgement in our favour against these defaulting parties. Even if judgement in favour of our Group is obtained, there is no guarantee that the judgement will

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eventually be satisfied by the judgement debtor. As such, the creditworthiness and solvency of our Group's customers have an effect on our business as our financial condition and results of operation may be materially and adversely affected by the inability to collect cash payments or significant delays in collecting the same. We had not experienced any difficulties in the collection of progress payments during the Relevant Period which had a material adverse impact on our operations or financial performance.

We operate in a highly competitive industry and may not be able to compete effectively

The property development business in the countries we operate in is highly competitive, wherein a number of property developers, with various small to medium sized property developers and a few large established players, are already in existence.

Our competitors may be able to better weather poor economic conditions and adverse occurrences specific to the property development industry, invest in bigger and/or more profitable property development projects and make higher bids for more attractive prime land sites or buildings compared to our Group. This could be due to a multitude of factors, including larger land banks, more extensive networks and exposure to potential business opportunities, greater financing abilities, greater financial and non-financial resources and/or better established brand names and reputations. In addition, due to their longer operating history in the local markets, they may have better knowledge of and experience in the property development business in these countries.

We may need to differentiate ourselves by, among other things, developing a strong reputation of being a high quality property developer that places emphasis on quality, adopting more innovative property designs and more creative marketing strategies, and/or offering more competitive pricing to compete effectively. Our prospects, financial condition, results of operations and business may be materially and adversely affected if we fail to compete effectively or if property prices decrease significantly as we may be forced to undertake fewer property development projects or projects with less desirable margins.

Our Group's unsold development properties will affect our financial performance

In the future, our Group's development properties may not achieve anticipated sales. We may also incur losses by retaining unsold properties or selling them below cost in a depressed market. In the event that we are unable to sell our unsold properties, we may incur holding costs, including interest costs and maintenance costs. As such, our Group's financial performance will be materially and adversely affected. Furthermore, the unsold properties that our Group continues to hold for sale post-completion may be relatively illiquid, which will limit our Group's ability to realise cash from unsold units on short notice. This limits our Group's ability to vary its portfolio of properties held for sale in response to changes in economic, political, social or regulatory conditions in a timely manner. In such event, our Group's cash flow and financial performance will be materially and adversely affected.

The entities in our Group are not regarded as Singapore companies under the Residential Property Act (Chapter 274) as our Controlling Shareholder, Lian Beng, being listed on the Main Board of the SGX-ST, has shareholders which may consist of non-Singapore citizens. As such, our Group Companies are required to obtain qualifying certificates prior to the completion of the acquisitions of their respective residential properties.

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Pursuant to the terms and conditions of the qualifying certificates, a property developer must, *inter alia*, sell all residential units within two years from the date of issue of the TOP. In the event that we are unable to sell all the residential units within the aforesaid stipulated time frame, our Group will be required to apply to the Controller of Residential Property for an extension of time to sell the unsold units, for which an extension charge will be applicable based on the duration of the extension sought and the number of unsold units, which may materially and adversely affect our financial condition and results of operations. We had not experienced any of the foregoing events during the Relevant Period which had a material adverse impact on our operations or financial performance.

We may be involved in disputes and legal proceedings from time to time

Non-conformance to contract specifications, delay in completion, or alleged defects may cause our Group to face disputes with and claims from the management corporations and/or third party purchasers of units in our development projects. Our corporate reputation, profitability and financial performance may be materially and adversely affected if such claims are successful and cause us to be subject to legal proceedings or to pay damages. Our financial condition, results of operations, prospects and business may be materially and adversely affected if we cannot sufficiently or successfully claim from contractors the amount of liquidated damages paid or to be paid to purchasers as a result of building defects or delay by such contractors.

We may also be involved from time to time in disputes with other parties involved in the property development projects that we undertake, such as external consultants, contractors and suppliers, for various reasons including allegations of defective designs or design inadequacies, differences in the interpretation of acceptable quality standards of workmanship and materials used, disagreements over the valuation of work-in-progress and general non-adherence to the contract specifications. We may also encounter disputes with the vendors who sell land or properties to us from time to time.

For instance, the plots of land for our industrial property development projects are owned by JTC. Our leasehold interest in industrial properties arise from instruments of lease issued by JTC. Notwithstanding that SSCT are issued to purchasers of individual units after the completion of the industrial property development project (such as in the case of Eco-Tech @ Sunview and Mandai Foodlink), we remain a lessee pursuant to and are obliged to comply with the terms of the instrument of lease with JTC. In the event of non-compliance of the terms of the lease by the purchasers and/or tenants of the units in our industrial property developments, we may be liable for such non-compliance towards JTC which is the reversionary owner of the land. Although we may be able to claim in turn against the defaulting purchaser and/or tenant pursuant to the terms of the sale and purchase agreement or tenancy agreement (as the case may be) with such parties, there is no assurance that we may be able to make a full claim against them.

In addition, in the course of operations, our Group may also be subject to reviews by regulatory bodies, administrative proceedings and unfavourable directives that result in pecuniary liabilities and cause delays to the progress of our property development projects. Our tenants may also choose to initiate legal and other contentious proceedings in relation to the leases and/or inadequacies of the properties owned by us.

There is no assurance that we will be able to successfully resist or defend such claims. Costs, time and management resources would have to be diverted towards defending such claims should they arise. If we are required to pay damages or if it is determined that legal claims are possible and provisions are required to be made in the income statement of our Group, our financial position, financial performance and business operations would be affected. We had not experienced any disputes or legal proceedings during the Relevant Period which had a material adverse impact on our operations or financial performance.

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We may not have adequate insurance coverage for our property development projects

We purchase, *inter alia*, insurance policies for our employees that cover surgery, hospitalisation and personal accidents, public liability insurance, industrial all risks insurance and fire insurance. We also stipulate that our contractors need to purchase adequate insurance such as contractor's all risks insurance, work injury compensation insurance, third party liability insurance and professional indemnity insurance for our property development projects. We believe that the coverage from these insurance policies is in accordance with the standard industry practice and government specification, and is adequate.

Notwithstanding the aforesaid, we give no guarantee that our insurance policies would be sufficient to cover all potential losses, or any losses at all, or that the recovery for such losses will not be subject to protracted delays. Further, our Group's insurance policies may not adequately cover losses arising from risks which are generally not insurable (for example, losses arising from earthquakes, war, civil disorder, acts of God, and acts of terrorism). It may be time-consuming or difficult to recover such losses from insurers and may also be adverse to our results of operations, financial position, financial performance and business.

Our profit and revenue are volatile

Our revenue in any financial year may fluctuate as it is predominantly project-based and is dependent on the number, value, type and stage of completion of the property development projects we undertake. Accordingly, there is no assurance that the amount of revenue and profits from the sale of our development properties will remain comparable each year. In the event that we undertake fewer or no new property development projects for any reason or if there is any delay in the progress of any of the property development projects, our revenue and profits recognised in that financial year, and accordingly our financial position, may be adversely affected. As such, potential investors should note that the historical financial performance and financial condition of our Group are not to be taken as an indication of the future financial performance and financial condition of our Group in any financial reporting period.

We did not record revenue in FY2015 and FY2016 as our industrial development properties were not completed in the aforementioned financial years. We experienced net cash flows used in operating activities of S\$32.8 million in HY2018 mainly due to development expenditure associated with T-Space @ Tampines and 50 Lorong 21 Geylang. Please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document for more information on our results of operations.

Currently, our accounting policy is in compliance with the Singapore Financial Reporting Standards, whereby revenue from the sale of residential development properties in Singapore is recognised using the POC method and the sale of industrial and commercial development properties using the completed contract method. Under the POC method, revenue is recognised by reference to the stage of completion for the individual units sold, whereas under the completed contract method, revenue is recognised where transfer of significant risks and rewards of ownership of the development properties coincides with the time when the property is completed.

The value of our Group's land sites and properties is subject to fluctuations

The value of our land sites and properties are subject to various factors, including prevailing market conditions, changes in zoning and planning guidelines, and available amenities, and thus may not accurately reflect the actual values of such land sites or properties upon realisation or disposal. Our financial condition and results of operations may be adversely affected in the event

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that we dispose of our property development projects under development at lower than cost. If the market value of our Group's unsold properties, land sites and buildings as determined by professional independent valuers fall below their book value (comprising cost of acquisition and development cost), our Group may also record impairment losses in our financial statements.

The Valuers had conducted the valuations of our Group's development properties as at 31 January 2018 as set out in Appendix H entitled "Summary Valuation Certificates" of this Offer Document under certain assumptions and based on the then prevailing market conditions. These valuations may not accurately reflect the actual value of such properties upon realisation or disposal and are subject to changes in market conditions. In the event that any assumptions used in the valuations do not materialise and/or there are unanticipated changes in relation to particular properties, or changes in general or local economic or regulatory conditions or other relevant factors which could affect such assumptions, the actual values that we derive from these properties may materially differ from the values attributed to them in the "Summary Valuation Certificates" prepared by the Valuers as set out in Appendix H of this Offer Document. In such event, our performance and financial position may be adversely affected.

We are dependent on our contractors and consultants

We rely on the contractors we engage to provide various construction services to complete our property development projects. We cannot guarantee that the services and products rendered by these contractors will always be compliant with our standards and requirements even though quality control measures and stringent procedures are in place.

If contractors engaged by our Group fail to provide satisfactory work, or are unable to sustain their operations because of adverse changes in their financial conditions, and our Group is subsequently unable to secure suitable replacement contractors promptly, this will result in cost overruns and project delays. Should our Group's property development projects not be completed punctually, we may be liable to pay liquidated damages to customers of the affected properties where we are unable to successfully claim for such damages from our contractors.

From time to time, we engage consultants in carrying out our usual course of business. In particular, our Group may, at times, tender for a specific project with the engagement of various professional consultants. If any consultant fails to perform the work in accordance with the stipulated specifications and time schedule, or they default on their obligations, our Group may be exposed to claims from purchasers of individual units in our property development projects. Should we be liable for any claims and damages, our financial performance and reputation may be adversely affected. We had not experienced any of the foregoing events during the Relevant Period which had a material adverse impact on our operations or financial performance.

Consumer spending trends and preferences may adversely affect our Group's business and ability to attract and secure customers

Our financial condition, business and prospects as well as our ability to maintain a competitive edge may be adversely affected if competitors are able to introduce more functional or more innovative properties or designs or that are better accepted by the market or that can better cater to customers' needs, or if our Group's development properties do not have sufficient market appeal to attract customers with different preferences.

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Consumer spending trends and preferences have an effect on the sales of development properties by our Group. External factors including the demographic profiles of consumers, income level of consumers and the interior and exterior design and layout of the properties have an effect on consumer spending trends and preferences.

We cannot guarantee that our property developments will always appeal to customers' needs and preferences. Generally, customers take into account considerations such as the selling price, location, quality and timely completion of the property developments. Any inability on our Group's part to appeal to the customers' needs and preferences may adversely impact our ability to attract and secure customers, which may in turn affect our Group's profitability and financial condition.

Outbreak of communicable diseases may adversely affect us

Our financial performance, business operations and financial position may be adversely affected by the outbreak of communicable diseases, such as severe acute respiratory syndrome and avian influenza in the future, as they may have a material and adverse effect on the operations of our Group's contractors, suppliers and our offices.

In the event that any employees in the worksites or offices of our Group, our contractors and/or suppliers contract any communicable diseases, the relevant parties may be required to temporarily shut down its offices or worksites and quarantine such employees to prevent the spread of disease. This would result in project disruption and delay, and may have an adverse effect on our sales, business, results of operation and financial condition.

We are required to comply with various safety, health and environment standards

Building contractors and/or property developers are subject to various regulations and laws relating to workplace safety, health and environmental pollution control in the countries in which we operate. We cannot predict new enactments, future amendments or more stringent administration of these safety, health and environment standards. As such, we may incur additional costs and time in making efforts towards compliance due to any change in such standards and/or regulations. Our business operations and prospects may be adversely affected if there is any temporary stop work order, penalties, sanctions or fines due to any failure to comply with these standards and/or regulations at our property development project sites.

Our Group is exposed to foreign exchange transaction risks

We have exposure to foreign exchange risks as a result of transactions denominated in a currency other than S\$, arising from business operations and investment activities in foreign countries such as the PRC. From time to time we may employ forward currency contracts to manage foreign exchange exposure if the need arises, however, our Group currently does not have a formal policy for hedging against foreign exchange exposure as we have not undertaken any foreign exchange hedging activities during the Relevant Period. We will continue to monitor foreign exchange exposure and will consider implementing a hedging policy should the need arise.

Our combined financial statements are denominated in S\$ while the financial statements of our PRC Group Companies are denominated in RMB. This exposes our Group to currency translation risk as the liabilities and assets of our PRC Group Companies are translated to S\$ based on the exchange rates as at the end of the relevant financial period or year. The profit or loss of our foreign Group Companies are translated at the exchange rates prevailing as at the date of the transactions. As such, our Group's results of operations may be adversely affected by any significant fluctuation of the S\$ against the RMB.

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Changes in the political, social and economic conditions in the PRC, among other factors, may cause the value of the S\$ against the RMB to fluctuate and our Group's financial condition, prospects, results of operations and business may be adversely affected by any significant revaluation of RMB.

We may compete with New Lian Beng Group for acquisition of property

From time to time, our Group may wish to acquire properties for development or redevelopment. Our Controlling Shareholder, Lian Beng, its Subsidiaries and Associated Companies as part of its investment holding operations, may acquire buildings for investment to derive rental income. In the unlikely event that our Group and New Lian Beng Group bid for the same building, there may be potential conflicts of interest arising from such acquisitions. There can be no assurance that we will be successful in competing with New Lian Beng Group for such acquisitions.

Lian Beng has provided us with a Non-Compete Undertaking not to engage in any business in Singapore or elsewhere which is in competition or similar to our property development business. Please refer to the section entitled "Potential Conflicts of Interests – Interests of Directors, Controlling Shareholders or their Associates" of this Offer Document for further details of the Non-Compete Undertaking.

The termination of the licence agreement with Lian Beng may adversely affect our business

On 22 March 2018, our Company entered into a licence agreement with Lian Beng, pursuant to which Lian Beng has granted us the right to use the logo and trade marks of Lian Beng, as well as the words “聯明” in our name (or any part thereof), in connection with our business. If the licence agreement is terminated, all of the Entities of our Group bearing the “聯明” name will be required to change their respective names and related marks (including logos). Should the Group be unable to continue using the “聯明” brand for its property development projects, this could adversely affect the perception of property purchasers and/or counterparties, which may in turn have an adverse impact on our business, results of operations and financial condition.

Please refer to the sections entitled “General Information on our Group – Intellectual Property” and “Interested Person Transactions – Present and On-going Interested Person Transactions” of this Offer Document for further details of the licence agreement.

RISKS RELATING TO COUNTRIES IN WHICH WE OPERATE

Our Group may be materially and adversely affected by changes in laws and regulations in Singapore

The business of our Group is governed by the various regulations and laws in Singapore, and also subject to zoning and development, design, construction and planning, as well as refinancing and mortgage requirements. Our Group's financial condition and profitability may be materially and adversely affected by changes to these requirements which may result in our Group not being able to fulfil our plans for any of the development properties in our portfolio and require us to change plans for the property development projects. Our Group's business and operations may also be materially and adversely affected by any changes in such regulations and laws, or by the imposition of fines or other penalties by the relevant authorities for any failure to comply with these regulations and laws.

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Pursuant to the Land Acquisition Act, Chapter 152 of Singapore, the Singapore Government has the power to acquire any land in Singapore:

- (a) for any residential, commercial or industrial purposes;
- (b) for any public purpose; or
- (c) where the acquisition is required by any person, corporation or statutory board, for any work or an undertaking which is of public benefit or of public utility or in the public interest.

As at the Latest Practicable Date, our Group has not experienced any compulsory acquisition of land. However, we make no assurance that such events will not occur in the future.

On 13 November 2017, the URA issued a circular formalising the new requirement for a Pre-Application Feasibility Study, pursuant to which developers submitting development applications for residential, or residential and commercial, redevelopments have to conduct a study on the transportation requirements of the new development and the development's impact on the surrounding transport infrastructure, amongst other factors. Developers will then have to consult the LTA to ascertain the maximum number of units they can build in the redevelopment property. Any limitations on the number of units imposed by LTA that can be built as a result of the consultation could result in lower profit margins, and could have a material adverse effect on our business, operations and financial performance.

Only redevelopment proposals that have already been granted Outline Planning Permission, Provisional Permission, or have obtained LTA's clearance for the transport impact assessment before 13 November 2017 will not be affected by this new requirement. As at the Latest Practicable Date, our Group has obtained in-principle approvals from LTA for two of our upcoming property development projects, Serangoon Ville and Rio Casa. However, we cannot guarantee that we are able to continue to obtain such approvals or that the in-principle approvals already obtained will not be revoked in the future.

Furthermore, there are various types of taxes in Singapore and foreign jurisdictions, such as income tax, withholding tax, capital gains tax, and any other taxes that may be imposed specifically for ownership of real estate, which may have an effect on the income and gains derived from investments in property in other countries. An increase in tax rates or the introduction of new taxes could result from changes in laws and regulations and consequently decrease the returns from our Group's development properties.

Our business is subject to extensive government regulation

Our business is subject to extensive government regulation overseas. For instance, we must comply with various requirements mandated by the PRC laws and regulations, including the policies and procedures established by local authorities. The PRC government exerts considerable direct and indirect influence on the development of the PRC property sector by imposing industry policies and other economic measures, such as control over the supply of land for property development, control of foreign exchange, property financing, taxation and foreign investment. Specifically, the PRC government may restrict or reduce land available for property development, raise benchmark interest rates of commercial banks, place additional limitations on the ability of commercial banks to make loans to property developers and property purchasers, impose additional taxes and levies on property sales, impose foreign exchange restrictions on cross-border investments and financing related activities, and restrict foreign investments in the PRC property sector, and/or restrict or reduce the supply of land for property developments. Such property industry policies may materially

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and adversely affect our operations and/or our future business development. In addition, many of the property industry policies carried out by the PRC government in recent years are expected to be amended over time. Other political, economic and social factors may also lead to further amendments of such policies.

We cannot assure you that the PRC government or any other government in the jurisdictions in which our Group intends to operate will not adopt additional and more stringent industry policies, regulations and measures in the future. If we fail to adapt our operations to these new policies, regulations and measures that may come into effect from time to time, or if such policy changes negatively impact our business or cause us to incur additional costs, our results of operations, financial condition and prospects may be materially and adversely affected.

Please refer to Appendix F entitled “Summary of Relevant PRC Laws and Regulations” of this Offer Document for further details relating to the PRC government regulations in the property sector.

Foreign exchange control policies may affect the ability of our overseas entities to remit monies

Certain countries implement foreign exchange control policies to regulate the remittance of local currencies overseas. For instance, SAFE regulates foreign exchange matters in the PRC, including the conversion of RMB into foreign currencies, and *vice versa*. RMB conversions are regulated by Administrative Regulations of the People’s Republic of China on Foreign Exchange (中华人民共和国外汇管理条例) promulgated on 29 January 1996 and amended on 5 August 2008 and other relevant foreign exchange regulations (“Forex Laws”). According to the Forex Laws, foreign investment enterprises established in the PRC (“FIEs”) are required to obtain Foreign Exchange Registration Certificates for FIE (外商投资企业外汇登记证) (the “FIE Certificates”) from SAFE or its authorised banks so that they can open and operate foreign currency (i.e. non-RMB currency) bank accounts for the payment of:

- (a) recurring items from the current account, including the distribution of dividends and profits to foreign investors of FIEs subject to the presentation of board resolutions authorising the distribution; and
- (b) capital items from the capital account, such as repatriation of capital, repayment of loans and for securities investment.

Conversions in the current account which include dividends, trade and service-related foreign exchange transactions, can be effected freely without the approval of SAFE by complying with certain procedural requirements, whilst conversions in the capital account, which include foreign direct investments and loans, require approvals from, or registration with, SAFE and other relevant PRC governmental authorities.

Any new legislation or amendments to existing legislation in the jurisdictions in which our Group intends to operate will affect our ability to repatriate income generated from our overseas entities back to Singapore. If such an event occurs, the value of our investments overseas and the business, financial condition, results of operations and prospects of our Group may be materially and adversely affected.

Please refer to the section entitled “Exchange Controls” of this Offer Document for a summary of the foreign exchange control policies of the countries in which our Group has operations.

RISK FACTORS

Our investments overseas are subject to the relevant government's control over foreign investment in the property sector

Overseas investments by our Group in the property development sector may be regulated by respective authorities in the relevant jurisdictions. For instance, the PRC government has imposed restrictions on foreign investments in the property sector to curtail the perceived overheating of the property sector by, among other things, increasing the capital and other requirements for establishing foreign-invested real estate enterprises, tightening foreign exchange control on cross-border investment and financing activities, and imposing restrictions on purchases of properties in the PRC by foreign persons.

The PRC government introduced various “cooling” measures for the PRC real estate market from time to time, in an attempt to curb home purchases and prevent a housing bubble in the PRC. These included the requirement of minimum down payment on second homes, the imposition of sales tax, and restrictions on the use of land. For example, on 17 April 2010, the State Council promulgated the Notice on Firmly Curbing the Surging Housing Prices In Certain Cities (国务院关于坚决遏制部分城市房价过快上涨的通知), which indicates that, for a household purchasing a second residential household property with mortgage financing, the down payment must be at least 50.0% of the purchase price. On 26 January 2011, the State Council further issued the Notice on Further Enhancing the Regulation and Control of Real Estate Market (国务院办公厅关于进一步做好房地产市场调控工作有关问题的通知), which increased the above down payment ratio from 50.0% to 60.0%.

In addition, the PRC government exercises significant influence over the property sector through sales tax. For example, pursuant to the Notice on Adjusting the Business Tax Policy of Housing Transfer by Individuals (关于调整个人住房转让营业税政策的通知) promulgated by the Ministry of Finance and the State Taxation Bureau on 27 January 2011, tax is levied on property resold within five years of the initial purchase. On 30 March 2015, such period was subsequently reduced to two years from the initial purchase.

In respect of land, on 15 April 2010, the Ministry of Land and Resources announced the land supply plan of 2010, which required 70.0% of the land supply to go towards social housing. Such measures and policies adopted by the PRC government may potentially restrict the ability of purchasers to obtain mortgages, resell their properties or increase the cost of mortgage financing, which may reduce market demand for our properties. Please refer to Appendix F entitled “Summary of Relevant PRC Laws and Regulations” of this Offer Document for further details.

Restrictions imposed by governments on foreign investment in the property sector may affect our ability to make further investments in our overseas entities and as a result may limit our business growth and may have a material and adverse effect on our business, results of operations and financial condition.

We have a limited track record overseas

Our Group is historically engaged in property development in Singapore, and only ventured overseas in 2014. Due to our limited experience in the overseas property development industry, we may not be able to translate our expertise derived from the Singapore market successfully to overseas property development industries, or between different cities in the same country, which may have vastly different property development industries due to different culture, climate and geography. We cannot guarantee that we will be able to successfully identify suitable property development projects or anticipate market changes, which may affect our ability to execute our future business plans and thereby adversely affect our results of operations, financial condition and prospects.

RISK FACTORS

RISKS RELATING TO OWNERSHIP OF OUR SHARES

There has been no prior market for our Shares and the Invitation may not result in an active or liquid market for our Shares

Prior to the Invitation, there has been no public market for our Shares. Although we have made an application to the SGX-ST to list our Shares on the Catalist, there is no assurance that an active trading market for our Shares will develop, or if it develops, be sustained.

The Issue Price may not necessarily be indicative of the market price for our Shares after the completion of the Invitation and as such, there is also no assurance that the market price for our Shares will not decline below the Issue Price. The market price of our Shares could be subject to significant fluctuations due to various external factors and events, including the liquidity of our Shares in the market, difference between our actual financial or operating results and those expected by investors and analysts, the general market conditions and broad market fluctuations. Accordingly, investors may be unable to sell their Shares at or above the Issue Price after the Invitation.

Investments in securities quoted on the Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST

Our application is for our Shares to be admitted to the Catalist, a listing platform primarily designed for fast growing and emerging companies to which higher investment risks tend to be attached as compared to larger or more established companies. An investment in shares quoted on the Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST and the future success and liquidity in the market of our Shares cannot be guaranteed.

Pursuant to the Catalist Rules, our Company will be required *inter alia* to retain a sponsor at all times after our admission to the Catalist. In particular, unless approved by the SGX-ST, the Sponsor and Issue Manager must act as our continuing sponsor for at least three years after our admission to the Catalist. In addition, we may be delisted in the event that we do not have a sponsor for more than three continuous months. There is no guarantee that following the expiration of the three-year period, the Sponsor and Issue Manager will continue to act as our sponsor or that we will be able to find a replacement sponsor within the three-month period.

We may require additional funding in the form of equity or debt for our future growth which may cause dilution in Shareholders' equity interest

The net proceeds from the Invitation may not be sufficient to fully implement all our future plans as set out in the section entitled "Prospects and Future Plans – Future Plans" of this Offer Document. We may also find other opportunities to grow which cannot be predicted at this juncture. Under such circumstances, we may require additional funding either by way of secondary issue of securities after the Invitation or by way of borrowings to raise the required capital to develop these growth opportunities. If new Shares placed to new and/or existing Shareholders are issued after the Invitation, they may be priced at a discount to the then prevailing market price of our Shares trading on the Catalist and existing Shareholders' equity interest may also be diluted. Further, in the event that our Company raises additional funds to meet its financing needs and existing Shareholders do not participate in the *pro rata* fund raising activities such as rights issue, such Shareholders may experience a dilution in their shareholdings.

RISK FACTORS

If we fail to utilise the new equity to generate a commensurate increase in earnings, our EPS will be diluted, and this could lead to a decline in our share price. Any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund raising exercises, and other financial and operational matters. If we are unable to procure the additional funding that may be required, our growth or financial performance will be adversely affected.

Any issuance by us or future sale of our Shares by existing Shareholders could adversely affect the Share price

Any future issue of Shares by us or sale of our Shares by our existing Shareholders may have a downward pressure on our Share price. The issue or sale of a significant number of Shares in the public market after the Invitation, or the perception that such issues or sales may occur, could adversely affect the market price of our Shares. These factors may also affect our ability to attract subscription of additional equity securities in the future, at a time and price we deem appropriate. Save as disclosed in the section entitled “Shareholders – Moratorium” of this Offer Document and subject to applicable laws and regulations, there will be no other restrictions imposed on our Controlling Shareholder to dispose of its shareholdings. Our Share price may be under downward pressure if our Controlling Shareholder sells its Shares upon the expiry of the moratorium period.

New investors will incur immediate dilution and may experience further dilution

Our Issue Price of S\$0.23 per Share is higher than our NAV per Share of S\$0.16 (based on the pro forma NAV as referred to in the section entitled “Dilution” of this Offer Document and as adjusted for the net proceeds from the issue of New Shares). If our Company is liquidated immediately following the Invitation, investors subscribing for the New Shares would receive less than the price paid for their Shares. Please refer to the section entitled “Dilution” of this Offer Document for further information.

Our Controlling Shareholder, Lian Beng, will retain significant shareholding control over our Group after the Invitation, allowing our Controlling Shareholder to influence the outcome of matters submitted to Shareholders for approval

Upon the completion of the Invitation, our Controlling Shareholder, Lian Beng, will own approximately 73.93% of our Company’s post-Invitation issued Shares. As a result, our Controlling Shareholder will be able to exercise significant influence over matters requiring Shareholders’ approval, including the election of directors and the approval of significant corporate transactions, in a manner which may not be in line with the interests of our minority Shareholders. Our Controlling Shareholder will also effectively have veto power with respect to any Shareholders’ action or approval requiring a majority vote except where it is required by the Catalist Rules or other applicable regulations to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company even if it may benefit the Shareholders. There is no assurance that our Controlling Shareholder will act solely in the interests of our Group or the interests of our Shareholders, or that any conflict of interests will be resolved in favour of us or our Shareholders.

Investors may not be able to participate in future issues of our Shares

In the event that our Company issues new Shares, it will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where it elects to conduct a rights issue. However, in electing to conduct a rights issue or other equity issues, our Company will have discretion or may be subject to regulations as to the procedures to be followed in making such

RISK FACTORS

rights offering available to our existing Shareholders or in disposing such rights for the benefit of such Shareholders and making the net proceeds available to them. In addition, our Company may not offer such rights to our existing Shareholders having an address in jurisdictions outside Singapore. Accordingly, holders of our Shares may be unable to participate in future offerings of our Shares and may experience dilution of their holdings as a result.

We do not have a fixed dividend policy and may not be able to pay dividends in the future

There is no assurance that we will pay dividends in the future or, if we do pay dividends in the future, when we will pay them. Our ability to declare dividends to our Shareholders in the future is dependent on, *inter alia*, our future financial performance, distributable reserves and cash flows. This may be affected by numerous factors including but not limited to general economic conditions, market sentiment, market competition and the success of our future plans and business strategies, many of which are beyond our control. Any of these factors could have a material adverse effect on our business, financial condition and results of our operations, and hence, there is no assurance that we will be able to pay dividends to our Shareholders after the completion of the Invitation. We do not have a fixed dividend policy.

The receipt of dividends from our Subsidiaries, Associated Companies or other companies in which we have an interest may also be affected by the passage of new laws, adoption of new regulations and other events outside our control. Our Subsidiaries, Associated Companies or other companies in which we have an interest may not continue to meet the applicable legal and regulatory requirements for dividend payments in the future. Withholding tax may also apply to dividends and distributions to us from our Subsidiaries, Associated Companies or other companies in which we have an interest.

Furthermore, our future loan and/or facility agreements may include covenants which may also limit when and how much dividends we can declare and pay. Pursuant to the terms governing the credit facilities granted to our Subsidiaries, Associated Companies or other companies in which we have an interest, our Subsidiaries, Associated Companies or other companies in which we have an interest may not declare or make payments of any dividend or any income or capital distribution in the event of, *inter alia*, any outstanding monies (whether principal, interest or otherwise) payable to the financial institutions. Such restrictions on the ability of our Subsidiaries, Associated Companies or other companies in which we have an interest to pay dividends to us may adversely limit our ability to grow, or make investments or acquisitions that could be beneficial to our business.

Our Share price may fluctuate following the Invitation

The Issue Price was determined through a book-building exercise by us after consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, and after taking into consideration, amongst others, the prevailing market conditions and estimated market demand for the New Shares. The Issue Price may not be indicative of prices which will prevail in the trading market after the Invitation and investors may not be able to resell their Shares at or above the Issue Price. Volatility in the market price of our Shares may be caused by factors beyond our control and may not correlate with or be proportionate to our financial results.

The market price of our Shares may fluctuate significantly and rapidly in response to, *inter alia*, the following factors, some of which are beyond our control:

- (a) variations in our operating results;

RISK FACTORS

- (b) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (c) changes in market valuations and share prices of companies with businesses that are similar to those of our Group that may be listed in Singapore or elsewhere;
- (d) announcements by us of significant acquisitions, strategic alliances or joint ventures;
- (e) fluctuations in stock market prices and volume;
- (f) our involvement in material litigation or arbitration proceedings;
- (g) additions or departures of key personnel;
- (h) success or failure of our management in implementing business and growth strategies; and
- (i) changes in conditions affecting the industry, general economic conditions or market sentiments or other events or factors.

For these reasons, amongst others, our Shares may trade at prices that are higher or lower than the NAV per Share. To the extent that there is any retention of operating cash for investment purposes, working capital requirements or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the price of our Shares. Any failure on our part to meet with market expectations with regard to future earnings and cash distributions may adversely affect the market price of our Shares. In the event of liquidation of our Company, investors may lose all or part of their investment in our Shares.

Singapore take-over laws contain provisions, which may vary from those in other jurisdictions, which could adversely affect the market price of the Shares

The Singapore Code on Take-overs and Mergers (the "Take-over Code") contains certain provisions that may possibly delay, deter or prevent a future take-over or change in control. Under the Take-over Code, except with the consent of the SIC, any person acquiring an interest, whether by a series of transactions over a period of time or not, either on his own or together with parties acting in concert with him, in 30.0% or more of our voting Shares, is required to extend a take-over offer for the remaining voting Shares in accordance with the Take-over Code. Except with the consent of the SIC, such a take-over offer is also required to be made if a person holding between 30.0% and 50.0% (both inclusive) of our voting Shares, either on his own or together with parties acting in concert with him, acquires additional voting Shares representing more than 1.0% of our voting Shares in any six-month period. While the Take-over Code seeks to ensure an equality of treatment among Shareholders, its provisions could substantially impede the ability of the Shareholders to benefit from a change of control and, as a result, may adversely affect the market price of the Shares and the ability to realise any benefits from a potential change of control.

Negative publicity may adversely affect our Share price

Negative publicity or announcements including those relating to any of our Company, our Group, our Directors, Executive Officers or Controlling Shareholder may adversely affect the market perception of our Group or the price of our Shares, whether or not they are justified. Some examples of negative publicity include unsuccessful attempts at joint ventures or takeovers or involvement in insolvency or litigation proceedings.

INVITATION STATISTICS

ISSUE PRICE S\$0.23

NAV

NAV per Share based on the unaudited pro forma combined statement of financial position of our Group as at 30 November 2017 and as adjusted for the Restructuring Exercise (the “Pro Forma NAV per Share”):

(a) before adjusting for the estimated net proceeds of the Invitation and based on the pre-Invitation share capital of 675,000,000 Shares	13.68 cents
(b) after adjusting for the estimated net proceeds of the Invitation and based on the post-Invitation share capital of 913,000,000 Shares	15.74 cents

Premium of Issue Price over the Pro Forma NAV per Share as at 30 November 2017:

(a) before adjusting for the estimated net proceeds of the Invitation and based on the pre-Invitation share capital of 675,000,000 Shares	68.13%
(b) after adjusting for the estimated net proceeds of the Invitation and based on the post-Invitation share capital of 913,000,000 Shares	46.12%

EARNINGS⁽¹⁾

Historical EPS of our Group for FY2017 based on the pre-Invitation share capital of 675,000,000 Shares	2.35 cents

Historical EPS of our Group for FY2017 based on the pre-Invitation share capital of 675,000,000 Shares, assuming that the Service Agreement had been in place since the beginning of FY2017	2.23 cents

PRICE EARNINGS RATIO

Historical PER based on the Issue Price and historical EPS of our Group for FY2017 and pre-Invitation share capital of 675,000,000 Shares	9.79 times

Historical PER based on the Issue Price and historical EPS of our Group for FY2017 and pre-Invitation share capital of 675,000,000 Shares, assuming that the Service Agreement had been in place since the beginning of FY2017	10.31 times

MARKET CAPITALISATION

Market capitalisation based on the Issue Price and post-Invitation share capital of 913,000,000 Shares	S\$210.0 million

Note:

- (1) EPS is computed based on the profit attributable to owners of the Company.

DILUTION

Dilution is the amount by which the Issue Price to be paid by investors for our New Shares in the Invitation (“New Investors”) exceeds the NAV per Share immediately after the Invitation. Our unaudited pro forma NAV per Share as at 30 November 2017, as adjusted for the Restructuring Exercise but before adjusting for the estimated net proceeds from the Invitation and based on the pre-Invitation share capital of 675,000,000 Shares, was approximately 13.68 cents.

Pursuant to the Invitation in respect of 238,000,000 New Shares at the Issue Price, our unaudited pro forma NAV per Share as at 30 November 2017 after adjusting for the estimated net proceeds from the Invitation, and based on the post-Invitation share capital of 913,000,000 Shares, would have been 15.74 cents. This represents an immediate increase in NAV per Share of 2.06 cents to our existing Shareholders and an immediate dilution in NAV per Share of 7.26 cents (or approximately 31.57%) to our New Investors.

The following table illustrates such dilution on a per Share basis pursuant to the Invitation:

	Cents
Issue Price	23.00
Unaudited pro forma NAV per Share as at 30 November 2017 based on the pre-Invitation share capital of 675,000,000 Shares	13.68
Increase in pro forma NAV per Share attributable to existing Shareholders	2.06
Unaudited pro forma NAV per Share after the Invitation ⁽¹⁾	15.74
Dilution in unaudited pro forma NAV per Share to New Investors	7.26
Dilution in unaudited pro forma NAV per Share to New Investors as a percentage of Issue Price	31.57%

Note:

- (1) The computed unaudited pro forma NAV per Share after the Invitation does not take into account our actual financial performance after 30 November 2017. Depending on our actual financial results, our unaudited pro forma NAV per Share may be higher or lower than the above computed unaudited pro forma NAV.

DILUTION

The following table shows the total number of Shares acquired, the total consideration and the average effective cost per Share paid by our Substantial Shareholders for Shares acquired by them during the period of three years prior to the date of lodgement of this Offer Document with the SGX-ST (as adjusted for the Restructuring Exercise) and by our New Investors pursuant to the Invitation:

	Number of Shares acquired	Total consideration (S\$)	Average effective cost per Share (cents)
Substantial Shareholders			
Lian Beng	675,000,000	93,648,456	13.87
New Investors	238,000,000	54,740,000	23.00

Save as disclosed above and in the sections entitled “Restructuring Exercise” and “Share Capital” of this Offer Document, none of our Directors, Substantial Shareholders or their Associates has acquired any Shares during the period from the incorporation of our Company on 17 October 2017 to the date of lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority.

CAPITALISATION AND INDEBTEDNESS

The following table shows the cash and cash equivalents as well as capitalisation and indebtedness of our Company and our Subsidiaries:

- (a) as at 31 January 2018, based on the unaudited combined management accounts of our Group as at 31 January 2018 and as adjusted for the Restructuring Exercise; and
- (b) as at 31 January 2018, based on the unaudited combined management accounts of our Group as at 31 January 2018 and as adjusted for the Restructuring Exercise, and the net proceeds from the Invitation.

(S\$'000)	As at 31 January 2018	
	As adjusted for the Restructuring Exercise	As adjusted for the net proceeds from the Invitation
Cash and cash equivalents	24,003	75,380
Indebtedness		
<i>Current:</i>		
– secured and guaranteed	91,926	91,926
– secured and non-guaranteed	–	–
– unsecured and guaranteed	–	–
– unsecured and non-guaranteed	32,907	32,907
<i>Non-current:</i>		
– secured and guaranteed	35,690	35,690
– secured and non-guaranteed	–	–
– unsecured and guaranteed	–	–
– unsecured and non-guaranteed	–	–
Total indebtedness	160,523	160,523
Total equity attributable to owners of the Company	92,726	144,103
Total capitalisation and indebtedness	253,249	304,626

CAPITALISATION AND INDEBTEDNESS

Details of our Company's and Subsidiaries' total credit facilities as at the Latest Practicable Date are as follows:

Financial institution/ lender	Type of facilities	Amount of facilities granted (S\$'000)	Amount drawn down (S\$'000)	Amount unutilised (S\$'000)	Amount owing (S\$'000)	Interest rate	Maturity profile	Securities
Hong Leong Finance Limited	Mortgage loan	26,350	26,350	None	26,350	(i) Between 2.25% to 3.15% per annum below the bank's prevailing enterprise base rate, depending on the time elapsed from the date of disbursement of the loan; or (ii) such other rates as may be determined by the bank from time to time	20 years from date of disbursement	(i) Mortgage of 20 Mactaggart Road (Khong Guan Industrial Building)
								(ii) Corporate guarantee by Lian Beng
								(iii) Assignment of tenancy agreements and rental proceeds in respect of 20 Mactaggart Road (Khong Guan Industrial Building)
CIMB Bank Berhad	Revolving credit facility	9,440	9,440	None	9,440	The Singapore Interbank Offered Rate plus 1.25% per annum	2 years from date of first disbursement or 3 months from obtaining TOP of 50 Lorong 21 Geylang, whichever is earlier	(i) Mortgage of 50 Lorong 21 Geylang
								(ii) Assignment of all sale and purchase agreements, tenancy agreements and insurance policies in relation to 50 Lorong 21 Geylang
								(iii) Charge over proceeds account in relation to 50 Lorong 21 Geylang
								(iv) Corporate guarantee by Lian Beng

CAPITALISATION AND INDEBTEDNESS

Financial institution/ lender	Type of facilities	Amount of facilities granted (S\$'000)	Amount drawn down (S\$'000)	Amount unutilised (S\$'000)	Amount owing (S\$'000)	Interest rate	Maturity profile	Securities
Malayan Banking Berhad, Singapore Branch and Hong Leong Finance Limited (the "Lenders")	Term loan (Land loan)	51,500	51,500	None	51,500	The average cost of funds of the Lenders for interest periods of 1 or 3 months, plus 1.75% per annum	The earlier of (i) 42 months from the date of disbursement of the land loan;	(i) Mortgage over 1 Tampines North Drive 1 (T-Space @ Tampines)
	Term loan (Construction loan)	61,335	38,326	23,009	38,326		(ii) 6 months after the issuance of the TOP for 1 Tampines North Drive 1 (T-Space @ Tampines); or (iii) 30 September 2018	(ii) Assignment of all rights and interests in the construction contracts, project management contracts, construction guarantees, insurances, tenancy agreements, and sale agreements in relation to 1 Tampines North Drive 1 (T-Space @ Tampines)
								(iii) Subordination of directors', shareholders' and related parties' loans
								(iv) Proportionate corporate guarantee from the shareholders of Goldprime Land, of which Lian Beng guarantees 51.0%
Total		148,625	125,616	23,009	125,616			

CAPITALISATION AND INDEBTEDNESS

As at the Latest Practicable Date, the total credit facilities of our Company and Subsidiaries amounted to approximately S\$148.6 million, of which S\$23.0 million remains unutilised.

On 21 March 2018, OCBC granted our Company a bridging loan of up to S\$25.0 million for funding development expenses relating to our property development projects. The bridging loan has an interest rate of 0.5% per annum over OCBC's prevailing cost of funds for interest periods of one or three months, as determined by our Company. This bridging loan is secured by fixed deposits maintained by Lian Beng and is repayable six months from the date of the first disbursement or on 30 September 2018, whichever is earlier.

To the best of our Directors' knowledge, as at the Latest Practicable Date, our Company and Subsidiaries are not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our financial position and results or business operations, or the investments by our Shareholders.

Save as aforesaid and as disclosed in the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Liquidity and Capital Resources" of this Offer Document, our Company and Subsidiaries do not have any material unused sources of liquidity.

Please refer to the section entitled "Interested Person Transactions" of this Offer Document for more details of the guarantees and shareholders' loans provided by our Controlling Shareholder.

Contingent Liabilities

As at the Latest Practicable Date, our Company is not aware of any contingent liabilities which may have a material effect on the financial position and profitability of our Company and Subsidiaries.

Save as disclosed in this section entitled "Capitalisation and Indebtedness", and the sections entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Liquidity and Capital Resources" and "Interested Person Transactions – Present and On-going Transactions" of this Offer Document, our Company and Subsidiaries have no other borrowings or indebtedness (direct and indirect) in the nature of borrowings as at the Latest Practicable Date.

DIVIDEND POLICY

Our Company was incorporated on 17 October 2017 and has not distributed any cash dividend on our Shares since incorporation. Our Subsidiaries have declared and paid out dividends during the Period Under Review as follows:

Subsidiary	Dividend in respect of	Dividend declared and paid in	Amount (\$S'000)
Goldprime Investment	FY2017	FY2017	10,320
LBD (Midtown)	FY2017	FY2017	38,000
	FY2018	HY2018	18,500
Luxe Development	FY2018	HY2018	18,592
Starview Investment	FY2017	FY2017	5,700
	FY2018	HY2018	1,273
Wealth Property	FY2017	FY2017	9,000

As at the Latest Practicable Date, no dividend payment by our Company or Subsidiaries is outstanding. Save as disclosed above, no dividends have been declared or paid by our Company or Subsidiaries, during the Period Under Review.

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. For information relating to taxes payable on dividends, please refer to Appendix G entitled "Taxation" of this Offer Document.

All dividends are paid *pro rata* among the Shareholders in proportion to the amount paid up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provides otherwise. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

No inference shall or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends in any of the periods discussed. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future. The form, frequency and amount of future dividends will depend on the Dividend Factors.

SHARE CAPITAL

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.

As at the date of incorporation, our issued and paid-up share capital was S\$10 comprising 10 Shares held by Lian Beng.

Pursuant to the shareholders’ resolutions passed on 23 March 2018, our Shareholder, Lian Beng, approved, *inter alia*, the following:

- (a) the allotment and issue of 93,648,446 Shares in the share capital of our Company pursuant to the Restructuring Exercise (including the allotment and issue of 60,000,000 Shares pursuant to the capitalisation of loans and advances extended by Lian Beng to our Company of S\$60.0 million);
- (b) the sub-division of 93,648,456 Shares in the issued and paid-up capital of our Company into 675,000,000 Shares;
- (c) the conversion of our Company into a public company limited by shares, and the change of name to “SLB Development Ltd.”;
- (d) the adoption of a new set of Constitution;
- (e) the issue of the New Shares pursuant to the Invitation, which when allotted, issued and fully paid, will rank *pari passu* in all respects with the existing issued Shares;
- (f) the approval of the listing and quotation of all the issued Shares (including the New Shares to be allotted and issued pursuant to the Invitation) on the Catalist; and
- (g) the authorisation for our Directors, pursuant to Section 161 of the Companies Act and the Catalist Rules to: (A)(i) issue (in addition to the New Shares) Shares whether by way of rights, bonus or otherwise; and/or (ii) make or grant offers, agreements or options (collectively “Instruments”) that might or would require Shares to be issued during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and (B) (notwithstanding this authorisation conferred may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this authorisation was in force, provided that:
 - (1) the aggregate number of Shares to be issued pursuant to such authority (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this authorisation but excluding Shares which may be issued pursuant to any adjustments (“Adjustments”) effected under any relevant Instrument, which Adjustments shall be made in compliance with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of our Company does not exceed 100.0% of the post-Invitation total number of issued Shares excluding treasury shares and subsidiary holdings, and provided

SHARE CAPITAL

further that the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments) other than on a *pro rata* basis to existing Shareholders shall not exceed 50.0% of the post-Invitation total number of issued Shares excluding treasury shares and subsidiary holdings;

- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under subparagraph (1) above, the percentage of Shares that may be issued shall be based on the post-Invitation total number of issued Shares (excluding treasury shares and subsidiary holdings), after adjusting for:
 - (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this authority;
 - and (c) any subsequent bonus issue, consolidation or sub-division of Shares;
 - (3) in exercising such authority, our Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and our Constitution for the time being; and
 - (4) unless revoked or varied by our Company in a general meeting by ordinary resolution, such authority shall continue in force until (i) the conclusion of the next annual general meeting of our Company; or (ii) the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
- (h) the adoption of the general mandate for interested person transactions, details of which are set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions” of this Offer Document.

As at the date of this Offer Document, our Company has only one class of shares, being ordinary shares.

The rights and privileges of our Shares are stated in our Constitution. A summary of the Constitution of our Company relating to, amongst others, the voting rights and privileges of our Shareholders is set out in Appendix D entitled “Summary of Constitution of our Company” and Appendix E entitled “Description of Our Shares” of this Offer Document.

There are no founder, management or deferred shares. The New Shares shall have the same interest and voting rights as our existing issued Shares that were issued prior to the Invitation and there are no restrictions on the transferability of our Shares.

No person has, or has the right to be given, an option to subscribe for or purchase any securities of our Company or our Subsidiaries. As at the Latest Practicable Date, no option to subscribe for Shares in our Company has been granted to any of our Directors or employees.

As at the date of this Offer Document, the issued and paid-up share capital of our Company is S\$93,648,456 comprising 675,000,000 Shares. Upon the allotment and issue of the New Shares which are the subject of the Invitation, the resultant issued and paid-up share capital of our Company will be S\$148,388,456 comprising 913,000,000 Shares.

SHARE CAPITAL

Details of the changes in the issued and paid-up share capital of our Company since incorporation and immediately after the Invitation are as follows:

	Number of Shares	Resultant issued and paid-up share capital (S\$)
Issued and paid-up Shares as at our incorporation	10	10
Issue of Shares pursuant to the Restructuring Exercise	93,648,446	93,648,456
Pre-Invitation issued and paid-up share capital (including sub-division)	675,000,000	93,648,456
Issue of New Shares pursuant to the Invitation	238,000,000	148,388,456 ⁽¹⁾
Post-Invitation issued and paid-up share capital	913,000,000	148,388,456 ⁽¹⁾

Note:

- (1) Before taking into account the capitalisation of approximately S\$2.3 million being a portion of the expenses in relation to the Invitation as described in the section entitled “Use of Proceeds and Listing Expenses” of this Offer Document. After taking into account the capitalisation of approximately S\$2.3 million being a portion of the expenses in relation to the Invitation, the post-Invitation issued and paid-up share capital is S\$146,111,569.

Save as disclosed above, there were no changes in the issued and paid-up share capital of our Company since incorporation.

SHAREHOLDERS

SHAREHOLDERS

Our Shareholders and their respective shareholdings immediately before and after the Invitation are set out below:

	Before the Invitation				After the Invitation			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
Ong Lay Koon ^{(1), (4)}	–	–	–	–	–	–	–	–
Matthew Ong ^{(1), (3)}	–	–	–	–	–	–	–	–
Owi Kek Hean	–	–	–	–	–	–	–	–
Foo Der Rong	–	–	–	–	–	–	–	–
Substantial Shareholders (other than Directors)								
Lian Beng	675,000,000	100.00	–	–	675,000,000	73.93	–	–
Ong Sek Chong & Sons Pte Ltd ⁽²⁾	–	–	675,000,000	100.00	–	–	675,000,000	73.93
Ong Pang Aik ^{(2), (3), (4)}	–	–	675,000,000	100.00	–	–	675,000,000	73.93
Ong Lay Huan ^{(1), (2), (4)}	–	–	675,000,000	100.00	–	–	675,000,000	73.93
Other Shareholders								
Public	–	–	–	–	238,000,000	26.07	–	–
Total	<u>675,000,000</u>	<u>100.00</u>			<u>913,000,000</u>	<u>100.00</u>		

Notes:

- (1) Matthew Ong is the nephew of Ong Lay Koon and Ong Lay Huan.
- (2) 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 by virtue of Section 4 of the SFA. 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%).
- (3) Matthew Ong is the son of Ong Pang Aik.
- (4) Ong Pang Aik, Ong Lay Koon, Ong Lay Huan and Ong Lee Yap are siblings.

Save as disclosed above and in the section entitled “Directors, Executive Officers and Staff” of this Offer Document, there are no other relationships among our Directors, Executive Officers and Substantial Shareholders.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the New Shares which are the subject of the Invitation.

Save as disclosed above, our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any other corporation, other natural or legal person or any government.

There is no known arrangement, the operation of which may, at a subsequent date, result in a change in the control of our Company.

SHAREHOLDERS

There has not been any public take-over offer by a third party in respect of our Shares or by our Company in respect of shares of another corporation or units of a business trust which has occurred between the date of our incorporation and the Latest Practicable Date.

There are no Shares in our Company that are held by or on behalf of our Company or by our Subsidiaries.

Significant Changes in the Percentage of Ownership

Saved as disclosed under the sections entitled “Restructuring Exercise” and “Share Capital” of this Offer Document, there has been no significant changes in the percentage of ownership of Shares in our Company from the date of incorporation on 17 October 2017 and up to the Latest Practicable Date.

MORATORIUM

Our Controlling Shareholder, Lian Beng, who holds an aggregate of 675,000,000 Shares (representing approximately 73.93% of our Company’s issued share capital after the Invitation), has irrevocably and unconditionally undertaken not to, directly or indirectly:

- (a) offer, sell, contract to sell, realise, transfer, assign, lend, pledge, grant any option, warrant or right to purchase, grant any security over, encumber or otherwise dispose of, all or any part of Lian Beng’s shareholding in the issued share capital of our Company immediately after the Invitation (adjusted for any bonus issues or sub-division of shares) (“Lock-up Shares”);
- (b) enter into any transaction or other arrangement, in whole or in part (including any swap, hedge or derivative transaction) with a similar economic effect to the foregoing, whether such transaction is to be settled by delivery of the Lock-up Shares, in cash or otherwise;
- (c) deposit any of Lian Beng’s effective interest in any Lock-up Shares in any depository receipt facilities;
- (d) enter into a transaction which is designed to or which may reasonably be expected to result in any of the above; or
- (e) publicly announce any intention to do any of the above,

(collectively, the “Restricted Activities”),

for (i) in relation to all the Lock-up Shares, a period of six months commencing from the date of admission of our Company to Catalist (the “First Lock-Up Period”), and (ii) in relation to no more than 50.0% of such Lock-up Shares (adjusted for any bonus issue or sub-division of shares), a period of six months immediately following the First Lock-up Period.

The above restrictions shall not apply to prohibit our Company, during the moratorium period, from being able to issue the 238,000,000 New Shares pursuant to the Invitation.

VALUATION

As at 30 November 2017, the unaudited pro forma NAV of our Group was S\$92.4 million. As at 31 January 2018, the valuations of the principal property development projects held by our Subsidiaries, Associated Companies and other companies in which we have an interest conducted by the Valuers, are set out in the table below. Please refer to Appendix H entitled “Summary Valuation Certificates” of this Offer Document for further details.

Project name	Effective interest held by our Group (%)	Market value ⁽¹⁾ (S\$ million)	Gross development value ⁽¹⁾ (S\$ million)	Estimated development profits ⁽¹⁾ (S\$ million)
<u>Singapore</u>				
Khong Guan Industrial Building <i>20 Mactaggart Road</i>	100.0	40.3	71.2	14.2
50 Lorong 21 Geylang	100.0	12.1	21.8	4.4
T-Space @ Tampines <i>1 Tampines North Drive 1</i>	51.0	32.6 ⁽²⁾	121.8 ⁽³⁾	15.9 ⁽⁴⁾
31/A to 39/A (Odd Nos.) and 41 to 51 (Odd Nos.) Lorong 24 Geylang	42.0	25.2	43.6	4.4
Hexacube <i>160 Changi Road</i>	40.0	19.1 ⁽⁵⁾	—	7.1 ⁽⁶⁾
Rio Casa <i>Blocks 344-350 Hougang Avenue 7</i>	20.0	177.0	304.2	39.1
Serangoon Ville <i>Blocks 128-134 Serangoon North Avenue 1</i>	20.0	153.2	254.2	32.2
Floravista <i>7 Ang Mo Kio Street 66</i>	10.0	5.3 ⁽⁷⁾	—	— ⁽⁸⁾
<u>PRC</u>				
Sino-Singapore Health City (Gaobeidian Project) ⁽⁹⁾	Refer to Note (10)	13.5 ⁽¹¹⁾	74.8 ⁽¹¹⁾	18.3 ⁽¹¹⁾
Total		478.3	891.6	135.6

Notes:

- (1) Based on our Group's shareholding interests in the companies undertaking the respective projects.
- (2) Refers to our share of the market value (as-is basis) of the 85 unsold units as at 31 January 2018.
- (3) Refers to our share of the gross development value of the whole project, comprising the gross development value of the 85 unsold units of S\$39.4 million, and sale proceeds of the sold units of S\$82.4 million.
- (4) Refers to our share of the estimated development profits of the whole project.
- (5) Refers to our share of the market value (as-is basis) of the 24 unsold units as at 31 January 2018.
- (6) As this is a completed project, our share of the estimated development profits is based on the market value (as-is basis) of the 24 unsold units, after deducting the total development cost of unsold units recorded as at 30 November 2017, and adjusted for the sale of 1 unit (at S\$1.6 million) which was completed subsequent to 30 November 2017.

VALUATION

- (7) Refers to our share of the market value (as-is basis) of the 26 unsold commercial units at 7 Ang Mo Kio Street 66, Floravista as at 31 January 2018.
- (8) As this is a completed project, our share of the estimated development profits, which is less than S\$0.1 million, is based on the market value (as-is basis) of the 26 unsold commercial units at 7 Ang Mo Kio Street 66, Floravista, after deducting the carrying value of the unsold commercial units as at 30 November 2017.
- (9) These plots of land are located at (i) North Side of Kanghua Road, West Side of Guihua Road, (ii) North Side of Antai Road, West Side of Sunmansa Village, (iii) South Side of Zhengyang Road, West Side of Sunmansa Village, (iv) North Side of Antai Road, East Side of Sunmansa Village, (v) South Side of Zhengyang Road, East Side of Guihua Road, (vi) South Side of Zhengyang Road, West Side of Guihua Road, (vii) North Side of Hexie Road, West Side of Guihua Road, (viii) South Side of Antai Road, East Side of Guihua Road, (ix) North Side of Hexie Road, and (x) South Side of Antai Road, East Side of Guihua Road.
- (10) Our Company holds an effective equity interest varying from 9.0% to 10.0% in the respective PRC Group Companies which holds the land use rights of the lands for this project, further details of which are set out in note (10) of the section entitled "Group Structure" of this Offer Document.
- (11) The gross development value and the estimated development profits of the respective projects are converted to S\$ based on the closing exchange rate of S\$1: RMB4.807 as at 31 January 2018.

Subsequent to 30 November 2017, Development 24, our Associated Company in which our Group holds 42.0% shareholding interest, exercised the option to purchase the odd numbered properties at 31/A to 39/A (Odd Nos.) and 41 to 51 (Odd Nos.) Lorong 24 Geylang, Singapore from The One Residence Pte. Ltd. The acquisition was completed on 5 March 2018.

Please refer to the section entitled "General Information on our Group – Business Overview" of this Offer Document for further details about our property development projects.

RESTRUCTURING EXERCISE

On 17 October 2017, our Company was incorporated in Singapore with company registration number 201729864H with an issued and paid-up share capital of S\$10, comprising 10 Shares, held by our Controlling Shareholder, Lian Beng. We undertook the following Restructuring Exercise to streamline and rationalise our Group structure in connection with the Invitation:

(i) Acquisition of LBD (Serangoon) and Rio Casa Venture

On 23 October 2017, Lian Beng transferred to our Company (i) 10 shares in LBD (Serangoon) at a consideration of S\$10, and (ii) 800,000 shares in Rio Casa Venture at a consideration of S\$800,000. The consideration was based on the issued and paid-up share capital for these companies of S\$10 and S\$800,000 respectively and payable by our Company in cash, which was added to the total amounts owing by our Company to Lian Beng.

(ii) Acquisition of Smooth Venture, Goldprime Investment, LBD (Midtown), Spottiswoode Development, Luxe Development, Starview Investment, Wealth Development, Wealth Property, LBD (China), Goldprime Land and Wellprime

Pursuant to a restructuring agreement dated 23 March 2018 (“**Restructuring Agreement**”) between our Company and Lian Beng, our Company acquired all of the issued and paid-up ordinary shares held by Lian Beng in Smooth Venture, Goldprime Investment, LBD (Midtown), Spottiswoode Development, Luxe Development, Starview Investment, Wealth Development, Wealth Property, LBD (China), Goldprime Land and Wellprime at an aggregate consideration of S\$33,648,446, which was determined taking into account the unaudited NAV of these companies as at 30 November 2017, details of which are set out in the table below. The aggregate consideration was satisfied by way of the allotment and issuance of an aggregate of 33,648,446 Shares at S\$1 per Share to Lian Beng as follows:

Name of Company	Unaudited NAV as at 30 November 2017 (S\$)	Number of Shares issued to Lian Beng ⁽¹⁾
Smooth Venture	6,057,095	6,057,095
Goldprime Investment	3,577,767	3,577,767
LBD (Midtown)	4,892,843	4,892,843
Spottiswoode Development	9,790,009	9,790,009
Luxe Development	6,307,727	6,307,727
Starview Investment	278,473	278,473
Wealth Development	36,171	36,171
Wealth Property	1,717,266	1,717,266
LBD (China)	(2,142,031)	1
Goldprime Land	(1,388,647)	1
Wellprime	991,093	991,093
Total number of Shares issued to Lian Beng		33,648,446

Note:

- (1) Where the unaudited NAV of the relevant company is negative as at 30 November 2017, a nominal consideration of S\$1 was paid to Lian Beng for the acquisition of the shares of these companies.

RESTRUCTURING EXERCISE

Subsequent to 30 November 2017, one of the Group Companies, Spottiswoode Development, had declared an aggregate amount of dividends of S\$6.0 million to Lian Beng. The aforesaid S\$6.0 million was set-off against the amounts owing by our Group to Lian Beng upon the completion of the above acquisition. After completion, the aforesaid companies became our Subsidiaries and Associated Companies, and our issued and paid-up share capital increased to S\$33,648,456 comprising 33,648,456 Shares.

In connection with the Restructuring Agreement, we executed a deed of novation to assume the rights and obligations of Lian Beng under the joint venture agreement regulating the affairs of Wealth Development, and deeds of adherence to adhere to the terms of the joint venture agreements regulating the affairs of Wealth Property, Goldprime Land and Spottiswoode Development respectively.

(iii) Capitalisation of shareholders' loans

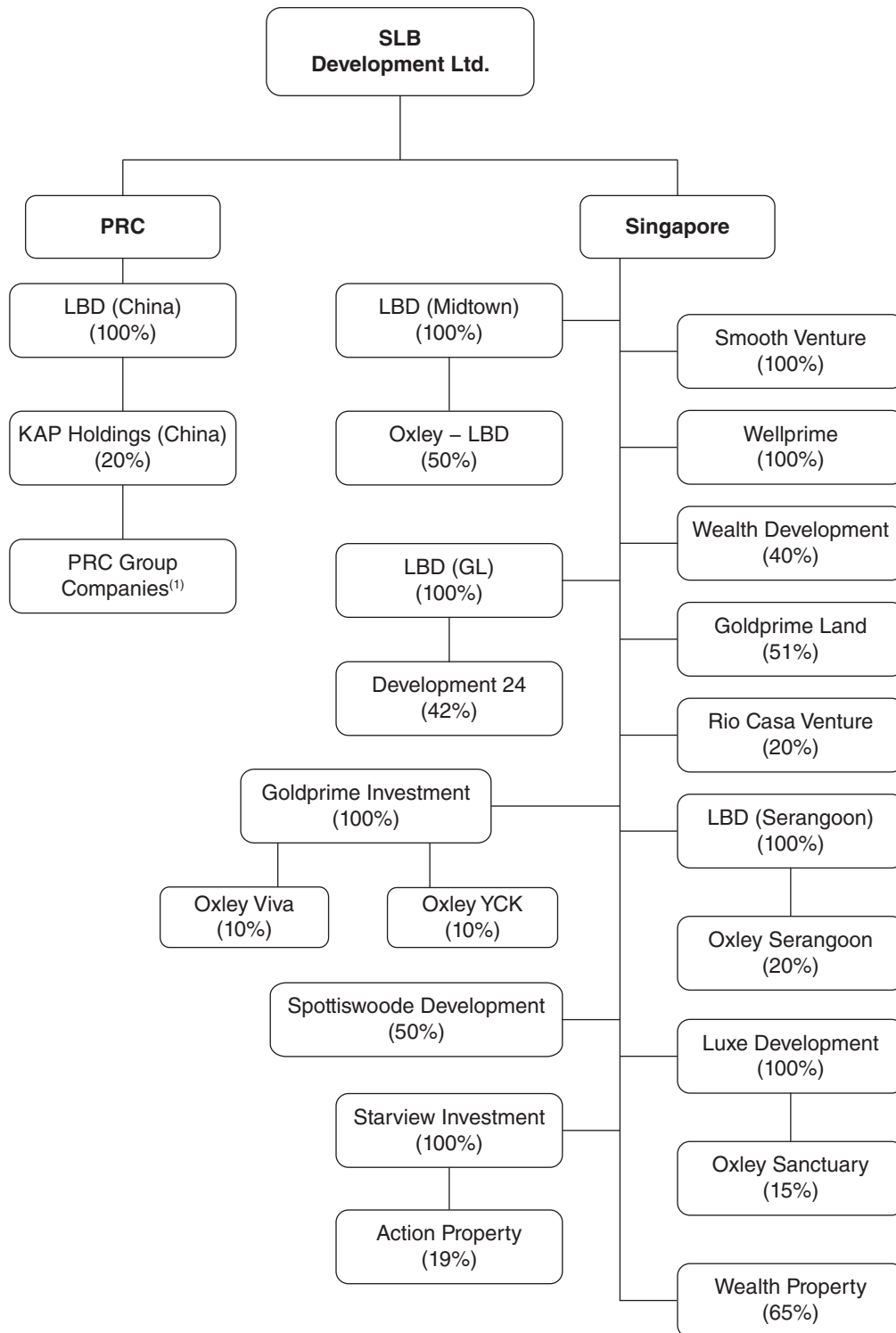
As at the Latest Practicable Date, shareholders' loans of an aggregate amount of S\$87.2 million were extended by Lian Beng to our Group (after taking into account the set-off of S\$6.0 million mentioned in paragraph (ii) above). As part of the Restructuring Exercise and pursuant to the Restructuring Agreement, on 23 March 2018, S\$60.0 million of the shareholders' loan was capitalised and 60,000,000 Shares were issued to Lian Beng. Upon completion of the aforesaid capitalisation, our issued and paid-up share capital increased to S\$93,648,456 comprising 93,648,456 Shares.

(iv) Sub-division

On 23 March 2018, Lian Beng approved the sub-division of 93,648,456 Shares in the capital of our Company into 675,000,000 Shares.

GROUP STRUCTURE

The structure of our Group at the date of this Offer Document is as follows:



Note:

- (1) The PRC Group Companies comprise Sino-Singapore KAP Construction Co., Ltd (阿尔伯特园置业有限公司), Gaobeidian City KAP Real Estate Development Co., Ltd. (高碑店市阿尔伯特园房地产开发有限公司), Hebei Xuxing Investment Co., Ltd. (河北戌兴实业有限公司) and Hebei Yuezhi Real Estate Development Co., Ltd. (河北悦致房地产开发有限公司), in which our Company has an effective equity interest of 10.0%, 10.0%, 10.0% and 10.0% respectively.

GROUP STRUCTURE

The details of our Subsidiaries as at the date of this Offer Document are as follows:

Name	Date and place of incorporation	Principal place of business	Principal activity	Issued and paid-up share capital (S\$)	Percentage equity interest held by our Group
Smooth Venture	18 November 1998, Singapore	Singapore	Property development	500,000	100.0%
Goldprime Investment	9 May 2008, Singapore	Singapore	Investment holding	10	100.0%
LBD (Midtown)	2 December 2010, Singapore	Singapore	Investment holding	1	100.0%
Luxe Development	31 January 2012, Singapore	Singapore	Investment holding	10	100.0%
Starview Investment	29 October 2012, Singapore	Singapore	Investment holding	1	100.0%
Wealth Property	11 July 2013, Singapore	Singapore	Property development	1,000,000	65.0% ⁽¹⁾
LBD (China)	8 November 2013, Singapore	Singapore	Investment holding	10	100.0%
Goldprime Land	1 October 2014, Singapore	Singapore	Property development	1,000,000	51.0% ⁽²⁾
Wellprime	31 May 2017, Singapore	Singapore	Property development	1,000,000	100.0%
LBD (Serangoon)	26 July 2017, Singapore	Singapore	Investment holding	10	100.0%
LBD (GL)	14 November 2017, Singapore	Singapore	Investment holding	10	100.0%

The details of our Associated Companies as at the date of this Offer Document are as follows:

Name	Date and place of incorporation	Principal place of business	Principal activity	Issued and paid-up share capital (S\$)	Effective equity interest held by our Group
Oxley Viva	14 March 2011, Singapore	Singapore	Property development	1,000,000	10.0% ⁽³⁾
Oxley YCK	14 March 2011, Singapore	Singapore	Property development	1,000,000	10.0% ⁽⁴⁾
Oxley-LBD	28 October 2011, Singapore	Singapore	Property development	1,000,000	50.0% ⁽⁵⁾
Spottiswoode Development	14 November 2011, Singapore	Singapore	Property development	1,000,000	50.0% ⁽⁶⁾
Oxley Sanctuary	27 March 2012, Singapore	Singapore	Property development	1,000,000	15.0% ⁽⁷⁾
Action Property	25 September 2012, Singapore	Singapore	Property development	1,000,000	19.0% ⁽⁸⁾

GROUP STRUCTURE

Name	Date and place of incorporation	Principal place of business	Principal activity	Issued and paid-up share capital (S\$)	Effective equity interest held by our Group
Wealth Development	6 February 2013, Singapore	Singapore	Property development	500,000	40.0% ⁽⁹⁾
KAP Holdings (China) ⁽¹⁰⁾	19 November 2013, Singapore	Singapore	Investment holding	100	20.0% ⁽¹¹⁾
Rio Casa Venture	8 December 2015, Singapore	Singapore	Property development	4,000,000	20.0% ⁽¹²⁾
Oxley Serangoon	25 July 2017, Singapore	Singapore	Property development	4,000,000	20.0% ⁽¹³⁾
Development 24	17 October 2017, Singapore	Singapore	Property development	2,000,000	42.0% ⁽¹⁴⁾

Notes:

- (1) The Legacy Industrial (Mandai) Pte. Ltd. holds the remaining 35.0% equity interest in Wealth Property.
- (2) Oxley Holdings Limited holds the remaining 49.0% equity interest in Goldprime Land.
- (3) Oxley Holdings Limited and Unique Consortium Pte. Ltd. hold the remaining 55.0% and 35.0% of the equity interests in Oxley Viva respectively.
- (4) Oxley Holdings Limited and Unique Consortium Pte. Ltd. hold the remaining 55.0% and 35.0% of the equity interests in Oxley YCK respectively.
- (5) Oxley Holdings Limited holds the remaining 50.0% equity interest in Oxley-LBD.
- (6) Centurion Properties Pte. Ltd. holds the remaining 50.0% equity interest in Spottiswoode Development.
- (7) Oxley Holdings Limited and Unique Rezi Pte. Ltd. hold the remaining 55.0% and 30.0% of the equity interests in Oxley Sanctuary respectively.
- (8) Oxley Holdings Limited and Sunview Pte. Ltd. hold the remaining 51.0% and 30.0% of the equity interests in Action Property respectively.
- (9) Kim Seng Heng Realty Pte. Ltd. and Development 16 Pte. Ltd. hold the remaining 30.0% and 30.0% of the equity interests in Wealth Development respectively.
- (10) Our Company, through KAP Holdings (China), has an effective equity interest in the PRC Group Companies, comprising Sino-Singapore KAP Construction Co., Ltd (阿尔伯特园置业有限公司), Gaobeidian City KAP Real Estate Development Co., Ltd. (高碑店市阿尔伯特园房地产开发有限公司), Hebei Xuxing Investment Co., Ltd. (河北戌兴实业有限公司) and Hebei Yuezhi Real Estate Development Co., Ltd. (河北悦致房地产开发有限公司) of 10.0%, 10.0%, 9.0% and 10.0% respectively. The shareholders directly holding the remaining equity interests of the PRC Group Companies are independent third parties in relation to our Company.
- (11) Oxley China Pte. Ltd., Prospere Development Pte. Ltd., and Zap Investments (China) Pte. Ltd. hold the remaining 55.0%, 15.0% and 10.0% of the equity interests in KAP Holdings (China) respectively.
- (12) Oxley Holdings Limited, KSH Development Pte. Ltd., and Apricot Capital Pte. Ltd. hold the remaining 35.0%, 35.0% and 10.0% of the equity interests in Rio Casa Venture respectively.
- (13) Oxley Holdings Limited, Apricot Capital Pte. Ltd., and Unique Invesco Pte. Ltd. hold the remaining 40.0%, 20.0% and 20.0% of the equity interests in Oxley Serangoon respectively.
- (14) Kim Seng Heng Realty Pte. Ltd. and Heeton Homes Pte. Ltd. hold the remaining 48.0% and 10.0% of the equity interests in Development 24 respectively.

GROUP STRUCTURE

Ong Lay Koon, our Non-Executive Non-Independent Chairman, has a shareholding interest not exceeding 1.0% in Oxley Holdings Limited, KSH Holdings Limited and TEE Land Limited. Owi Kek Hean, our Lead Independent Director, has a shareholding interest not exceeding 1.0% in Oxley Holdings Limited. Ong Pang Aik, our deemed Controlling Shareholder, has a shareholding interest not exceeding 1.0% in KSH Holdings Limited, TEE Land Limited and Heeton Holdings Limited. The aforesaid listed companies participate in joint ventures with us either directly or through companies in which they have an interest.

Save as aforesaid, all joint venture partners of our above-mentioned Subsidiaries and Associated Companies are independent third parties in relation to our Company.

None of our Subsidiaries and Associated Companies is listed on any stock exchange. Our Controlling Shareholder, Lian Beng, is listed on the Main Board of the SGX-ST.

SELECTED COMBINED FINANCIAL INFORMATION

The following selected financial information of our Group should be read in conjunction with the full text of this Offer Document, including the “Audited Combined Financial Statements for the Financial Years Ended 31 May 2015, 2016 and 2017”, the “Interim Condensed Unaudited Financial Information for the Six-Month Period Ended 30 November 2017” and the “Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 31 May 2017 and the Six-Month Period Ended 30 November 2017” as set out in Appendices A, B and C respectively, and the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

COMBINED STATEMENTS OF COMPREHENSIVE INCOME⁽¹⁾

	Audited			Unaudited	
(S\$'000)	FY2015	FY2016	FY2017	HY2017	HY2018
Revenue	—	—	87,631	—	—
Cost of sales	—	—	(72,700)	—	—
Gross profit	—	—	14,931	—	—
Other operating income	703	1,325	900	371	805
Sales and marketing expenses	(1,749)	(957)	(1,860)	(1,589)	(1,375)
Administrative expenses	(92)	(144)	(258)	(63)	(138)
Other operating expenses	(—)	(5)	(534)	(3)	(207)
Finance costs	(1,647)	(1,713)	(791)	(355)	(321)
Share of results of joint ventures and associates	32,081	70,360	8,187	9,275	1,322
Fair value (loss)/gain on investment property	—	—	(930)	—	7,041
Profit before taxation	29,296	68,866	19,645	7,636	7,127
Taxation (expense)/credit	(28)	(5)	(361)	(5)	229
Profit for the year/period, net of taxation	29,268	68,861	19,284	7,631	7,356
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation gain/(loss)	—	182	(249)	(103)	(17)
Other comprehensive income for the year/period, net of taxation	—	182	(249)	(103)	(17)
Total comprehensive income for the year/period	29,268	69,043	19,035	7,528	7,339
Profit/(loss) attributable to:					
Owners of the Company	29,866	69,413	15,847	8,456	7,738
Non-controlling interests	(598)	(552)	3,437	(825)	(382)
	29,268	68,861	19,284	7,631	7,356

SELECTED COMBINED FINANCIAL INFORMATION

(S\$'000)	----- Audited -----			----- Unaudited -----	
	FY2015	FY2016	FY2017	HY2017	HY2018
Total comprehensive income attributable to:					
Owners of the Company	29,866	69,595	15,598	8,353	7,721
Non-controlling interests	(598)	(552)	3,437	(825)	(382)
	<u>29,268</u>	<u>69,043</u>	<u>19,035</u>	<u>7,528</u>	<u>7,339</u>
 Pre-Invitation EPS (cents) ⁽²⁾	 4.42	 10.28	 2.35 ⁽⁴⁾	 1.25	 1.15
 Post-Invitation EPS (cents) ⁽³⁾	 3.27	 7.60	 1.74 ⁽⁴⁾	 0.93	 0.85

Notes:

- (1) Our combined statements of comprehensive income for the Period Under Review have been prepared on the basis that our Group had been in existence throughout the Period Under Review.
- (2) 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.
- (3) 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.
- (4) Had the Service Agreement been in place with effect from 1 June 2016, the net profit after tax attributable to owners of the Company for FY2017 would have been S\$15.0 million, and the pre-Invitation EPS and the post-Invitation EPS would have been 2.23 cents and 1.65 cents respectively.

SELECTED COMBINED FINANCIAL INFORMATION

COMBINED STATEMENT OF FINANCIAL POSITION OF OUR GROUP⁽¹⁾

(S\$'000)	Unaudited As at 30 November 2017	Audited As at 31 May 2017
ASSETS		
Non-current asset		
Plant and equipment	4	4
Investment property	–	31,050
Investment in joint ventures and associates	22,827	39,455
Deferred tax assets	762	533
Total non-current assets	23,593	71,042
Current assets		
Development properties	213,913	120,745
Trade receivables	25,636	10,766
Other receivables and deposits	175	59
Amount due from a related company	–	10
Amounts due from holding company	4,500	35,717
Amounts due from joint ventures and associates	45,703	51,885
Cash and cash equivalents	21,157	26,284
Total current assets	311,084	245,466
Total assets	334,677	316,508
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	68,775	36,747
Accruals	2,214	2,178
Amounts due to related companies	25,075	17,986
Amounts due to joint ventures and associates	10,175	18,805
Amounts due to holding company	60,370	60,124
Bank loans	89,445	10,000
Amount due to non-controlling interest	9,776	9,776
Provision for taxation	1,097	2,182
Total current liabilities	266,927	157,798
Non-current liabilities		
Bank loans	35,790	96,724
Total liabilities	302,717	254,522
Net assets	31,960	61,986
Equity attributable to owners of the Company		
Share capital	33,649	33,649
Merger reserve	(30,288)	(31,288)
Foreign currency translation reserve	(84)	(67)
Retained earnings	29,093	59,720
	32,370	62,014
Non-controlling interests	(410)	(28)
Total equity	31,960	61,986
NAV per Share (cents) ⁽²⁾	4.80	9.19

Notes:

- (1) Our combined statement of financial position as at 31 May 2017 and 30 November 2017 have been prepared on the basis that our Group had been in existence on those dates.
- (2) 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.

SELECTED COMBINED FINANCIAL INFORMATION

SUMMARY UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

You should read the following selected unaudited pro forma combined financial information for the periods and as at the dates indicated, in conjunction with the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document and our unaudited pro forma combined financial information and the accompanying notes as set out in Appendix C of this Offer Document.

Our selected unaudited pro forma combined financial information has been prepared for illustrative purposes only and has been prepared based on certain assumptions and after making certain adjustments to show what the unaudited pro forma combined cash flow statements of our Group for FY2017 and for HY2018 would have been if the:

- Declaration of dividends by subsidiaries and joint ventures;
- Capitalisation of amounts due to holding company – *Lian Beng*;
- Additional investment in associates – *Rio Casa Venture, Oxley Serangoon, Development 24*; and
- Acquisition of development properties by subsidiaries and associates – *Wellprime, Oxley Serangoon, Rio Casa Venture, Development 24*.

(collectively, the “Significant Events”), had occurred on 1 June 2016 and what the unaudited pro forma combined statement of financial position of our Group as at 31 May 2017 and 30 November 2017 would have been if the Significant Events had occurred on 31 May 2017 and 30 November 2017 respectively. Due to the nature of the unaudited pro forma combined financial information, such unaudited pro forma combined financial information are not necessarily indicative of the financial position and of the cash flows that would have been attained had the Significant Events actually occurred earlier.

Our selected unaudited pro forma combined financial information has been prepared and presented on the basis set forth in Note 3 of our unaudited pro forma combined financial information. See Notes 2 and 3 of our unaudited pro forma combined financial information for the key adjustments and assumptions made for the preparation of our selected unaudited pro forma combined financial information.

No unaudited pro forma combined statement of comprehensive income has been presented as the pro forma adjustments arising from the Significant Events do not impact the statement of comprehensive income.

Please refer to the “Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 31 May 2017 and the Six-Month Period Ended 30 November 2017” as set out in Appendix C of this Offer Document for the basis of preparation of the unaudited pro forma combined financial information of our Group.

SELECTED COMBINED FINANCIAL INFORMATION

Unaudited Pro Forma Combined Statements Of Financial Position Of Our Group

(S\$'000)	Unaudited Pro Forma As at 30 November 2017	Unaudited Pro Forma As at 31 May 2017
Non-current assets		
Plant and equipment	4	4
Investment property	–	31,050
Investment in joint ventures and associates	17,247	35,475
Deferred tax assets	762	533
	18,013	67,062
Current assets		
Development properties	213,913	132,894
Trade receivables	25,636	10,766
Other receivables and deposits	175	59
Amount due from a related company	–	10
Amount due from holding company	4,500	–
Amounts due from joint ventures and associates	71,194	99,045
Cash and cash equivalents	21,157	26,284
	336,575	269,058
Current liabilities		
Trade and other payables	68,775	36,747
Accruals	2,214	2,178
Amounts due to related companies	25,075	17,986
Amounts due to joint ventures and associates	10,175	18,805
Amounts due to holding company	20,281	48,661
Bank loans	89,445	10,000
Amounts due to non-controlling interests	9,776	9,776
Provision for taxation	1,097	2,182
	226,838	146,335
Net current assets	109,737	122,723
Non-current liabilities		
Bank loans	35,790	106,164
Net assets	91,960	83,621
Equity attributable to owners of the Company		
Share capital	93,649	93,649
Merger reserve	(30,288)	(31,288)
Foreign currency translation reserve	(84)	(67)
Retained earnings	29,093	21,355
	92,370	83,649
Non-controlling interests	(410)	(28)
Total equity	91,960	83,621

SELECTED COMBINED FINANCIAL INFORMATION

Summary of Unaudited Pro Forma Combined Statement of Cash Flows:

(S\$'000)	-----Unaudited-----	
	HY2018	FY2017
Net cash flows used in operating activities	(20,680)	(1,590)
Net cash flows from/(used in) investing activities	46,899	(9,052)
Net cash flows (used in)/from financing activities	(31,346)	19,517
Net (decrease)/increase in cash and cash equivalents	(5,127)	8,875
Cash and cash equivalents ⁽¹⁾ at beginning of the period/year	26,284	17,409
Cash and cash equivalents ⁽¹⁾ at end of the period/year	21,157	26,284

Note:

- (1) Cash and cash equivalents comprise bank deposits (used as maintenance funds for our property development projects), bank deposits (not restricted in use) and project accounts which are bank balances held under the Housing Developers (Project Account) Rules (the use of which is restricted to payments for expenditure incurred on projects).

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following selected financial information of our Group should be read in conjunction with the full text of this Offer Document, including the “Audited Combined Financial Statements for the Financial Years Ended 31 May 2015, 2016 and 2017”, the “Interim Condensed Unaudited Financial Information for the Six-Month Period Ended 30 November 2017” and the “Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 31 May 2017 and the Six-Month Period Ended 30 November 2017” as set out in Appendices A, B and C respectively, from which the Group’s financial information has been derived.

References to “we”, “us”, “our”, “ourselves” or their other grammatical variations thereof in this section refer to our Company and Subsidiaries only, as we do not consolidate and only equity account for the results of our Associated Companies and other companies in which we have an interest.

This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause our future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Offer Document, particularly in the section entitled “Risk Factors” of this Offer Document. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumption by our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date hereof, further details of which are found in the section entitled “Cautionary Note on Forward-Looking Statements” of this Offer Document.

OVERVIEW

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. This enables us to diversify our business across various asset classes in the industry, so as to better manage our exposure to the fluctuations in demand and/or changes in regulations for each type of property development. 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.

Please refer to the section entitled “General Information on our Group – Business Overview” of this Offer Document for further details on our business.

Our Company was incorporated in Singapore on 17 October 2017 under the Companies Act as a private company limited by shares under the name “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. Please refer to the section entitled “Group Structure” of this Offer Document for further details on our Group structure.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Revenue

For the Period Under Review, we derived our revenue primarily from the development and sale of industrial properties. Our revenue from development and sale of industrial property is recognised using the completed contract method, when the significant risks and rewards of ownership of the property have been transferred to purchasers. Our revenue in FY2017 amounted to S\$87.6 million, resulting from the completion and handing over of our development property at Mandai Foodlink to the purchasers in April 2017. Notwithstanding that we have sold industrial property units at T-Space @ Tampines, and the construction of this property has commenced, there was no revenue recognised from the sale of the units for the Period Under Review. Barring unforeseen circumstances, we expect to recognise revenue from the sales of industrial property units at T-Space @ Tampines upon obtaining its TOP in FY2019.

Being a property development company, our revenue from the sale of development properties is project-based and may fluctuate from year to year. We anticipate that our revenue may be affected by, *inter alia*, the following major factors:

- (a) our ability to acquire new development sites at competitive prices;
- (b) our ability to complete our construction works and handover the completed property according to schedule;
- (c) the state of the economy in Singapore and in the region where our properties are situated;
- (d) our ability to compete against other property developers effectively in the markets that we operate, given the ease of entry by new competitors;
- (e) changes in government policies which affect (i) the demand for properties, such as restrictions on financing, the use of CPF for property purchases, or stamp duties on sale of properties; or (ii) the supply of properties, such as the sale of land sites for property development;
- (f) the greater macro-economy and its impact on interest rates; and
- (g) the ability to develop a strong reputation of being high quality property developer that places emphasis on quality.

Please refer to the section entitled "Risk Factors" of this Offer Document for other factors which may affect our revenue.

Cost of Sales

Our cost of sales for property development mainly comprises costs associated with the development of properties which include land costs and related stamp duties on land purchase, project development expenditure, construction costs, and interest expense incurred on project-related interest-bearing loans and borrowings. Project development expenditure included architectural fees and other professional fees paid to mechanical and electrical engineers, civil and structural engineers and land surveyors.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

For the Period Under Review, our costs of sales were primarily associated with the development and sale of industrial properties. Up to the date of completion of an industrial property development project, the costs directly attributable to the acquisition and construction of our development of industrial properties are capitalised, and will be recognised as cost of sales based on the completed contract method when the significant risks and rewards of ownership of the property have been transferred to the purchasers. Notwithstanding that the construction of Mandai Foodlink and T-Space @ Tampines commenced in February 2015 and February 2016 respectively, all the associated costs of development comprising land costs and related stamp duties on land purchase, project development expenditure, construction costs, and interest expense incurred on project-related loans and borrowings, were capitalised as part of the cost of the development properties. Therefore, no cost of sales was recorded in the profit or loss in FY2015, FY2016, HY2017 and HY2018.

Our cost of sales recognised in profit or loss for our development property is determined with reference to the costs incurred on the development property units sold. The breakdown of cost of sales by nature for Mandai Foodlink, which was recognised upon obtaining its TOP in FY2017, is as follows:

	FY2017	
	S\$'000	%
Land cost and stamp duty	21,943	30.2
Development expenditure	2,467	3.4
Interest cost	1,176	1.6
Property tax	624	0.9
Construction cost	46,490	63.9
Total	72,700	100.0

Our cost of sales may be affected by, *inter alia*, the following factors:

- (a) the acquisition cost of land, which is dependent on the location of and competition for the land;
- (b) the construction costs of our development properties, which may fluctuate with the prices of various construction materials such as rebars, ready-mix concrete and other materials. The cost of leasing for machinery and equipment may also fluctuate over time depending on changes in market supply and demand;
- (c) the costs of engaging contractors and professional consultants to provide construction and consultancy services which are in compliance with the regulatory standards and our strict requirements; and
- (d) the condition of the general economy and fluctuations in interest rates of our borrowings.

Please refer to the section entitled "Risk Factors" of this Offer Document for other factors which may affect our cost of sales.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Other Operating Income

Our other operating income amounted to S\$0.7 million, S\$1.3 million, S\$0.9 million, S\$0.4 million and S\$0.8 million in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively.

Our other operating income mainly comprise interest income from loans to our associates, rental income from investment property, Khong Guan Industrial Building at 20 Mactaggart Road, interest income from fixed deposits, and reversal of fair value loss on a derivative instrument.

Sales and Marketing Expenses

Our sales and marketing expenses amounted to S\$1.7 million, S\$1.0 million, S\$1.9 million, S\$1.6 million and S\$1.4 million in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively.

Sales and marketing expenses mainly comprise non-refundable commissions paid to sales or marketing agents on the sale of development property units, amortisation of show flats expenses and advertisement expenses. Non-refundable commissions paid to sales or marketing agents are expensed when incurred.

Administrative Expenses

Our administrative expenses amounted to S\$92,000, S\$0.1 million, S\$0.3 million, S\$63,000 and S\$0.1 million in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively.

Administrative expenses mainly comprise corporate expenses such as legal and consultancy fees, audit and professional fees, bank charges on loan facility arrangement, and other administrative expenses.

Other Operating Expenses

Our other operating expenses amounted to S\$5,000, S\$0.5 million, S\$3,000 and S\$0.2 million in FY2016, FY2017, HY2017 and HY2018 respectively. We did not incur any material other operating expenses in FY2015.

Our other operating expenses mainly comprise maintenance expenses relating to our investment property, Khong Guan Industrial Building at 20 Mactaggart Road, depreciation expenses related to office equipment, fair value loss on a derivative instrument and property tax.

Finance Costs

Our finance costs amounted to S\$1.6 million, S\$1.7 million, S\$0.8 million, S\$0.4 million and S\$0.3 million in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively.

Finance costs mainly comprise interest expenses charged by banks on our borrowings, including term loans for working capital purpose, and interest-bearing loans from our associates and joint ventures.

Finance costs incurred on project-related interest-bearing loans and borrowings are capitalised as costs of development up to the date of completion of the property development projects. The finance costs capitalised as part of the cost of development properties during the Period Under

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Review amounted to S\$0.7 million, S\$2.0 million, S\$2.2 million, S\$1.0 million and S\$1.3 million in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively. These expenses are recognised in our cost of sales only upon completion of construction, and when the significant risks and rewards of ownership of the relevant industrial property have been transferred to the purchasers.

Share of Results of Joint Ventures and Associates

Our share of results of joint ventures amounted to S\$22.3 million, S\$38.2 million, S\$5.9 million, S\$5.0 million and S\$1.2 million in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively. The share of profits of joint ventures for the Period Under Review was mainly derived from mixed-use and residential development projects namely, The Midtown & Midtown Residences and Spottiswoode Suites.

Our share of results of associates amounted to S\$9.7 million, S\$32.2 million, S\$2.3 million, S\$4.3 million and S\$0.1 million in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively. The share of profits of associates for the Period under Review was mainly derived from mixed-use development projects namely, NEWest and KAP & KAP Residences and the industrial development project, Eco-Tech @ Sunview undertaken by our associates.

Income Tax Expense

Our Group is subject to income tax at the applicable corporate tax rate in Singapore. The statutory corporate tax rate in Singapore and effective tax rates applicable to our Group during the Period Under Review are set out as follows:

	FY2015	FY2016	FY2017	HY2017	HY2018
Prevailing statutory corporate tax rate in Singapore (%)	17.0	17.0	17.0	17.0	17.0
Effective tax rate of our Group (%)	—*	—*	1.8	—*	nm

Note:

* Less than 0.1%

Our income tax expenses amounted to S\$28,000, S\$5,000, S\$0.4 million and S\$5,000 in FY2015, FY2016, FY2017 and HY2017 respectively, which translated to an effective tax rate of less than 0.1% in FY2015, FY2016 and HY2017, and 1.8% in FY2017. Our income tax credit in HY2018 of S\$0.2 million was derived from recognition of deferred tax assets on our unutilised tax losses.

Our Group's effective tax rate for each of FY2015, FY2016, FY2017 and HY2017 was lower than the Singapore statutory corporate tax rate of 17.0% as the Group's profits are mainly derived from its share of results from associates and joint ventures and associates, which is net of tax.

SEASONALITY

Generally, our business activities are not subject to any significant seasonal fluctuations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

INFLATION

Inflation in Singapore did not have a material impact on our operating performance during the Period Under Review.

REVIEW OF RESULTS OF OPERATIONS

For the Period Under Review, we derived revenue predominantly from property developments in Singapore. Hence, our Group has only one major operating segment (being property development) and one geographical segment (being Singapore).

FY2015 vs FY2016

Revenue

In FY2015 and 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.

Cost of Sales

In FY2015 and FY2016, we did not record any cost of sales from the sale of development properties as none of our development projects were completed and handed over to purchasers.

Gross Profit and Gross Profit Margin

In FY2015 and FY2016, no gross profit was recorded as we did not record any revenue or cost of sales from the sale of development properties.

Other Operating Income

Our other operating income increased by S\$0.6 million or 88.5% from S\$0.7 million in FY2015 to S\$1.3 million in FY2016 mainly due to an increase in interest income received from associates amounting to S\$0.6 million.

Sales and Marketing Expenses

Our sales and marketing expenses decreased by S\$0.7 million or 45.3% from S\$1.7 million in FY2015 to S\$1.0 million in FY2016. The sales and marketing expenses in FY2015 mainly comprised selling commission and marketing expenses for our industrial project, Mandai Foodlink. The sales and marketing expenses in FY2016 mainly comprised selling commission and marketing expenses for the initial sales launch for our industrial project, T-Space @ Tampines.

Administrative Expenses

Our administrative expenses increased by S\$52,000 or 56.5% from S\$92,000 in FY2015 to S\$144,000 in FY2016 mainly due to the increase in audit fees, professional fees, and bank facility charges for loans and borrowings.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Other Operating Expenses

Our other operating expenses was S\$5,000 in FY2016 and primarily comprised depreciation expense on office equipment.

Finance Costs

Our finance costs increased marginally by S\$66,000 or 4.0% from S\$1.6 million in FY2015 to S\$1.7 million in FY2016 mainly due to the increase in interest expenses from bank loans.

Share of Results of Joint Ventures and Associates

Share of results of joint ventures increased by S\$15.9 million or 70.9% from S\$22.3 million in FY2015 to S\$38.2 million in FY2016 mainly due to recognition of our share of profits of joint ventures from the mixed-use and residential development projects namely, The Midtown & Midtown Residences and Spottiswoode Suites as the construction of these projects progressed.

Share of results of associates increased by S\$22.5 million or 230.3% from S\$9.7 million in FY2015 to S\$32.2 million in FY2016 mainly due to recognition of our share of profits of associates from the mixed-use development projects in FY2016 namely, NEWest and KAP & KAP Residences, as the construction of these projects progressed, and the one-off profit recognition upon TOP from the industrial development project, Eco-Tech @ Sunview.

Profit Attributable to Owners of the Company

As a result of the above, our profit attributable to owners of the Company increased by S\$39.5 million or 132.4% from S\$29.9 million in FY2015 to S\$69.4 million in FY2016.

FY2016 vs FY2017

Revenue

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.

Cost of Sales

Our cost of sales of S\$72.7 million was recognised in FY2017 upon Mandai Foodlink obtaining TOP in FY2017.

Gross Profit and Gross Profit Margin

Our gross profit recorded in FY2017 amounted to S\$14.9 million or 17.0% of our revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Other Operating Income

Our other operating income decreased by S\$0.4 million or 32.1% from S\$1.3 million in FY2016 to S\$0.9 million in FY2017 mainly due to (a) a decrease in interest income on loan to our associates amounting to S\$0.5 million and (b) an absence of interest income from joint ventures of S\$0.1 million in FY2017, offset by an increase in rental income from our investment property, Khong Guan Industrial Building at 20 Mactaggart Road of S\$0.2 million.

Sales and Marketing Expenses

Our sales and marketing expenses increased by S\$0.9 million or 94.4% from S\$1.0 million in FY2016 to S\$1.9 million in FY2017 mainly due to an increase in sales commission expenses as a result of an increase in property units sold from our industrial development project, T-Space @ Tampines.

Administrative Expenses

Our administrative expenses increased by S\$114,000 or 79.2% from S\$144,000 in FY2016 to S\$258,000 in FY2017 mainly due to an increase in audit fees, professional fees, legal and consultancy fees, and bank facility charges.

Other Operating Expenses

Our other operating expenses increased by approximately S\$0.5 million from S\$5,000 in FY2016 to S\$0.5 million in FY2017 mainly due to a fair value loss on a derivative instrument amounting to S\$0.4 million. The derivative instrument is a hedging facility entered into by Goldprime Land to hedge the interest rate exposure of a term loan for the financing of the acquisition of 1 Tampines North Drive 1.

Finance Costs

Our finance cost decreased by S\$0.9 million or 53.8%, from S\$1.7 million in FY2016 to S\$0.8 million in FY2017 mainly due to a decrease in interests expenses on loans from joint ventures and associates.

Share of Results of Joint Ventures and Associates

Share of results of joint ventures decreased 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.

Share of results of associates decreased 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 of 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Profit attributable to owners of the Company

As a result of the above, our profit attributable to owners of the Company decreased by S\$53.6 million or 77.2%, from S\$69.4 million in FY2016 to S\$15.8 million in FY2017.

HY2017 vs HY2018

Revenue

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.

Cost of Sales

In HY2017 and HY2018, we did not record any cost of sales from the sale of development properties as none of our development projects were completed and handed over to the purchasers.

Gross Profit and Gross Profit Margin

In HY2017 and HY2018, no gross profit was recorded as we did not record any revenue or cost of sales from the sale of development properties.

Other Operating Income

Our other operating income increased by S\$0.4 million or 117.0%, from S\$0.4 million in HY2017 to S\$0.8 million in HY2018 mainly due to (a) an increase in rental income from our investment property, Khong Guan Industrial Building at 20 Mactaggart Road of S\$0.2 million and (b) reversal of fair value loss on derivative instrument amounted to S\$0.4 million, partially offset by a decrease in interest income from associates of S\$0.3 million.

Sales and Marketing Expenses

Our sales and marketing expenses decreased by S\$0.2 million or 13.5% from S\$1.6 million in HY2017 to S\$1.4 million in HY2018 mainly due to a decrease in units sold for our industrial development project, T-Space @ Tampines.

Administrative Expenses

Our administrative expenses increased by S\$75,000 or 119.0% from S\$63,000 in HY2017 to S\$138,000 in HY2018 mainly due to an increase in audit fee, professional fees, and legal and consultancy fees.

Other Operating Expenses

Our other operating expenses increased by S\$0.2 million from S\$3,000 in HY2017 to S\$0.2 million in HY2018 mainly due to an increase in maintenance cost for our investment property, Khong Guan Industrial Building at 20 Mactaggart Road and other operating expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Finance Costs

Our finance cost decreased by S\$34,000 or 9.6% from S\$355,000 in HY2017 to S\$321,000 in HY2018 mainly due to a decrease in interest on loans from associates of S\$255,000 offset by an increase in interest on bank loans of S\$220,000.

Share of Results of Joint Ventures and Associates

Share of results of joint ventures decreased 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.

Share of results of associates decreased 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.

Profit Attributable to Owners of the Company

As a result of the above, our profit attributable to owners of the Company decreased by S\$0.8 million or 8.5%, from a profit of S\$8.5 million in HY2017 to S\$7.7 million in HY2018.

REVIEW OF FINANCIAL POSITION

As at 31 May 2017

Current Assets

As at 31 May 2017, our current assets amounted to S\$245.5 million, representing 77.6% of total assets. Our current assets comprised the following:

- (a) **Development properties** which amounted to S\$120.7 million or 49.2% of total current assets, and comprised our industrial development project, T-Space @ Tampines. Development properties are the aggregate amount of costs incurred for the purchase of the land/properties for development, the construction costs incurred and other development expenditure. The development property was mortgaged to banks as security for bank loans extended to our Group, which are being used to finance the acquisition and construction costs for the development property.
- (b) **Trade receivables** which amounted to S\$10.8 million or 4.4% of total current assets, mainly comprised amounts due from customers on development properties units from T-Space @ Tampines and Mandai Foodlink.
- (c) **Other receivables and deposits** which amounted to S\$59,000, mainly comprised deposits paid.
- (d) **Amounts due from a related company, holding company, joint ventures and associates** which amounted to S\$87.6 million or 35.7% of total current assets, comprised (i) amount due from our holding company Lian Beng, of S\$35.7 million; and (ii) amounts due from our joint ventures and associates for loans and non-trade advances payments, of S\$51.9 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (e) **Cash and cash equivalents** amounted to S\$26.3 million or 10.7% of our total current assets, of which S\$16.7 million was held under the project accounts maintained in respect of the development projects. As the withdrawal of monies from the project accounts is regulated by the Housing Developers (Project Account) Rules, the monies in the project accounts are restricted to payments for the expenditure incurred on projects. The balance of S\$9.6 million comprised S\$0.3 million bank deposits (used as maintenance funds for our property development projects), and S\$9.3 million bank deposits (not restricted in use). There were no restrictions on the payment of the monies from the project accounts upon satisfaction of the conditions as stipulated in the Housing Developers (Project Account) Rules.

Non-Current Assets

As at 31 May 2017, our non-current assets amounted to S\$71.0 million, representing 22.4% of total assets. Our non-current assets comprised the following:

- (a) **Plant and equipment** of S\$4,000 which mainly comprised computer equipment.
- (b) **Investment property** which amounted to S\$31.0 million or 43.7% of total non-current assets, comprised an industrial property, Khong Guan Industrial Building at 20 Mactaggart Road.
- (c) **Investment in joint ventures and associates** which amounted to S\$39.5 million or 55.5% of total non-current assets, comprised (i) our equity interests in investments in the joint ventures for the property development projects, namely The Midtown & Midtown Residences and Spottiswoode Suites, and (ii) our equity interests in investments in associates for the property development projects namely, Hexacube, NEWest, KAP & KAP Residences, Eco-Tech @ Sunview, Floravista, Floraview, and Floraville and the Gaobeidian Project.
- (d) **Deferred tax assets** amounted to S\$0.5 million, or 0.8% of total non-current assets, mainly derived from recognition of tax benefits on unutilised tax losses.

Current Liabilities

As at 31 May 2017, our current liabilities amounted to S\$157.8 million, representing 62.0% of total liabilities. Our current liabilities comprised the following:

- (a) **Trade and other payables** amounted to S\$36.7 million or 23.3% of total current liabilities. Trade payables of S\$2.3 million mainly comprised GST payable of S\$2.0 million arising from our progressive billings to customers upon obtaining TOP on our industrial development project, Mandai Foodlink. Other payables amounted to S\$34.4 million, which comprised (i) derivative liability of S\$0.4 million; (ii) progress billing of S\$33.2 million for our property development project at T-Space @ Tampines; (iii) other payables of S\$0.7 million; and (iv) rental deposits received amounting to S\$76,000.
- (b) **Accruals** amounted to S\$2.2 million or 1.4% of total current liabilities, and mainly comprised accrued development cost of S\$1.9 million on our completed development property, Mandai Foodlink.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (c) **Amounts due to related companies, holding company, joint ventures and associates** amounted to S\$96.9 million or 61.4% of total current liabilities, and mainly comprised (i) amounts due to related companies, mainly Lian Beng Construction (1988) Pte Ltd and L.S. Construction Pte Ltd, of S\$18.0 million which are in relation to loans provided, construction cost payable and retention monies for defects liability period; (ii) amounts due to our joint ventures of S\$17.7 million; (iii) amounts due to our associates of S\$1.1 million; and (iv) amounts due to our holding company Lian Beng, relating to loans and advances of S\$60.1 million.
- (d) **Bank loans** amounted to S\$10.0 million or 6.3% of our total current liabilities, and comprised short-term loans from bank for working capital purposes, which are repayable within twelve months.
- (e) **Amount due to non-controlling interests** relates to loans provided by the minority shareholders of Goldprime Land, for the construction and development of T-Space @ Tampines. These amounted to S\$9.8 million or 6.2% of total current liabilities.
- (f) **Provision for taxation** amounted to S\$2.2 million or 1.4% of total current liabilities.

Non-Current Liabilities

As at 31 May 2017, our non-current liabilities which amounted to S\$96.7 million or 38.0% of total liabilities, mainly comprised non-current portion of interest-bearing bank borrowings obtained for the financing of the acquisition of Khong Guan Industrial Building, and the land and construction cost for T-Space @ Tampines.

Equity Attributable to Owners of the Company

As at 31 May 2017, equity attributable to owners of the Company amounted to S\$62.0 million.

As at 30 November 2017

Current Assets

As at 30 November 2017, our current assets amounted to S\$311.1 million, representing 93.0% of our total assets. Our current assets comprised the following:

- (a) **Development properties** which amounted to S\$213.9 million or 68.8% of total current assets, comprised our property development projects, namely T-Space @ Tampines of S\$163.6 million, 50 Lorong 21 Geylang of S\$12.2 million and Khong Guan Industrial Building of S\$38.1 million, the last of which was reclassified from investment property to development property upon obtaining provisional planning permission in October 2017. The development properties were mortgaged to banks as security for bank loans extended to our Group, which were used to finance the acquisition and construction costs for the development properties.
- (b) **Trade receivables** which amounted to S\$25.6 million or 8.2% of total current assets, mainly comprised amounts due from customers on development properties units from T-Space @ Tampines and Mandai Foodlink.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (c) **Other receivables and deposits** which amounted to S\$175,000 or 0.1% of total current assets, mainly comprised refundable deposits of S\$108,000 and prepayment for professional fees of S\$67,000.
- (d) **Amounts due from holding company, joint ventures and associates** which amounted to S\$50.2 million or 16.1% of total current assets, comprised (i) an amount due from our holding company Lian Beng of S\$4.5 million; and (ii) amounts due from our joint ventures and associates for loans and non-trade advances of S\$45.7 million;
- (e) **Cash and cash equivalents** amounted to S\$21.2 million or 6.8% of our total current assets, of which S\$6.9 million was held under the project accounts maintained in respect of the development projects. As the withdrawal of monies from the project accounts was regulated by the Housing Developers (Project Account) Rules, the monies in the project accounts are restricted to payments for expenditure incurred on projects. The balance of S\$14.3 million comprised S\$0.3 million bank deposits (used as maintenance funds for our property development projects), and S\$14.0 million bank deposits (not restricted in use). There were no restrictions on the payment of the monies from the project accounts upon satisfaction of the conditions as stipulated in the Housing Developers (Project Account) Rules.

Non-Current Assets

As at 30 November 2017, our non-current assets amounted to S\$23.6 million, representing 7.0% of total assets. Our non-current assets comprised the following:

- (a) **Plant and equipment** of S\$4,000 which mainly comprised computer equipment.
- (b) **Investment in joint ventures and associates** amounted to S\$22.8 million or 96.8% of total non-current assets, and comprised (i) our equity interests in investments in the joint ventures for the property development projects namely The Midtown & Midtown Residences and Spottiswoode Suites, and (ii) our equity interests in investments in associates for the property development projects namely, Hexacube, NEWest, KAP & KAP Residences, Eco-Tech @ Sunview, Floravista, Floraview, and Floraville, the Gaobeidian Project, Serangoon Ville and Rio Casa.
- (c) **Deferred tax assets** amounted to S\$0.8 million or 3.2% of total non-current assets.

Current Liabilities

As at 30 November 2017, our current liabilities amounted to S\$266.9 million, representing 88.2% of total liabilities. Our current liabilities comprised the following:

- (a) **Trade and other payables** amounted to S\$68.8 million or 25.8% of total current liabilities. Trade payables of S\$0.1 million mainly comprised amounts due to suppliers for services rendered. Other payables amounted to S\$68.7 million, and comprised; (i) progress billing of S\$68.0 million for T-Space @ Tampines; (ii) other payables of S\$0.6 million; and (iii) rental deposits received amounting to S\$0.1 million.
- (b) **Accruals** amounted to S\$2.2 million or 0.8% of total current liabilities, comprising mainly the accrued development cost of S\$1.6 million on our completed development property, Mandai Foodlink.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (c) **Amounts due to related companies, holding company, joint ventures and associates** amounted to S\$95.6 million or 35.8% of total current liabilities, and comprised (i) amounts due to related companies, Lian Beng Construction (1988) Pte Ltd and L.S. Construction Pte Ltd, of S\$25.1 million relating to loans provided, construction costs payable and retention monies for defects liability period; (ii) amounts due to our joint ventures of S\$4.5 million; (iii) amounts due to our associates of S\$5.6 million; and (iv) amounts due to our holding company, Lian Beng, relating to loans and advances of S\$60.4 million.
- (d) **Bank loans** amounted to S\$89.4 million or 33.5% of our total current liabilities, and comprised short-term bank loans of S\$2.0 million for working capital purposes, which are repayable within twelve months, and current portion of interest-bearing land and construction loan of S\$87.4 million for T-Space @ Tampines.
- (e) **Amount due to non-controlling interest** relates to loans provided by the minority shareholders of Goldprime Land, for the construction and development of T-Space @ Tampines. These amounted to S\$9.8 million or 3.7% of total current liabilities.
- (f) **Provision for taxation** of S\$1.1 million or 0.4% of total current liabilities.

Non-Current Liabilities

As at 30 November 2017, our non-current liabilities amounted to S\$35.8 million or 11.8% of total liabilities, comprising non-current portion of interest-bearing bank borrowings obtained for the financing of the acquisition of the development properties, namely Khong Guan Industrial Building and 50 Lorong 21 Geylang.

Equity Attributable to Owners of the Company

As at 30 November 2017, equity attributable to owners of the Company amounted to S\$32.4 million.

LIQUIDITY AND CAPITAL RESOURCES

For the Period Under Review, we financed our operations through a combination of shareholders' equity, cash flow from operations, loans and advances from the New Lian Beng Group, advances from joint ventures and associates, and borrowings from financial institutions. Our principal uses of cash have been for (i) the acquisition of properties for development; (ii) development, construction and marketing costs of our development properties; (iii) loans to joint ventures and associates; and (iv) working capital. Please refer to the section entitled "Interested Person Transactions" of this Offer Document for further details on the loans and advances from the New Lian Beng Group.

Based on the unaudited combined statement of financial position as at 30 November 2017, our equity attributable to owners of the Company amounted to S\$32.4 million and our sum of indebtedness amounted to S\$210.6 million, comprising bank loans, loans and non-trade advances from our Controlling Shareholder, related companies, joint ventures, associates and non-controlling interests of our Group. Our working capital ratio (defined as current assets divided by current liabilities) was 1.2 times and our gearing ratio (defined as the sum of indebtedness divided by equity attributable to owners of the Company) was 6.5 times.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Following the above, based on the unaudited pro forma combined statement of financial position as at 30 November 2017, our equity attributable to owners of the Company amounted to S\$92.4 million and our sum of indebtedness amounted to S\$170.5 million, comprising bank loans, loans and non-trade advances from our Controlling Shareholder, related companies, joint ventures, associates and non-controlling interests of our Group. Our net working capital amounted to S\$109.7 million, our working capital ratio was 1.5 times, and our gearing ratio was 1.8 times.

As at the Latest Practicable Date, we had cash and bank balances of S\$21.5 million, comprising S\$16.8 million related to project accounts which were bank balances held under the Housing Developers (Project Account) Rules (the use of which is subject to restrictions imposed by the aforementioned Rules), S\$0.3 million bank deposits (used as maintenance funds for our property development projects), and S\$4.4 million bank deposits (not restricted in use). Our available credit facilities amounted to S\$148.6 million, of which S\$125.6 million had been utilised and S\$23.0 million was unutilised. Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for further details.

On 14 February 2018, we entered into a shareholders' loan agreement with Lian Beng for Lian Beng to extend an aggregate sum of up to S\$80.0 million as shareholders' loans to our Company (the "**LB Loan Agreement**"). The total principal amount shall be repayable three years after the listing of our Company on the Catalist and interest shall accrue at a rate of 1.5% above the Singapore Interbank Offered Rate per annum, payable quarterly in arrears. Our Company has the option to make early repayment of the loan at our discretion, however, Lian Beng shall not have the right to demand for early repayment of any part of the loan, except upon the occurrence of an event of default provided for in the LB Loan Agreement or where it is no longer possible for Lian Beng to extend such loans due to any change in laws or regulations. The date of repayment may be extended on such terms as our Company may agree with Lian Beng.

Our Directors are of the reasonable opinion that, after taking into account: (i) the cash flow generated from our Group's operations, (ii) our Group's existing cash and bank balances, (iii) available credit facilities from financial institutions, and (iv) the LB Loan Agreement, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for our present requirements and for at least twelve months after the listing of our Company on Catalist.

The Sponsor and Issue Manager is of the reasonable opinion that, after having made due and careful enquiry and after taking into account: (i) the cash flow generated from the operations of our Group, (ii) our Group's existing cash and bank balances, (iii) available credit facilities from financial institutions, and (iv) the LB Loan Agreement, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for present requirements and for at least twelve months after the listing of our Company on Catalist.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following table sets out the summary of our Group's cash flows for FY2015, FY2016, FY2017, HY2017 and HY2018:

Summary of Combined Statement of Cash Flows:

	----- Audited -----			----- Unaudited -----	
(S\$'000)	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 ⁽¹⁾	12,935	1,779	8,875	8,952	(5,127)
Cash and cash equivalents ⁽¹⁾ at beginning of the year/period	2,695	15,630	17,409	17,409	26,284
Cash and cash equivalents ⁽¹⁾ at end of the year/period	15,630	17,409	26,284	26,361	21,157

Note:

- (1) Cash and cash equivalents comprise bank deposits (used as maintenance funds for our property development projects), bank deposits (not restricted in use) and project accounts which are bank balances held under the Housing Developers (Project Account) Rules (the use of which is restricted to payments for expenditure incurred on projects).

FY2015

In FY2015, net cash flows used in operating activities amounted to S\$61.8 million mainly due to: (a) operating cash outflows before changes in working capital of S\$1.8 million; (b) an increase in development properties of S\$74.3 million mainly due to the acquisition of our industrial development project, T-Space @ Tampines in January 2015 for S\$66.3 million and additional construction costs of S\$7.7 million incurred for our industrial development project, Mandai Foodlink; and (c) an increase in trade receivables of S\$5.1 million, which were partially offset by: (i) an increase in trade, other payables and accruals of S\$17.5 million mainly due to an increase in progress billings to customers of S\$17.0 million from Mandai Foodlink; and (ii) an increase in amounts payable to related companies of S\$2.6 million. We paid interest expenses of S\$0.7 million which were capitalised as part of development property, and income tax of approximately S\$90,000 during FY2015.

Net cash used in investing activities amounted to S\$9.3 million mainly due to an increase in loans to our joint venture of S\$9.9 million, which were partially offset by: (i) interest income received of S\$0.5 million; and (ii) repayment of loans by our associates of S\$0.2 million.

Net cash generated from financing activities amounted to S\$84.0 million mainly due to: (a) an increase in loans from our holding company, Lian Beng, amounting to S\$25.5 million; (b) proceeds from interest-bearing bank loans of S\$56.0 million; (c) loans from the non-controlling interest of

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

our subsidiary amounting to S\$8.9 million; (d) capital contribution by the non-controlling interest of our subsidiary amounting to S\$0.5 million; and (e) loans from associates of S\$0.4 million, which were partially offset by: (i) repayment of loans to our related companies of S\$5.5 million; (ii) interest paid of S\$1.6 million; and (iii) repayment of loans to joint ventures of S\$0.1 million.

As a result of the above, there was a net increase of S\$12.9 million in cash and cash equivalents. As at 31 May 2015, our cash and cash equivalents amounted to S\$15.6 million.

FY2016

In FY2016, net cash flows generated from operating activities amounted to S\$2.8 million mainly due to: (a) operating cash outflows before changes in working capital of S\$1.1 million; and (b) an increase in development properties of S\$24.3 million mainly due to the increase in development expenditure of S\$9.1 million and S\$15.2 million for the T-Space @ Tampines and Mandai Foodlink projects respectively, which were partially offset by: (i) an increase in trade and other payables and accruals of S\$17.4 million mainly due to an increase in progress billings to customers of S\$9.5 million and S\$7.1 million from the Mandai Foodlink and T-Space @ Tampines projects respectively; (ii) a decrease in trade receivables of S\$2.4 million; and (iii) an increase in amounts payable to related companies of S\$10.4 million mainly due to an increase in construction costs payable to related companies of S\$6.6 million and S\$3.8 million for the T-Space @ Tampines and Mandai Foodlink projects respectively. We paid interest expenses of S\$2.0 million which were capitalised as part of development property and income tax of approximately S\$28,000 during FY2016.

Net cash used in investing activities amounted to S\$6.5 million mainly due to: (a) loans to our associates of S\$5.2 million; (b) loans to our joint ventures of S\$0.5 million; and (c) loan to a non-controlling interest of our subsidiary of S\$1.1 million, which were partially offset by interest income received of S\$0.3 million.

Net cash generated from financing activities amounted to S\$5.5 million mainly due to: (a) an increase in loans from our holding company, Lian Beng, amounting to S\$2.9 million; (b) proceeds from interest-bearing bank loans of S\$10.0 million; and (c) loans from our associates of S\$3.4 million, which were partially offset by: (i) repayments of loans to the non-controlling interest of our subsidiary amounting to S\$1.5 million; (ii) repayment of bank loans amounting to S\$4.5 million; (iii) interest paid of S\$1.8 million; and (iv) repayment of loans to joint ventures of S\$3.0 million.

As a result of the above, there was a net increase of S\$1.8 million in cash and cash equivalents. As at 31 May 2016, our cash and cash equivalents amounted to S\$17.4 million.

FY2017

In FY2017, 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Net cash generated from investing activities amounted to S\$34.1 million mainly due to: (a) dividend income received from associates and joint ventures of S\$76.2 million; (b) interest income received of S\$0.2 million; and (c) repayment of loans from the non-controlling interest of our subsidiary of S\$1.1 million partially offset by: (i) the purchase of an investment property, Khong Guan Industrial Building at 20 Mactaggart Road amounting to S\$32.0 million; (ii) repayment of loans to our associates of S\$10.9 million; and (iii) loans to our joint ventures of S\$0.5 million.

Net cash used in financing activities amounted to S\$35.8 million mainly due to: (a) payment of dividends to our holding company Lian Beng, and non-controlling interests amounting to S\$63.0 million, (b) repayment of loans to related companies of S\$0.6 million, (c) repayment of loans to associates of S\$15.0 million; (d) repayment of loans to joint ventures of S\$12.4 million; and (e) interest paid of S\$0.7 million, partially offset by: (i) an increase in loans from our holding company, Lian Beng, amounting to S\$26.6 million; and (ii) proceeds from interest-bearing bank loans of S\$29.2 million.

As a result of the above, there was an increase of S\$8.9 million in cash and cash equivalents. As at 31 May 2017, our cash and cash equivalents amounted to S\$26.3 million.

HY2017

In HY2017, net cash flows used in operating activities amounted to S\$8.4 million mainly due to: (a) operating cash outflows before changes in working capital of S\$1.7 million; (b) an increase in development properties of S\$38.0 million mainly due to the increase in development expenditure of S\$19.2 million and S\$18.7 million for the T-Space @ Tampines and Mandai Foodlink projects respectively; (c) an increase in trade receivables of S\$0.4 million; and (d) deposits of S\$3.1 million paid for the acquisition of investment property, Khong Guan Industrial Building at 20 Mactaggart Road, partially offset by: (i) an increase in trade, other payables and accruals of S\$27.0 million mainly due to an increase in progress billings to customers of S\$15.3 million and S\$12.4 million from the T-Space @ Tampines and Mandai Foodlink projects respectively; and (ii) an increase in amounts payable to related companies of S\$8.7 million. We paid interest expenses of S\$1.0 million which were capitalised as part of development property.

Net cash generated from investing activities amounted to S\$48.8 million mainly due to: (a) dividend income received from associates and joint venture of S\$46.5 million; (b) repayment of loans by our associates of S\$3.5 million; and (c) interest income received of S\$0.1 million, partially offset by: (i) additional investment in our investment property, Khong Guan Industrial Building at 20 Mactaggart Road amounting to S\$0.9 million; and (ii) loan to a joint venture of S\$0.4 million.

Net cash used in financing activities amounted to S\$31.4 million mainly due to: (a) payment of dividends to our holding company, Lian Beng, of S\$43.7 million; (b) repayment of loan to joint ventures of S\$28.3 million; and (c) interest paid of S\$0.3 million, partially offset by: (i) an increase in loans from our holding company, Lian Beng, of S\$19.9 million; (ii) loan from associates of S\$12.0 million; and (iii) proceeds from interest-bearing bank loans of S\$9.0 million.

As a result of the above, there was an increase of S\$9.0 million in cash and cash equivalents. As at 30 November 2016, our cash and cash equivalents amounted to S\$26.4 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

HY2018

In HY2018, 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.

Net cash generated from investing activities amounted to S\$23.6 million mainly due to: (a) dividend income received from associates and joint ventures of S\$19.0 million, of which S\$17.7 million were from Oxley-LBD following the completion of The Midtown & Midtown Residences project; (b) the repayment of loans from joint ventures of S\$10.9 million; and (c) interest income received of S\$0.1 million, partially offset by: (i) loan to our associates of S\$4.7 million; and (ii) an increase in our investment in associates of S\$1.6 million.

Net cash generated from financing activities amounted to S\$4.1 million mainly due to: (a) an increase in loans from our holding company Lian Beng, of S\$33.0 million; (b) loan from associates of S\$4.6 million; and (c) proceeds from interest-bearing bank loans of S\$26.5 million, partially offset by: (i) payment of dividends to our holding company, Lian Beng, of S\$38.4 million; (ii) repayment of short-term bank loans of S\$8.0 million; (iii) repayment of loans to joint ventures of S\$13.2 million; and (iv) interest paid of S\$0.4 million.

As a result of the above, there was a decrease of S\$5.1 million in cash and cash equivalents. As at 30 November 2017, our cash and cash equivalents amounted to S\$21.2 million.

CAPITAL EXPENDITURES, DIVESTMENTS, COMMITMENTS AND CONTINGENT LIABILITIES

Capital Expenditures and Divestments

Our capital expenditures and divestment during the Period Under Review and for the period from 1 December 2017 to the Latest Practicable Date were as follows:

(S\$'000)	FY2015	FY2016	FY2017	HY2018	1 December 2017 to the Latest Practicable Date
Capital expenditures					
Investment property	–	–	31,980	–	–
Office equipment	14	–	–	2	29
Total	14	–	31,980	2	29

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

In FY2017, we purchased Khong Guan Industrial Building at 20 Mactaggart Road for the total purchase consideration of S\$32.0 million. The above capital expenditures were funded by bank loans and advances from Lian Beng.

There were no divestments made by us during the Period Under Review and for the period from 1 December 2017 to the Latest Practicable Date.

Capital Commitments

As at the Latest Practicable Date, we had capital commitments as follows:

	S\$ million
Not later than one year	28.3
Later than one year but not later than five years	—

Our capital commitments mainly relate to our shareholders' loan commitments to our associates for financing the acquisition or development of the respective properties. Under the joint venture agreements, shareholders of these entities are required to extend shareholders' loans proportionately upon receiving notices in writing.

We intend to finance the above capital commitments from shareholders' loans, bank loans, and internal resources. Please refer to the section entitled "Interested Person Transactions – Present and On-going Transactions" of this Offer Document for further details of the shareholders' loan from Lian Beng.

Operating Lease Commitments

As Lessee

As at the Latest Practicable Date, our Group had non-cancellable operating lease commitments as follows:

	S\$'000
Not later than one year	90
Later than one year but not later than five years	161

Our operating lease commitments comprise rent payable by us for the lease of our corporate office at 29 Harrison Road, #07-00, Lian Beng Building from the New Lian Beng Group under a non-cancellable operating lease payment agreement. We intend to finance the above operating lease commitment from internal resources. Please refer to the section entitled "Interested Person Transactions – Present and On-going Transactions" of this Offer Document for further details of our office lease agreements with the New Lian Beng Group.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

As Lessor

As at the Latest Practicable Date, the operating lease payments receivables in respect of commercial property leases held by our Group are as follows:

	S\$'000
Not later than one year	75
Later than one year but not later than 5 years	—

Contingent Liabilities

As at the Latest Practicable Date, we do not have any material contingent liabilities.

FOREIGN EXCHANGE MANAGEMENT

Accounting Treatment of Foreign Currencies

The accounting records for the companies in our Group are maintained in their respective functional currencies as they reflect the primary economic environment in which the respective entities operate. The combined financial statements of our Group are presented in S\$, which is the functional currency of our Company. Transactions in foreign currencies are recorded in the respective functional currencies at the exchange rates prevailing as at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing as at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on translation of monetary items at the end of the reporting period are included in profit or loss for the period. For consolidation purposes, the assets and liabilities of foreign operations are translated to S\$ at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing as at the date of the transactions. Exchange differences arising on the translation are recognised in other comprehensive income.

Foreign Exchange Exposure

Our reporting currency is S\$. Our revenue is denominated and transacted in S\$, while our purchases are largely denominated and transacted in S\$. As such, our foreign exchange exposure has been insignificant for the Period Under Review.

Our Group is exposed to currency translation risks arising from its net investments in foreign operations, namely the PRC. Our Group recorded a net foreign currency translation gain/(loss) for FY2016, FY2017, HY2017 and HY2018, amounting to approximately S\$0.2 million, S\$(0.2) million, S\$(0.1) million and S\$(17,000) respectively. There was no foreign currency translation gain or loss in FY2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Since our foreign currency exposure is not material, we currently do not have a formal foreign exchange hedging policy and have not undertaken any foreign exchange hedging activities during the Relevant Period. We continue to monitor our foreign exchange exposure and will hedge any foreign exchange exposure when the need arises. Prior to implementing any formal hedging policies, we will seek the approval of our Board on the policy and put in place adequate procedures which shall be reviewed and approved by the Audit Committee. Thereafter, all hedging transactions entered into by our Group will be in accordance with the set policies and procedures.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies during the Period Under Review. Please refer to the "Audited Combined Financial Statements for the Financial Years Ended 31 May 2015, 2016 and 2017" and the "Interim Condensed Unaudited Financial Information for the Six-Month Period Ended 30 November 2017" as set out in Appendices A and B of this Offer Document for details on our Group's accounting policies.

A number of new standards, amendments to standards and interpretations to the Singapore Financial Reporting Standards have been issued and are effective for annual periods beginning after 1 January 2018, and as such, have not been applied in preparing our financial statements. Save as disclosed in the "Audited Combined Financial Statements for the Financial Years Ended 31 May 2015, 2016 and 2017" and the "Interim Condensed Unaudited Combined Financial Information for the Six-Month Period Ended 30 November 2017" as set out in Appendices A and B of this Offer Document, none of these are expected to have a material impact on the combined financial statements of our Group in the period of their initial adoption.

Singapore incorporated companies listed on the SGX-ST will be required to apply Singapore Financial Reporting Standards (SFRS(I)) issued by Accounting Standards Council. SFRS(I) is a new financial reporting framework that is identical to the International Financial Reporting Standards (IFRS). Our Group will adopt the new framework on 1 June 2018.

In line with the requirements of the Securities and Futures (Offers of Investments) (Shares and Debentures) (Amendment) Regulations 2017 which amends Part IX of the Fifth Schedule of the SFR, our Group is required to present a reconciliation of its net assets and net profit after tax for FY2017 prepared in accordance with the old framework to the new framework.

Other than the effects of the adoption of the new standards that are effective for FY2018, we have assessed that there is no material reconciliation required to its net assets and net profit after tax for FY2017 and accordingly, no such reconciliation has been presented.

GENERAL INFORMATION ON OUR GROUP

HISTORY AND DEVELOPMENT

The history of our Group can be traced back to Lian Beng, our Controlling Shareholder, which was established in Singapore in 1973 as a sub-contractor for small scale civil engineering and building projects. It has now grown to one of Singapore's major home-grown main contractors with integrated civil engineering and construction support service capabilities and was listed on the Main Board of the SGX-ST on 15 April 1999. Over the years, Lian Beng has established a strong track record in large-scale building construction and civil engineering projects in the public and private sector, and has also diversified beyond construction-related businesses into property development, investment holding and dormitory businesses.

Leveraging on its construction business, Lian Beng diversified into property development in Singapore in 2000 at different times through the acquisition and development of 3 properties located at Derbyshire Road, Kew Drive and Balestier Road respectively. As at the Latest Practicable Date, the Lian Beng Group has completed approximately 17 property development projects in Singapore, including residential, mixed-use, industrial and commercial property development projects, of which 8 were undertaken by our Group.

Our Executive Director and CEO, Matthew Ong, first started out in the construction division of Lian Beng in 2006 and has accumulated more than 10 years of experience in the property and construction industry. Prior to his appointment as Executive Director and CEO of our Company, Matthew Ong was the director of Lian Beng's property development division, where he headed Lian Beng's property development business overseeing the strategic planning, overall management and business development of the property development business. For further details on Matthew Ong's experience in the property development industry, please refer to the section entitled "Directors, Executive Officers and Staff" of this Offer Document.

Key milestones of our Group's corporate history are set out as follows:

2007 – 2008

The Lian Beng Group participated in the acquisition and development of land sites located at Kiang Guan Avenue (which was eventually developed into Lincoln Suites, a freehold condominium development with 175 units) and Kovan Road (which was eventually developed into Kovan Residences, a leasehold condominium development with 521 units). The Lian Beng Group also undertook a wholly-owned residential property development project in Singapore through the acquisition of 8 houses at Mountbatten Road, which was eventually developed into OLA Residences at Mountbatten Road, a freehold condominium development with 50 units completed in 2011. The Lian Beng Group further developed a land site at Emerald Hill via a joint venture in 2008, which was eventually developed into 111 Emerald Hill, a freehold condominium development with 40 units.

2011

Sensing a positive demand for industrial properties, the Lian Beng Group entered into a joint venture to acquire a land site at 6D Mandai Estate, which was eventually developed into M-Space, a freehold industrial development. M-Space was completed in 2014 and was the first industrial property development project successfully launched and completed by the Lian Beng Group. The completion of M-Space was a milestone in the Lian Beng Group's property development business, demonstrating its ability to develop both small and large scale residential as well as industrial properties. In October, the Lian Beng Group acquired Midlink Plaza via a joint venture for the purpose of developing it into a hotel with commercial facilities. The property development project

GENERAL INFORMATION ON OUR GROUP

was sold in the midst of redevelopment in 2014 to an independent third party purchaser. In November, our Group entered into a joint venture to acquire Dragon Mansion at Spottiswoode Park Road for the purpose of developing Spottiswoode Suites, a freehold condominium development with 183 units. In the same year, we also acquired Hong Leong Garden Shopping Centre via a joint venture for the development of NEWest, a 956-year leasehold mixed-use commercial and residential development.

2012 and 2013

We entered into various joint ventures for the acquisition of the following land sites:

- Seletar Garden at Cactus Road, now developed into Floravista, Floraview and Floraville, a freehold mixed-use commercial and residential development;
- 9 and 11 King Albert Park, now KAP & KAP Residences, a freehold mixed-use commercial and residential development;
- Hougang Plaza, now The Midtown & Midtown Residences, a 99-year leasehold mixed-use commercial and residential development;
- Sunview Road, now Eco-Tech @ Sunview, a 30-year leasehold industrial development with 424 units and 1 canteen; and
- AIA Changi at Changi Road, now Hexacube, a freehold commercial development with 73 units.

2014

We entered into a joint venture to develop Mandai Foodlink, a 30-year leasehold industrial property. Taking into consideration the headwinds faced by the Singapore property development market due to the implementation of cooling measures, our Group ventured overseas to seek suitable opportunities. As a result, we invested in the Gaobeidian Project with several Singaporean partners to develop a mixed-use property development project in Gaobeidian, Hebei Province, which comprises residential developments, commercial spaces, a China Mountain Climbing Training Centre & Outdoor Sports Centre Township and a Green Health Food Safety Testing Centre Township. In the same year, the Lian Beng Group via a joint venture acquired 24 Leng Kee Road, an industrial property redeveloped for use in the automotive business. Under the property development division of the Lian Beng Group, our management team explored Brisbane, Australia through the acquisition of freehold sites at Wickham Street/Ranwell Lane, Fortitude Valley for the proposed development of a mixed-use development by way of a joint venture.

2015 and 2016

Under the property development division of the Lian Beng Group, our management team continued to explore selected overseas markets via joint ventures, acquiring various properties in Australia with the intention for redevelopment. Our Group also continued to capitalise on opportunities in Singapore, and successfully tendered for a land parcel at 1 Tampines North Drive 1 in January 2015 for development into T-Space @ Tampines, a 30-year leasehold industrial property, and purchased Khong Guan Industrial Building at 20 Mactaggart Road through our wholly-owned Subsidiary in November 2016.

GENERAL INFORMATION ON OUR GROUP

2017 onwards

Our Associated Companies won the tender for Rio Casa at Hougang Avenue 7 (which was completed on 9 February 2018) and secured the bid for the collective sale of Serangoon Ville at Serangoon North Avenue 1 (which was completed on 21 March 2018). We also expanded our industrial development pipeline and, through our wholly owned Subsidiary, acquired a land site at 50 Lorong 21 Geylang. These sites are held as part of our development pipeline and are slated for future development by our Group.

Our Company was incorporated on 17 October 2017 as a private company limited by shares, under the name “LBD Holding Pte. Ltd.”.

In November, the Lian Beng Group (including our Group) was, amongst others, awarded the “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. For further details on our Group’s awards and accreditations, please refer to the section entitled “General Information on our Group – Quality Assurance” of this Offer Document.

In December 2017, our Associated Company exercised an option to acquire the odd numbered freehold properties located at 31/A to 39/A (Odd Nos.) and 41 to 51 (Odd Nos.) Lorong 24 Geylang, which was completed on 5 March 2018.

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.

On 23 March 2018, our Company completed the Restructuring Exercise which was undertaken to rationalize the corporate structure of our Group in connection with the Invitation. Please refer to the section entitled “Restructuring Exercise” of this Offer Document for further information on the Restructuring Exercise. Our Company was also converted into a public company limited by shares and our name was changed to “SLB Development Ltd.” on the same day.

BUSINESS OVERVIEW

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. This enables us to diversify our business across various asset classes in the industry, so as to better manage our exposure to the fluctuations in demand and/or changes in regulations for each type of property development.

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 this 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. Prior to the Restructuring Exercise, under the property development division of the Lian Beng Group, our management team had explored property development projects in the UK, Australia and Vietnam.

We acquire land sites and buildings for development through tenders and private treaties (including by way of en-bloc). As a property developer with 17 years’ experience in the Singapore property development industry, the Lian Beng Group has, through various joint ventures,

GENERAL INFORMATION ON OUR GROUP

established a track record in delivering property developments by, amongst others, redeveloping existing buildings and undertaking asset enhancement works to add value to the properties acquired. The Lian Beng Group (including our Group) also won “Best Boutique Developer”, “Best Industrial Development” and “Best Luxury Condo Architectural Design” in the PropertyGuru Asia Property Awards Singapore 2017.

Property Sectors

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, the details of which are found in the section entitled “General Information on our Group – Our Property Development Projects” of this Offer Document.

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.

Please refer to the section entitled “General Information on our Group – Our Property Development Projects” of this Offer Document for further details of our Group’s mixed-use, industrial and commercial property development projects.

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.

GENERAL INFORMATION ON OUR GROUP

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. Please refer to the section entitled “Prospects and Future Plans – Future Plans” of this Offer Document for further information on our future plans.

For details on our property development projects, please refer to the section entitled “General Information on our Group – Our Property Development Projects” of this Offer Document.

GENERAL INFORMATION ON OUR GROUP

OUR PROPERTY DEVELOPMENT PROJECTS

Details of the completed property development projects undertaken by our Subsidiaries, Associated Companies and other companies in which we have an interest during the Period Under Review and up to the Latest Practicable Date are set out as follows:

Development name	Location	Developed by	Tenure	Description	Effective interest held by our Group (%)	Approximate land area (sq m)	Completion date ⁽¹⁾	Sold (%)
Hexacube	160 Changi Road	Wealth Development	Freehold	Commercial with retail and office units	40.0	1,594	August 2017	68.5
Mandai Foodlink ^{(2),(3)}	5 Mandai Link	Wealth Property	30-year leasehold interest commencing from 28 October 2013	Industrial	65.0	6,891	November 2017	100.0
Spottiswoode Suites	16 Spottiswoode Park Road	Spottiswoode Development	Freehold	Residential	50.0	3,615	September 2017	100.0
The Midtown & Midtown Residences	1187 and 1189 Upper Serangoon Road	Oxley-LBD	99-year leasehold interest commencing from 24 January 2013	Mixed-use development (residential and commercial units)	50.0	5,300	March 2017	99.6
NEWest	1 and 3 West Coast Drive	Oxley Viva	956-year leasehold interest commencing from 27 May 1928	Mixed-use development (residential and commercial units)	10.0	15,292	October 2017	100.0

GENERAL INFORMATION ON OUR GROUP

Development name	Location	Developed by	Tenure	Description	Effective interest held by our Group (%)	Approximate land area (sq m)	Completion date ⁽¹⁾	Sold (%)
Floravista, Floraview and Floraville	1,3,5,7 Ang Mo Kio Street 66 and 2 Cactus Road	Oxley YCK	Freehold	Mixed-use development (residential and commercial units)	10.0	8,241	August 2017	84.5
KAP & KAP Residences	9 and 11 King Albert Park	Oxley Sanctuary	Freehold	Mixed-use development (residential and commercial units)	15.0	5,535	May 2017	99.2
Eco-Tech @ Sunview ⁽³⁾	1 Sunview Road	Action Property	30-year leasehold interest commencing from 25 January 2013	Industrial	19.0	28,173	October 2015	100.0

Notes:

- (1) According to the available TOP or CSC, whichever is later.
- (2) Please refer to note (2) in the section entitled “General Information on our Group – Properties and Fixed Assets” of this Offer Document.
- (3) Please refer to note (3) in the section entitled “General Information on our Group – Properties and Fixed Assets” of this Offer Document.

GENERAL INFORMATION ON OUR GROUP

Details of the ongoing property development projects undertaken by our Subsidiaries, Associated Companies and other companies in which we have an interest as at the Latest Practicable Date are set out as follows:

Development name	Location	Developed by	Tenure	Description	Effective interest held by our Group (%)	Approximate land area (sq m)	Proposed/ Expected GFA (sq m)	Estimated launch date	Stage of development	Sold (%)
T-Space @ Tampines	1 Tampines North Drive 1	Goldprime Land	30-year 1 day leasehold interest commencing from 20 March 2015 ⁽¹⁾	Industrial	51.0	27,395	68,474	–	Under construction ⁽²⁾	68.9
Khong Guan Industrial Building	20 Mactaggart Road	Smooth Venture	Freehold	Industrial	100.0 ⁽³⁾	1,962 ⁽⁴⁾	5,279	Second half of 2018	Planning stage	Not launched
–	50 Lorong 21 Geylang	Wellprime	Freehold	Industrial	100.0 ⁽³⁾	837	2,093	Second half of 2018	Planning stage	Not launched
Serangoon Ville	Blocks 128-134 Serangoon North Avenue 1 ⁽⁵⁾	Oxley Serangoon	100 years 7 months and 1 day leasehold interest commencing from 1 March 1986	Residential	20.0	27,584	84,958	Second half of 2018	Planning stage	Not launched
Rio Casa	Blocks 344-350 Hougang Avenue 7	Rio Casa Venture	104 years 3 months and 1 day leasehold interest commencing from 1 February 1986	Residential	20.0	36,811	113,378	Second half of 2018	Planning stage	Not launched

GENERAL INFORMATION ON OUR GROUP

Development name	Location	Developed by	Tenure	Description	Effective interest held by our Group (%)	Approximate land area (sq m)	Proposed/ Expected GFA (sq m)	Estimated launch date	Stage of development	Sold (%)
Sino-Singapore Health City (Gaobeidian Project)	Gaobeidian, Hebei Province, PRC	PRC Group Companies	Leasehold interest ⁽⁶⁾	Mixed-use development (residential and commercial units)	Refer to Note (7)	216,902	Determined upon receipt of the relevant approvals from the authorities	Second half of 2018	Planning stage	Not launched
–	31/A to 39/A (Odd Nos.) and 41 to 51 (Odd Nos.) Lorong 24 Geylang	Development 24	Freehold	Residential	42.0	2,433	7,493	Second half of 2018	Planning Stage	Not launched

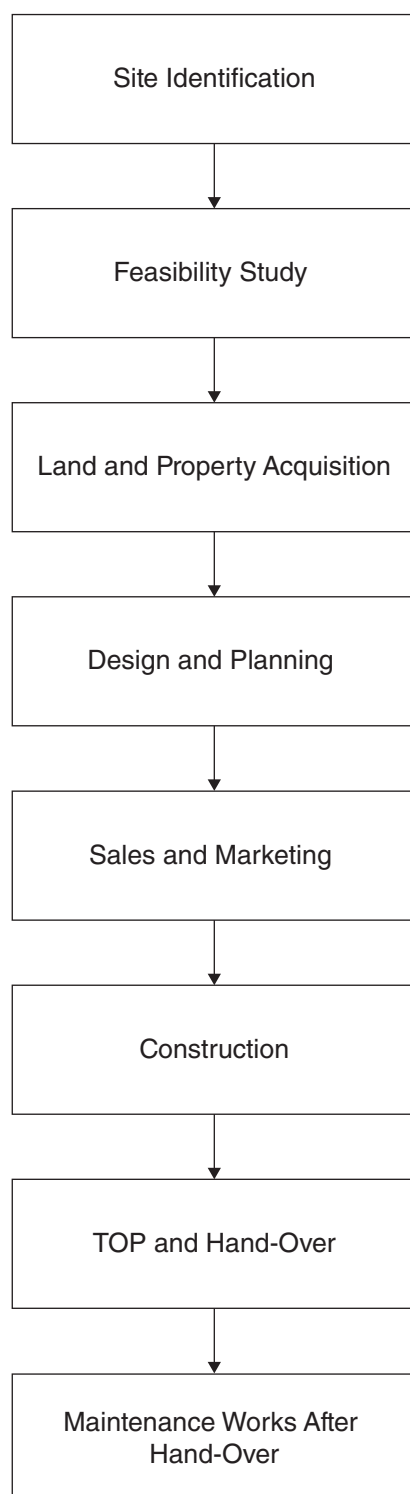
Notes:

- (1) Please refer to the section entitled “Properties and Fixed Assets” of this Offer Document for further details of this project.
- (2) The estimated date for obtaining TOP for this project is in FY2019.
- (3) This project is undertaken by our wholly-owned Subsidiary.
- (4) Excluding two lots with an aggregate land area of approximately 150 sq m adjacent to this property, over which an easement for a right of way has been granted.
- (5) Subsequent to the Latest Practicable Date, our Group completed the acquisition of this property on 21 March 2018.
- (6) Our PRC Group Companies have acquired ten plots of land with different duration of tenure for the Gaobeidian Project. Please refer to Appendix H entitled “Summary Valuation Certificates” for the details of our leasehold interest in each plot of land acquired for the Gaobeidian Project.
- (7) Our Company holds an effective equity interest varying from 9.0% to 10.0% in the respective PRC Group Companies which hold the land use rights of the lands for this project, further details of which are set out in note (10) of the section entitled “Group Structure” of this Offer Document.

GENERAL INFORMATION ON OUR GROUP

BUSINESS PROCESS

The following is a diagrammatical depiction of a typical property development project undertaken by our Group:



GENERAL INFORMATION ON OUR GROUP

1. Site Identification

We source for potential sites for development through announcements of public tender, government land sales programmes, private tenders or sales through our network of property agents and business contacts who recommend or source for land sites with the potential for development, or properties with the potential for redevelopment. Our senior management and development team will then gather market data regarding the potential site, taking into account the views of local real estate marketing professionals.

The following factors are taken into account in relation to site selection:

- site area, plot ratio, characteristics of the site and suitability for development;
- growth potential of the area near the site;
- level of competition from other property developers in the vicinity;
- authority's planning and policies for the site and the vicinity; and
- transportation network, existing and potential infrastructure support, and proximity to public facilities.

2. Feasibility Study

After identifying the relevant site, we carry out feasibility studies internally or engage external professional consultants to evaluate the viability and profitability of the proposed development project as well as the associated risks. The feasibility study comprises a financial analysis (including a financial forecast model) which takes into account various factors, including but not limited to the estimated overall cost structure, bidding price for the site, cash flow contribution, estimated net profit, the internal rate of return of the potential development, breakeven costs and the availability of financing. We rely on these studies to avoid overbidding or acquiring sites at prices which may later be unrecoverable or result in an unprofitable project.

3. Land and Property Acquisition

If the outcome of a feasibility study is favourable, we will consider whether to enter into joint ventures and/or partnerships with other property developer(s) that would give us the advantage to leverage on our partner's experience and established working relations in that jurisdiction. For joint venture projects, there will be a project lead developer who will usually have the largest shareholding in the joint venture or has more experience in that particular project development. The project lead developer is responsible for the overall project development which includes making periodic capital calls, arranging for financing, inviting and awarding tenders to vendors, including main contractors and consultants. The project lead developer will nonetheless consult the other joint venture partners on all major decisions. For some of our joint venture developments where we are not the project lead developer (who is responsible for the overall management and progress of the property development project), we can tap on the project lead developer's resources and expertise.

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Our Group will then attempt to acquire the site through the government tender process (if held by the government) or directly from title holders (if held by private individuals or entities) based on a price range that is acceptable to us. At the same time, we will approach various banks and financial institutions to obtain financing for the proposed acquisition of the site.

4. Design and Planning

Upon the successful acquisition of the site, a team of professional consultants, including architects, quantity surveyors, mechanical and electrical engineers, and civil and structural engineers will be engaged to conceptualise the design and layout of the development project. We engage external professional consultants to develop the initial design for the property development project, and thereafter the architecture and design firms will carry out design work for the property development project. We select our professional consultants through a tender process. In selecting external design consulting firms, we take into consideration factors such as reputation, technical abilities, product innovation capabilities, track record in developing similar projects, service standards and pricing.

Planning and design of our Group's property development projects typically involve the following major steps:

- evaluating the characteristics of the site and determining the theme to be applied to the project;
- analysing and determining the ancillary facilities required to realise the project theme; and
- determining the technicalities of the property development project, steps of overall construction and interior design, and amount of construction materials and equipment required.

At this stage, we will also obtain the necessary approvals, licences, planning permissions and clearances from the relevant authorities for the commencement of the property development project. Please refer to the section entitled "General Information on our Group – Approvals, Permits, Licences and Government Regulations" of this Offer Document for further details.

5. Sales and Marketing

After obtaining the necessary licences, planning permissions and clearances from the relevant authorities to commence the property development project, we are able to launch the property development project for sale. Generally, we aim to launch a development project as soon as possible in order to shorten the overall development cycle. However, the exact timing of launch depends on, among other things, market sentiment. Under good market conditions, the development project is launched after a fully-furnished show unit of a typical unit in that particular development has been completed, including demonstrating the green area and ancillary facilities, which offers our potential customers an accurate and descriptive representation of the property.

Our external marketing consultants will assist in formulating the marketing strategy, including the pricing, for the property development project and executing the necessary marketing and sales activities, including media advertising, and the design, production and distribution of promotional materials. Our Company also engages real estate agents to provide professional

GENERAL INFORMATION ON OUR GROUP

advice on, and supervise the design and production of, the relevant promotional and marketing materials and media advertisements. For projects that are undertaken with joint venture partners, the sales and marketing strategy is usually formulated together with the representatives of the various partners.

6. Construction

Main contractors appointed to carry out the main building works are engaged through a tender process. The main contractors that are invited to participate in tender exercises are shortlisted based on various factors, including but not limited to their qualifications, reliability, financial status, track record and quality of work. The tender process for each property development project is administered by an appointed independent quantity surveyor, who will evaluate and assess all tender returns and conduct tender interviews in conjunction with the consultant team before submitting their tender reports and award recommendations to us for concurrence and onward approval. The independent quantity surveyor will determine, as far as practicable, the estimated construction cost.

Typically, upon the award of the contract, we require our main contractor to submit a construction master programme, which sets out the timeline and costs for the property development project. The management and project development team of our Group will manage and supervise the progress of each construction stage of the development project closely on a weekly basis, with the assistance of the architect and other professional consultants engaged. By having weekly updates, we are able to identify the action steps required to resolve problems in a timely manner, to ensure that the building standards are met and that the property development project will be completed within the budget and scheduled timeline.

7. TOP and Hand-Over

Once all construction works are completed, a joint inspection will be conducted by professional consultants and contractors to confirm that the property development project works have been completed in accordance with project requirements and to acceptable quality standards. Any defective work identified will be recorded and rectified by the contractors. Once the professional consultants have certified that the works have been satisfactorily completed, an application will be submitted to BCA for the TOP to be issued in respect of the development. Upon issuance of the TOP, we will then arrange for the purchasers to take possession of the individual units.

8. Maintenance Works after Hand-Over

The prescribed form of sale and purchase agreements in Singapore will typically include a defects liability period of twelve months, for which the main contractors will be liable.

We typically retain 2.5% of the value of the contract awarded in order to secure the fulfilment of the main contractors' obligation to attend to all defects during the defects liability period.

Our property development team facilitates after-sales services to the purchasers of our units, including assisting them in following up on any defects, and monitoring the progress of the rectification works during the defect liability period carried out by our main contractor.

GENERAL INFORMATION ON OUR GROUP

QUALITY ASSURANCE

Our Group emphasises quality control to ensure that the quality of our property development projects comply with relevant regulations and to maintain our reputation and market standing. We monitor construction projects through our appointed architect or resident technical officer, who in turn approves of, *inter alia*, the main contractor's quality plans and the construction materials to be used in the property development project. On-site inspections are regularly conducted as well.

The architect and/or resident technical officer is responsible for managing and supervising each stage of the construction to ensure that construction is being carried out in compliance with contract specifications, regulations and safety requirements, and submitting progress reports on the same to our Group. Upon completion of construction, they are responsible for ensuring that all government requirements and building specifications have been complied with, and for compiling and submitting completion verification reports.

We strive to engage only reputable building contractors and to procure materials from suppliers with good reputation to ensure the quality of our property development projects. The Lian Beng Group also won "Best Boutique Developer", "Best Industrial Development" and "Best Luxury Condo Architectural Design" in the PropertyGuru Asia Property Awards Singapore 2017, which was judged by an independent panel of industry experts supervised by BDO LLP. The PropertyGuru Asia Property Awards was started in Thailand in 2005 to judge developers, developments and designs and has since expanded to countries such as Singapore, the Philippines, Malaysia, the PRC, Hong Kong, Macau, Myanmar, Vietnam, Indonesia, Cambodia, Sri Lanka, Japan, Australia, Mongolia, South Korea and the Republic of Maldives⁽¹⁾.

Note:

- (1) Information was extracted from the PropertyGuru Asia Property Awards website at <http://www.asiapropertyawards.com/history-how-it-works/> accessed on 22 March 2018. The aforementioned party has not consented to the inclusion of the above information in this Offer Document for the purposes of Section 249 of the SFA and are therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable action to ensure that the information has been accurately and correctly extracted from the sources above and reproduced in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

MAJOR CUSTOMERS

Our customers mainly comprise individual purchasers of our development units.

We set out below a list of our major customers which accounted for 5.0% or more of our revenue during the Period Under Review:

Major customer ⁽¹⁾	Percentage of revenue (%)			
	FY2015 ⁽²⁾	FY2016 ⁽²⁾	FY2017	HY2018 ⁽²⁾
Centaurus Enterprises (S) Pte Ltd	—	—	5.5	—
KC Premium Food Pte. Ltd.	—	—	10.4	—

Notes:

- (1) These customers are independent third parties who bought multiple units in our property development project, Mandai Foodlink, which obtained its TOP in FY2017.
- (2) No revenue was recognised from our property development projects in FY2015, FY2016 and HY2018 as the projects were mainly industrial properties, and accordingly, revenue and costs were recognised based on the completed contract method. Please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document for further details.

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The fluctuation in revenue contribution from our customers varies from year to year due to the type of property development projects and the stage of completion of these projects. We recorded revenue from Mandai Foodlink project in FY2017 upon its TOP, as such revenue and cost of sales were recognised using the completed contract method. Accordingly, these two major customers arose from purchases of units at Mandai Foodlink. We may not develop similar projects in terms of size and scope with the same customer in subsequent years. As such, we are not materially dependent on any particular customer.

MAJOR SUPPLIERS

Apart from land costs, construction costs constitute the bulk of our total cost of sales for each development project.

We set out below a list of our major suppliers, which accounted for 5.0% or more of our total cost of sales during the Period Under Review, which mainly comprised the contractors appointed for the construction of our property development projects:

Major supplier	Main products supplied	Percentage of total cost of sales (%)			
		FY2015 ⁽²⁾	FY2016 ⁽²⁾	FY2017	HY2018 ⁽²⁾
L.S. Construction Pte Ltd ⁽¹⁾	Construction Services	–	–	63.9	–
JTC	Land sites	–	–	29.3	–

Notes:

- (1) Other than L.S. Construction Pte Ltd, which is a wholly-owned Subsidiary of Lian Beng, our Controlling Shareholder, our other major supplier is an independent third party. Please refer to the section entitled “Interested Person Transactions” of this Offer Document for further information regarding the transactions between our Group and L.S. Construction Pte Ltd.
- (2) We did not recognise cost of sales in FY2015, FY2016 and HY2018 as the property development projects were mainly industrial properties and accordingly, revenue and costs were recognised based on the completed contract method. Please refer to the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” for further details.

The services required and acquisitions made by our Group vary from year to year due to the nature of our property development business. Our Group would purchase and/or engage the services of contractors who consistently provide reasonable terms and the ability to meet the delivery schedules for that particular project based on competitive quotes. As mentioned in the section entitled “General Information on our Group – Major Customers” of this Offer Document, we recorded costs from Mandai Foodlink project in FY2017 upon its TOP, as such costs were recognised using the completed contracts method. Accordingly, the two major suppliers arose from the provision of services or supplies associated with the Mandai Foodlink project.

To the best of their knowledge, our Directors are not aware of any information or arrangements which would lead to a cessation or termination of our current relationships with our major suppliers.

Our Directors are of the opinion that our Group is not materially dependent on any contracts with the above major suppliers, due to the tender process required for the provision of construction services and land acquisition, details of which are found in the section entitled “General Information of our Group – Business Process” of this Offer Document.

GENERAL INFORMATION ON OUR GROUP

CREDIT MANAGEMENT

Credit terms extended to our customers

The credit terms extended to our customers are standardised pursuant to a standard form of sale and purchase agreement for purchase of industrial and commercial properties prescribed by the Controller of Housing. All changes to the terms and conditions in the standard sale and purchase agreement have to be approved by the Controller of Housing.

Under the terms of the standard sale and purchase agreement, a purchaser will pay 20.0% of the purchase price (including booking fee) for the unit upon signing of the sale and purchase agreement. Thereafter, another 45.0% of the purchase price will be payable progressively at various stages of the construction process, and a further 25.0% will be payable when the purchaser receives the TOP or CSC in respect of the unit. For each progressive payment, the purchaser is given fourteen days after the receipt of notice to make payment. Upon completion of the sale and purchase of the relevant unit, the purchaser is required to pay the final 10.0% of the purchase price, comprising 2.0% payable to us and 8.0% payable to the Singapore Academy of Law as stakeholder. The sum held by the Singapore Academy of Law shall be released to us within three working days after the purchaser has served the CSC on the Singapore Academy of Law. However, if the CSC relating to the unit has been issued before completion of the sale and purchase of the relevant unit takes place, the purchaser is required to pay the final 10.0% of the purchase price, comprising 2.0% of the purchase price within fourteen days after the purchaser receives the CSC and the balance of 8.0% upon completion taking place.

For purchasers who fail to settle the payments within the stipulated periods, interest is chargeable on the unpaid amount in accordance with the sale and purchase agreement. Pursuant to the terms of the sale and purchase agreement, we are entitled to treat the sale and purchase agreement as having been repudiated by the purchaser if any instalment and interest remain unpaid for more than fourteen days after its due date or if the purchaser has not served the CSC on the Singapore Academy of Law at the end of eighteen days after receiving the CSC from us and after giving the purchaser not less than twenty-one days' notice in writing. Upon the annulment of the sale and purchase agreement, we are entitled to forfeit and keep 20.0% of the purchase price, together with any unpaid interest, and resell the unit to other potential purchasers.

As at 31 May 2015, 2016 and 2017 and 30 November 2017, our trade receivables balances amounted to S\$5.1 million, S\$2.7 million, S\$10.8 million and S\$25.6 million respectively, mainly comprising amounts due from our customers for purchase of property units in our property development projects of S\$0.3 million, S\$2.7 million, S\$10.8 million and S\$25.1 million respectively, and GST recoverable of S\$4.8 million for FY2015 and S\$0.5 million for HY2018 respectively.

Due to the nature of our trade receivables, it is not meaningful to compute the average trade receivables' turnover days for the Period Under Review. There was no allowance for doubtful debts nor bad debts written off for the Period Under Review.

The trade receivables ageing profile for our Group as at 30 November 2017 is as follows:

(S\$'000)	Total amount	Current	0 to 30 days	31 to 60 days	61 to 90 days	More than 90 days
Trade receivables ageing	25,636 ⁽¹⁾	18,847	6,447	122	146	74

Note:

- (1) These trade receivables relate mainly to proceeds due from purchasers of units in our industrial properties, T-Space @ Tampines and Mandai Foodlink.

GENERAL INFORMATION ON OUR GROUP

Credit terms extended by our suppliers and contractors

Our suppliers typically grant us credit terms of thirty to sixty days upon delivery of goods or services. Our main suppliers are principally building contractors and the method of payment to these contractors is based on each progressive stage of completion of the construction phase, where we are required to make an interim payment in respect of that stage of completion, in line with industry practice.

Our trade payables and accruals as at 31 May 2015, 2016 and 2017 and 30 November 2017, amounted to S\$0.6 million, S\$1.5 million, S\$4.4 million and S\$2.3 million respectively, comprising mainly the construction cost for our development properties and sales and marketing agents' commission. Due to the nature of our trade payables and our contractors' payment claims mostly based on stages of completion during construction, it is not meaningful to compute the average trade payables' turnover days for the Period Under Review.

RESEARCH AND DEVELOPMENT

Due to the nature of our Group's business, we are not required to carry out any research and development activities. For the Relevant Period, we did not incur any expenses in relation to any research and development activities.

INTELLECTUAL PROPERTY

Our Company has entered into a licence agreement with Lian Beng, pursuant to which Lian Beng has granted us the right to use the logo and trade marks of Lian Beng, as well as the words “聯明” in our name (or any part thereof), in connection with our business, for a nominal consideration of a one-off payment of S\$1.00. The licence agreement may be terminated if Lian Beng ceases to be our Controlling Shareholder, or by mutual agreement, or if our Company is wound-up. Please refer to the section entitled “Interested Person Transactions – Present and On-going Interested Person Transactions” of this Offer Document for further details of the licence agreement.

Following our entry into the above-mentioned licence agreement, our Company has applied for the registration of the following trade marks with the Intellectual Property Office of Singapore:

S/N	Trade mark	Class	Country of registration	Application Date	Status
1.	SLB Development	37 (Property development)	Singapore, the PRC, the UK and Australia	22 March 2018	Pending
2.	新聯明發展				

Save as disclosed above, we do not own or use any registered trade marks, patents or other intellectual property on which our business or profitability is materially dependent.

SEASONALITY

Our business is generally not seasonal in nature.

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PROPERTIES AND FIXED ASSETS

As at the Latest Practicable Date, our Company and Subsidiaries own the following properties:

Singapore location	Tenure	Approximate land area (sq m)	Use of property	Encumbrances
20 Mactaggart Road (Khong Guan Industrial Building)	Freehold	1,962 ⁽¹⁾	Industrial	Mortgage in favour of Hong Leong Finance Limited
50 Lorong 21 Geylang	Freehold	837	Industrial	Mortgage in favour of CIMB Bank Berhad
5 Mandai Link (Mandai Foodlink) ^{(2), (3)}	30-year leasehold interest commencing from 28 October 2013	6,891	Industrial	Mortgage in favour of DBS Bank
1 Tampines North Drive 1 (T-Space @ Tampines) ^{(2), (3)}	30-year 1 day leasehold interest commencing from 20 March 2015	27,395	Industrial	Mortgage in favour of Malayan Banking Berhad and Hong Leong Finance Limited

Notes:

- (1) Excluding two lots with an aggregate land area of approximately 150 sq m adjacent to this property, over which an easement for a right of way has been granted.
- (2) The instrument of lease has yet to be issued by JTC, and the rights and interests in this property are derived from the building agreement executed between JTC and our Group.
- (3) Notwithstanding that SSCT are issued to purchasers of individual units after the completion of the industrial property development project, we remain a lessee pursuant to and are obliged to comply with the terms of the instrument of lease with JTC. In the event of any non-compliance of the terms of the lease with JTC, we can in turn claim against the defaulting purchasers and/or tenants pursuant to the terms of the sale and purchase agreement or tenancy agreements with them (as the case may be). Please refer to the section entitled "Risk Factors – We may be involved in disputes and legal proceedings from time to time" of this Offer Document for further details.

As at the Latest Practicable Date, our Company and Subsidiaries rent the following property:

Singapore location	Tenure	Approximate area (sq m)	Use of property	Lessor	Gross rental per month (excluding GST) (S\$)
29 Harrison Road #07-00 Lian Beng Building Singapore 369648	3 years commencing from 1 January 2018	232	Office	Lian Beng Investment Pte. Ltd.	7,500.00

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Please refer to the section entitled “Interested Person Transactions – Present and On-going Interested Person Transactions” for further information regarding the rental of our office from Lian Beng Investment Pte. Ltd.

As at the Latest Practicable Date, our Company and Subsidiaries lease the following units in 20 Mactaggart Road, Khong Guan Industrial Building, to third parties:

Singapore location	Tenure	Approximate area (sq ft)	Use of property	Tenant	Gross rental per month (excluding GST and service charge) (S\$)
#04-01	28 months and 16 days, commencing from 15 December 2015 to 30 April 2018	1,851	Light industrial activities	Acom Asian Resources Pte Ltd	2,498.85
#04-02	2 years commencing from 1 March 2016 to 28 February 2018 ⁽¹⁾	2,950	Light industrial activities	Mayhem Pte. Ltd.	4,425.00
#05-01	3 years commencing from 10 March 2016 to 9 March 2019 ⁽²⁾	1,851	Light industrial activities	Dolworth Marketing Pte Ltd	2,591.40
#06-02	2 years commencing from 1 May 2016 to 30 April 2018	2,950	Light industrial activities	Font Shop Fittings Pte. Ltd.	4,012.00
#08-01	3 years commencing from 1 March 2015 to 28 February 2018 ⁽¹⁾	1,851	Light industrial activities	Toyoplas Holdings Pte Ltd	2,961.60
#08-02	2 years commencing from 1 March 2017 to 28 February 2019 ⁽²⁾	2,950	Light industrial activities	Lee & Lee Consultants Pte Ltd	4,572.50

Notes:

(1) The leases for these units have been extended on a short-term basis.

(2) Our Group has served notices of termination on the tenants of these units, which effective date of termination is 30 August 2018.

To the best of our Directors’ knowledge, there are no regulatory requirements or environmental issues that may materially affect our utilisation of the above properties and fixed assets.

STAFF TRAINING

Our success and ability to maintain our competitiveness are dependent on the competency and professional knowledge of our staff. As such, we believe that our staff should constantly upgrade their skills in order to stay relevant in their respective areas of work. In addition to the on-the-job trainings, we frequently sponsor our staff for seminars conducted by the relevant government bodies, agencies or large organisations relating to property, and personal development courses. Prior to the transfer of our employees from the Lian Beng Group to our Group, all staff training costs were borne by the Lian Beng Group. As such, we incurred minimal staff training costs during the Period Under Review.

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SALES AND MARKETING

Our sales and marketing team is headed by our Sales and Marketing Manager and is principally responsible for formulating and planning marketing strategies and activities for our Group. We also engage third parties, mainly property agents, to carry out our Group's sales and marketing activities such as media advertising, and the design, production and distribution of promotional materials, including electronic direct mailers and brochures, for our target customer groups. From time to time, we engage sales and marketing agents to handle sales of our property developments, which may take place at exhibitions or in our showrooms during project launches or through other channels.

INSURANCE

As at the Latest Practicable Date, we maintain, *inter alia*, the following insurance policies to cover, among others, our operational, human resource and fixed assets risks:

- (a) Term life, hospitalisation and surgical insurance;
- (b) Personal accident insurance;
- (c) Industrial all risks insurance (including fire insurance);
- (d) Public liability insurance;
- (e) Work injury compensation insurance; and
- (f) Directors' and officers' liability insurance.

We require the contractors of our property development projects to be covered by insurances such as, amongst others, contractor's all risks insurance, work injury compensation insurance, public liability insurance and professional indemnity insurance during the construction period and maintenance period of the relevant project. Upon TOP being obtained or handover of units (whichever is later), the responsibility to insure each individual unit will typically be passed to the purchasers or the MCST, as the case may be.

Our Directors are of the view that the above insurance policies are adequate for our existing operations and will review the adequacy of our insurance coverage annually to ensure that our Group has sufficient insurance coverage.

CORPORATE SOCIAL RESPONSIBILITY

Environmental

Our Group establishes key initiatives to assess and reduce environmental impact prior to commencing a property development project, which include the following:

- (a) Carrying out environmental impact assessment studies during the project feasibility stage, to identify any environmental threats or opportunities related to the site and its surroundings, such as air quality, connectivity, heritage and resources. The significant findings and cost implications from the studies are then factored into our Group's assessment of the feasibility of the property development project.

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- (b) Setting “green” rating targets early so that the design fundamentals of the property development project will be able to incorporate such targets. Our Group strives to achieve the Green Mark Certification target for all its Singaporean property development projects.
- (c) Selecting ISO 14000 certified contractors to implement the requisite onsite measures.

We place emphasis on designing and constructing our development sites in line with the procedures and guidelines set out in the ISO 14000 standards. We also monitor energy and water usage at our sites to control wastage.

Energy Conservation and Water Management

Our Group recognises the need to reduce wastage, recycle materials and reuse resources, and implements practical environmental initiatives for our property development projects. Some initiatives implemented include the use of sustainable building designs and materials, energy-efficient equipment and devices, and motion detectors or occupancy sensors in common areas.

We also use water fittings with a good water efficiency rating and have put in place a regular monitoring framework and target setting for water usage. Where infrastructural feasibility and suitability permits, we explore the use of rainwater harvesting and/or alternative water supply.

Giving Back to the Community

We will be required to disclose our corporate social responsibility policies with reference to the SGX-ST’s Guide to Sustainability Reporting for Listing Companies, and our Board will establish a corporate social responsibility policy which will include the review and/or recommendation of the following areas of our Group’s activities:

- (a) policies in respect of corporate social responsibility issues;
- (b) health, safety and environmental policies and standards;
- (c) the social impact of our Group’s business practices in the communities that we operate in;
- (d) policies and practices with regard to key stakeholders, being suppliers, customers and employees; and
- (e) policies and practices with regard to regulators.

COMPETITION

The property development industry in Singapore is highly competitive, with various players ranging from small-to-medium size to large established property developers. The key ways in which property developers compete include, amongst others, pricing scheme, location, design and quality of the property development projects, marketing strategies and launch timing of the property development projects.

We face intense competition from other property developers that have developments in the same price range as ours, and also compete for the acquisition of suitable land sites. As a result, we may enter into joint ventures and form strategic partnerships from time to time in order to place us in

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a better position in relation to the bidding or tender process in the acquisition of land sites. Please refer to the section entitled “Group Structure” of this Offer Document for further details on our joint ventures and partnerships.

To the best of our knowledge, our key competitors are, in no particular order, Hiap Hoe Limited, Goodland Group Limited and Tuan Sing Holding Limited.

COMPETITIVE STRENGTHS

Our Directors believe that our Group is able to compete effectively against our competitors with the following competitive strengths:

We have an established track record as a property developer undertaking various types of property development

We pride ourselves as a property developer in Singapore with experience in various 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. This enables us to diversify our business across various asset classes in the industry, so as to better manage our exposure to the fluctuations in demand and/or changes in regulations for each type of property development.

As at the Latest Practicable Date, the Lian Beng Group (including our Group) has completed approximately 17 property development projects, of which 8 were undertaken by our Group. Our Group’s residential property development, Spottiswoode Suites and our industrial project, T-Space @ Tampines, won the “Best Luxury Condo Architectural Design” and “Best Industrial Development” respectively in the PropertyGuru Asia Property Awards Singapore 2017. We believe that our established track record will continue to provide us with a competitive edge over our peers in the property development industry.

We have an established network of business relationships with other property developers and contractors

We enter into joint ventures with other established property developers, allowing us to gain valuable experience and develop an extensive and established network of partners who are able to contribute to the success of our property development projects. This has enabled us to leverage on our joint venture partners’ experience and business connections to tap on their expertise and resources and to capitalise on suitable market opportunities for future growth.

Through the years, the Lian Beng Group (including our Group) has also developed relationships with an extensive network of contractors, suppliers, financiers and consultants, whose professional advice and participation are pivotal in the success of a property development project. Moreover, we are also in contact with various property agents who provide us with information on development sites which are available for sale, private tenders or auction.

By working with third parties familiar with our Group’s operations and preferences, we are able to undertake and manage quality development projects in a timely and efficient manner, and focus on locating and analysing suitable land sites and buildings for development and/or redevelopment.

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We have experience venturing beyond Singapore

Coupled with our experience in the property development industry, we conduct extensive studies and market research which allow us to gather first-hand knowledge about the supply and demand factors and the customers' preferences in our target markets. Our Group has ventured and expanded beyond Singapore to the PRC via a joint venture participation in the Gaobeidian Project and under the property development division of the Lian Beng Group, our management team has experience exploring the UK, Australia and Vietnam. We believe that we can leverage on our management team's knowledge and experience, which will be translatable when developing property development projects in other regions.

We have an experienced and dedicated management team which size allows us to make decisions promptly and react quickly to changes in the industry

We have a dedicated and experienced key management team which possesses in-depth knowledge of property development and a strong understanding of the property market in Singapore. Our Group is led by our Executive Director and CEO, Matthew Ong, who has more than 10 years' experience in the property and construction industry. Matthew Ong has been instrumental to our business, providing our Group with invaluable strategic leadership. Our Group is also supported by a team of committed Executive Officers, each of whom possesses several years of relevant experience in their respective fields. Our Executive Director and Executive Officers, have substantial knowledge of the business which is critical to the continued success of our Group. With our management team's experience, network and market knowledge, we believe that we are able to source and identify suitable sites with good potential for development, and to assess whether such sites offer good investment returns or profitable development opportunities. As part of the Lian Beng Group which principal activities include construction, our key management team is familiar with building construction costs and processes of property development projects. Hence, we are able to better manage and control the construction costs of property development projects and leverage on the existing features of the land site or building in redevelopment, adding value to our property development projects.

The key management team of our Group facilitates efficient and quick communication. This reduces the time required to make a decision and allows us to act before our competitors, giving us a first-mover advantage which is crucial when attempting to secure a land site or building.

Further details of our management team's working experience are set out in the section entitled "Directors, Executive Officers and Staff" of this Offer Document.

APPROVALS, PERMITS, LICENCES AND GOVERNMENT REGULATIONS

We are subject to the relevant laws and regulations of the countries in which we operate.

The following are brief descriptions of the material laws and regulations governing, and material approvals, permits and licences typically required for, property development businesses in the countries where we have operations.

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Singapore

Housing Developer's Licence

The housing developer's licence is required for a developer who intends to develop a project with more than four units of housing accommodation and it has to be obtained prior to undertaking the business of housing development. Housing developers can apply for either a 'Sale' licence or a 'No-Sale' licence, depending on whether they meet the respective requirements. We typically apply for the 'Sale' licence, which allows us to commence construction and start selling the units in the property development project upon obtaining the building plan approval. The licence will be issued subject to, *inter alia*, the following conditions:

- (a) strict compliance with the applicable laws governing housing development in Singapore (including the Housing Developers (Control and Licensing) Act (Chapter 130));
- (b) no option be granted and no agreement for the sale of houses/flats be entered into until:
 - (i) building plans have been approved by the Commissioner of Building Control and not invalidated; and
 - (ii) the planning permission has been given and not invalidated by the URA;
- (c) the developer shall not, after the redemption of the mortgage of the land upon payment by a purchaser of a unit in the property development project of the instalment payable upon the grant of the TOP, further encumber the land or the housing unit by way of a mortgage or by any other means and no caveat shall be lodged in respect of the land or the housing unit; and
- (d) other records must, commencing from the date the first option is granted, be sent to the Controller of Residential Property.

The licence remains in force until the date of the issuance of the CSC and the SSCT or CT, whichever is applicable, for all the units in the property development project, unless otherwise earlier revoked.

Further, we are required to comply with the Housing Developers (Project Account) Rules for the administration of the accounts of our residential property development projects.

Compliance with Residential Property Act (Chapter 274) (the "RPA")

The RPA provides that the purchase or transfer of residential property shall be restricted to approved purchasers, which include Singapore companies. A Singapore company, as defined under the RPA, is a company in which all its members and directors are Singapore citizens or, where the member is another company, where all the members and directors of such company are Singapore citizens. Subject to the provisions of the RPA, the aforesaid restriction does not apply to the following residential properties:—

- (a) any flat that is comprised in any building in a development permitted to be used for residential purposes, and that is not a landed dwelling-house;
- (b) any unit comprised in a development which is shown in an approved plan bearing the title "condominium" and issued under the Planning Act (Chapter 232); and

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- (c) any unit in a development comprising housing accommodation sold under the executive condominium scheme,

provided, *inter alia*, that a foreign person shall not, without the prior approval of the Minister of Law, acquire all the flats or units in the building or development. A foreign person is also not prohibited from acquiring an estate or interest in any development for a term not exceeding seven years, including any further term which may be granted by way of an option for renewal.

For the purposes of this Section,

- (1) “approved purchaser” means:

- (a) a Singapore company;
- (b) a Singapore limited liability partnership;
- (c) a Singapore society;
- (d) a foreign person to whom approval has been granted under Section 25, 30 or 31 of the RPA;
- (e) any person, company, limited liability partnership, society, association or other organisation or body who or which has been exempted by the Minister for Law under Section 32 of the RPA; or
- (f) any body, corporate or otherwise, declared by the Minister for Law by notification in the Gazette to be a public authority or an instrumentality or agency of the Government; and

- (2) “foreign person” means any person who is not any of the following:

- (a) a citizen of Singapore;
- (b) a Singapore company;
- (c) a Singapore limited liability partnership; and
- (d) a Singapore society.

Clearance Certificate

Under the RPA, Singapore companies are required to obtain a certificate stating that the company may acquire and retain residential properties, subject to the provisions of the RPA, from the Controller of Residential Property (the “clearance certificate”), prior to any acquisition of any interest in any residential property which is restricted. However, as our Group Companies were not deemed as Singapore companies prior to the acquisition of residential properties, our Group obtained qualifying certificates to acquire and retain residential properties. Please refer to the section below for further information regarding the qualifying certificate.

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Qualifying Certificate

Under the RPA, a housing developer, not being a Singapore company holding a clearance certificate, shall, before purchasing or acquiring an estate or interest in any residential property, apply to the Controller of Residential Property for approval to purchase or acquire the residential property (the “qualifying certificate”). A qualifying certificate issued by the Controller of Residential Property to a housing developer would generally require the housing developer to use the residential land for purposes of development and to dispose of the entire property after completion of the development within a certain time frame. Further, the permission of the Controller of Residential Property will have to be obtained if the company wishes to hold any part of such properties for investment purposes.

Prior to the Restructuring Exercise, our Group Companies were not regarded as Singapore companies under the RPA as Lian Beng, being listed on the Main Board of the SGX-ST, had shareholders which may consist of non-Singapore citizens. As such, our Group Companies had obtained the qualifying certificates prior to the completion of acquisitions of their respective properties.

Pursuant to the RPA, where the housing developer is a company, a limited liability partnership or a society, no person who holds any shares in the company or who is a partner in the limited liability partnership or member of the society shall, without the approval of the Controller of Residential Property (which may be granted with or without conditions), sell, assign, transfer or otherwise dispose of any of his shares or any interest in such shares to any other person, or resign as such partner or member, as the case may be. Accordingly, our Company needs to obtain, and has obtained the approval from the Controller of Residential Property, in respect of the change of shareholders of our Subsidiaries, Associated Companies and other companies in which we have an interest due to the Restructuring Exercise.

After the Invitation, any of our Subsidiaries, Associated Companies and other companies in which we have an interest, intending to purchase or acquire an estate or interest in any residential property, would be required to apply to the Controller of Residential Property for a qualifying certificate to purchase or acquire the residential property.

Compliance with Sale of Commercial Properties Act (Chapter 281) (the “SCPA”)

The sale of all properties other than residential properties (“commercial properties”) is regulated by the SCPA. Under the SCPA, no person may sell any commercial property unless the plans for the construction or erection of the commercial property have been approved by the BCA. The lease of a property for a term not exceeding seven years without option for renewal or extension is not deemed to be a sale of commercial property.

Further, we are required to comply with the Sale of Commercial Properties Rules regarding the terms of sale of our commercial property development projects.

URA and BCA Approval

All proposed property development projects in Singapore require a written permission granted by URA setting out specific requirements and limits for each property development. Such requirements and conditions include, *inter alia*, limits regarding the land use, gross plot ratio, building height and building form on the development site. Approvals will also be needed for any changes in the use of the land and/or premises from URA.

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Subsequent to obtaining the written permission from the URA, building plans will be submitted to BCA for approval, after clearance from the relevant government authorities, such as LTA, NEA, PUB and the Fire Safety & Shelter Department, where applicable, is granted. Upon obtaining the Notice of Approval for our building plans and a permit to carry out structural works from BCA, we can then proceed with construction as approved by such authorities.

Conditions imposed by SLA and/or JTC

To optimise the use of State Land, the government may require developers of adjoining land to purchase and amalgamate any remnant land into their development projects. Sales of such land are subject to terms and conditions, which include:

- (a) the terms of use of the land and the maximum GFA permissible;
- (b) restrictions on, *inter alia*, mortgaging, charging, assigning, sub-letting, or otherwise parting with the possession of the land; and
- (c) the requirements imposed by any relevant government authorities or agencies as indicated in the alienation recommendation from SLA and/or JTC.

The proposed use and development control of the land will be subject to the main private land planning and building approvals.

Our Board believes that, as at the Latest Practicable Date, to the best of its knowledge and belief, our Company and our Subsidiaries have obtained all requisite approvals, permits and licences, and are in compliance with all approvals, permits and licences, laws and regulations, that would materially affect our business operations for its completed property development projects.

As at the Latest Practicable Date, our Company and our Subsidiaries are in the midst of obtaining the relevant licences, permits and approvals for its ongoing development projects in the pipeline. As at the Latest Practicable Date, to the best of their knowledge and belief, our Directors are not aware of any facts or circumstances which would cause any of the material licences, permits and approvals which have already been obtained to be suspended or revoked, or for any applications for, or for the renewal of, any of these licences, permits and approvals to be rejected by the relevant authorities.

Save as disclosed above, our Company and our Subsidiaries do not require any licences, permits or approvals in respect of our operations in Singapore other than those pertaining to general business registration requirements.

PRC

Please refer to Appendix F entitled “Summary of Relevant PRC Laws and Regulations” of this Offer Document for further details regarding the relevant PRC laws and regulations which apply to our Group’s operations in the PRC.

PROSPECTS AND FUTURE PLANS

INDUSTRY OVERVIEW AND PROSPECTS

Singapore

Residential⁽¹⁾

Based on the real estate statistics for the 4th quarter of 2017 released by the URA, we observed a gradual improvement in the residential property development industry, including an improvement in the prices of non-landed residential properties.

As en-bloc sales of existing sites have been very active over the past one to two years, the redevelopment of these en-bloc sites will add a significant number of housing units to the existing supply pipeline. Specifically, in addition to the 19,755 unsold units with planning approval, there is a potential supply of about 19,900 units (including executive condominiums) from Government Land Sales (GLS) sites and awarded en-bloc sale sites that have yet to be granted planning approvals. They comprise (a) approximately 7,800 units from awarded GLS sites, sites that have been triggered for sale but not awarded yet, and sites that have not been awarded yet but will go on sale at pre-determined dates, and (b) approximately 12,100 units from awarded en-bloc sale sites. A large part of this new supply of 19,900 units could be made available for sale in the next one to two years, and will be completed by 2021 onwards.

Notwithstanding that a larger supply of units may be made available in the upcoming years, our Group will continue to develop projects catering to the relevant market segment to reach our targeted demographic profile and will also exercise prudence in the acquisition of future land sites and buildings for development through careful selection and analysing the results of feasibility studies, to ensure a healthy rate of return for our Group.

Office and Retail⁽¹⁾

Based on the real estate statistics for the 4th quarter of 2017 released by the URA, we observe a general improvement in the office and retail property development industry, including an overall decline in vacancy rates and supply of office and retail units.

Our Group will continue to monitor the relevant market segments and undertake suitable mixed-use and/or commercial property developments which generate stable returns and diversify our portfolio as and when suitable opportunities arise.

Industrial⁽²⁾

Based on JTC's Quarterly Market Report for Industrial Properties for the 4th quarter of 2017, we observed a general stabilisation of the industrial property development industry. Approximately 1.6 million sq m of industrial space (including 361,000 sq m of multiple-user factory space) is estimated to come on-stream in 2018, while the average annual demand for industrial space in the last 3 years was approximately 1.3 million sq m. As new supply starts to taper in the coming years, prices and rentals may start to stabilise in tandem with occupancy rates.

We intend to continue to develop suitable industrial property developments to tap on the lower capital costs compared to other types of property developments and the relative stability of the industrial property market.

PROSPECTS AND FUTURE PLANS

Notes:

- (1) 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 at <https://www.ura.gov.sg/Corporate/Media-Room/Media-Releases/pr18-04> accessed on 19 March 2018.
- (2) Information and statistics were extracted from JTC's Quarterly Market Report for Industrial Properties for the Fourth Quarter 2017 at <http://www.jtc.gov.sg/industrial-property-market-statistics/Documents/JTC%20Quarterly%20Market%20Report%20for%204Q2017.pdf> accessed on 19 March 2018.
- (3) The parties mentioned in the notes above have not consented to the inclusion of the above information in this Offer Document for the purposes of Section 249 of the SFA and are therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable action to ensure that the information has been accurately and correctly extracted from the sources above and reproduced in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

PRC

The PRC's gross domestic product ("GDP") (excluding Hong Kong) is forecasted to grow by 6.6% in 2018⁽¹⁾. Transactions in real estate assets in the PRC in 2017 rose by 11% (more in tier-one cities) due partly to the impact of tightened capital controls which redirected monies originally intended for international investment back into the domestic market⁽²⁾. Key emerging market and developing economies, including the PRC, posted stronger than expected growth in the 3rd quarter of 2017, and high-frequency hard data and sentiment indicators point to a continuation of strong momentum in the 4th quarter of 2017⁽¹⁾.

Notwithstanding the cooling measures imposed by the PRC government to rein in the residential properties market, such as duties on property sales and increasing the down payment payable upon purchase of a home, average home prices in the PRC rose by 8.3% in the year to August 2017⁽²⁾.

Despite the cooling measures imposed by the PRC government, the increase in the price of residential properties is encouraging in light of the upcoming launch of our Group's Gaobeidian Project, a mixed-use residential and commercial development located in the NSEZ, which may be an alternative to housing in Beijing due to its location and proximity to Beijing by high speed rail.

We will remain open to suitable property development projects in major cities in the PRC such as Shanghai, particularly commercial, mixed-use and industrial developments where we can undertake value-added property development projects in light of the limited number of land sites and buildings available for sale in such major cities.

Notes:

- (1) Information and statistics were extracted from the World Economic Outlook Update, January 2018 titled "Brighter Prospects, Optimistic Markets, Challenges Ahead" published by the International Monetary Fund at <https://www.imf.org/en/Publications/WEO/Issues/2018/01/11/world-economic-outlook-update-january-2018> accessed on 19 March 2018.
- (2) Information and statistics were extracted from the publication titled "Emerging Trends in Real Estate – Asia Pacific 2018" published by Pricewaterhouse Coopers LLP at <https://www.pwc.com/sg/en/publications/aprealestemerging.html> accessed on 19 March 2018.
- (3) The parties mentioned in the notes above have not consented to the inclusion of the above information in this Offer Document for the purposes of Section 249 of the SFA and are therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable action to ensure that the information has been accurately and correctly extracted from the sources above and reproduced in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

PROSPECTS AND FUTURE PLANS

Western Europe

GDP growth for the member states of the European Union that have adopted the euro as their currency is projected to reach 2.2% in 2018, reflecting a stronger momentum in domestic demand and higher external demand⁽¹⁾. The UK is expected to have growth of 1.5% for 2018, partly as a result of uncertainty surrounding the UK's new economic relationship with the European Union and the extent of the increase in barriers to trade, migration and cross-border financial activity⁽²⁾. Germany is a popular destination for investment due to overall investment and development prospects in 2018⁽³⁾.

Notwithstanding the occurrence of Brexit, the UK continues to see investment interest in the real estate industry, in cities such as Manchester, Birmingham, Edinburgh and London. In particular, London remains a safe harbour for Asian capital, and its appeal has only been enhanced by the decline in the value of the pound following Brexit. Properties in the logistics sector are also sought after, due to the growth in online retail sales which increase demand for fulfilment and distribution centres, and warehousing space⁽³⁾.

We will explore potential opportunities for residential, mixed-use, industrial, commercial and hospitality (including hotels) developments in the UK as it remains attractive to our Group due to the similarity of its legal system with Singapore.

Notes:

- (1) Information and statistics were extracted from the World Economic Outlook Update, January 2018 titled "Brighter Prospects, Optimistic Markets, Challenges Ahead" published by the International Monetary Fund at <https://www.imf.org/en/Publications/WEO/Issues/2018/01/11/world-economic-outlook-update-january-2018> accessed on 19 March 2018.
- (2) Information and statistics were extracted from the World Economic Outlook, October 2017 titled "Seeking Sustainable Growth: Short-Term Recovery, Long-Term Challenges" published by the International Monetary Fund at <https://www.imf.org/en/Publications/WEO/Issues/2017/09/19/world-economic-outlook-october-2017> accessed on 19 March 2018.
- (3) Information and statistics were extracted from the publication titled "Emerging Trends in Real Estate – Europe 2018" published by Pricewaterhouse Coopers LLP at <https://www.pwc.com/gx/en/industries/financial-services/asset-management/emerging-trends-real-estate/europe-2018.html> accessed on 19 March 2018.
- (4) The parties mentioned in the notes above have not consented to the inclusion of the above information in this Offer Document for the purposes of Section 249 of the SFA and are therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable action to ensure that the information has been accurately and correctly extracted from the sources above and reproduced in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

Asia-Pacific

Robust growth prospects for Asia-Pacific will contribute to it being a key pillar of an expanding global economy. In particular, South-east Asia's economies should maintain a healthy pace of expansion which is partly supported by external demand⁽¹⁾. At the same time, institutional investors and sovereign funds with excess liquidity are investing it increasingly in property in the region, contributing to the recent investment flows into Asian real estate⁽²⁾. Investment activities in the real estate sector in Asia-Pacific in the 4th quarter of 2017 reached a high of US\$52 billion, an increase of 15.8% compared to the same period in 2016, resulting in record transaction volumes for the whole of 2017 of US\$149 billion, an increase of 13.4% compared to 2016⁽³⁾. Overall leasing activity dropped by more than 20.0% year-on-year in the 4th quarter of 2017 and contributed to a full year decline of 5.0%, due mainly to low vacancy and strong pre-commitment rates in several key markets⁽³⁾.

PROSPECTS AND FUTURE PLANS

We intend to focus on sourcing for opportunities in mature markets such as Australia, Japan and South Korea as the overall risk profile is lower due to the developed financial, legal and tax systems in such mature markets. Notwithstanding the aforesaid, our Group may consider entering into emerging markets such as Malaysia, Cambodia and Myanmar should suitable opportunities arise for us to undertake developments providing healthy rates of return for our Group.

Notes:

- (1) Information and statistics were extracted from the Asia Pacific Property Digest for Q32017 titled “Real Estate Activity on track for Asia Pacific” published by Jones Lang Laselle at <http://www.joneslanglasalle.com.cn/china/en-gb/Research/asia-pacific-property-digest-3q-2017.pdf?0fc30b42-3306-4ea2-b03c-90bc824235ec> accessed on 19 March 2018.
- (2) Information and statistics were extracted from the publication titled “Emerging Trends in Real Estate – Asia Pacific 2018” published by Pricewaterhouse Coopers LLP at <https://www.pwc.com/sg/en/publications/aprealestemerging.html> accessed on 19 March 2018.
- (3) Information and statistics were extracted from the Asia Pacific Property Digest for Q42017 titled “Sustained momentum leads to record-breaking investment volumes” published by Jones Lang Laselle at <http://www.ap.jll.com/asia-pacific/en-gb/Research/asia-pacific-property-digest-4q-2017.pdf?a024881a-aa29-4fff-b9f5-dfc93f144b93> accessed on 19 March 2018.
- (4) The parties mentioned in the notes above have not consented to the inclusion of the above information in this Offer Document for the purposes of Section 249 of the SFA and are therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable action to ensure that the information has been accurately and correctly extracted from the sources above and reproduced in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

TREND INFORMATION

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:

- (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;
- (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
- (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 (including the remuneration payable under the Service Agreement as described in the section entitled “Directors, Executive Officers and Staff – Service Agreement” of this Offer Document) and expenses arising in connection with our listing on Catalist.

Save as disclosed above and under the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position”, “General Information our Group – Business Strategies” and “Prospects and Future Plans” of this Offer Document, and barring any unforeseen circumstances, our Directors are not aware of any other known recent trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenue, profitability, liquidity or capital resources, or that would cause the

PROSPECTS AND FUTURE PLANS

financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial condition. Please also refer to the section entitled “Cautionary Note Regarding Forward-Looking Statements” of this Offer Document.

ORDER BOOK

As our developments are launched and sold on a project basis, subject to prevailing market conditions, we do not have an order book.

Please refer to the section entitled “General Information on our Group – Our Property Development Projects” of this Offer Document for further details on our property development projects.

FUTURE PLANS

Our future plans for the growth and expansion of our business are as follows:

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.

In relation to the land sites and buildings that are in our pipeline, we are progressing towards obtaining the relevant approvals with the aim of eventually launching the property development projects for sale and commencing construction.

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.

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

PROSPECTS AND FUTURE PLANS

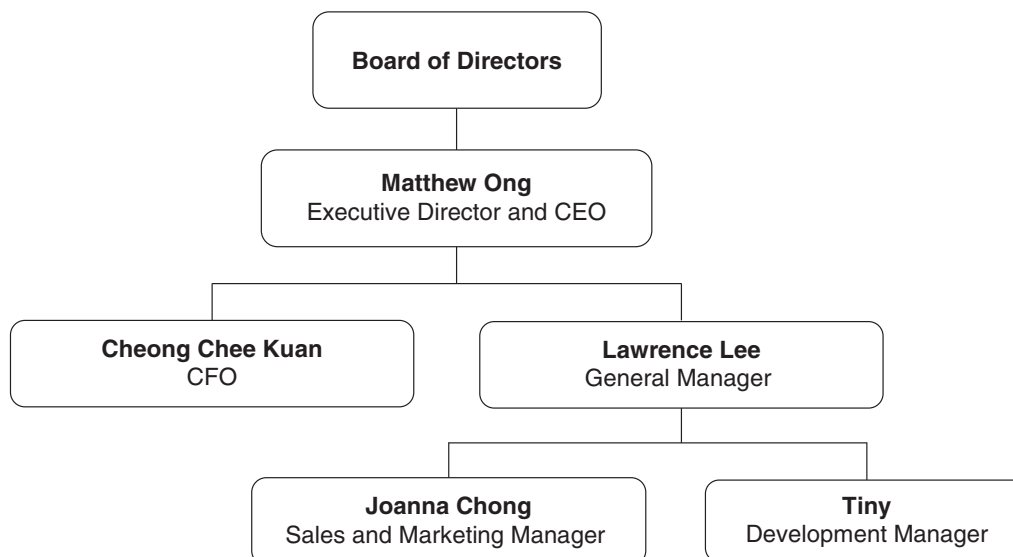
Asia-Pacific region, Western Europe and North America, in countries such as the UK, Australia, Hong Kong, Japan, Korea, Vietnam, Malaysia, Cambodia and Myanmar. This will diversify our Group's activities and income stream, and mitigate our exposure to the cyclical property development market of Singapore. 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.

Our Company will be able to strengthen our capital resources and financial position through the Invitation. As a result, we may be able to acquire larger land sites or buildings at better locations, thereby giving us access to new business opportunities and consumer markets. We may also consider expanding our business through potential acquisitions, joint ventures or strategic alliances with parties who provide synergistic values to our existing business.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

MANAGEMENT REPORTING STRUCTURE

Our management reporting structure as at the Latest Practicable Date is set out below:



DIRECTORS

Our Directors are entrusted with the responsibility for our overall management. The particulars of our Directors as at the date of this Offer Document are set out below:

Name	Age	Address	Designation
Ong Lay Koon ⁽¹⁾	46	c/o 29 Harrison Road #07-00 Lian Beng Building Singapore 369648	Non-Executive Non-Independent Chairman
Matthew Ong ⁽¹⁾	36	c/o 29 Harrison Road #07-00 Lian Beng Building Singapore 369648	Executive Director and CEO
Owi Kek Hean	60	c/o 29 Harrison Road #07-00 Lian Beng Building Singapore 369648	Lead Independent Director
Foo Der Rong	65	c/o 29 Harrison Road #07-00 Lian Beng Building Singapore 369648	Independent Director

Note:

(1) Matthew Ong is the nephew of Ong Lay Koon.

Information on the business and working experiences, education and professional qualifications, if any, and areas of responsibilities of our Directors are set out below:

Ong Lay Koon is our Non-Executive Non-Independent Chairman and was appointed to our Board on 23 March 2018. She is currently the executive director of Lian Beng and heads the New Lian Beng Group's Accounting and Finance, Human Resource and Corporate Affairs departments. She also plays a vital role in making the New Lian Beng Group's investment decisions. Ong Lay Koon

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

has been appointed as an executive director of Lian Beng since 1999. Prior to that, she was the resource manager at Lian Beng Construction (1988) Pte Ltd from 1992 to 1999, where she was in charge of the finance, human resource and administration functions. Ong Lay Koon holds a Diploma in Civil Engineering (with Merit) from Singapore Polytechnic obtained in 1992.

Matthew Ong is our Executive Director and CEO and has been a director of the property development division of the Lian Beng Group since 2013. He is responsible for seeking and developing new business opportunities, including sourcing and conducting feasibility studies of land sites and properties both locally and overseas. He is also responsible for planning, organising, directing and managing the affairs and activities of our Company, allocating organisation resources and responsibilities, and making decisions regarding the bidding of contracts and submission of tenders, sourcing of financing for projects and assessing potential joint venture partners. He undertakes supervisory responsibilities and manages the execution of all property development projects from inception, conceptualisation and design, to sales and project completion. From 2006 to 2008, Matthew Ong was working in the construction division of the Lian Beng Group as a project coordinator and was an assistant development manager in the property development division of the Lian Beng Group from 2008 to 2012. Matthew Ong holds a Bachelor of Science in Business and Management Studies from the University of Bradford, United Kingdom, obtained in 2007.

Owi Kek Hean is our Lead Independent Director and was appointed to our Board on 23 March 2018. He is currently the executive director of IMO & Partners Pte. Ltd., which provides business and management consultancy services, and sits on the board of Centurion Corporation Limited as an independent director. He was with KPMG Singapore for 33 years where he last held the positions of Head of Tax, Head of Enterprise Services and Deputy Managing Director until his retirement in October 2015. Owi Kek Hean holds a Bachelor of Business Administration from the National University of Singapore obtained in 1981 and was admitted to the Singapore Institute of Accredited Tax Professionals in 2010.

Foo Der Rong is our Independent Director and was appointed to our Board on 23 March 2018. He is currently the executive director of Tian International Pte. Ltd., which provides business and management consultancy services, and sits on the boards of Southern Lion Sdn Bhd, Matex International Limited, Noel Gifts International Ltd., and Pavillon Holdings Ltd. He has a wealth of rich experience and knowledge in business development, corporate restructuring, investment strategies and operations management in a wide range of industries. He was formerly the managing director and CEO of Intraco Limited from 2013 to 2015, and the managing director and CEO of Hanwell Holdings Limited from 2002 to 2012. Foo Der Rong holds a Bachelor of Commerce from Nanyang University obtained in 1976.

Save for Ong Lay Koon, who is the nominee director of our Controlling Shareholder, Lian Beng, there is no arrangement or understanding with our Substantial Shareholders, customers or suppliers or other persons pursuant to which any of them or any person nominated by any of them has been appointed as our Directors.

All our Directors possess the relevant experience and expertise to act as Directors of our Company, as evidenced by their business and working experience as set out above. Matthew Ong does not have prior experience as a director of public listed companies in Singapore. However, he has undertaken relevant training to familiarise himself with the roles and responsibilities of a director of a public listed company in Singapore. In addition, he has taken a course conducted by the Singapore Institute of Directors on directors' responsibilities and corporate governance of SGX-ST listed companies.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

None of our Independent Directors sits on the board of any of our Subsidiaries. The list of present and past directorships of each Director over the last five years preceding the date of this Offer Document, is set out below:

Name	Present directorships	Past directorships
Ong Lay Koon	<u>Group corporations</u> SLB Development Ltd. Goldprime Investment Starview Investment Wealth Property LBD (China) Goldprime Land Rio Casa Venture Wellprime LBD (Serangoon) Smooth Venture Wealth Development Luxe Development LBD (Midtown) Oxley-LBD Spottiswoode Development LBD (GL) <u>Other corporations</u> L.S.Construction Pte Ltd Lian Beng Investment Pte Ltd Evergrande Realty & Development Pte Ltd Ong Sek Chong & Sons Pte Ltd Lian Beng Group Ltd Hilllock Development Pte Ltd Lian Beng Realty Pte Ltd Rocca Investments Pte Ltd Mountbatten Development Pte. Ltd. Gold Holdings Pte. Ltd. Phileap Pte. Ltd. LB Land Pte. Ltd. CH Development Pte. Ltd. Kovan Land Pte. Ltd. LB Property Pte. Ltd. Millennium International Builders Pte. Ltd. Oxley Bliss Pte. Ltd. Lian Beng (M) Pte. Ltd. Lian Beng Bliss Pte. Ltd. Wealth Land Pte. Ltd. Centurion-Lian Beng (Papan) Pte. Ltd. Goldprime Property Pte. Ltd.	<u>Group corporations</u> Action Property Oxley Viva Oxley YCK Oxley Sanctuary <u>Other corporations</u> Epic Land (10-1) Pte. Ltd. Epic Land (11-1) Pte. Ltd. Epic Land (12-1) Pte. Ltd. Epic Land (10-2) Pte. Ltd. Epic Land (12-2) Pte. Ltd. Epic Land (13-1) Pte. Ltd. Epic Land (13-2) Pte. Ltd. Epic Land (14-2) Pte. Ltd. Epic Land (14-1) Pte. Ltd. Epic Land (15-1) Pte. Ltd. Epic Land (15-2) Pte. Ltd. Epic Land (18-2) Pte. Ltd. Epic Land (19-2) Pte. Ltd. Epic Land (23) Pte. Ltd. Epic Land (24) Pte. Ltd. Epic Land (29) Pte. Ltd. Brighton Property Pte. Ltd.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Name	Present directorships	Past directorships
	Great Development Pte. Ltd.	
	Wealth Assets Pte. Ltd.	
	Lian Beng Capital Pte. Ltd.	
	Epic Land Pte. Ltd. ⁽¹⁾	
	Epic Land (01) Pte. Ltd.	
	Epic Land (11-2) Pte. Ltd.	
	Epic Land (17-1) Pte. Ltd.	
	Epic Land (16-1) Pte. Ltd.	
	Epic Land (17-2) Pte. Ltd.	
	Epic Land (19-1) Pte. Ltd.	
	Epic Land (18-1) Pte. Ltd.	
	Epic Land (20) Pte. Ltd.	
	Epic Land (22) Pte. Ltd.	
	Epic Land (21) Pte. Ltd.	
	Epic Land (25) Pte. Ltd.	
	Epic Land (27) Pte. Ltd.	
	Epic Land (26) Pte. Ltd.	
	Epic Land (28) Pte. Ltd.	
	Goldprime (M) Pte. Ltd.	
	Wickham Invesco Pte. Ltd.	
	Goldprime Realty Pte. Ltd.	
	Goldprime Dormitory Pte. Ltd.	
	LB Property (S) Pte. Ltd.	
	Lian Beng Ventures Pte. Ltd.	
	Lian Beng-KSH Pte. Ltd.	
	LB Gold Land Pte. Ltd.	
	Goldprime Development Pte. Ltd.	
	Prospere Hotels Pte. Ltd.	
	Oriental Investment Pte. Ltd.	
	Evergrande (AMK) Pte. Ltd.	
	Clementi (LB) Pte. Ltd.	
	Bukit Merah (LB) Pte. Ltd.	
	Toa Payoh (LB) Pte. Ltd.	
	Ang Mo Kio (LB) Pte. Ltd.	
	Lian Beng (BL) Pte. Ltd.	
	LB Asset Management Pte. Ltd.	
	Lian Beng (Joo Chiat) Pte. Ltd.	
	Lian Beng (Franklin) Pte. Ltd.	
	Lian Beng (8) Pte. Ltd.	
	Evergrande (Bukit Batok) Pte. Ltd.	
	Wealth Asset (LK) Management Pte. Ltd.	
	Wealth Gold Pte. Ltd.	
	W167 Capital Pte. Ltd.	
	Lian Beng (St Kilda) Pty Ltd	
	Lian Beng Franklin Investment Pty Ltd	
	Lian Beng Ventures (Melbourne) Pty Ltd	
	State Rich International Limited	

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Name	Present directorships	Past directorships
Matthew Ong	<u>Group corporations</u> SLB Development Ltd. Smooth Venture Wealth Development Wealth Property LBD (China) KAP Holdings (China) Goldprime Land Rio Casa Venture Wellprime Oxley Serangoon LBD (Serangoon) Action Property Oxley Sanctuary Oxley Viva Oxley YCK Oxley-LBD Spottiswoode Development LBD (GL) LBD (Midtown) Luxe Development Starview Investment Goldprime Investment Development 24 Sino-Singapore KAP Construction Co., Ltd Gaobeidian City KAP Real Estate Development Co., Ltd. Hebei Xuxing Investment Co., Ltd. Hebei Yuezhi Real Estate Development Co., Ltd. <u>Other corporations</u> NIL	<u>Group corporations</u> NIL <u>Other corporations</u> Suki Capital Pte. Ltd. 122 Middle Investment Pte. Ltd. Associated KHL Industries Pte Ltd Clementi (LB) Pte. Ltd. Bukit Merah (LB) Pte. Ltd. Toa Payoh (LB) Pte. Ltd. Ang Mo Kio (LB) Pte. Ltd. Goldprime (M) Pte. Ltd. Goldprime Property Pte. Ltd. Goldprime Realty Pte. Ltd. Goldprime Dormitory Pte. Ltd. Great Development Pte. Ltd. LB Property (S) Pte. Ltd. LB Gold Land Pte. Ltd. Goldprime Development Pte. Ltd. Lian Beng (BL) Pte. Ltd. Lian Beng (Franklin) Pte. Ltd. Lian Beng (8) Pte. Ltd. Lian Beng (M) Pte. Ltd. Lian Beng Realty Pte Ltd Lian Beng Ventures Pte. Ltd. Mountbatten Development Pte Ltd. Lian Beng-KSH Pte. Ltd. Wealth Asset (LK) Management Pte. Ltd. Wealth Gold Pte. Ltd. Wealth Land Pte. Ltd. Wealth Assets Pte. Ltd. Grand Millennium Development Sdn Bhd State Rich International Limited Oxley Bliss Pte. Ltd. LGB-NB Pte. Ltd.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Name	Present directorships	Past directorships
		Lian Beng (St Kilda) Pty Ltd Lian Beng Franklin Investment Pty Ltd Lian Beng Ventures (Melbourne) Pty Ltd Prospere Holdings Pte. Ltd. Wickham Invesco Pte. Ltd. Glenthorne Pte. Ltd. Fairmont Land Pte. Ltd. Prospere Hotels Pte. Ltd. Centurion-Lian Beng (Papan) Pte. Ltd. Ensco 1154 Limited Ensco 1155 Limited Bradford Prince Court Hotel Limited Gloucester Corinium Avenue Hotel Limited Luma Concept Hotel Ltd Joy Light Ventures Limited Horizon Glory Holdings Limited Ultra Assets Holdings Limited Ace Zone Holdings Limited Wickham 186 Pty Ltd
Foo Der Rong	<u>Group corporations</u> SLB Development Ltd. <u>Other corporations</u> Matex International Limited Noel Gifts International Ltd. Pavillon Holdings Ltd. Tian International Pte. Ltd. Southern Lion Sdn Bhd	<u>Group corporations</u> NIL <u>Other corporations</u> Intraco Limited K.A. Building Construction Pte. Ltd. K.A. Firelite Pte. Ltd. K.A. Fabric Shutters Pte. Ltd. K.A. Fireproofing Pte. Ltd. Tat Hong Intraco Pte. Ltd. K.A. Group Holdings Pte. Ltd. Tat Hong Intraco Heavy Equipment Co. Ltd K.A. Vermiculite Spray Sdn Bhd

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Name	Present directorships	Past directorships
Owi Kek Hean	<u>Group corporations</u>	<u>Group corporations</u>
	SLB Development Ltd.	NIL
	<u>Other corporations</u>	<u>Other corporations</u>
	Centurion Corporation Limited Centurion US Student Accommodation Holdings Pte. Ltd. IMO & Partners Pte. Ltd. Centurion US Accommodation Inc	NIL

Note:

(1) Appointed as alternate director after cessation of appointment as a full director.

EXECUTIVE OFFICERS

Our Directors are assisted by our Executive Officers, whose particulars are set out below:

Name	Age	Address	Designation
Cheong Chee Kuan	42	c/o 29 Harrison Road #07-00 Lian Beng Building Singapore 369648	CFO
Lawrence Lee	48	c/o 29 Harrison Road #07-00 Lian Beng Building Singapore 369648	General Manager
Joanna Chong	38	c/o 29 Harrison Road #07-00 Lian Beng Building Singapore 369648	Sales and Marketing Manager
Tiny	33	c/o 29 Harrison Road #07-00 Lian Beng Building Singapore 369648	Development Manager

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities of our Executive Officers are set out below:

Cheong Chee Kuan is our CFO who joined the property development division of the Lian Beng Group in October 2017. She is responsible for our Group's financial and management accounting, treasury, taxation and other corporate compliance matters. Prior to working at our Company, Cheong Chee Kuan was engaged in freelance accounting work from April 2017 to October 2017, and was the Group Financial Controller of LH Group Limited (now known as Pacific Star Development Limited) from 2015 to March 2017. She was engaged in freelance accounting work in 2014. From 2008 to 2013, Cheong Chee Kuan was an audit partner of De Associates and a director of De Consulting Pte Ltd. From 2002 to 2007, Cheong Chee Kuan was an audit manager with LTC & Associates. She was an audit senior at SP Tan & Co. from 2000 to 2002 and an audit assistant with K Y Chik & Associates from 1998 to 2000. Cheong Chee Kuan holds a Diploma in Accountancy from Singapore Polytechnic obtained in 1998, became an Affiliate of the Association of Chartered Certified Accountants in 2001 and was admitted as a Chartered Accountant (Singapore) in 2013.

Lawrence Lee is our General Manager and has been the General Manager of the property development division of the Lian Beng Group since 2014. He is responsible for managing operations and property development projects, including carrying out feasibility studies on potential development sites. In addition, he coordinates the appointment of the project teams and monitors the execution of the property development projects from inception to completion, including obtaining all relevant statutory approvals. He also assists our Executive Director and CEO in the day-to-day operations of our Group. He was a construction manager under the construction division and senior development manager under the property development division of the Lian Beng Group from 2008 to 2014. He was working as an architect with Ong & Ong Architects Pte Ltd (now known as Ong & Ong Pte Ltd) from 2005 to 2008, and with SEP Partnership from 1996 to 2005. He holds a Bachelor of Arts (Architectural Studies) from the National University of Singapore obtained in 1993 and a Bachelor of Architecture from the National University of Singapore obtained in 1996, and became a registered practitioner with the Board of Architects in 2001.

Joanna Chong is our Sales and Marketing Manager and has been the Sales and Marketing Manager of the property development division of the Lian Beng Group since 2013. She is responsible for keeping up with new trends and opportunities in the property market, project costing and developing and implementing strategic sales plans to achieve our Group's sales targets. She develops and maintains client relationships, and handles projects' sales and marketing. She is also involved in the processes occurring after TOP and CSC, including handover of units and the formation of the MCST. Joanna Chong was working at Centurion Properties Pte. Ltd. as a manager from 2012 to 2013. From 2008 to 2010, she was working at SavillsCKH Pte. Ltd. (now known as Savills Property Management Pte. Ltd.) as an assistant strata manager, and was promoted to strata manager from 2010 to 2012. She also worked as a senior property executive at United Permas Limited in 2008, a property executive at Wing Tai Property Management Pte. Ltd from 2007 to 2008, and an office manager at Dragon Access (S) Pte. Ltd. from 2005 to 2007. She was a property executive and then subsequently senior property executive at Chan Kok Hong Property Consultants Pte Ltd from 2003 to 2005, and a property executive with Knight Frank Estate Management Pte. Ltd. from 2000 to 2003. Joanna Chong holds a Bachelor of Science in Management from the University of London in association with the London School of Economics and Political Science, as an external degree obtained in 2005.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Tiny is our Development Manager and has been the Development Manager of the property development division of the Lian Beng Group since 2015. She is responsible for developing the design brief, design concept and project costing. She is in charge of preparing and vetting presentation plans, undertakes supervisory responsibilities for assigned projects from inception, conceptualisation, and design to project completion, monitoring and managing execution of assigned projects. She also monitors the status of our Group's licence and permit applications with the relevant authorities and is involved in the processes occurring after TOP and CSC including handover of units and the formation of the MCST. Tiny was working at RDC Architects Pte. Ltd. as an architectural associate from 2011 to 2015. From 2010 to 2011, she joined 3HP Architects Pte. Ltd. as an architectural assistant after working at Tang Architects from 2008 to 2010 as an architectural assistant. Tiny was also a junior architect with U Consultant International from 2007 to 2008. Tiny holds a Bachelor of Science in Architecture from the National Cheng Kung University obtained in 2007.

Our Executive Officers do not have any family relationship with any Director or Substantial Shareholder of our Company.

There is no arrangement or understanding with our Substantial Shareholders, customers or suppliers or other persons pursuant to which any of them or any person nominated by any of them has been appointed as our Executive Officers.

The list of present and past directorships of the Executive Officers over the last five years preceding the date of this Offer Document is set out below:

Name	Present directorships	Past directorships
Cheong Chee Kuan	<u>Group corporations</u>	<u>Group corporations</u>
	NIL	NIL
	<u>Other corporations</u>	<u>Other corporations</u>
	NIL	De Consulting Pte. Ltd. CCK Consulting Pte. Ltd.
Lawrence Lee	<u>Group corporations</u>	<u>Group corporations</u>
	NIL	NIL
	<u>Other corporations</u>	<u>Other corporations</u>
	NIL	NIL
Joanna Chong	<u>Group corporations</u>	<u>Group corporations</u>
	NIL	NIL
	<u>Other corporations</u>	<u>Other corporations</u>
	NIL	NIL

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Name	Present directorships	Past directorships
Tiny	<u>Group corporations</u>	<u>Group corporations</u>
	NIL	NIL
	<u>Other corporations</u>	<u>Other corporations</u>
	NIL	NIL

STAFF

As at the Latest Practicable Date, we have a workforce of 9 full-time staff, all of whom are employed in Singapore. We do not employ any temporary or part-time staff. We do not experience any significant seasonal fluctuations in our number of staff. None of our staff is unionised. There has not been any incidence of work stoppages or labour disputes which affected our operations. Accordingly, we consider our relationship with our staff to be good.

The number of staff employed by our Company and Subsidiaries as at the end of each of the Period Under Review, segmented by function, are as follows:

	← Number of staff ⁽¹⁾ →			
	As at 31 May 2015	As at 31 May 2016	As at 31 May 2017	As at 30 November 2017
Function				
Corporate	2	2	2	3
Finance, human resource and administration	1	1	1	3
Marketing	1	1	1	1
Development	—	1	1	1
Total	4	5	5	8

Note:

- (1) Prior to the listing of our Company on the Catalist, our staff were under the employment of the Subsidiaries of Lian Beng as they managed Lian Beng's property development division, including the property development projects undertaken by our Group.

In line with the segregation of our operations from the Lian Beng Group, we have increased our headcount in the finance, human resource and administration department.

Save for CPF contributions and other statutory contributions in Singapore, we have not set aside or accrued any amounts to provide for pension, retirement or similar benefits for any of our employees.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

REMUNERATION OF DIRECTORS, EXECUTIVE OFFICERS AND RELATED STAFF

Directors and Executive Officers

The remuneration paid to our Directors and Executive Officers (which includes benefits-in-kind and bonuses) for services rendered to us in all capacities on an aggregate basis and in remuneration bands of S\$250,000⁽¹⁾ during FY2016 and FY2017 (being the two most recent completed financial years) and as estimated for FY2018, excluding bonus under any profit-sharing plan or any other profit-linked agreement(s), is as follows:

	FY2016 ^{(1), (4)}	FY2017 ^{(1), (4)}	FY2018 ^{(1), (4)} (estimated)
Directors			
Ong Lay Koon ⁽³⁾	–	–	Band A
Matthew Ong	Band A	Band B	Band B ⁽²⁾
Owi Kek Hean ⁽³⁾	–	–	Band A
Foo Der Rong ⁽³⁾	–	–	Band A
Executive Officers			
Cheong Chee Kuan ⁽³⁾	–	–	Band A
Lawrence Lee	Band A	Band B	Band A
Joanna Chong	Band A	Band A	Band A
Tiny	Band A	Band A	Band A

Notes:

- (1) Band A: Compensation from S\$0 to S\$250,000 per annum.
Band B: Compensation from S\$250,001 to S\$500,000 per annum.
- (2) The estimated amount for FY2018 does not take into account the performance bonus that our Executive Director and CEO is entitled to receive under his Service Agreement, further details of which are set out in the section entitled "Directors, Executive Officers and Staff – Service Agreement" of this Offer Document.
- (3) Not under our appointment under the relevant period.
- (4) Prior to the listing of our Company on the Catalist, the remuneration paid was borne by the Lian Beng Group.

No compensation has been paid or will be paid in the form of stock options or shares to any of the Directors, Executive Officers or employees.

Related Staff

Matthew Ong, our Executive Director and CEO, is the nephew of Ong Lay Koon, our Non-Executive Non-Independent Chairman. He is also the son and nephew of Ong Pang Aik and Ong Lay Huan respectively, both of whom are our deemed Controlling Shareholders. Ong Lay Koon, Ong Pang Aik and Ong Lay Huan are siblings. Save as disclosed above, there is no family relationship between our Directors, our Executive Officers and our Substantial Shareholders. Save as disclosed above, our Group does not employ any person who is an immediate family member of a Director or the CEO whose remuneration exceeds S\$50,000 per year.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

The remuneration of any staff who are related to our Directors or Substantial Shareholders will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these related staff will also be subject to the review and approval of our Remuneration Committee. In addition, any new employment of related staff and the proposed terms of their employment will also be subject to the review and approval of our Nominating Committee and Remuneration Committee. In the event that a member of our Nominating Committee and Remuneration Committee is related to the staff under review, he will abstain from the review.

SERVICE AGREEMENT

Our Company has entered into a service agreement (the “**Service Agreement**”) with our Executive Director and CEO, Matthew Ong. The Service Agreement is valid for an initial period of three years upon admission of our Company on the Catalist. Upon the expiry of the initial period of three years, the employment of Matthew Ong shall be automatically renewed for a period of three years (and thereafter automatically renewed every three years) on such terms and conditions as the parties may agree. During the initial period of three years, either party may terminate the Service Agreement at any time by giving to the other party not less than six months’ notice in writing, or in lieu of notice, payment of an amount equivalent to six months’ salary based on Matthew Ong’s last drawn monthly salary. We may also terminate the employment of Matthew Ong at any time without notice or payment in lieu of notice under the following circumstances:

- (i) if he is guilty of any gross default or grave misconduct in connection with or affecting the business of our Group;
- (ii) if he is convicted or otherwise found guilty by any court of competent jurisdiction, or pleads guilty to, any offence involving fraud or dishonesty, or of a felony, serious misdemeanour, or crime involving moral turpitude;
- (iii) in the event of any serious or repeated breach or non-observance by Matthew Ong of any of the stipulations contained in the Service Agreement;
- (iv) if he neglects or refuses, without reasonable cause, to attend to the business of our Company or any Group Company to which he is assigned duties;
- (v) if he becomes bankrupt or has bankruptcy proceedings commenced against him whether in Singapore or elsewhere (and such proceedings are not withdrawn within ninety days from the date of commencement) or makes any composition or enters into any deed of arrangement with his creditors;
- (vi) if he shall become of unsound mind;
- (vii) if he commits any act of criminal breach of trust, fraud or dishonesty; or
- (viii) if he is convicted of any criminal offence (save for an offence under road traffic legislation for which he is not sentenced to any term of immediate or suspended imprisonment) by any court of competent jurisdiction and sentenced to any term of immediate or suspended imprisonment.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Matthew Ong shall be entitled to a monthly salary of S\$32,500 (excluding CPF contributions), an annual fixed bonus of one month's salary, and a performance bonus calculated based on the audited consolidated profit before tax (excluding the fair value gain or loss to the Group's properties and securities, any profit or loss attributable to non-controlling interests or minority interest, and any non-recurring exceptional items) ("PBT") achieved in each financial year set out below:—

PBT	Incentive bonus
Where PBT is S\$10 million or less	2.00% of PBT
Where PBT exceeds S\$10 million but does not exceed S\$30 million	2.25% of PBT
Where PBT exceeds S\$30 million	2.50% of PBT

All reasonable travelling, hotel, entertainment, mobile phone, medical and other expenses incurred by Matthew Ong in connection with our business will also be borne by our Group. In addition, Matthew Ong will be entitled to the use of a car paid for by our Company, and subject to compliance with the provisions of Chapter 9 of the Catalist Rules, Matthew Ong shall be entitled to purchase such car at its book value at the expiry or termination of the Service Agreement, as the case may be.

Under the Service Agreement, the salary of Matthew Ong is subject to review by the Remuneration Committee after the accounts of our Group for the immediate preceding financial year have been audited. Matthew Ong shall abstain from voting in respect of any resolution or decision to be made by our Board in relation to the terms and renewal of his Service Agreement.

Under the Service Agreement, Matthew Ong has covenanted that he will not directly or indirectly, do business with any person who has done business with us or entice away any of our employees in connection with the carrying on of any business similar to or in competition with our business for twelve months after ceasing to be employed by our Group. Matthew Ong has also covenanted that he will not, directly or indirectly, carry on any activity or business in competition with us within Singapore or any country in which we have operations or carried on business, for twelve months after he ceases to be employed under his Service Agreement.

Directors' fees do not form part of the terms of the Service Agreement as these will only be paid out to Directors after the approval of Shareholders at our Company's annual general meeting.

Had the Service Agreement been in existence since the beginning of FY2017, the aggregate remuneration paid to Matthew Ong would have been approximately S\$0.8 million (instead of S\$Nil) and our PBT would have been approximately S\$18.8 million (instead of S\$19.6 million) and our PAT would have been approximately S\$15.0 million (instead of S\$15.8 million).

Save as disclosed, there are no existing or proposed service agreements between our Group and any of our Directors. There are no existing or proposed service agreements entered or to be entered into by our Directors with our Company or our Subsidiaries which provide for benefits upon termination of employment.

INTERESTED PERSON TRANSACTIONS

In general, transactions between our Group and any of our interested persons (namely, our Directors, CEO, Controlling Shareholders and/or their respective Associates) (“Interested Persons” and each an “Interested Person”) would constitute interested person transactions. The following discussions on material interested person transactions for the Relevant Period, is based on our Group and Interested Persons as construed accordingly.

Save as disclosed below, in the sections entitled “Group Structure” and “Restructuring Exercise” of this Offer Document, none of our Directors, Controlling Shareholders and/or their respective Associates were or is interested in any material transaction undertaken by our Group during the Relevant Period.

Save as otherwise provided in this section, investors, upon subscription of the New Shares, are deemed to have specifically approved these transactions with our Interested Persons and as such, these transactions are not subject to Rules 905 and 906 of the Catalist Rules to the extent that there are no subsequent changes to the terms of the agreements in relation to each of these transactions.

In line with the rules set out in Chapter 9 of the Catalist Rules, a transaction which value is less than S\$100,000 is not considered material in the context of the Invitation and is not taken into account for the purposes of aggregation in this section.

PAST INTERESTED PERSON TRANSACTIONS

Loans and advances from our Group to the New Lian Beng Group

During the Relevant Period, we made loans and advances to the New Lian Beng Group. The amounts owing by the New Lian Beng Group to our Group, as at the end of each of the Relevant Period and as at the Latest Practicable Date, as well as the largest amount outstanding during the Relevant Period based on the respective month-end balances were as follows:

	As at 31 May 2015 (S\$'000)	As at 31 May 2016 (S\$'000)	As at 31 May 2017 (S\$'000)	As at 30 November 2017 (S\$'000)	As at the Latest Practicable Date (S\$'000)	Largest amount outstanding for the Relevant Period (S\$'000)
Loans and advances made by our Group						
New Lian Beng Group	44,239	43,230	35,727	4,500	–	54,915

As at the Latest Practicable Date, all the aforesaid amounts owing have been settled by the New Lian Beng Group. As these loans and advances were interest-free, unsecured and had no fixed terms of repayment, they were not conducted on an arm's length basis and were not on normal commercial terms. However, our Directors are of the view that such loans and advances were not prejudicial to the interests of our Group and our minority shareholders. Following the admission of our Company to the Catalist, we have no intention to extend such loans and advances to the New Lian Beng Group.

INTERESTED PERSON TRANSACTIONS

Provision of securities by our Controlling Shareholder for banking facilities granted to our Group

During the Relevant Period, our Controlling Shareholder, Lian Beng provided corporate guarantees and securities for the loans granted to our Group, details of which are set out below:

Financial institution	Type of facility	Amount of facilities secured for the Relevant Period (\$'000)	Largest amount outstanding for the Relevant Period (\$'000)
OCBC	Land loan, banker's guarantees and specific advance facility	134,110	60,500
Hong Leong Finance Limited	Land loan, development charge loan, construction loan and term loan	14,952	14,753
Malayan Banking Berhad	Term loan	246,646	131,532
UOB	Land loan, state land loan, development charge loan and construction loan	32,507	18,259
The Bank of East Asia, Limited	Land loan, state land loan, development charge loan and construction loan	1,311	1,227

As no consideration was paid to Lian Beng for the provision of the aforesaid securities, our Directors are of the view that these transactions were not conducted on arm's length basis and were not on normal commercial terms but they were not prejudicial to the interests of our Group and our minority shareholders.

These securities have been fully discharged as at the Latest Practicable Date following the completion of the relevant property development projects undertaken by our Group.

Co-Insured party of insurance policies

During the Period Under Review and up to the Latest Practicable Date, our Group was included as a co-insured party of the Lian Beng Group for the following insurance policies:

- (a) Term life, hospitalisation and surgical insurance;
- (b) Personal accident insurance;
- (c) Industrial all risks insurance (including fire insurance);
- (d) Public liability insurance; and
- (e) Directors' and officers' liability insurance.

As no premiums were paid by our Group for the above insurance policies, the above transactions were not conducted on an arm's length basis and were not on normal commercial terms, but were not prejudicial to the interests of our Group and our minority shareholders.

INTERESTED PERSON TRANSACTIONS

Following our admission of our Company to the Catalist, we intend to purchase our own insurance policies.

Provision of development and project management services

Prior to the listing of our Company on the Catalist, our Group's employees were under the employment of the New Lian Beng Group. Accordingly, the provision of the development and project management services to the various development projects of our Group until the formation of the MCST were undertaken by the New Lian Beng Group (through our Group employees at the relevant time). The value of transactions for the Relevant Period was as follows:

(S\$'000)	FY2015	FY2016	FY2017	HY2018	1 December 2017 to the Latest Practicable Date
Development and project management services	233	307	80	163	25

The provision of the development and project management services was conducted on an arm's length basis as the fees were agreed amongst the joint venture partners of our Group Companies undertaking the respective property development projects. Accordingly, the aforesaid transaction was on normal commercial terms and was conducted on an arm's length basis, and was not prejudicial to the interests of our Group and our minority shareholders.

As at the Latest Practicable Date, all outstanding payments in respect of the development and project management services provided by the New Lian Beng Group have been made. Following our admission to the Catalist and the transfer of these employees to our Group, our Group will undertake the provision of such development and project management services in the future, and we do not intend to receive any further development and project management services from the New Lian Beng Group.

Sale of properties to Interested Persons

In 2013, we had sold three development units in Spottiswoode Suites to the following parties:

- (a) one development unit to Ong Lay Koon, our Non-Executive Non-Independent Chairman and her sister, Ong Lay Huan for an aggregate consideration of S\$1,311,000;
- (b) one development unit to Ong Phang Hui and Lee Ke Juan, Ong Lay Koon's brother and sister-in-law for an aggregate consideration of S\$1,416,000; and
- (c) one development unit to Deenn Engineering Pte Ltd, a wholly-owned Subsidiary of our Controlling Shareholder, Lian Beng, for an aggregate consideration of S\$2,268,000.

The purchase consideration for these units is payable based on completion milestones in line with the industry practice and the terms of the sale and purchase agreements. As at the Latest Practicable Date, the purchase consideration has been fully paid.

INTERESTED PERSON TRANSACTIONS

The purchase consideration was on the basis of the same pricing to third party purchasers and no special or preferential terms were accorded to the aforesaid parties. Accordingly, the terms and conditions of the sale were conducted on an arms' length basis and were on normal commercial terms, and were not prejudicial to the interests of our Group and our minority shareholders.

Following our admission to the Catalist, any sale of properties with Interested Persons will be entered into in accordance with such guidelines as described in the section entitled "Interested Person Transactions – Review Procedures for Future Interested Person Transactions" of this Offer Document and the relevant provisions under the Chapter 9 of the Catalist Rules.

Use of company cars

Matthew Ong and Lawrence Lee are each entitled to, *inter alia*, the use of a company car paid for by our Group. Prior to 22 March 2018, such payments were made by the New Lian Beng Group under the terms of the hire purchase agreements. The above transactions were not conducted on an arm's length basis and were not on normal commercial terms as our Group did not contribute to the payment of the hire purchase instalments, but were not prejudicial to the interests of our Group and our minority shareholders.

On 22 March 2018, our Company purchased the two company cars from the New Lian Beng Group at market value, having reference to the selling price for cars of similar model and age. The purchase of the two company cars was conducted on an arm's length basis and was on normal commercial terms, and was not prejudicial to the interests of our Group and our minority shareholders.

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

Loans and advances from New Lian Beng Group to our Group

During the Relevant Period, the New Lian Beng Group made certain loans and advances to our Group mainly for working capital purposes. The amounts owing by our Group to the New Lian Beng Group, as at the end of each of the Relevant Period and as at the Latest Practicable Date, as well as the largest amount outstanding during the Relevant Period based on the respective month-end balances were as follows:

	As at 31 May 2015 (S\$'000)	As at 31 May 2016 (S\$'000)	As at 31 May 2017 (S\$'000)	As at 30 November 2017 (S\$'000)	As at the Latest Practicable Date (S\$'000)	Largest amount outstanding for the Relevant Period (S\$'000)
Advances made by Interested Person						
New Lian Beng Group	45,232	47,123	65,143	65,370	87,189	87,189

As at the Latest Practicable Date, a balance of approximately S\$87.2 million remains outstanding to the New Lian Beng Group (after taking into account the set-off of S\$6.0 million in the section entitled "Restructuring Exercise" of this Offer Document). These loans and advances were not conducted on an arm's length basis and were not on normal commercial terms as they were interest-free, unsecured and had no fixed terms of repayment, however, our Directors are of the view that these loans and advances were not prejudicial to the interests of our Group and our minority shareholders.

INTERESTED PERSON TRANSACTIONS

On 14 February 2018, we entered into the LB Loan Agreement with Lian Beng, for Lian Beng to extend an aggregate sum of up to S\$80.0 million as shareholders' loans to our Company. The total principal amount shall be repayable three years after the listing of our Company on the Catalist and interest shall accrue at a rate of 1.5% above the Singapore Interbank Offered Rate per annum, payable quarterly in arrears. Our Company has the option to make early repayment of the loan at our discretion, however, Lian Beng shall not have the right to demand for early repayment of any part of the loan, except upon the occurrence of an event of default provided for in the LB Loan Agreement or where it is no longer possible for Lian Beng to extend such loans due to any change in laws or regulations. The date of repayment may be extended on such terms as our Company may agree with Lian Beng, subject to the relevant provisions of Chapter 9 of the Catalist Rules. This transaction was conducted on an arm's length basis and was on normal commercial terms, as the interest rate was determined with reference to the interest rate charged by third party financial institutions for a similar three-year loan extended to our Group.

Following the admission of our Company to the Catalist, any new loans and advances obtained from the New Lian Beng Group will be entered into in accordance with such guidelines as described in the section entitled "Interested Person Transactions – Review Procedures for Future Interested Person Transactions" of this Offer Document and the relevant provisions under Chapter 9 of the Catalist Rules.

Provision of securities by our Controlling Shareholder for banking facilities granted to our Group

During the Relevant Period, our Controlling Shareholder, Lian Beng, provided corporate guarantees and securities for the loans granted to our Group (including our Associated Companies in proportion to the shareholding interest of our Company in such companies), details of which are set out below:

Financial institution	Type of facility	Amount of facilities secured for the Relevant Period (S\$'000)	Largest outstanding amount of facilities secured for the Relevant Period (S\$'000)	Outstanding amount secured as at the Latest Practicable Date (S\$'000)
UOB	Term loan and guarantee facility	115,265	58,800	58,800
OCBC	Land loan, development charge loan, state land loan, construction loan, term loan and guarantee facility	132,868	50,200	50,200
Hong Leong Finance Limited	Mortgage loan, bridging loan, term loan, construction loan, land loan and derivative hedging facility	87,422	70,256	70,256

INTERESTED PERSON TRANSACTIONS

Financial institution	Type of facility	Amount of facilities secured for the Relevant Period (\$\$'000)	Largest outstanding amount of facilities secured for the Relevant Period (\$\$'000)	Outstanding amount secured as at the Latest Practicable Date (\$\$'000)
Malayan Banking Berhad	Term loan, bridging loan, construction loan and derivative hedging facility	89,490	22,906	22,906
DBS Bank	Short-term loan and fixed advance facility	16,900	16,894	—
CIMB Bank Berhad	Revolving credit facility and term loan	46,670	9,440	9,440
Bank of China Limited	Term loan	14,892	—	—

The largest aggregate outstanding amount secured by our Controlling Shareholder, Lian Beng, based on month-end balances during the Relevant Period, was approximately S\$211.6 million. The aggregate outstanding amount secured as at the Latest Practicable Date was approximately S\$211.6 million. As no consideration was paid to Lian Beng for the provision of the aforesaid corporate securities, our Directors are of the view that these transactions were not conducted on an arm's length basis and were not on normal commercial terms but they were not prejudicial to the interests of our Group and our minority shareholders.

Subsequent to the Latest Practicable Date, OCBC had on 21 March 2018, granted to our Company a bridging loan of up to S\$25.0 million for funding development expenses relating to our property development projects, further details of which are found in the section entitled "Capitalisation and Indebtedness" of this Offer Document. The bridging loan is secured by fixed deposits maintained by Lian Beng. As no consideration was paid to Lian Beng for the provision of the aforesaid securities, our Directors are of the view that this transaction was not conducted on an arm's length basis and was not on normal commercial terms, but was not prejudicial to the interests of our Group and our minority shareholders.

After our admission to the Catalist, we intend to request the respective financial institutions to release and discharge the above securities provided by Lian Beng and substitute them with securities to be provided by our Company. Lian Beng has undertaken to continue to provide the aforesaid securities to the financial institutions until the maturity of the loans to which they relate, in the event that these financial institutions do not agree to the release of the securities.

In the event that Lian Beng provides additional new securities after our admission to the Catalist, our Group will pay a fee based on the then prevailing interest charged by third party financial institutions on the amount secured to Lian Beng for the provision of such securities. As the fee will be based on the then prevailing interest charged by third party financial institutions, such transactions will be conducted on an arm's length basis.

INTERESTED PERSON TRANSACTIONS

In addition, the provision of any additional new securities by the New Lian Beng Group will be entered into accordance with such guidelines as described in the section entitled “Interested Person Transactions – Review Procedures for Future Interested Person Transactions” of this Offer Document and the relevant provisions under Chapter 9 of the Catalyst Rules.

Provision of construction services by the New Lian Beng Group

During the Relevant Period, Lian Beng had, through its wholly-owned Subsidiaries, provided construction services to our Group for our property development projects. Details of the amounts of services rendered are as follows:

(S\$'000)	FY2015	FY2016	FY2017	HY2018	From 1 December 2017 to the Latest Practicable Date
New Lian Beng Group	112,901	71,404	92,165	47,784	18,344

Such services were conducted on an arm’s length basis and were on normal commercial terms, having reference to, *inter alia*, quotations obtained from independent third parties for the same scope of services, and accordingly were not prejudicial to the interests of our Group and our minority shareholders. Our Group intends to continue to obtain construction services from the New Lian Beng Group following our admission to the Catalyst. Accordingly, we have put in place a general mandate in respect of the provision of construction services by the New Lian Beng Group to our Group and such services shall only be obtained in accordance with the review and approval procedures set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions” of this Offer Document.

Other transactions with the New Lian Beng Group

(a) Rental of office premises

During the Period Under Review and up to 31 December 2017, we have been able to occupy the office space provided by the New Lian Beng Group without charge. As no rent had been charged, the transaction was not conducted on an arm’s length basis and was not on normal commercial terms, but was not prejudicial to the interests of our Group and our minority shareholders.

On 12 February 2018, our Company entered into a three-year lease agreement commencing from 1 January 2018 with Lian Beng Investment Pte. Ltd., a wholly-owned Subsidiary of Lian Beng, pursuant to which our Company has rented #07-00 of 29 Harrison Road, Lian Beng Building, Singapore 369648 for use as our corporate headquarters, at a monthly rental of S\$7,500, which is based on the current prevailing rental rates for comparable premises. As the rental expenses were based on the prevailing rental rates for comparable premises, the rental rate was determined on an arm’s length basis and was on normal commercial terms, and was not prejudicial to the interests of our Group and our minority shareholders.

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Any renewal of the lease agreement will be entered into in accordance with such guidelines as described in the section entitled “Interested Person Transactions – Review Procedures for Future Interested Person Transactions” of this Offer Document and the relevant provisions under Chapter 9 of the Catalist Rules.

(b) Provision of IT services by the New Lian Beng Group to our Group

We have entered into an IT services agreement with Lian Beng Construction (1988) Pte Ltd on 1 February 2018 for the provision of IT services by the New Lian Beng Group to us, as our Group does not have an IT department. Under the IT services agreement, the New Lian Beng Group will provide IT maintenance and technical support services for our Group’s computer server, IT hardware, software and network, and data back-up. The fees payable under this Agreement was agreed to be based on a cost-plus basis with a 5.0% margin, taking into account the manpower and other costs incurred in connection with the provision of such services. The 5.0% margin is in line with Lian Beng’s transfer pricing arrangements with its Subsidiaries.

As no comparable quotes were available from the market at the relevant time, our Company considered that the above transaction was not conducted on an arm’s length basis and was not on normal commercial terms, but was not prejudicial to the interests of our Group and our minority shareholders as the entry into the IT services agreement will enable our Group to enjoy cost savings in terms of operating expenses since we would not need to maintain a separate support department duplicating the functions which Lian Beng can provide. Furthermore, our Group does not need to expend time, cost and effort to source for suitable third parties to provide such support services, but is able to immediately tap on the existing support staff of Lian Beng who are already familiar with our Group’s operations.

Any renewal of the IT services agreement will be entered into in accordance with such guidelines as described in the section entitled “Interested Person Transactions – Review Procedures for Future Interested Person Transactions” of this Offer Document and the relevant provisions under Chapter 9 of the Catalist Rules.

(c) Use of Lian Beng logo and trade marks

On 22 March 2018, our Company entered into a licence agreement with Lian Beng, pursuant to which Lian Beng has granted us the right to use the logo and trade marks of Lian Beng, as well as the words “聯明” in our name (or any part thereof), in connection with our business, for a nominal consideration of a one-off payment of S\$1.00. The licence agreement may be terminated if Lian Beng ceases to be our Controlling Shareholder, or by mutual agreement, or if our Company is wound up.

As the payment of S\$1.00 was a nominal amount agreed between the parties, our Company considered that the above transaction was not conducted on an arm’s length basis and was not on normal commercial terms, but was not prejudicial to the interests of our Group and our minority shareholders.

INTERESTED PERSON TRANSACTIONS

CHAPTER 9 OF THE CATALIST RULES

Under Chapter 9 of the Catalist Rules, where a listed company or any of its Subsidiaries or Associated Companies over which the listed company has control (other than a Subsidiary or Associated Company that is listed on a foreign stock exchange) proposes to enter into a transaction with the listed company's interested persons, an immediate announcement is required in respect of the transaction if the value of the transaction (or if the aggregate value of all transactions entered with the same interested person during the same financial year), is equal to or exceeds 3.0% of the latest audited NTA of the Group. Shareholders' approval is required where the value of such transaction is not below S\$100,000 and is:

- (a) equal to or more than 5.0% of the latest audited NTA of the Group; or
- (b) equal to or more than 5.0% of the latest audited NTA of the Group, when aggregated with other transactions entered into with the same interested person during the same financial year.

Chapter 9 of the Catalist Rules also allows a listed company to obtain a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons.

Under the Catalist Rules:

- (a) the term "interested person" is defined to mean a director, CEO, or controlling shareholder of the listed company or an associate of any such director, CEO or controlling shareholder; and
- (b) the term "associate" is defined to mean:
 - (i) in relation to any director, CEO, substantial shareholder or controlling shareholder (being an individual):
 - (AA) his immediate family (that is, the spouse, child, adopted child, step child, sibling or parent) together;
 - (BB) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (CC) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
 - (ii) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

INTERESTED PERSON TRANSACTIONS

REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

To ensure that future transactions with Interested Persons are undertaken on normal commercial terms, consistent with our Group's usual business practices and policies, and generally no more favourable than those extended to unrelated third parties, the following procedures will be implemented by our Group.

In relation to any purchase of products or procurement of services from Interested Persons, quotes from at least two unrelated third parties in respect of the same or substantially the same type of transactions will be used as comparison wherever possible. The purchase price, procurement price or fee for services shall not be higher than the most competitive price of the two comparative prices from the two unrelated third parties. The Audit Committee will review the comparables, taking into account, the suitability, quality and cost of the product or service, and the experience and expertise of the supplier.

In relation to the renting of properties from or to an Interested Person, the Audit Committee shall take appropriate steps to ensure that the rent charged is comparable with the prevailing market rates. The amount payable shall be based on the most competitive market rental rate of similar property in terms of size, suitability and location.

In relation to any sale of products or provision of services to Interested Persons, the price and terms of two other completed transactions of the same or substantially the same type of transactions to unrelated third parties are to be used as comparison wherever possible. The Interested Persons shall not be charged at rates lower than that charged to the unrelated third parties.

In relation to any sale of units in a property development project to an interested person or a relative of a Director, CEO or Controlling Shareholder, we shall comply with Rules 910 to 914 of the Catalist Rules. In particular:

- (a) we shall announce the sale or proposed sale within two weeks for local property development projects or immediately for non-local property development projects;
- (b) the announcement shall state the name of the project, the name of each purchaser, the unit number, the sale price and the percentage discount given;
- (c) our Directors must be satisfied that the terms of the sale or proposed sale are not prejudicial to the interests of our Company and our minority Shareholders, and our Audit Committee must review and approve the sale or proposed sale, and satisfy itself that the sale or proposed sale are on normal commercial terms and are not prejudicial to the interests of our Company and our minority Shareholders; and
- (d) where Shareholders' approval is required, it shall be obtained within six weeks of the date of the sale or proposed sale, and the relevant Interested Persons and their nominees shall abstain from voting on all resolutions relating to the sale or proposed sale.

We shall monitor all interested person transactions entered into by our Group by categorising the transactions as follows:

- (a) all interested person transactions above S\$100,000 but below 3.0% of the latest audited NTA of our Group (either individually or as part of a series or are aggregated with other

INTERESTED PERSON TRANSACTIONS

transactions involving the same Interested Person during the same financial year) shall be approved by our CFO or the General Manager prior to entry. The CFO and the General Manager shall be persons who have no interest, directly or indirectly, in the transaction; and

- (b) for interested person transactions where the value thereof amount to 3.0% or more of the latest audited NTA of our Group, we shall obtain the approval of our Audit Committee prior to entering into the transaction. Where an Audit Committee member has an interest, directly or indirectly, in the transaction, he shall abstain from participating in the review of the transaction. In the event of an equality of votes pertaining to any interested person transactions put forth to the Audit Committee for approval, our Audit Committee chairman shall have the casting vote. Should the casting vote be exercised, such circumstances leading to the exercise of the casting vote shall be properly minuted, including the steps taken to assess the objections of the dissenting Independent Director and attempts for consensus to be reached between the Independent Directors. Further, the dissenting view shall also be minuted.

Any contracts to be made with an Interested Person shall not be approved unless the pricing is determined in accordance with our usual business practices and policies, consistent with the usual rate given or price received by us for the same or substantially similar type of transactions between us and unrelated parties, and the terms are no more favourable than those extended to or received from unrelated parties.

For the purposes above, where applicable, contracts for the same or substantially similar type of transactions entered into between us and unrelated third parties will be used as a basis for comparison to determine whether the price and terms offered to or received from the Interested Person are no more favourable than those extended to unrelated parties.

Before any agreement or arrangement with an Interested Person that is not in the ordinary course of business of our Group is transacted, prior approval must be obtained from our Audit Committee. In the event that a member of our Audit Committee is interested in any interested person transactions, he will abstain from reviewing that particular transaction. Any decision to proceed with such an agreement or arrangement would be recorded for review by our Audit Committee.

All interested person transactions shall be subject to review by our Audit Committee on a quarterly basis to ensure that they are carried out at arm's length and in accordance with the procedures outlined above. The finance team will prepare the relevant information to assist our Audit Committee in its review. Furthermore, if during these periodic reviews, our Audit Committee believes that the guidelines and procedures as outlined above are not sufficient to ensure that the interested person transactions will be conducted on normal commercial terms, on an arms' length basis and that the interests of our Company and our minority Shareholders are not prejudiced, our Company will adopt new guidelines and procedures. Our Audit Committee may request for an independent financial adviser's opinion on such guidelines and procedures as it deems fit.

In addition, our Audit Committee will include the review of interested person transactions as part of its standard procedures while examining the adequacy of our internal controls. Our Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Catalist Rules and accounting standards, are complied with. Such transactions will also be subject to Shareholders' approval if deemed necessary by the Catalist Rules. In accordance with Rule 919 of the Catalist Rules, Interested Persons and their Associates shall abstain from voting, or acting as proxies unless given specific instructions as to voting by the Shareholder(s), on resolutions approving such interested person transactions.

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GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

We anticipate that we would, in the ordinary course of business, continue to enter into certain transactions with our Interested Persons, including but not limited to the category of transactions described below. In view of the time-sensitive and recurrent nature of commercial transactions, it would be advantageous for us to obtain a general mandate to enable any or all members of our Group, in the ordinary course of their business, to enter into the Mandated Transactions (as defined below) with the Mandated Interested Persons (as defined below) which are necessary for our day-to-day operations, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of our Company and our minority Shareholders (the "IPT General Mandate").

Pursuant to Rule 920(2) of the Catalist Rules, our Company may treat that the IPT General Mandate has been obtained for us to enter into the Mandated Transactions with the Mandated Interested Persons, if the information required under Rule 920(1)(b) of the Catalist Rules is included in this Offer Document. In relation to our Company, the information required by Rule 920(1)(b) is as follows:

- (a) the class of Interested Persons with which the Entity at Risk (as defined below) will be transacting;
- (b) the nature of the transactions contemplated under the mandate;
- (c) the rationale for, and benefit to, the Entity at Risk;
- (d) the methods or procedures for determining transaction prices;
- (e) the independent financial adviser's opinion on whether the proposed methods or procedures are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and the interests of our minority Shareholders;
- (f) an opinion from our Audit Committee if it takes a different view to the independent financial adviser;
- (g) a statement from us that we will obtain a fresh mandate from our Shareholders if the methods or procedures in (d) above become inappropriate; and
- (h) a statement that the Interested Person will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction.

In accordance with Rule 905(3) of the Catalist Rules, the IPT General Mandate will not cover any transaction which has a value below S\$100,000 as the threshold and aggregation requirements contained in Chapter 9 of the Catalist Rules would not apply to such transactions.

Transactions which do not fall within the ambit of the IPT General Mandate shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Catalist Rules and/or any applicable law. In particular, any transactions outside the scope of the IPT General Mandate which exceed 5.0% of our Group's audited NTA will require independent Shareholders' approval. Transactions conducted under the IPT General Mandate are not separately subject to Rules 905 and 906 of the Catalist Rules pertaining to threshold and aggregation requirements.

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By subscribing for the New Shares, new Shareholders are deemed to have approved the IPT General Mandate. The IPT General Mandate will be effective until the earlier of the following: (a) the conclusion of our first annual general meeting following our admission to the Catalist, or the date by which the next annual general meeting of our Company is required by law to be held; or (b) the first anniversary of the date of our admission to the Catalist. Thereafter, we will seek the approval of our Shareholders for a renewal of the IPT General Mandate at each subsequent annual general meeting or the date by which the next annual general meeting of our Company is required by law to be held, subject to satisfactory review by our Audit Committee of its continued application to the transactions with the Mandated Interested Person (as defined below).

In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, Interested Persons and their Associates shall abstain from voting on resolutions approving interested person transactions involving themselves and our Group. Furthermore, such Interested Persons shall not act as proxies in relation to such resolutions unless voting instructions have been given by the appointing Shareholder. As such, our Controlling Shareholder, Lian Beng, and its Associates will abstain from voting on the resolutions approving the renewal of the IPT General Mandate.

Entities at Risk

For the purposes of the IPT General Mandate, an “Entity at Risk” means:

- (a) our Company;
- (b) a Subsidiary of our Company (excluding Subsidiaries listed on the SGX-ST or an approved exchange); and
- (c) an Associated Company of our Company (other than an Associated Company that is listed on the SGX-ST or an approved exchange) over which our Group, or our Group and our interested person(s), has or have control,

(together, the “EAR Group”).

Classes of Mandated Interested Persons

The IPT General Mandate will apply to the Mandated Transactions that are carried out between any Entity at Risk and the following existing companies in the New Lian Beng Group:

- (a) Lian Beng Construction (1988) Pte Ltd;

Lian Beng Construction (1988) Pte Ltd is a wholly-owned Subsidiary of our Controlling Shareholder, Lian Beng, which is principally engaged in general building construction and civil engineering works. As at the Latest Practicable Date, Lian Beng Construction (1988) Pte Ltd has the following listings in the BCA directory:

- (i) an “A1” registered contractor in the category of general building (CW01);
- (ii) an “A2” registered contractor in the category of civil engineering (CW02);
- (iii) a “L1” registered contractor in the category of cable/pipe laying and road reinstatement (CR07);
- (iv) a “GB1” general builder class 1 under licensed builder; and
- (v) a “SB(PC)” specialist builder (pre-cast concrete work) under licensed builder.

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(b) L.S. Construction Pte Ltd;

L.S. Construction Pte Ltd is a wholly-owned Subsidiary of our Controlling Shareholder, Lian Beng, which is principally engaged in general building construction and civil engineering works. As at the Latest Practicable Date, L.S. Construction Pte Ltd has the following listings in the BCA directory:

- (i) an “A1” registered contractor in the category of general building (CW01); and
- (ii) a “GB1” general builder class 1 under licensed builder.

(c) Deenn Engineering Pte Ltd;

Deenn Engineering Pte Ltd is a wholly-owned Subsidiary of our Controlling Shareholder, Lian Beng, which is principally engaged in general building construction and civil engineering works. As at the Latest Practicable Date, Deenn Engineering Pte Ltd has the following listings in the BCA directory:

- (i) an “A2” registered contractor in the category of general building (CW01); and
- (ii) a “GB1” general builder class 1 under licensed builder.

(d) Millennium International Builders Pte. Ltd.;

Millennium International Builders Pte. Ltd. is a wholly-owned Subsidiary of our Controlling Shareholder, Lian Beng, which is principally engaged in general building construction and civil engineering works. As at the Latest Practicable Date, Millennium International Builders Pte. Ltd. has the following listings in the BCA directory:

- (i) a “B2” registered contractor in the category of general building (CW01);
- (ii) a “C1” registered contractor in the category of civil engineering (CW02); and
- (iii) a “GB1” general builder class 1 under licensed builder.

Lian Beng Construction (1988) Pte Ltd, L.S. Construction Pte Ltd, Deenn Engineering Pte Ltd and Millennium International Builders Pte. Ltd. are collectively known as the “Mandated Interested Persons” and each a “Mandated Interested Person”, all being Interested Persons.

Transactions between the Mandated Interested Persons and our Group which do not fall within the ambit of the proposed IPT General Mandate shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules.

Categories of Mandated Interested Person Transactions

The EAR Group is engaged in property development. The Mandated Interested Persons have provided construction services to the EAR Group for several property development projects undertaken by the EAR Group. The EAR Group may continue to engage the Mandated Interested Persons, in the capacity of main contractor, to provide construction services in future property development projects of the EAR Group (the “Mandated Transactions”).

INTERESTED PERSON TRANSACTIONS

Rationale for and benefits of the IPT General Mandate

We envisage that the Mandated Transactions are likely to occur from time to time, in the ordinary course of our business. In view of the time-sensitive and recurrent nature of the Mandated Transactions, it would be advantageous for us to obtain the IPT General Mandate to enable the EAR Group to enter into the Mandated Transactions, provided that the Mandated Transactions are carried out on normal commercial terms and are not prejudicial to the interests of our Company and our minority Shareholders. The IPT General Mandate will provide our Group with the opportunity to have access to a wider network of established qualified construction services providers and be able to secure higher quality of work at the most competitive price based on the quotations received on an arms' length basis, and therefore improving our Group's flexibility of operations.

The IPT General Mandate and its subsequent renewal on an annual basis would eliminate the need to announce, or to announce and convene separate general meetings from time to time to seek independent Shareholders' approval, thereby easing administrative and financial costs, without compromising the EAR Group's business activities.

The IPT General Mandate is intended to facilitate transactions in the normal course of business of the EAR Group which are transacted from time to time with the Mandated Interested Persons, provided that they are carried out at arm's length and are on normal commercial terms, and are not prejudicial to the interests of our Company and our minority Shareholders. In accordance with the requirements of Chapter 9 of the Catalist Rules, we will (a) disclose in our Company's annual report the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT General Mandate during the financial year (as well as in the annual reports for subsequent financial years that the IPT General Mandate continues to be in force); and (b) announce the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT General Mandate for the financial periods that we are required to report on pursuant to Rule 705 of the Catalist Rules.

Review Procedures for Mandated Transactions with Mandated Interested Persons

To ensure that the Mandated Transactions are carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders, our Company will implement the following procedures for the review and approval of the Mandated Transactions under the IPT General Mandate.

All Mandated Transactions shall be conducted in accordance with our Group's usual business practices and policies. At the commencement of each property development project, our Group will appoint a project team comprising independent third party professionals such as the quantity surveyor, architects and engineers (the "Independent Project Team").

The responsibilities of the Independent Project Team include, *inter alia*:

- (a) nominating and shortlisting construction service providers;
- (b) preparing tender documents and inviting the shortlisted construction service providers to provide quotations based on the tender documents provided; and
- (c) evaluating the quotations submitted by the construction service providers.

INTERESTED PERSON TRANSACTIONS

In the event that the Independent Project Team recommends the award of the construction services contract to a Mandated Interested Person, we will seek the prior approval of the Audit Committee before awarding the contract to the Mandated Interested Person. The approval shall be subject to:

- (a) declaration of independence of the members of the Independent Project Team;
- (b) the completion of a quotation evaluation report prepared by the Independent Project Team, detailing their review of the quotations received, including summaries and comparison of cost breakdown, recent track record, the size of the construction team, the qualifications of the key construction team members, duration and payment milestones;
- (c) the quotation evaluation report contains quotations from at least two unrelated third parties and the contractual sum to be awarded to the Mandated Interested Person is not more favourable to the Mandated Interested Person as compared to the unrelated third parties;
- (d) in the event that the quotation evaluation report contains less than two quotations from unrelated third parties, the relevant Mandated Interested Person shall provide two of its construction service contracts entered into with unrelated third parties, for substantially similar projects and contemporaneous in time, for review by the Independent Project Team. The rate to be provided by the Mandated Interested Person with the award of the construction services contract shall not be less favourable than the rate provided by the Mandated Interested Person for such unrelated third parties projects; and
- (e) the Mandated Interested Person continues to hold the relevant qualification(s) and licence(s).

Approval threshold for Mandated Transactions with Mandated Interested Persons

The prior approval of the Audit Committee is required for all Mandated Transactions (excluding variation orders). The Audit Committee may at its discretion obtain independent advice.

If any member of the Audit Committee has an interest in a Mandated Transaction, he or she will abstain from any review, deliberation or decision making in respect of that Mandated Transaction.

Additional review procedures for Mandated Transactions with Mandated Interested Persons

We will also implement the following procedures for the identification of Interested Persons and the record of all interested person transactions:

- (a) our finance team will maintain a list of the Interested Persons and their Associates (which is to be updated immediately if there are any changes) to enable identification of the Interested Persons. The list of Interested Persons shall be reviewed on a quarterly basis by the CFO (or in the absence of the CFO, the General Manager) and be subject to such verifications or declarations as required by the Audit Committee for such period as determined by it. A list of the Mandated Interested Persons shall be disseminated to all staff of our Group that we consider relevant for the purposes of entering into transactions that fall under the IPT General Mandate. In the event that we need to include new Interested Person(s) as Mandated Interested Person(s), we will take actions as we deem appropriate (such as to obtain a fresh Shareholders' general mandate for Mandated Transactions);

INTERESTED PERSON TRANSACTIONS

- (b) we will maintain a register of Mandated Transactions (“IPT Register”) carried out with Mandated Interested Persons pursuant to the IPT General Mandate. The IPT Register will contain the key documents as reviewed by the Audit Committee. The IPT Register will also contain invoices and payment vouchers in relation to the Mandated Transactions. All subsequent variation orders relating to the construction services contract, as recommended by the Independent Project Team, shall be kept in the IPT Register;
- (c) the IPT Register will also record any Mandated Transactions that are below S\$100,000 in value, although such transactions are not required to be aggregated for the purpose of the IPT General Mandate. The CFO shall review the IPT Register on a monthly basis;
- (d) the Audit Committee shall review the IPT Register on a quarterly basis (or such other more frequent basis as may be required or as the Audit Committee may deem necessary) to ascertain that the established review procedures to monitor the Mandated Transactions have been complied with. Such review includes the examination of the transactions and its supporting documents or such other data deemed necessary by the Audit Committee. Our Audit Committee may request for any additional information pertaining to the transactions under review from independent sources, advisers or valuers as it deems fit;
- (e) the Internal Auditors will, on an annual basis, review the IPT Register to ascertain that the guidelines and procedures established to monitor Mandated Transactions as set out in this Offer Document have been adhered to. Any discrepancies or significant variances from the Group’s usual business practices and pricing policies will be highlighted to the Audit Committee; and
- (f) if, during these reviews by the Audit Committee, the Audit Committee is of the view that the established review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Company are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary (such as, where relevant, to obtain a fresh Shareholders’ general mandate for Mandated Transactions) to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders.

Opinion of the Independent Financial Adviser

Xandar Capital Pte. Ltd. (“**Xandar Capital**”) has been appointed as the independent financial adviser to our Independent Directors pursuant to Rule 920(1)(b)(v) of the Catalist Rules, to opine whether the methods or procedures for determining the transaction prices of the Mandated Transactions, as set out above, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders.

Having considered, *inter alia*, the methods and procedures set up by our Company, the role of our Audit Committee in enforcing the IPT General Mandate, and the rationale and benefits of the IPT General Mandate, Xandar Capital is of the opinion that the methods and procedures for determining the transaction prices of the Mandated Transactions, if adhered strictly, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of our Company and our minority Shareholders. Please refer to the letter from Xandar Capital set out as Appendix I entitled “Opinion of the Independent Financial Adviser” of this Offer Document for more information.

INTERESTED PERSON TRANSACTIONS

Audit Committee's statement

Our Audit Committee is of the view that the methods and procedures for determining transaction prices and the terms of the Mandated Transactions, as set out above, are sufficient to ensure that the Mandated Transactions with the Mandated Interested Persons will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders.

POTENTIAL CONFLICTS OF INTERESTS

INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS OR THEIR ASSOCIATES

In general, a conflict of interest arises when any of our Directors, CEO, Controlling Shareholders or their respective Associates carries on or has any interest in any other corporation carrying on the same business or dealing in similar products or services as our Group.

All our Directors have a duty to disclose their interests in respect of any transaction in which they have any personal material interest or any actual or potential conflicts of interest (including a conflict that arises from their directorship or employment or personal investment in any corporation). Upon such disclosure, such Directors will not participate in any proceedings of our Board and shall abstain from voting in respect of any such transaction where the conflict arises.

Save as disclosed below and in the section entitled “Interested Person Transactions” of this Offer Document, and personal investment (whether directly or through nominees) in quoted investments which may include companies listed on the SGX-ST and such investment not exceeding 5.0% of the total voting shares, none of our Directors, Controlling Shareholders or any of their respective Associates has any interest, direct or indirect, in the following:

- (a) any material transactions to which our Group was or is a party;
- (b) any Entity carrying on the same business or dealing in similar products which competes materially and directly with the existing business of our Group;
- (c) any enterprise or company that is our customer or supplier of goods and services; and
- (d) any existing contract or arrangement which was or is significant in relation to the business of our Group.

Lian Beng

Prior to our listing on the Catalist, the Lian Beng Group was principally engaged in the business of (i) the provision of building construction services for residential, industrial, and commercial projects and civil engineering projects; (ii) the rental of dormitory units for foreign workers; (iii) the provision of construction related services, such as scaffolding, metal work and engineering work, and the leasing of construction machinery and equipment; (iv) the manufacturing and sale of ready-mixed concrete and asphalt; (v) property development; and (vi) the investing in: (a) residential, commercial, industrial, and hospitality properties in Singapore and overseas for rental income and capital growth; and (b) quoted and unquoted securities such as corporate bonds and shares for yield.

In order to mitigate any potential conflicts of interests arising from our Group’s property development business and Lian Beng’s investment holding business, Lian Beng has given to our Group a non-compete undertaking (“**Non-Compete Undertaking**”) on the following terms which shall remain in force for so long as Lian Beng remains as our Controlling Shareholder and for as long as we remain listed on the SGX-ST:

- (a) Lian Beng (i) shall not, (ii) shall procure its Subsidiaries not to, and (iii) shall use its best endeavours to procure its associated companies not to: whether directly or indirectly, engage in, carry on (whether alone or in partnership or joint venture with anyone else) or otherwise be interested in (whether as trustee, principal, agent, shareholder, unitholder or in any other capacity) any business in Singapore or elsewhere which is directly or indirectly in competition with or similar to the Property Development Activities of our Company and its Subsidiaries;

POTENTIAL CONFLICTS OF INTERESTS

(b) **“Property Development Activities”** means:

- (i) the acquisition and/or development of land;
- (ii) the redevelopment of existing buildings into newly built properties; or
- (iii) the redevelopment of existing buildings by increasing gross floor area including but not limited to structural works,

for the purposes of increasing their capital value and realising such increased capital value with the objective of achieving the sale of the properties; and

(c) Notwithstanding anything to the contrary in the Non-Compete Undertaking, and for the avoidance of doubt, the above prohibitions in respect of the Property Development Activities shall not apply in respect of:

- (i) any development of workers’ dormitories predominantly for New Lian Beng Group’s own use and operations and/or rental to third parties;
- (ii) the holding, for investment purposes, of a shareholding interest not exceeding 5.0% in quoted or unquoted securities of companies engaged in the Property Development Activities; or
- (iii) the acquisition and refurbishment of commercial, industrial or hospitality properties for investment purposes with a view to derive recurring income or capital gain.

To ensure compliance with the Non-Compete Undertaking, Lian Beng shall enforce the review by its audit committee of all acquisitions of buildings made by the New Lian Beng Group to ensure that such acquisitions do not result in a breach of any terms of the above undertaking. In the event of breach of the above undertaking by the New Lian Beng Group, our Company may, on the decision made by our Audit Committee, direct that the New Lian Beng Group take such steps to eliminate or mitigate any conflicts of interests, which may include the divestment of the competing business, and Lian Beng undertakes to do so and comply with such decision accordingly.

Our Group shall also maintain a register of all feasibility studies carried out on potential buildings considered by us for redevelopment, whether such potential buildings were subsequently acquired or rejected. On a half yearly basis, our Audit Committee shall (i) review the register to determine whether the buildings purchased by us fall within the scope of the Property Development Activities; and (ii) whether the terms of the Non-Compete Undertaking have been complied with.

As at the Latest Practicable Date, the New Lian Beng Group still holds an aggregate of three properties in Australia with development potential. The New Lian Beng Group has undertaken to dispose of the remaining properties in Australia within twelve months from the date on which our Company is admitted and listed on the Catalist.

In addition, Lian Beng has also undertaken to wind up or liquidate Phileap Pte. Ltd. and Mountbatten Development Pte. Ltd. within twelve months from the date on which our Company is admitted and listed on the Catalist, as both entities had engaged in the Property Development Activities in the past. As at the Latest Practicable Date, none of Phileap Pte. Ltd. and Mountbatten Development Pte. Ltd. has any proposed or ongoing property development projects.

POTENTIAL CONFLICTS OF INTERESTS

Evergrande Realty & Development Pte Ltd, ROL Development Pte. Ltd. and WJ Ventures Pte. Ltd.

Evergrande Realty & Development Pte Ltd (“Evergrande Realty”) is owned by our indirect Controlling Shareholders, Ong Pang Aik and Ong Lay Huan, our Non-Executive Non-Independent Chairman, Ong Lay Koon, and their sibling, Ong Lee Yap. Evergrande Realty had previously undertaken a small scale property development project by acquiring two semi-detached houses and building six landed terrace houses, all of which have been sold between May 2015 and December 2015.

Ong Sui Hui is the daughter of Ong Pang Aik, and the sister of Matthew Ong, our Executive Director and CEO. Ong Sui Hui had in her personal capacity, invested in two private companies, namely ROL Development Pte. Ltd. (“ROL Development”) and WJ Ventures Pte. Ltd. (“WJV”), which had engaged in the development of landed properties.

ROL Development had between 2016 to 2017, developed and sold landed properties at 44 Cowdray Avenue, 48 Richards Place, 64 Berwick Drive and 64A Berwick Drive. WJV had in the past entered into a joint venture with C&C Development Pte Ltd to develop certain landed properties at 60 Burgley Drive and 62 Berwick Road, however, these developments were not successful and the properties were eventually repossessed by the financing bank.

Our Directors, who are independent of the aforementioned matters, are of the view that Ong Pang Aik, Ong Lay Huan and Ong Lay Koon’s interests in Evergrande Realty, and Ong Sui Hui’s interest in ROL Development and WJV do not pose any conflict with our Group’s business in view of the following:

- (a) the scale of the development engaged by Evergrande Realty was small compared to our Group and one-off. Hence, it is in essence not competing with our Group;
- (b) Ong Sui Hui’s role in ROL Development and WJV were limited to that of an investor. She did not participate in the operations and the development of the properties, and she was not a director of these companies. The scale of the developments conducted by ROL Development and WJV were small and therefore in essence not competing with our Group;
- (c) the Lian Beng Group (including our Group) does not typically engage in the development of landed properties with the exception of Kew Drive in 2000;
- (d) save as disclosed above, Ong Pang Aik, Ong Lay Huan, Ong Lay Koon and their associates have not engaged in any form of Property Development Activities outside of the Lian Beng Group (including our Group); and
- (e) Evergrande Realty and Ms Ong Sui Hui have confirmed that they have no intention of engaging in any Property Development Activities following our Company’s admission to the Catalist.

INTERESTS OF EXPERTS

None of the experts named in this Offer Document:

- (a) is employed on a contingent basis by our Company or our Subsidiaries;
- (b) has a material interest, whether direct or indirect, in our Shares or in the shares of our Subsidiaries; or
- (c) has a material economic interest, whether direct or indirect, in our Company, including having an interest in the success of the Invitation.

POTENTIAL CONFLICTS OF INTERESTS

INTERESTS OF SPONSOR, ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT

In the reasonable opinion of our Directors, the Sponsor, Issuer Manager, Underwriter and Placement Agent does not have a material relationship with our Company, save as disclosed below and in the section entitled "Sponsorship, Management, Underwriting and Placement Arrangements" of this Offer Document:

- (a) SAC Capital is the Sponsor, Issue Manager, Underwriter and Placement Agent in relation to the Invitation; and
- (b) SAC Capital will be the continuing Sponsor of our Company for a period of at least three years from the date our Company is admitted and listed on the Catalist.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on the Catalist, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of our Shares through Catalist will be effected in accordance with the terms and conditions for the operation of Securities Accounts with CDP, as amended, modified or supplemented from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and Depository Agents in the Depository Register maintained by CDP, rather than CDP itself, will be treated, under our Constitution and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding the Shares in Securities Accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on the Catalist, although they will be *prima facie* evidence of title and may be transferred in accordance with our Constitution. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing our Shares from the book entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00 or such other amount as our Directors may decide, is payable to the Share Registrar for each share certificate issued and a stamp duty of 0.2% of the market price is payable where our Shares are withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10.00 is payable upon the deposit of each instrument of transfer with CDP. Pursuant to announced rules effective from 1 June 2014, transfers and settlements pursuant to on-exchange trades will be charged a fee of S\$30.00 and transfers and settlements pursuant to off-exchange trades will be charged a fee of 0.015% of the value of the transaction, subject to a minimum of S\$75.00. The above fees may be subject to such charges as may be in accordance with CDP's prevailing policies, GST at the prevailing rate of 7.0% (or such other rate prevailing from time to time), or the current tax policies that may be in force in Singapore from time to time.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis if no document is executed for the transfer of the same.

A Singapore clearing fee for trades in our Shares on the Catalist is payable at the rate of 0.0325% of the transaction value subject to a maximum of S\$600.00 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to Singapore GST at the prevailing rate of 7.0% (or such other rate prevailing from time to time).

Dealing in our Shares will be carried out in S\$ and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the Catalist generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a Depository Agent. The Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders. Our Board of Directors has formed three committees: (i) the Audit Committee, (ii) the Remuneration Committee, and (iii) the Nominating Committee.

Nominating Committee

Our Nominating Committee comprises Foo Der Rong (Independent Director), Owi Kek Hean (Lead Independent Director) and Ong Lay Koon (Non-Executive Non-Independent Chairman). The chairman of the Nominating Committee is Foo Der Rong.

Our Nominating Committee will be responsible for:

- (a) developing and maintaining a formal and transparent process in making recommendations to our Board on the selection, nomination and appointment of Directors (including the appointment of alternate Directors, if any) and Executive Officers, and recommending to our Board re-nominations of existing Directors for re-election in accordance with our Constitution, taking into account the Director's competencies, commitment, contribution and performance;
- (b) reviewing Board succession plans for our Directors, in particular, for our Executive Director and CEO;
- (c) determining the composition of the Board, taking into account the future requirements of our Company, as well as the need for directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of our Group, and other considerations such as those set out in Guideline 2.6 of the Code of Corporate Governance 2012;
- (d) developing a process for evaluation of the effectiveness of our Board, its committees and our Directors;
- (e) deciding how our Board's performance is to be evaluated and proposing objective performance criteria, subject to the approval of our Board, which address how our Board can achieve long-term shareholders' value;
- (f) determining on an annual basis, and as and when circumstances require, whether or not a Director is independent having regard to the Code of Corporate Governance 2012 and any other salient factors;
- (g) in respect of a Director who has multiple board representations on various companies, if any, to review and decide, on an annual basis (or more frequently as our Nominating Committee deems fit), whether such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments;
- (h) deciding whether or not a Director is able to and has been adequately carrying out his duties as a director;

CORPORATE GOVERNANCE

- (i) reviewing training and professional development programs for our Board; and
- (j) reviewing and approving any new employment of persons related to our Directors and/or Substantial Shareholders and the proposed terms of their employment.

Each member of our Nominating Committee shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director. In addition, any new employment of related employees and the proposed terms of their employment will also be subject to the review and approval of our Nominating Committee. In the event that any member of our Nominating Committee has an interest in a matter being deliberated upon by our Nominating Committee, he will abstain from participating in the review and approval process relating to that matter.

Generally, our Nominating Committee does not appoint new directors, but nominates them to the Board which retains the final discretion in appointing such new directors.

Opinion of Nominating Committee on the independence of Foo Der Rong

Foo Der Rong was a former executive director of Sin Lian Holding Limited (“SLH”) from May 2012 to December 2012. SLH was a wholly-owned Subsidiary of our Controlling Shareholder, Lian Beng, and was struck off on 31 March 2017. SLH was initially incorporated in connection with the proposed listing of Lian Beng’s engineering and ready-mix concrete business on the Stock Exchange in Taiwan (the “TSE Spin-Off”). In this regard, a circular dated 15 February 2012 was despatched to Lian Beng’s shareholders to seek the approval for the material dilution of a principal Subsidiary pursuant to the TSE Spin-Off.

In assessing the suitability of Foo Der Rong as an Independent Director, our Nominating Committee has considered the following:

- (a) Foo Der Rong’s appointment as an executive director of SLH was to oversee and was specific to the TSE Spin-Off, following which he left SLH after the TSE Spin-Off was discontinued. His appointment as director of SLH did not fall under the Period Under Review or the current financial year of our Company;
- (b) Foo Der Rong’s aggregate compensation for his services as executive director of SLH from May 2012 to December 2012 was below S\$200,000. This is below the threshold of S\$200,000 for payments which are deemed significant under the Code of Corporate Governance 2012;
- (c) Foo Der Rong has confirmed that save as disclosed above, there are no other commercial relationships between him and the Lian Beng Group, our Group, their 10.0% shareholders, directors, or executive officers; and
- (d) Foo Der Rong has confirmed that the aforesaid past relationship with the Lian Beng Group will not interfere with his exercise of independent business judgement with a view to the best interests of our Group.

On the basis of the above, our Nominating Committee (other than Foo Der Rong) is of the view that Foo Der Rong should be regarded as independent.

CORPORATE GOVERNANCE

Opinion of Nominating Committee on the independence of Owi Kek Hean

Prior to his retirement, Owi Kek Hean was formerly the Head of Tax and Deputy Managing Director of KPMG LLP. KPMG LLP had in the past provided tax advisory services to our Controlling Shareholder, Lian Beng, and its Subsidiaries. These mainly related to GST assisted compliance assurance programmes.

In assessing the suitability of Owi Kek Hean as an Independent Director, our Nominating Committee has considered the following:

- (a) Owi Kek Hean has retired from KPMG LLP with effect from October 2015 and is no longer a shareholder, partner, executive officer or director of KPMG LLP;
- (b) Owi Kek Hean was not the partner-in-charge advising the Lian Beng Group with regards to the tax advisory assignments for which KPMG LLP was engaged; and
- (c) during the Period Under Review, the aggregate fees payable to KPMG LLP based on their letters of engagement were below S\$200,000 and not deemed significant.

On the basis of the above, our Nominating Committee (other than Owi Kek Hean) is of the view that Owi Kek Hean should be regarded as independent.

Nominating Committee's view of our Independent Directors

Our Nominating Committee, after having considered the following:

- (a) the principal occupation and commitments of our Independent Directors;
- (b) the confirmations by our Independent Directors that they are able to devote sufficient time and attention to the matters of our Group;
- (c) the confirmations by our Independent Directors that each of them is not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of any Controlling Shareholder, and has no relationship with our Company, its related corporations or with any directors of these corporations, its 10.0% Shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of his independent business judgement with a view to the best interests of our Company;
- (d) our Independent Directors' working experience and expertise in different areas of specialisation; and
- (e) the composition of the Board,

is of the opinion that (i) each of our Independent Directors is individually and collectively able to commit sufficient time and resources to discharge their respective duties, and are suitable and possess the relevant experience to be appointed as Independent Directors of our Company; and (ii) our Independent Directors, as a whole, represent a strong and independent element on the Board which is able to exercise objective judgement on corporate affairs independently from the Controlling Shareholders.

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Remuneration Committee

Our Remuneration Committee comprises Foo Der Rong (Independent Director), Owi Kek Hean (Lead Independent Director) and Ong Lay Koon (Non-Executive Non-Independent Chairman). The chairman of the Remuneration Committee is Foo Der Rong.

Our Remuneration Committee will recommend to our Board a framework of remuneration for our Directors and Executive Officers, and determine specific remuneration packages for each of them. The recommendations of our Remuneration Committee should be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by our Remuneration Committee. Each member of the Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package.

The remuneration of employees who are related to our Directors or Substantial Shareholders will also be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guideline and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these related staff will also be subject to the review and approval of our Remuneration Committee. In addition, any new employment of related employees and the proposed terms of their employment will also be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from participating in the review.

If necessary, our Remuneration Committee shall seek expert advice within and/or outside our Company on remuneration matters. Our Remuneration Committee shall ensure that existing relationships, if any, between our Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. Our Remuneration Committee will also perform an annual review of the remuneration packages in order to maintain their attractiveness to retain and motivate our Directors and Executive Officers, and to align the interests of our Directors and Executive Officers with the long term interests of our Company.

Audit Committee

Our Audit Committee comprises Owi Kek Hean (Lead Independent Director), Foo Der Rong (Independent Director) and Ong Lay Koon (Non-Executive Non-Independent Chairman). The chairman of the Audit Committee is Owi Kek Hean.

Our Audit Committee will assist our Board in discharging its responsibility to safeguard our assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group.

Our Audit Committee will provide a channel of communication between our Board, our management and our external auditors on audit matters.

Our Audit Committee shall meet periodically to perform, *inter alia*, the following functions:

- (a) consider the appointment or re-appointment of the external auditors, the level of their remuneration and matters relating to the resignation or dismissal of the external auditors, and review with the external auditors the audit plans, their evaluation of the system of

CORPORATE GOVERNANCE

internal accounting controls, their audit reports, their independence and objectivity, their management letter and our management's response before submission of the results of such review to our Board for approval;

- (b) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and consider the adequacy of our management's response;
- (c) consider the appointment or re-appointment of the internal auditors, the level of their remuneration and matters relating to the resignation or dismissal of the internal auditors, and review with the internal auditors the internal audit plans and their evaluation of the adequacy of our system of internal accounting controls and accounting system before submission of the results of such review to our Board for approval prior to the incorporation of such results in our annual report (where necessary);
- (d) review the system of internal accounting controls and procedures established by management to address financial, operational, information technology and compliance risks, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);
- (e) review and report to the Board, at least annually, the effectiveness and adequacy of our risk management systems and internal control procedures addressing financial, operational, IT and compliance risks and discuss issues and concerns, if any, arising from the internal audits, prior to the incorporation of our Board's comments in our annual report;
- (f) review the assistance and co-operation given by our Company's officers to the internal and external auditors;
- (g) review the periodic consolidated financial statements and results announcements before submission to our Board for approval, focusing in particular, on changes in accounting policies and practices, major areas of judgement, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange, statutory and/or regulatory requirements;
- (h) review transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any). In the event of an equality of votes pertaining to any transactions put forth to our Audit Committee for approval, our Audit Committee chairman shall have the casting vote. Should the casting vote be exercised, such circumstances leading to the exercise of the casting vote shall be properly minuted, including the steps taken to assess the objections of the dissenting Independent Director and attempts for consensus to be reached between the Independent Directors. Further, the dissenting view shall also be minuted;
- (i) review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;
- (j) review the effectiveness and adequacy of our administrative, operating, internal accounting and financial control procedures;

CORPORATE GOVERNANCE

- (k) review our key financial risk areas, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNET;
- (l) review arrangements by which our staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
- (m) on a half-yearly basis, review the register of feasibility studies carried out by our Group on potential buildings considered by us for acquisition to determine whether the buildings purchased by us fall within the scope of our business;
- (n) monitoring whether the terms of the undertakings provided to our Company have been complied with, including (i) Lian Beng's undertaking to dispose of the New Lian Beng Group's remaining properties in Australia; (ii) Lian Beng's undertaking to procure the winding up or liquidation of Phileap Pte. Ltd. and Mountbatten Development Pte. Ltd.; and (iii) the Non-Compete Undertaking;
- (o) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time; and
- (p) undertake such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee.

Apart from the duties listed above, our Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our Group's operating results and/or financial position. Each member of the Audit Committee shall abstain from voting on any resolutions in respect of matters in which he is interested.

Prior to the Invitation, our Company had engaged internal auditors to perform the review and test of controls of our Group's processes. Our Audit Committee shall also commission an annual internal control audit until such time as our Audit Committee is satisfied that our Group's internal controls are robust and effective enough to mitigate our Group's internal control weaknesses (if any). Prior to decommission of such annual audit, our Board is required to report to the SGX-ST and the Sponsor on how the key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal control audit. Thereafter, such audits may be initiated by our Audit Committee as and when it deems fit to satisfy itself that our Group's internal controls remain robust and effective. Upon completion of the internal control audit, appropriate disclosure will be made via SGXNET of any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by our Board.

Our Board of Directors noted that no material control weakness has been raised by the internal auditors in the course of its internal audit. Our Board of Directors also noted that no material internal control weakness has been raised by our Independent Auditor and Reporting Accountant in the course of their audit of our Group's financial statements for FY2015, FY2016 and FY2017.

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Currently, based on the risk management and internal controls established and maintained by our Group, work performed by the internal and external auditors, and reviews performed by our management and our Board, our Board, after making all reasonable enquiries and to the best of its knowledge and belief, with the concurrence of our Audit Committee, is of the opinion that the risk management and internal controls of our Group are adequate to address financial, operational, compliance and information technology risks of our Group.

Our Audit Committee, after having conducted interviews with Cheong Chee Kuan and considered:

- (a) the qualifications and past working experiences of Cheong Chee Kuan (as described in the section entitled “Directors, Executive Officers and Staff – Executive Officers” of this Offer Document) which are compatible with her position as CFO of our Group;
- (b) Cheong Chee Kuan’s past audit and accounting related experiences;
- (c) Cheong Chee Kuan’s demonstration of the requisite competency in finance-related matters in connection with the preparation for the listing of our Company;
- (d) the absence of internal control weaknesses attributable to Cheong Chee Kuan identified during the internal control review conducted by the internal auditors, RSM Risk Advisory Pte. Ltd.; and
- (e) the absence of negative feedback on Cheong Chee Kuan from the representatives of the Independent Auditor and Reporting Accountant, Ernst & Young LLP, and our internal auditors, RSM Risk Advisory Pte. Ltd.,

is of the view that Cheong Chee Kuan is suitable for the position of CFO of our Group. In addition, she shall be subject to performance appraisal by our Audit Committee on an annual basis to ensure satisfactory performance.

Further, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of our Audit Committee members to cause them to believe that Cheong Chee Kuan does not have the competence, character and integrity expected of a CFO of a listed issuer.

BOARD PRACTICES

Our Constitution provides that our Board will consist of not less than one Director. None of our Directors is appointed for any fixed term.

Generally, our Directors are appointed by our Shareholders at a general meeting, and an election of Directors takes place annually. One-third (or the number nearest to one-third) of our Directors, are required to retire from office at each annual general meeting. Further, every Director must retire from office at least once in every three years. However, a retiring Director is eligible for re-election at the meeting at which he retires. A summary of our Constitution can be found in Appendix D entitled “Summary of Constitution of our Company” of this Offer Document.

EXCHANGE CONTROLS

Singapore

Currently there are no Singapore governmental laws, decrees, regulations and other legislation that may affect the following:

- (a) the import or export of capital, including the availability of cash and cash equivalents for use by our Group; and
- (b) the remittance of dividends, interest or other payments to non-resident holders of our Company's securities.

PRC

SAFE regulates foreign exchange matters in the PRC, including the conversion of RMB into foreign currencies, and *vice versa*. According to the Forex Laws, FIEs are required to obtain FIE Certificates from SAFE or its authorised banks so that they can open and operate foreign currency (i.e. non-RMB currency) bank accounts for the payment of:

- (a) recurring items from the current account, including the distribution of dividends and profits to foreign investors of FIEs subject to the presentation of board resolutions authorising the distribution; and
- (b) capital items from the capital account, such as repatriation of capital, repayment of loans and for securities investment.

Conversions in the current account, which include dividends, trade and service-related foreign exchange transactions, can be effected freely without the approval of SAFE by complying with certain procedural requirements, whilst conversions in the capital account, which include foreign direct investment and loans, require approvals from, or registration with, SAFE and other relevant PRC governmental authorities.

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS, EXECUTIVE OFFICERS AND CONTROLLING SHAREHOLDERS

1. Save as disclosed below, none of our Directors, Executive Officers or Controlling Shareholders:
 - (a) had at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;
 - (b) had at any time during the last 10 years, an application or a petition under any law of any jurisdiction filed against an Entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that Entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that Entity, for the winding up or dissolution of that Entity or, where that Entity is the trustee of a business trust, that business trust, on the ground of insolvency;
 - (c) has any unsatisfied judgement against him;
 - (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty, which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
 - (e) has been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including pending criminal proceedings of which he is aware) for such breach;
 - (f) at any time during the last 10 years, had judgement entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
 - (g) has been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any Entity or business trust;
 - (h) has been disqualified from acting as a director or an equivalent person of any Entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any Entity or business trust;
 - (i) has been the subject of any order, judgement or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

GENERAL AND STATUTORY INFORMATION

- (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any Entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any Entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the Entity or business trust; or
- (k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or governmental agency, whether in Singapore or elsewhere.

Disclosures relating to our Group

We have from time to time in the ordinary course of business, incurred fines imposed by ACRA in relation to late filing of annual returns and appointments of officers, secretaries and/or auditors of our Group. These fines are typically less than S\$100 and the aggregate of such fines imposed by ACRA and duly paid by our Group for FY2015 up to the Latest Practicable Date was less than S\$1,000. We will endeavour to take all such steps to mitigate and wherever possible eliminate such contravention of rules and regulations by implementing internal control procedures to improve our compliance with the relevant rules and regulations.

Disclosures relating to Lian Beng

Our Controlling Shareholder, Lian Beng, together with its Subsidiaries and Associated Companies has, from time to time in the ordinary course of business, been:

- (a) fined by regulatory and statutory bodies such as MOM, PUB and NEA for infringement of certain environmental and safety rules and regulations such as noise pollution or mosquito breeding, which have been duly paid;
- (b) fined by ACRA in relation to late filing of annual returns and appointments of officers, secretaries and/or auditors, which have been duly paid;
- (c) subject to civil disputes with third parties in the ordinary course of business in relation to, *inter alia*, breach of contract and negligence causing work injury; and
- (d) subject to stop work orders from the relevant authorities in respect of the Lian Beng Group's construction sites at which injury and/or death occurred.

GENERAL AND STATUTORY INFORMATION

Ong Pang Aik, Ong Lay Huan and Ong Lay Koon are directors of the entities that have been fined by the relevant regulatory and statutory authorities.

In addition, Lian Beng – Amin Joint Venture PVT Ltd, a company incorporated in the Republic of Maldives and a 50.0% indirect Associated Company of Lian Beng, was fined by the Maldives authorities in relation to the late payment of annual fees, and late registration with the relevant authorities under tax laws implemented after the incorporation of the aforesaid Associated Company, which have been duly paid. Ong Pang Aik is a director of Lian Beng – Amin Joint Venture PVT Ltd.

Disclosures relating to Ong Pang Aik

Our deemed Controlling Shareholder, Ong Pang Aik, pleaded guilty to a charge of affray in 1996 for fighting with another in a public place, thereby disturbing the public peace. He was fined \$1,000 in connection therewith.

Ong Pang Aik is a director of Lian Beng – Amin Joint Venture PVT Ltd, a company incorporated in the Republic of Maldives. Lian Beng – Amin Joint Venture PVT Ltd is currently in the midst of voluntary dissolution.

Disclosures relating to Ong Lay Huan

Our deemed Controlling Shareholder, Ong Lay Huan, released a notification in 2012 that she had become a deemed substantial shareholder of Lian Beng, when the effective date of change in her interest occurred in 2010. The delay in notification occurred as Ong Lay Huan did not realise that she had become deemed to be interested in the shares of Lian Beng held by Ong Sek Chong & Sons Pte Ltd by virtue of Section 7 of the Companies Act. She was imposed with a penalty of an aggregate amount of S\$4,500 by MAS and ACRA for the aforesaid late notification, which has been duly paid.

Ong Lay Huan was a director of Lian Beng-Wan Chung JV Pte. Ltd., a company incorporated in Singapore which was dissolved by members' voluntary winding up in 2015.

SHARE CAPITAL

2. As at the Latest Practicable Date, there is only one class of shares in the issued and paid-up capital of our Company, being ordinary shares. There are no founder, management or deferred shares. Our existing Shares do not carry voting rights which are different from the New Shares. The rights and privileges attached to our Shares are stated in our Constitution. The Controlling Shareholders and Substantial Shareholders of our Company are not entitled to any different voting rights from the other Shareholders.
3. Save as disclosed below and in the sections entitled "Share Capital" and "Restructuring Exercise" of this Offer Document, there were no changes in the share capital or the number or classes of shares of our Company and our Subsidiaries within the last three years preceding the Latest Practicable Date.

GENERAL AND STATUTORY INFORMATION

Name of Company	Date of issue	Number of shares issued	purpose	Consideration per share	Resultant issued share capital
Goldprime Land	26 January 2015	90	Capital injection	S\$1	S\$100
	16 March 2015	999,900	Capital injection	S\$1	S\$1,000,000
Smooth Venture	15 December 2016	499,998	Capital injection	S\$1	S\$500,000
Wellprime	31 May 2017	10	Incorporation	S\$1	S\$10
	20 October 2017	999,990	Capital injection	S\$1	S\$1,000,000
LBD (Serangoon)	26 July 2017	10	Incorporation	S\$1	S\$10
LBD (GL)	14 November 2017	10	Incorporation	S\$1	S\$10

4. Save as disclosed in the sections entitled “Share Capital” and “Restructuring Exercise” of this Offer Document, no shares in, or debentures of, our Company or any of our Subsidiaries have been issued, or are proposed to be issued, as fully or partly paid-up for cash, or for a consideration other than cash, during the last three years preceding the date of lodgement of this Offer Document.
5. Save as disclosed in the section entitled “Share Capital” of this Offer Document, as at the Latest Practicable Date, no person has been, or is entitled to be, given an option to subscribe for or purchase any securities of our Company, or any of our Subsidiaries.

MATERIAL CONTRACTS

6. The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by our Company and/or our Subsidiaries within the two years preceding the date of lodgement of this Offer Document and is or may be material:
 - (a) the joint venture agreement dated 24 October 2017 entered into amongst our Company, Oxley Holdings Limited, KSH Development Pte. Ltd., Apricot Capital Pte. Ltd. and Rio Casa Venture regulating the affairs of Rio Casa Venture and the rights of shareholders of Rio Casa Venture;
 - (b) the joint venture agreement dated 24 October 2017 entered into amongst LBD (Serangoon), Oxley Holdings Limited, Unique Invesco Pte. Ltd., Apricot Capital Pte. Ltd. and Oxley Serangoon regulating the affairs of Oxley Serangoon and the rights of shareholders of Oxley Serangoon;
 - (c) the joint venture agreement dated 4 December 2017 entered into amongst Development 24, Kim Seng Heng Realty Pte Ltd, LBD (GL) and Heeton Homes Pte. Ltd. regulating the affairs of Development 24 and the rights of shareholders of Development 24;
 - (d) the licence agreement dated 22 March 2018 entered into between our Company and Lian Beng for the right to use the logo, trade marks and trade name of Lian Beng, in connection with our business;

GENERAL AND STATUTORY INFORMATION

- (e) the deed of novation dated 23 March 2018 entered into amongst our Company, Lian Beng, Wealth Development, Kim Seng Heng Pte. Ltd. and Development 16 Pte. Ltd. for our Company to assume the rights and obligations of Lian Beng pursuant to the joint venture agreement amongst Lian Beng, Wealth Development, Kim Seng Heng Pte. Ltd. and Development 16 Pte. Ltd. dated 30 May 2013;
- (f) the deed of adherence dated 23 March 2018 executed by our Company in favour of The Legacy Industrial Mandai Pte. Ltd. and Wealth Property undertaking to adhere to the terms of the joint venture agreement amongst Lian Beng, The Legacy Industrial Mandai Pte. Ltd. and Wealth Property dated 21 November 2014;
- (g) the deed of adherence dated 23 March 2018 executed by our Company in favour of Centurion Properties Pte. Ltd. and Spottiswoode Development undertaking to adhere to the terms of the joint venture agreement amongst Lian Beng, Centurion Properties Pte. Ltd. and Spottiswoode Development dated 29 July 2015;
- (h) the deed of adherence dated 23 March 2018 executed by our Company in favour of Oxley Holdings Limited and Goldprime Land undertaking to adhere to the terms of the joint venture agreement amongst Lian Beng, Oxley Holdings Limited and Goldprime Land dated 31 January 2018;
- (i) the Restructuring Agreement;
- (j) the LB Loan Agreement;
- (k) the Sponsorship and Management Agreement;
- (l) the Underwriting and Placement Agreement; and
- (m) the continuing sponsorship agreement dated 11 April 2018 entered into between our Company and SAC Capital for SAC Capital to act as our continuing sponsor following our admission to the Catalist.

LITIGATION

- 7. As at the Latest Practicable Date, none of our Company or Subsidiaries are engaged in any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or have had during the last twelve months before the date of lodgement of this Offer Document, a material effect on our Group's financial position or profitability.

MISCELLANEOUS

- 8. Save as disclosed in the "General" and "Events after the reporting period" sections in Appendix B of this Offer Document entitled "Interim Condensed Unaudited Financial Information for the Six-Month Period Ended 30 November 2017", our Directors are not aware of any event which has occurred since 1 December 2017 to the Latest Practicable Date, which may have a material effect on the financial position and results of our Group or the financial information provided in this Offer Document.

GENERAL AND STATUTORY INFORMATION

9. Application monies received by us in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Banker. In the ordinary course of business, the Receiving Banker will deploy these monies in the inter-bank money market. All profits derived from the deployment of such monies will accrue to the Receiving Banker. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.

10. Save as disclosed in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position”, “General Information on our Group”, “Prospects and Future Plans”, “Interested Person Transactions” and “General and Statutory Information” of this Offer Document, our Directors are not aware of any relevant material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company and our Subsidiaries.

11. Save as disclosed in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position”, “General Information on our Group”, “Prospects and Future Plans”, “Interested Person Transactions” and “General and Statutory Information” of this Offer Document, the financial condition and operations of our Group are not likely to be affected by any of the following:
 - (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group’s liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or any significant economic changes that will materially affect the amount of reported income from operations; and
 - (d) known trends or uncertainties that have had or that we reasonably expect will have a material favourable or unfavourable impact on revenues or operating income.

12. Details, including the name, address and professional qualifications (including membership in a professional body) of the auditors of our Company since incorporation is as follows:

Name, professional qualification and address	Professional body	Partner-in-charge / Professional qualification
Ernst & Young LLP Certified Public Accountant One Raffles Quay North Tower, Level 18 Singapore 048583	Public Accountants and Chartered Accountants Singapore	Nelson Chen Wee Teck (a practicing member of the Institute of Singapore Chartered Accountants)

We currently have no intention of changing the auditors of our Company and Subsidiaries after the admission of our Company to the Catalist.

GENERAL AND STATUTORY INFORMATION

CONSENTS

13. The Independent Auditor and Reporting Accountant, Ernst & Young LLP, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of the “Audited Combined Financial Statements for the Financial Years ended 31 May 2015, 2016 and 2017” as set out in Appendix A of this Offer Document, the “Interim Condensed Unaudited Financial Information for the Six-Month Period Ended 30 November 2017” as set out in Appendix B of this Offer Document, and the “Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 31 May 2017 and the Six-Month Period Ended 30 November 2017” as set out in Appendix C of this Offer Document in the form and context in which it is included and references to its name in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.
14. The Sponsor, Issue Manager, Underwriter and Placement Agent, the Solicitors to the Invitation and Legal Advisers to our Company on Singapore Law, the Legal Advisers to our Company on PRC Law, the Legal Advisers to the Sponsor, Issue Manager, Underwriter and Placement Agent on Singapore Law, the Share Registrar, the Principal Bankers and the Receiving Banker have each given and have not withdrawn its written consents to the issue of this Offer Document with the inclusion herein of their names and references thereto in the form and context in which they respectively appear in this Offer Document and to act in such respective capacities in relation to this Offer Document.
15. Each of the Solicitors to the Invitation and Legal Advisers to our Company on Singapore Law, the Legal Advisers to our Company on PRC Law, the Legal Advisers to the Sponsor, Issue Manager, Underwriter and Placement Agent on Singapore Law, the Share Registrar, the Principal Bankers and the Receiving Banker does not make, or purport to make, any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any person which is based on, or arises out of, the statements, information or opinions in this Offer Document.
16. Each of the Valuers has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, the valuation date, the valuation quantum and the valuation certificate of the relevant property set out against its name in “Appendix H – Summary Valuation Certificates” of this Offer Document, in the form and context in which they appear in this Offer Document and to act in such capacity in relation to this Offer Document. The valuation date, valuation quantum and valuation certificate were prepared for the purpose of incorporation in this Offer Document.
17. Xandar Capital Pte. Ltd., the Independent Financial Adviser, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its opinion as set out in the section entitled “Interested Persons Transactions – General Mandate for Interested Persons Transactions – Opinion of the Independent Financial Adviser” of this Offer Document and all references thereto, and the “Opinion of the Independent Financial Adviser” as set out in Appendix I to this Offer Document in the form and context in which it is included and references to its name in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.

GENERAL AND STATUTORY INFORMATION

DOCUMENTS AVAILABLE FOR INSPECTION

18. Copies of the following documents may be inspected at the registered address of our Company during normal business hours for a period of six months from the date of registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority, of this Offer Document:
- (a) our Constitution;
 - (b) the “Audited Combined Financial Statements for the Financial Years ended 31 May 2015, 2016 and 2017” as set out in Appendix A of this Offer Document;
 - (c) the “Interim Condensed Unaudited Financial Information for the Six-Month Period Ended 30 November 2017” as set out in Appendix B of this Offer Document;
 - (d) the “Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 31 May 2017 and the Six-Month Period Ended 30 November 2017” as set out in Appendix C of this Offer Document;
 - (e) the material contracts referred to in paragraph 6 above;
 - (f) the letters of consent referred to in paragraphs 13 to 17 above;
 - (g) the “Summary Valuation Certificates” as set out in Appendix H of this Offer Document and the full valuation reports dated 31 January 2018;
 - (h) the letter from the Independent Financial Adviser as set out in Appendix I of this Offer Document.
 - (i) the Service Agreement;
 - (j) the Non-Compete Undertaking; and
 - (k) the undertaking from Lian Beng to (i) dispose of the New Lian Beng Group’s remaining properties in Australia; (ii) procure the winding up or liquidation of Phileap Pte. Ltd. and Mountbatten Development Pte. Ltd.; and (iii) in the event that the financial institutions of our Group do not agree to the release of the corporate guarantees provided by Lian Beng, continue to provide such corporate guarantees until the maturity of the loans to which they relate.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

18. This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Invitation, our Company and our Subsidiaries, and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

APPENDIX A
AUDITED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 MAY 2015, 2016 AND 2017

Company Registration No. 201729864H

SLB Development Ltd. and its Subsidiaries

Audited Combined Financial Statements
Financial Years ended 31 May 2015, 2016 and 2017

APPENDIX A
AUDITED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 MAY 2015, 2016 AND 2017

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APPENDIX A
AUDITED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 MAY 2015, 2016 AND 2017

SLB Development Ltd. and its Subsidiaries

Directors' statement

In the opinion of the directors,

- (i) the accompanying combined financial statements of SLB Development Ltd. (the "Company") and its subsidiaries (collectively, the "Group") are drawn up so as to present fairly, in all material respects, the financial position of the Group as at 31 May 2015, 2016 and 2017 and the financial performance, changes in equity and cash flows of the Group for the financial years ended 31 May 2015, 2016 and 2017; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors:

Ong Eng Keong
Director

Ong Lay Koon
Director

Singapore
11 April 2018

APPENDIX A
AUDITED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 MAY 2015, 2016 AND 2017

SLB Development Ltd. and its Subsidiaries

Independent auditor's report

For the financial years ended 31 May 2015, 2016 and 2017

The Board of Directors
SLB Development Ltd.
29 Harrison Road
#07-00 Lian Beng Building
Singapore 369648

Independent auditor's report on the combined financial statements

Opinion

We have audited the accompanying combined financial statements of SLB Development Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the combined statements of financial position of the Group as at 31 May 2015, 2016 and 2017, and the combined statements of comprehensive income, combined statements of changes in equity, and combined cash flow statements for each of the financial years ended 31 May 2015, 2016 and 2017, and notes to the combined financial statements, including a summary of significant accounting policies, as set out on pages A-7 to A-71 of the Offer Document issued by the Company.

In our opinion, the accompanying combined financial statements of the Group are properly drawn up in accordance with the Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the combined financial position of the Group as at 31 May 2015, 2016 and 2017, and of the combined financial performance, combined changes in equity and combined cash flows of the Group for each of the financial years ended 31 May 2015, 2016 and 2017.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

APPENDIX A

AUDITED COMBINED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEARS ENDED 31 MAY 2015, 2016 AND 2017

SLB Development Ltd. and its Subsidiaries

Independent auditor's report

For the financial years ended 31 May 2015, 2016 and 2017

Responsibilities of management and directors for the combined financial statements

Management is responsible for the preparation of combined financial statements that give a true and fair view in accordance with FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the combined financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the combined financial statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

APPENDIX A
AUDITED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 MAY 2015, 2016 AND 2017

SLB Development Ltd. and its Subsidiaries

Independent auditor's report

For the financial years ended 31 May 2015, 2016 and 2017

Auditor's responsibilities for the audit of the combined financial statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on distribution and use

This report is made solely to you as a body for inclusion in the prospectus to be issued in relation to the proposed listing of the shares of the Company in connection with the Company's listing on the Catalist Board of Singapore Exchange Securities Trading Limited.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

Partner-in-charge: Nelson Chen

11 April 2018

APPENDIX A
AUDITED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 MAY 2015, 2016 AND 2017

SLB Development Ltd. and its Subsidiaries

Combined statements of financial position
As at 31 May 2015, 2016 and 2017

	Note	2015 \$'000	2016 \$'000	2017 \$'000
Non-current assets				
Plant and equipment	4	14	9	4
Investment property	5	–	–	31,050
Investment in joint ventures and associates	6	36,108	107,568	39,455
Deferred tax assets	7	–	–	533
		36,122	107,577	71,042
Current assets				
Development properties	8	97,283	123,604	120,745
Trade receivables	9	5,086	2,726	10,766
Other receivables and deposits	10	2	8	59
Amount due from a related company	11	–	–	10
Amounts due from holding company	16	44,239	43,230	35,717
Amounts due from joint ventures and associates	12	34,746	40,449	51,885
Amount due from non-controlling interest	13	–	1,108	–
Cash and cash equivalents	14	15,630	17,409	26,284
		196,986	228,534	245,466
Current liabilities				
Trade and other payables	15	17,899	35,167	36,747
Accruals		486	515	2,178
Amounts due to related companies	11	8,240	18,661	17,986
Amounts due to joint ventures and associates	12	45,816	46,190	18,805
Amounts due to holding company	16	39,640	41,548	60,124
Bank loans	17	4,507	–	10,000
Amounts due to non-controlling interests	13	11,286	9,776	9,776
Provision for taxation		1,315	1,292	2,182
		129,189	153,149	157,798
Net current assets		67,797	75,385	87,668
Non-current liabilities				
Bank loans	17	67,491	77,491	96,724
Net assets		36,428	105,471	61,986
Equity attributable to owners of the Company				
Share capital	18	33,649	33,649	33,649
Merger reserve	19	(31,788)	(31,788)	(31,288)
Foreign currency translation reserve	19	–	182	(67)
Retained earnings		34,330	103,743	59,720
		36,191	105,786	62,014
Non-controlling interests		237	(315)	(28)
Total equity		36,428	105,471	61,986

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

APPENDIX A
AUDITED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 MAY 2015, 2016 AND 2017

SLB Development Ltd. and its Subsidiaries

Combined statements of comprehensive income
For the financial years ended 31 May 2015, 2016 and 2017

	Note	2015 \$'000	2016 \$'000	2017 \$'000
Revenue	20	–	–	87,631
Cost of sales		–	–	(72,700)
Gross profit		–	–	14,931
Other operating income	21	703	1,325	900
Sales and marketing expenses		(1,749)	(957)	(1,860)
Administrative expenses		(92)	(144)	(258)
Other operating expenses	21	–	(5)	(534)
Finance costs	22	(1,647)	(1,713)	(791)
Share of results of joint ventures and associates		32,081	70,360	8,187
		29,296	68,866	20,575
Fair value loss on investment property	5	–	–	(930)
Profit before taxation	21	29,296	68,866	19,645
Taxation	23	(28)	(5)	(361)
Profit for the year, net of taxation		29,268	68,861	19,284
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation gain/(loss)		–	182	(249)
Other comprehensive income for the year, net of taxation		–	182	(249)
Total comprehensive income for the year		29,268	69,043	19,035
Profit/(loss) attributable to:				
Owners of the Company		29,866	69,413	15,847
Non-controlling interests		(598)	(552)	3,437
		29,268	68,861	19,284
Total comprehensive income attributable to:				
Owners of the Company		29,866	69,595	15,598
Non-controlling interests		(598)	(552)	3,437
		29,268	69,043	19,035
Earnings per share (Cents)				
Basic and diluted	24	4.4	10.3	2.3

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

APPENDIX A
AUDITED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 MAY 2015, 2016 AND 2017

SLB Development Ltd. and its Subsidiaries

Combined statements of changes in equity

For the financial years ended 31 May 2015, 2016 and 2017

	Share capital (Note 18)	Attributable to owners of the Company				Non-controlling interests	Total equity
		Merger reserve (Note 19)	Foreign currency translation reserve (Note 19)	Retained earnings	Total reserves		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2015							
Group							
Balance at 1 June 2014	33,649	(32,298)	–	4,464	(27,834)	345	6,160
Profit for the year, net of taxation representing total comprehensive income for the year	–	–	–	29,866	29,866	(598)	29,268
<u>Contribution by and distribution to owners</u>							
Capital contribution	–	510	–	–	510	490	1,000
Total transactions with owners in the capacity as owners	–	510	–	–	510	490	1,000
Balance at 31 May 2015	33,649	(31,788)	–	34,330	2,542	237	36,428
2016							
Group							
Balance at 1 June 2015	33,649	(31,788)	–	34,330	2,542	237	36,428
Profit for the year, net of taxation	–	–	–	69,413	69,413	(552)	68,861
<u>Other comprehensive income</u>							
Foreign currency translation gain	–	–	182	–	182	–	182
Other comprehensive income for the year, net of taxation	–	–	182	–	182	–	182
Total comprehensive income for the year	–	–	182	69,413	69,595	(552)	69,043
Balance at 31 May 2016	33,649	(31,788)	182	103,743	72,137	(315)	105,471

APPENDIX A
AUDITED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 MAY 2015, 2016 AND 2017

SLB Development Ltd. and its Subsidiaries

Combined statements of changes in equity

For the financial years ended 31 May 2015, 2016 and 2017

	Share capital (Note 18)	Attributable to owners of the Company				Non-controlling interests	Total equity
		Merger reserve (Note 19)	Foreign currency translation reserve (Note 19)	Retained earnings	Total reserves		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2017							
Group							
Balance at 1 June 2016	33,649	(31,788)	182	103,743	72,137	(315)	105,471
Profit for the year, net of taxation	–	–	–	15,847	15,847	3,437	19,284
<u>Other comprehensive income</u>							
Foreign currency translation gain	–	–	(249)	–	(249)	–	(249)
Other comprehensive income for the year, net of taxation	–	–	(249)	–	(249)	–	(249)
Total comprehensive income for the year	–	–	(249)	15,847	15,598	3,437	19,035
<u>Contribution by and distribution to owners</u>							
Capital contribution	–	500	–	–	500	–	500
Dividends on ordinary shares paid to the then-existing shareholders of subsidiaries (Note 27)	–	–	–	(59,870)	(59,870)	–	(59,870)
Dividends paid to non-controlling interest of a subsidiary	–	–	–	–	–	(3,150)	(3,150)
Total transactions with owners in the capacity as owners	–	500	–	(59,870)	(59,370)	(3,150)	(62,520)
Balance at 31 May 2017	33,649	(31,288)	(67)	59,720	28,365	(28)	61,986

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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SLB Development Ltd. and its Subsidiaries

Combined cash flow statements

For the financial years ended 31 May 2015, 2016 and 2017

	Note	2015 \$'000	2016 \$'000	2017 \$'000
Cash flows from operating activities				
Profit before taxation		29,296	68,866	19,645
Adjustments for:				
Depreciation of plant and equipment	4	–	5	5
Fair value loss on investment property	5	–	–	930
Fair value loss on derivative instrument	15	–	–	449
Interest income		(629)	(1,314)	(715)
Interest expense	22	1,647	1,713	791
Share of results of associates and joint ventures		(32,081)	(70,360)	(8,187)
Operating cash flows before changes in working capital		(1,767)	(1,090)	12,918
Changes in working capital:				
Development properties		(74,305)	(24,316)	3,894
Trade receivables		(5,083)	2,360	(8,040)
Other receivables and deposits		(2)	(6)	(51)
Trade payables, other payables and accruals		17,452	17,405	2,995
Balances with related companies		2,647	10,438	(118)
		(59,291)	5,881	(1,320)
Cash flows (used in)/from operations		(61,058)	4,791	11,598
Interest paid and capitalised in development properties		(653)	(2,005)	(1,035)
Income tax paid		(90)	(28)	(4)
Net cash flows (used in)/from operating activities		(61,801)	2,758	10,559
Cash flows from investing activities				
Interest received		455	318	230
Dividend income from associates		–	–	35,456
Dividend income from a joint venture		–	–	40,750
Purchase of plant and equipment		(14)	–	–
Purchase of investment property		–	–	(31,980)
Repayment of loans due from/(loans to) associates		177	(5,237)	(10,887)
Loans to joint ventures		(9,879)	(466)	(549)
(Loan to)/repayment of loan due from the non-controlling interest of a subsidiary		–	(1,108)	1,108
Net cash flows (used in)/from investing activities		(9,261)	(6,493)	34,128

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	Note	2015 \$'000	2016 \$'000	2017 \$'000
Cash flows from financing activities				
Interest paid		(1,603)	(1,742)	(664)
Proceeds from bank loans		56,007	10,000	29,233
Repayment of bank loans		–	(4,507)	–
Dividends paid on ordinary shares to the then-shareholders of subsidiaries		–	–	(59,870)
Dividends paid to non-controlling interest of subsidiaries		–	–	(3,150)
Capital contribution by non-controlling interest of a subsidiary		490	–	–
Repayment of loans due to related companies		(5,542)	(18)	(565)
Loans from/(repayment of loans due to) associates		416	3,415	(14,985)
Repayment of loans due to joint ventures		(120)	(3,041)	(12,400)
Loans from/(repayment of loan due to) the non-controlling interests of a subsidiary		8,894	(1,510)	–
Loans from holding company		25,455	2,917	26,589
Net cash flows from/(used in) financing activities		83,997	5,514	(35,812)
Net increase in cash and cash equivalents		12,935	1,779	8,875
Cash and cash equivalents at beginning of the year		2,695	15,630	17,409
Cash and cash equivalents at end of the year	14	15,630	17,409	26,284

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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1. Corporate information

1.1 *The Company*

The Company (Registration No. 201729864H) 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, the Company name was changed to “Lian Beng Development Holding Pte.Ltd.” and subsequently to “SLB Development Pte. Ltd.” on 15 March 2018. The Company was converted into a public company limited by shares and its name was changed to “SLB Development Ltd.” on 23 March 2018. The immediate and ultimate holding company is Lian Beng Group Ltd which is incorporated in Singapore.

The registered office and principal place of business of the Company is located at 29 Harrison Road, #07-00, Lian Beng Building, Singapore 369648.

The principal activity of the Company is investment holding, while that of the subsidiaries relate mainly to property development and investment holding. The details of the subsidiaries are disclosed in Note 1.3 to the financial statements. The Group also undertakes property development projects through its joint ventures and associates. More details are disclosed in Note 6 to the financial statements.

1.2 *The Restructuring Exercise*

Transfer of businesses and entities under common control

The Group undertook the following transaction as part of a corporate reorganisation implemented in preparation for its listing on the Catalist Board of Singapore Exchange Securities Trading Limited (“SGX-ST”) (the “Restructuring Exercise”), the effects of which have been included in the combined financial statements of the Group for the financial years ended 31 May 2015, 2016 and 2017.

Acquisition of subsidiaries, joint ventures and associates

Pursuant to a restructuring agreement dated 23 March 2018 (the “Restructuring Agreement”), the Company acquired all of the issued and paid-up ordinary shares (the “Relevant Sale Shares”) of certain subsidiaries, joint ventures and associates from its holding company (the “Acquisition”). In accordance with the Restructuring Agreement, the consideration for the transfer of the Relevant Sale Shares was satisfied by the issuance of consideration shares in the Company to the holding company. The consideration for the Acquisition was determined based on net assets value of the subsidiaries, joint ventures and associates acquired as at 30 November 2017, or where in the situation that the net assets value of the company is negative, a nominal sum.

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1. Corporate information (cont'd)

1.2 *The Restructuring Exercise (cont'd)*

Transfer of businesses and entities under common control (cont'd)

Acquisition of subsidiaries, joint ventures and associates (cont'd)

Prior to the Restructuring Exercise and during the financial years ended 31 May 2015, 2016 and 2017, the subsidiaries were controlled by Lian Beng Group Ltd.

In accordance with Recommended Accounting Practice 12, Merger Accounting for Common Control Combinations for financial statements prepared under Part IX of the Fifth Schedule to the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, where the combining business or entities have been under common control but have not formed a legal group as at the end of the group's latest reporting period, the financial statements of the entities or businesses may, if meaningful, be presented on a combined basis provided that the common control combination under which the legal group is formed is completed before the date of approval of the combined financial statements by the directors.

The above Restructuring Exercise is accounted for by applying the pooling of interests method. Accordingly, the assets and liabilities of these entities transferred have been included in the combined financial statements at their carrying amounts. Although the Restructuring Exercise occurred on 23 March 2018, the combined financial statements present the financial position and financial performance as if the businesses had always been combined since the beginning of the earliest period presented.

Share split

As approved by the shareholders on 23 March 2018, every one share in the capital of the Company was sub-divided into 7.21 shares (the "Share Split"). The number of shares after the Share Split was 675,000,000.

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1. Corporate information (cont'd)

1.3 Composition of the Group

The principal activities of the subsidiaries are as follows:

Name of company	Principal activities	Principal place of business	Proportion of ownership interest		
			2015 (%)	2016 (%)	2017 (%)
<i>Held by the Company</i>					
Smooth Venture Pte Ltd ⁽¹⁾	Property development	Singapore	100	100	100
Goldprime Investment Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100	100
LBD (Midtown) Pte. Ltd. ⁽¹⁾ (formerly known as Lian Beng Land Pte. Ltd.)	Investment holding	Singapore	100	100	100
Luxe Development Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100	100
Starview Investment Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100	100
Wealth Property Pte. Ltd. ⁽¹⁾	Property development	Singapore	65	65	65
LBD (China) Pte. Ltd. ⁽¹⁾ (formerly known as Lian Beng (China) Pte. Ltd.)	Investment holding	Singapore	100	100	100
Goldprime Land Pte. Ltd. ⁽¹⁾	Property development	Singapore	51	51	51
Wellprime Pte. Ltd. ⁽²⁾	Property development	Singapore	—	—	100

(1) Audited by Ernst & Young LLP, Singapore

(2) Not required to be audited as it was dormant/exempted by country of incorporation.

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2. Summary of significant accounting policies

2.1 *Basis of preparation*

The combined financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”).

The combined financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The combined financial statements are presented in Singapore Dollars (SGD or \$), and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

Convergence with International Financial Reporting Standards

Singapore incorporated companies listed on the Singapore Exchange are required to apply Singapore Financial Reporting Standards (International) (“SFRS (I)”) issued by the Accounting Standards Council. SFRS (I) is a new financial reporting framework identical to the International Financial Reporting Standards. The Group will adopt SFRS (I) on 1 June 2018.

The Group has performed an assessment on the impact of adopting SFRS (I). Other than the impact on adoption of the SFRS (I) 15 and SFRS (I) 9, the Group expects that adoption of SFRS (I) will have no material impact on the financial statements in the year of initial application. The Group expects the impact of adopting SFRS (I) and SFRS (I) 9 will be similar to the impact on adoption of FRS 115 and FRS 109 as disclosed in Note 2.3.

Reconciliation between FRS and SFRS (I)

In line with the requirements of the Amendment of Part IX of Fifth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) (Amendment) Regulations 2017, the Group is required to present a reconciliation of its net assets and net profit after tax for the financial year ended 31 May 2017 prepared in accordance with FRS to SFRS (I).

Other than the effects of the adoption of new standards that are effective for financial year beginning 1 June 2018, the Group has assessed that there are no material reconciliation required to its net assets and net profit after tax for the financial year ended 31 May 2017 and accordingly, no such reconciliation has been presented.

2.2 *Changes in accounting policies*

The accounting policies adopted have been consistently applied by the Group during the financial years ended 31 May 2015, 2016 and 2017, except that during the financial years ended 31 May 2015, 2016 and 2017, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 June 2014, 2015 and 2016 respectively. The adoption of these standards did not have any effect on the financial performance or position of the Group.

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2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective*

Description	Effective for annual periods beginning on or after
Amendments to FRS 7 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 12 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Improvements to FRSs (December 2016)	
– Amendments to FRS 28 <i>Investment in Associates or Joint Ventures</i>	1 January 2018
– INT FRS 122 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
– INT FRS 123 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
– Amendments to FRS 109 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
– Amendments to FRS 28 <i>Long-term Interests in Associates and Joint Ventures</i> Amendments to FRS 28 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to FRS 40 <i>Transfers of Investment Property</i>	1 January 2018
Amendments to FRS 102 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019
Improvements to FRSs (March 2018)	
– Amendments to FRS 103 <i>Business Combinations</i>	1 January 2019
– Amendments to FRS 111 <i>Joint Arrangements</i>	1 January 2019
– Amendments to FRS 12 <i>Income Taxes</i>	1 January 2019
– Amendments to FRS 23 <i>Borrowing costs</i>	1 January 2019
Amendments to FRS 110 and FRS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

As disclosed in Note 2.1, the Group will adopt SFRS (I) on 1 June 2018. Upon adoption of SFRS (I) on 1 January 2018, the SFRS (I) equivalent of the above standards that are effective on 1 June 2018 will be adopted at the same time.

Except for SFRS (I) 9, SFRS (I) 15 and SFRS (I) 16, the directors expect that the adoption of the SFRS (I) equivalent of the above standards will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

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2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective (cont'd)*

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

Impairment

FRS 109 requires the Group to record expected credit losses on all of its debt securities and loans and receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model to account for revenue arising from contracts with customer. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede current revenue recognition requirements including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate and the Accompanying Note on Application of INT FRS 115 in Singapore*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transaction Involving Advertising Services*. FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

During 2017, the Group performed an initial assessment of the impact on the Group's financial statements focusing on the sale of development properties. Based on its initial assessment, the Group expects the FRS 115 requirements on accounting for costs, contract modifications, variable considerations and the method for measuring the stage of completion may affect its revenue recognition and cost accounting. The Group is currently gathering data as part of a further detailed assessment to quantify the impact, if any, on its financial statements. The actual impact of adoption on FRS 115 is dependent on many factors including the stage of completion of the long-term development properties on transition, the accounting elections and the judgements that the Group will make in the future.

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2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective (cont'd)*

FRS 115 Revenue from Contracts with Customers (cont'd)

The Group plans to adopt the standard when it becomes effective in 2018 using the full retrospective approach. The Group is currently performing a detailed analysis under FRS 115 to determine its election of the practical expedients and to quantify the transition adjustments on its financial statements.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statements of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date.

2.4 *Basis of consolidation and business combinations*

(a) Basis of consolidation

The combined financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the combined financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

The combined financial statements of the Group for the financial years ended 31 May 2015, 2016 and 2017 have been prepared using the pooling of interest method as the Restructuring Exercise described in Note 1.2 is a legal reorganisation of entities under common control. The Company has been treated as the holding company of its subsidiaries for the financial years presented rather than from the date of completion of the Restructuring Exercise.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations (cont'd)*

(b) *Business combinations involving businesses or entities under common control*

Business combinations involving businesses or entities under common control are accounted for by applying the pooling of interest method which involves the following:

- Assets, liabilities, reserves, revenue and expenses of combined business or entities are reflected at their existing amounts;
- The retained earnings recognised in the combined financial statements are the retained earnings of the combining entities or businesses immediately before the combination; and
- No additional goodwill is recognised as a result of the combination.
- The statement of comprehensive income reflects the results of the combining entities or businesses for the full year, irrespective of when the combination took place. Comparatives are presented as if the entities or businesses had always been combined since the date the entities or businesses had come under common control.

2.5 *Foreign currency*

The Group's combined financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

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2. Summary of significant accounting policies (cont'd)

2.5 *Foreign currency (cont'd)*

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.6 *Investment properties*

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property or development properties, the deemed cost for subsequent accounting is the fair value at the date of change in use.

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2. Summary of significant accounting policies (cont'd)

2.7 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.8 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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2. Summary of significant accounting policies (cont'd)

2.9 *Joint arrangements*

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

Joint ventures

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.10.

2.10 *Joint ventures and associates*

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

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2. Summary of significant accounting policies (cont'd)

2.10 *Joint ventures and associates (cont'd)*

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

For financial statements of the associate or joint venture which are prepared as of the same reporting date of the Company, the most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the date of the audited financial statements used is not co-terminus with that of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the financial year. Where necessary, adjustments are made to bring the accounting policy in line with those of the Group.

2.11 *Development properties*

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are measured at the lower of cost and estimated net realisable value.

The cost of properties under development comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development.

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2. Summary of significant accounting policies (cont'd)

2.11 *Development properties (cont'd)*

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when incurred. Show flats expenses are capitalised and amortised over the marketing period.

Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in the profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Properties under development, the sales of which are recognised using the percentage of completion method

The aggregated costs incurred together with attributable profits and net of progress billings are presented as development properties in the statement of financial position.

Other properties under development

The aggregated costs incurred are presented as development properties while progress billings are presented separately within trade and other payables.

2.12 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

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2. Summary of significant accounting policies (cont'd)

2.12 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives are also classified as held for trading.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

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2. Summary of significant accounting policies (cont'd)

2.12 Financial instruments (cont'd)

(a) Financial assets (cont'd)

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process. Derivative instruments are subsequently re-measured to their fair value at the end of each reporting period. Changes in fair value of derivative instruments are recognised in profit or loss.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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2. Summary of significant accounting policies (cont'd)

2.13 *Impairment of financial assets*

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

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2. Summary of significant accounting policies (cont'd)

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and fixed deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.15 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.16 Leases

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.17(d). Contingent rents are recognised as revenue in the period in which they are earned.

2.17 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

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2. Summary of significant accounting policies (cont'd)

2.17 Revenue (cont'd)

(a) Sale of development properties

The Group recognises income on property development projects when the significant risks and rewards of ownership have been transferred to the purchasers.

For development projects under progressive payment scheme in Singapore, whereby the legal terms in the sale contracts result in continuous transfer of work-in-progress to the purchasers, revenue is recognised based on the percentage of completion method. Under the percentage of completion method, profit is brought into profit or loss only in respect of sales procured and to the extent that such profit relates to the progress of construction work. The progress of construction work is measured by the proportion of the construction costs incurred to date to the estimated total construction costs for each project. In all other instances, the revenue will be recognised upon the transfer of significant risks and rewards of ownership, which generally coincides with the time the development units are delivered to the purchasers.

Revenue excludes goods and services or other sale taxes and is after deduction of any trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of unit sold.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(d) Rental income

Rental income arising from operating leases on the investment property are accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

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2. Summary of significant accounting policies (cont'd)

2.18 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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2. Summary of significant accounting policies (cont'd)

2.18 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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2. Summary of significant accounting policies (cont'd)

2.18 Taxes (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

2.19 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

3. Significant accounting estimates and judgements

The preparation of the Group's combined financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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3. Significant accounting estimates and judgements (cont'd)

(b) *Key sources of estimation uncertainty (cont'd)*

(i) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 29 to the financial statements. If the present value of estimated future cash flows decrease by 5% (2016: 5%, 2015: 5%) from management's estimates, the Group's allowance for impairment will increase by \$6,236,000 (2016: \$5,247,000, 2015: \$4,747,000).

(ii) Estimation of net realisable value of development properties

Development properties are stated at the lower of cost and net realisable value.

Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting period and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale. The carrying amount of development properties at the end of the reporting period is disclosed in Note 8 to the financial statements. If the estimated costs to complete construction increase by 5% (2016: 5%, 2015: 5%) from management's estimate, the carrying amount of development property stated would reduce by \$6,037,000 (2016: \$6,180,000, 2015: \$4,864,000).

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3. Significant accounting estimates and judgements (cont'd)

(b) *Key sources of estimation uncertainty (cont'd)*

(iii) Fair value measurement of investment property

The Group carries its investment property at fair value, with changes in fair values being recognised in profit or loss. The Group engaged independent valuation specialists to determine the investment property's fair value as at 31 May 2017. The valuation technique adopted was the Comparative Method of Valuation, which involves analysing recent sales evidence of similar properties. Adjustments are made to differences in location, age, tenure, floor area, condition, exposure, date of sale, amongst other factors, before arriving at the fair value of the property. The key assumptions used to determine the fair value of the investment property and sensitivity analysis are provided in Note 28.

The carrying amount of the Group's investment property at 31 May 2017 was \$31,050,000 (2016: \$Nil; 2015: \$Nil).

4. Plant and equipment

	Computers \$'000
Cost	
At 1 June 2014	—
Additions	14
At 31 May 2015, 1 June 2015, 31 May 2016, 1 June 2016 and 31 May 2017	14
Accumulated depreciation	
At 1 June 2014	—
Depreciation charge for the year	—*
At 31 May 2015 and 1 June 2015	—*
Depreciation charge for the year	5
At 31 May 2016 and 1 June 2016	5
Depreciation charge for the year	5
At 31 May 2017	10
Net carrying amount	
At 31 May 2017	4
At 31 May 2016	9
At 31 May 2015	14

* Less than S\$1,000

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5. Investment property

Combined statements of financial position:

	2015	2016	2017
	\$'000	\$'000	\$'000
Beginning of financial year	–	–	–
– Additions to investment property	–	–	31,980
– Fair value loss recognised in profit or loss	–	–	(930)
End of financial year	–	–	31,050

Combined statements of comprehensive income:

	2015	2016	2017
	\$'000	\$'000	\$'000
<i>Other operating income</i>			
Rental income from investment property:			
– Minimum lease payments	–	–	185
Direct operating expenses (including repairs and maintenance) arising from rental generating property	–	–	57

The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Valuation of investment property

The investment property is stated at fair value, which has been determined based on valuation performed as at 31 May 2017. The valuation was performed by independent valuers with recognised and relevant professional qualifications and with recent experience in the location and category of the property being valued. Details of the valuation technique and inputs used are disclosed in Note 28.

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5. Investment property (cont'd)

Property pledged as security

The investment property is mortgaged to the bank for credit facilities granted to a subsidiary (Note 17).

Details of the Group's investment property as at 31 May 2017 are as follows:

Description and location	Tenure	Gross Floor Area (square metre)	Interest held by the Group (%)
20 Mactaggart Road, Khong Guan Industrial Building, Singapore ⁽¹⁾	Freehold	5,297	100

(1) On 30 November 2017, the Group has reclassified the investment property to development property as the Group has obtained approval from the Urban Redevelopment Authority to redevelop the property.

6. Investment in joint ventures and associates

(a) *Investment in joint ventures*

The Group's investment in joint ventures are summarised below:

	2015 \$'000	2016 \$'000	2017 \$'000
Oxley-LBD Pte. Ltd.	28,739	64,084	23,025
Spottiswoode Development Pte. Ltd.	69	2,983	9,148
	<u>28,808</u>	<u>67,067</u>	<u>32,173</u>

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6. Investment in joint ventures and associates (cont'd)

(a) *Investment in joint ventures (cont'd)*

Details of the investment in joint ventures are as follows:

Name of company	Principal activities	Principal place of business	Proportion of ownership interest		
			2015 (%)	2016 (%)	2017 (%)
<i>Held by the Company</i>					
Spottiswoode Development Pte. Ltd. ⁽¹⁾	Property development	Singapore	50	50	50
<i>Held by a subsidiary</i>					
Oxley-LBD Pte. Ltd. ⁽¹⁾ (formerly known as Oxley-Lian Beng Pte. Ltd.)	Property development	Singapore	50	50	50

(1) Audited by RSM Chio Lim LLP

The Group jointly controls the above ventures with partners under the contractual agreements and requires unanimous consent for all major decisions over the relevant activities.

There was dividend of \$40,750,000 received from a joint venture during the financial year ended 31 May 2017 (2016: \$Nil, 2015: \$Nil).

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6. Investment in joint ventures and associates (cont'd)

(a) *Investment in joint ventures (cont'd)*

The summarised financial information in respect of material investment in joint ventures, based on their FRS financial statements, and reconciliation with the carrying amount of the investments in the combined financial statements are as follows:

Summarised statement of financial position

	Oxley-LBD Pte. Ltd.			Spottiswoode Development Pte. Ltd.		
	2015	2016	2017	2015	2016	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	40,437	6,650	4,462	37,072	35,495	35,370
Other current assets	205,774	230,723	44,152	109,673	114,151	129,218
Total current assets	246,211	237,373	48,614	146,745	149,646	164,588
Non-current assets	–	–	–	68	–	–
Total assets	246,211	237,373	48,614	146,813	149,646	164,588
Trade and other payables	8,906	4,609	2,490	3,958	473	941
Current financial liabilities (excluding trade and other payables and provisions)	13,400	78,800	–	21,717	28,407	141,765
Other current liabilities	499	25,795	73	–	–	–
Non-current financial liabilities	154,893	–	–	121,000	113,500	–
Other non-current liabilities	10,887	–	–	–	1,299	3,585
Total liabilities	188,585	109,204	2,563	146,675	143,679	146,291
Net assets	57,626	128,169	46,051	138	5,967	18,297
Proportion of the Group's ownership	50%	50%	50%	50%	50%	50%
Group's share of net assets	28,813	64,084	23,025	69	2,983	9,148
Other adjustments	(74)	–	–	–	–	–
Carrying amount of the investment	28,739	64,084	23,025	69	2,983	9,148

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6. Investment in joint ventures and associates (cont'd)

(a) Investment in joint ventures (cont'd)

Summarised statement of comprehensive income

	Oxley-LBD Pte. Ltd.			Spottiswoode Development Pte. Ltd.		
	2015	2016	2017	2015	2016	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	125,902	217,589	—	27,714	40,502	116,503
Other income	1,725	71	137	—*	1	3
Interest income	1,972	1,856	—	59	226	206
Other operating expenses	(76,848)	(132,244)	(416)	(24,006)	(32,616)	(101,245)
Finance costs	(1,990)	(2,321)	(153)	(794)	(919)	(851)
Profit/(loss) before taxation	50,761	84,951	(432)	2,973	7,194	14,616
Taxation	(8,551)	(14,408)	(185)	(505)	(1,366)	(2,286)
Profit/(loss) for the year, net of taxation	42,210	70,543	(617)	2,468	5,828	12,330
Other comprehensive income for the year, net of taxation	—	—	—	—	—	—
Total comprehensive income for the year	42,210	70,543	(617)	2,468	5,828	12,330
Proportion of the Group's ownership	50%	50%	50%	50%	50%	50%
Group's share of net results	21,105	35,271	(309)	1,234	2,914	6,165

* Less than S\$1,000

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6. Investment in joint ventures and associates (cont'd)

(b) *Investment in associates*

The Group's investment in associates are summarised below:

	2015	2016	2017
	\$'000	\$'000	\$'000
Oxley Viva Pte. Ltd.	5,129	14,196	4,142
Oxley Sanctuary Pte. Ltd.	4,411	20,705	5,922
Action Property Pte. Ltd.	(1,188)	7,033	1,602
Other associates	(1,052)	(1,433)	(4,384)
	7,300	40,501	7,282

Details of the investment in associates are as follows:

Name of company	Principal activities	Principal place of business	Proportion of ownership interest		
			2015 (%)	2016 (%)	2017 (%)
<i>Held by the Company</i>					
Wealth Development Pte. Ltd. ⁽¹⁾	Property development	Singapore	40	40	40
Rio Casa Venture Pte. Ltd. (previously known as Oxley-Lian Beng Venture Pte. Ltd.) ⁽²⁾	Property development	Singapore	—	50	20
<i>Held by subsidiaries</i>					
Oxley Viva Pte. Ltd. ⁽²⁾	Property development	Singapore	10*	10*	10*
Oxley YCK Pte. Ltd. ⁽²⁾	Property development	Singapore	10*	10*	10*
Oxley Sanctuary Pte. Ltd. ⁽²⁾	Property development	Singapore	15*	15*	15*
Action Property Pte. Ltd. ⁽²⁾	Property development	Singapore	19*	19*	19*
KAP Holdings (China) Pte. Ltd. ⁽³⁾	Investment holding	Singapore	15*	20	20

(1) Audited by Ernst & Young LLP, Singapore

(2) Audited by RSM Chio Lim LLP

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6. Investment in joint ventures and associates (cont'd)

(b) *Investment in associates (cont'd)*

(3) Audited by Deloitte & Touche LLP

* Notwithstanding that the Group holds less than 20% of the voting power in these companies, the Group exercises significant influence by virtue of its representation on the respective boards of these companies.

The Group has the power to participate in the financial and operating policy decisions of the associates but does not have control or joint control of these policies.

There were dividends of \$35,456,000 received from associates during the financial year ended 31 May 2017 (2016: \$Nil, 2015: \$Nil).

Aggregate information about the Group's share in associates (adjusted for the percentage of ownership held by the Group) that are not individually material are as follows:

	2015	2016	2017
	\$'000	\$'000	\$'000
Loss for the year, net of taxation	(724)	(566)	(2,167)
Other comprehensive income for the year, net of taxation	—	—	—
Total comprehensive income for the year	(724)	(566)	(2,167)

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6. Investment in joint ventures and associates (cont'd)

(b) Investment in associates (cont'd)

The summarised financial information in respect of material investment in associates, based on their FRS financial statements, and reconciliation with the carrying amount of the investments in the combined financial statements are as follow:

Summarised statement of financial position

	Oxley Viva Pte. Ltd.			Oxley Sanctuary Pte. Ltd.			Action Property Pte. Ltd.		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets	246,411	301,614	72,740	306,564	379,699	81,307	78,723	50,427	13,103
Non-current assets	—	—	—	—	—	—	1,432	—	—
Total assets	246,411	301,614	72,740	306,564	379,699	81,307	80,155	50,427	13,103
Current liabilities	48,954	130,351	31,320	3,792	10,280	41,786	10,156	13,412	4,674
Non-current liabilities	141,236	29,146	—	269,960	230,408	—	76,250	—	—
Total liabilities	190,190	159,497	31,320	273,752	240,688	41,786	86,406	13,412	4,674
Net assets	56,221	142,117	41,420	32,812	139,011	39,521	(6,251)	37,015	8,429
Proportion of the Group's ownership	10%	10%	10%	15%	15%	15%	19%	19%	19%
Group's share of net assets	5,622	14,212	4,142	4,922	20,852	5,928	(1,188)	7,033	1,602
Other adjustments	(493)	(16)	—	(511)	(147)	(6)	—	—	—
Carrying amount of the investment	5,129	14,196	4,142	4,411	20,705	5,922	(1,188)	7,033	1,602

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6. Investment in joint ventures and associates (cont'd)

(b) Investment in associates (cont'd)

Summarised statement of comprehensive income

	Oxley Viva Pte. Ltd.		Oxley Sanctuary Pte. Ltd.		Action Property Pte. Ltd.	
	2015	2016	2015	2016	2015	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	226,011	276,700	100,110	319,923	—	—
Other income	174	780	5,388	5,122	10	352
						(29)
Profit for the year, net of taxation	55,238	85,896	35,371	106,199	(1,915)	1,414
Other comprehensive income for the year, net of taxation	—	—	—	—	—	—
Total comprehensive income for the year	55,238	85,896	35,371	106,199	(1,915)	1,414
Proportion of the Group's ownership	10%	10%	15%	15%	19%	19%
Group's share of results	5,524	8,590	5,306	15,930	(364)	269

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7. Deferred tax assets

	Combined statements of financial position			Combined statements of comprehensive income		
	2015	2016	2017	2015	2016	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax assets						
Unutilised tax losses	—	—	533	—	—	(533)
Deferred income tax credit (Note 23)				—	—	(533)

Deferred income tax related to other comprehensive income

There is no deferred income tax related to other comprehensive income for the financial year ended 31 May 2015, 2016 and 2017.

8. Development properties

	2015	2016	2017
	\$'000	\$'000	\$'000
Properties under development, units for which revenue is recognised using completion of contract method:			
Cost incurred	97,283	123,604	120,745
Allowance for foreseeable losses	—	—	—
Properties under development, net	97,283	123,604	120,745

Assets pledged as security

Development properties with carrying amount of \$120,745,000 (2016: \$123,604,000; 2015: \$97,283,000) are pledged to banks for loans granted to subsidiaries (Note 17).

Capitalisation of borrowing costs

The interest on bank borrowings capitalised in the current financial year amounted to \$2,212,000 (2016: \$2,005,000; 2015: \$653,000). The rates used to determine the amount of borrowing costs eligible for capitalisation ranged from 1.85% to 2.86% (2016: 2.22% to 3.4%; 2015: 1.77% to 3.4%) per annum. Interest ceases to be capitalised when the Temporary Occupation Permit ("TOP") has been obtained.

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8. Development properties (cont'd)

Capitalisation of borrowing costs (cont'd)

Details of the Group's development properties are as follows:

Description and Location	Tenure	Site area (square metre)	Stage of development/ expected completion date	Interest held by the Group		
				2015 (%)	2016 (%)	2017 (%)
Proposed 11 storey ramp up food factory on Lot 1718L Mukim 14 at Mandai Link, Singapore	Leasehold	6,891	Completed construction and obtained TOP on 5 April 2017	65	65	65
Proposed 9 storey ramp up strata industrial building on Lot 2964N at Mukim 29 Tampines North Drive 1, Singapore	Leasehold	27,395	Under construction and expected to obtain TOP in FY2019	51	51	51

9. Trade receivables

	2015 \$'000	2016 \$'000	2017 \$'000
Trade receivables	5,086	2,726	10,766

Trade receivables are non-interest bearing and are normally on 30 to 60 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

All trade receivables are denominated in Singapore Dollars.

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9. Trade receivables (cont'd)

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to \$1,570,000 (2016: \$Nil; 2015: \$Nil) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	2015 \$'000	2016 \$'000	2017 \$'000
Trade receivables past due but not impaired:			
Less than 30 days	–	–	1,496
91 to 120 days	–	–	74
	–	–	1,570

Trade receivables that are impaired

There is no trade receivable that is impaired at the end of the reporting period.

10. Other receivables and deposits

	2015 \$'000	2016 \$'000	2017 \$'000
Deposits	2	8	50
Interest receivable from fixed deposits	–	–	1
Other receivable	–	–	8
	2	8	59

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11. Amounts due to/from related companies

(a) *Amount due from a related company*

	2015	2016	2017
	\$'000	\$'000	\$'000
Non-trade	—	—	10

Amounts due from a related company are interest-free, unsecured, repayable on demand, expected to be settled in cash and are denominated in Singapore Dollars.

(b) *Amounts due to related companies*

	2015	2016	2017
	\$'000	\$'000	\$'000
Trade	2,647	13,086	12,968
Non-trade	5,593	5,575	5,018
	<u>8,240</u>	<u>18,661</u>	<u>17,986</u>

The trade amounts due to related companies are unsecured, interest-free, normally settled on 30 days' term, expected to be settled in cash and are denominated in Singapore Dollars.

The non-trade amounts due to related companies are unsecured, repayable on demand, expected to be settled in cash, denominated in Singapore Dollars. These amounts were fully settled subsequent to the financial year ended 31 May 2017.

12. Amounts due from/to joint ventures and associates

(a) *Amounts due from joint ventures*

	2015	2016	2017
	\$'000	\$'000	\$'000
Non-trade	9,879	10,345	10,894

The non-trade amounts due from joint ventures are unsecured, repayable on demand, expected to be settled in cash, denominated in Singapore Dollars and are interest-free. They relate to shareholder loans extended to joint ventures for properties under development.

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12. Amounts due from/to joint ventures and associates (cont'd)

(b) Amounts due to joint ventures

	2015	2016	2017
	\$'000	\$'000	\$'000
Non-trade	33,151	30,110	17,710

The non-trade amounts due to joint ventures relate to advances made to the Group. They are unsecured, repayable on demand, expected to be settled in cash, denominated in Singapore Dollars and bears interest at nil% (2016: 3%; 2015: 3%) per annum.

(c) Amounts due from associates

	2015	2016	2017
	\$'000	\$'000	\$'000
Non-trade	24,867	30,104	40,991

The non-trade amounts due from associates relate to shareholder loans and corresponding interest receivable. They are unsecured, repayable on demand, expected to be settled in cash and are interest-free, except for an amount of \$6,650,000 (2016: \$9,054,000; 2015: \$7,904,000) which bears interest at 3% to 5.35% (2016: 3% to 5.35%; 2015: 3% to 5.35%) per annum.

(d) Amounts due to associates

	2015	2016	2017
	\$'000	\$'000	\$'000
Non-trade	12,665	16,080	1,095

The amounts due to associates relate to advances made to the Group. They are unsecured, repayable on demand, expected to be settled in cash, denominated in Singapore Dollars and are interest-free except for an amount of \$Nil (2016: \$12,135,000; 2015: \$12,521,000) which bears interest at Nil% (2016: 5.35%; 2015: 5.35%) per annum.

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13. Amounts due from/to non-controlling interests

Amount due from non-controlling interest of a subsidiary is denominated in Singapore Dollars. It relates to advances given to a non-controlling interest. Amount is non-trade in nature, unsecured, interest free, repayable on demand, and was fully settled in cash during the financial year ended 31 May 2017.

Amounts due to non-controlling interests of subsidiaries are denominated in Singapore Dollars. They relate to shareholder loans extended to subsidiaries for properties under development, and are unsecured, interest free, repayable on demand. They are expected to be settled in cash.

14. Cash and cash equivalents

For the purpose of the combined cash flow statements, cash and cash equivalents comprise only cash and short-term deposits at the end of the reporting period.

	2015	2016	2017
	\$'000	\$'000	\$'000
Cash on hand and at banks	15,630	15,492	25,384
Fixed deposits	–	1,917	900
Cash and cash equivalents	15,630	17,409	26,284

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Included in cash and cash equivalents are amounts of \$16,727,000 (2016: \$13,179,000; 2015: \$10,545,000) maintained in project accounts, withdrawals from which are restricted to payments for expenditure incurred on projects.

Fixed deposits earn interest of 0.95% to 1.5% (2016: 1.5% to 1.6%; 2015: Nil) per annum and have maturities ranging between 1 to 3 months (2016: 3 months; 2015: Nil) depending on the immediate cash requirements of the Group. Fixed deposits can be readily converted into known amount of cash and are subject to insignificant risk of change in values.

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15. Trade and other payables

	2015	2016	2017
	\$'000	\$'000	\$'000
Trade payables	134	1,010	2,254
Other payables	17,765	34,157	34,493
	<u>17,899</u>	<u>35,167</u>	<u>36,747</u>

Trade payables are non-interest bearing and normally settled on 30 to 90 days' terms.

Other payables comprised:

	2015	2016	2017
	\$'000	\$'000	\$'000
Derivative liability	—	—	449
Progress billings	16,954	33,489	33,248
Other payables	811	668	720
Rental deposits received	—	—	76
	<u>17,765</u>	<u>34,157</u>	<u>34,493</u>

Other payables are non-interest bearing and are normally settled on 30 to 90 days' terms.

Progress billings relates to sale of development properties recognised in accordance with the completion of contracts method.

16. Amounts due from/to holding company

The amounts due from/to holding company are unsecured, repayable on demand, expected to be settled in cash and are interest-free. Amounts due from holding company were fully settled subsequent to the financial year ended 31 May 2017.

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17. Bank loans

	2015 \$'000	2016 \$'000	2017 \$'000
Current liabilities			
Short-term bank loan, secured	4,507	—	—
Current portion of long-term bank loan, secured	—	—	10,000
	4,507	—	10,000
Non-current liabilities			
Long-term bank loans, secured	67,491	77,491	96,724

- (a) The Group's loans are denominated in Singapore Dollars. During the financial year, the effective interest rates for bank loans ranged from 1.85% to 2.86% (2016: 2.22% to 3.40%; 2015: 1.77% to 3.40%) per annum.
- (b) The Group's loans are generally secured by corporate guarantee provided by the ultimate holding company in the ratio of the shareholdings held by the ultimate holding company in the respective subsidiaries and the assignment of rights, titles and benefits with respect to the investment property (Note 5) and development properties (Note 8).

18. Share capital

Share capital as presented in the combined statements of financial position refers to shares issued to the holding company pursuant to the Restructuring Exercise as described in Note 1.2 as adjusted for the Share Split, which is deemed to have taken place since the beginning of the earliest period presented.

	2015		2016		2017	
	No. of shares '000	\$'000	No. of shares '000	\$'000	No. of shares '000	\$'000
Ordinary shares held by the holding company						
At 1 June and 31 May	675,000	33,649	675,000	33,649	675,000	33,649

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18. Share capital (cont'd)

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

19. Other reserves

(a) *Merger reserve*

The merger reserve represents the difference between the consideration paid and the aggregate of share capital of the entities acquired under common control accounted for by applying the pooling of interest method, as described in Note 1.2 of the financial statements. The merger reserve includes capital contributions from shareholders of subsidiaries under common control.

	2015	2016	2017
	\$'000	\$'000	\$'000
At beginning of the year	(32,298)	(31,788)	(31,788)
Capital contribution	510	–	500
At end of the year	(31,788)	(31,788)	(31,288)

(b) *Foreign currency translation reserve*

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

	2015	2016	2017
	\$'000	\$'000	\$'000
At beginning of the year	–	–	182
Foreign currency translation	–	182	(249)
At end of the year	–	182	(67)

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20. Revenue

	2015	2016	2017
	\$'000	\$'000	\$'000
Sale of development properties, recognised based on completion of contract method	–	–	87,631

21. Profit before taxation

Profit before taxation includes the following:

	2015	2016	2017
	\$'000	\$'000	\$'000
(a) Other operating income:			
Interest income			
– fixed deposits	–	17	13
– bank balances	–	–	2
– associates	586	1,224	700
– joint ventures	43	73	–
Rental income from investment property (Note 5)	–	–	185
Others	74	11	–
	703	1,325	900
(b) Other operating expenses:			
Depreciation of plant and equipment	–	5	5
Fair value loss on derivative financial instrument	–	–	449
Others	–	–	80
	–	5	534
(c) Other expenses:			
Legal and other professional fees	22	31	85

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22. Finance costs

	2015	2016	2017
	\$'000	\$'000	\$'000
Interest expense on:			
– bank loans	653	2,174	2,748
– loans from associates	667	635	255
– loans from joint ventures	980	909	–
	2,300	3,718	3,003
Less:			
– Interest capitalised in development properties (Note 8)	(653)	(2,005)	(2,212)
	1,647	1,713	791

23. Taxation

Major components of income tax expense

The major components of income tax expense for the years ended 31 May 2015, 2016 and 2017 are as follows:

	2015	2016	2017
	\$'000	\$'000	\$'000
Current taxation			
– Current income taxation	28	12	2,518
– Over provision in respect of previous years	–	(7)	(1,288)
– Benefits from previously unrecognised tax losses	–	–	(336)
Deferred taxation			
– Origination and reversal of temporary differences	–	–	(374)
– Benefits from previously unrecognised tax losses	–	–	(159)
Income tax expense recognised in the combined statements of comprehensive income	28	5	361

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23. Taxation (cont'd)

Relationship between income tax expense and accounting profit

The reconciliation between the income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 May 2015, 2016 and 2017 are as follows:

	2015 \$'000	2016 \$'000	2017 \$'000
Profit before taxation	29,296	68,866	19,645
Tax at corporate tax rate at 17% (2016: 17%, 2015: 17%)	4,980	11,707	3,340
Non-deductible expenses	284	268	301
Effect of partial tax exemption and tax relief	(45)	(38)	(55)
Deferred tax assets not recognised	291	204	–
Over provision in respect of previous years, net	–	(7)	(1,288)
Benefits from previously unrecognised tax losses	–	–	(495)
Share of results of associates and joint ventures	(5,454)	(11,961)	(1,392)
Income not subject to taxation	(29)	(169)	(82)
Others	1	1	32
Income tax expense recognised in the combined statements of comprehensive income	28	5	361

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23. Taxation (cont'd)

Unrecognised tax losses

The Group has deferred tax assets that have not been recognised due to uncertainty of their recoverability. The use of these balances is subject to the agreement of the relevant tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies in the Group operates, as follows:

	2015	2016	2017
	\$'000	\$'000	\$'000
Tax losses	1,712	2,912	–

24. Earnings per share – basic and diluted

Earnings per share is calculated based on the Group's net profit attributable to equity holders of the Company for the year of \$15,847,000 (2016: \$69,413,000; 2015: \$29,866,000) over 675,000,000 (2016: 675,000,000; 2015: 675,000,000) shares, being the number of shares held by the holding company after the Restructuring Exercise as disclosed in Note 1.2, as adjusted for the Share Split.

As there were no share options and warrants granted during the year and no share options and warrants outstanding as at the end of the financial year, the basic and fully diluted earnings per share are the same.

25. Significant related party transactions

Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

- (i) Development management service amounting to \$58,000 (2016: \$173,000; 2015: \$Nil) were provided by a related company to a subsidiary of the Group;
- (ii) Development management service amounting to \$22,000 (2016: \$134,000; 2015: \$233,000) were provided by a related company to a joint venture of the Group;
- (iii) Construction services amounting to \$65,806,000 (2016: \$20,714,000; 2015: \$6,698,000) were provided by related companies to the subsidiaries of the Group;

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25. Significant related party transactions (cont'd)

Sale and purchase of goods and services (cont'd)

- (iv) Construction services amounting to \$454,000 (2016: \$1,080,000; 2015: \$74,029,000) were provided by related companies to an associate of the Group.
- (v) Construction services amounting to \$25,904,000 (2016: \$49,610,000; 2015: \$32,174,000) were provided by related companies to joint ventures of the Group.

Related companies are subsidiaries of Lian Beng Group Ltd which are not part of the Group.

Corporate guarantees provided

The ultimate holding company of the Company provided corporate guarantees and securities for loans granted to joint ventures and associates of the Group of \$66,800,000 (2016: \$151,593,000, 2015: \$232,093,000).

26. Commitments

Operating lease commitment – as lessor

The Group has entered into commercial leases on its investment property. These non-cancellable leases have remaining lease terms of between 2 months to 22 months (2016: Nil, 2015: Nil).

Future minimum rentals receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	2015	2016	2017
	\$'000	\$'000	\$'000
Not later than one year	–	–	255
Later than one year but not later than five years	–	–	76
	–	–	331

Capital commitments

Share of commitment to joint ventures

The Group has committed to provide working capital in the ratio of the shareholdings held by the Group in the respective joint ventures required to develop and complete the development properties.

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27. Dividends

	2015 \$'000	2016 \$'000	2017 \$'000
<i>Declared and paid during the year</i>			
Dividends on ordinary shares paid to then-shareholders of subsidiaries:			
– Exempt (one-tier) dividend for 2017	–	–	59,870
<i>Proposed but not recognised as a liability as at 31 May</i>			
– Interim exempt (one-tier) dividend for 2018	–	–	1,273

28. Fair value of assets and liabilities

(a) ***Fair value hierarchy***

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs are obtained from various sources including market participants, dealers, fund managers and brokers, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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For the financial years ended 31 May 2015, 2016, and 2017

28. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
Financial liability measured at fair value:				
2017				
Derivative liability (Note 15)	—	449	—	449
	—	449	—	449
Non-financial asset measured at fair value				
2017				
Investment property (Note 5)	—	—	31,050	31,050
	—	—	31,050	31,050

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets that are categorised within Level 2 of the fair value hierarchy:

Derivative liability: Interest rate swap contracts are valued by discounting the estimated future cash flows based on a forward rate curve at an appropriate discount rate.

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28. Fair value of assets and liabilities (cont'd)

(d) **Level 3 fair value measurements**

- (i) *Information about significant unobservable inputs used in Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Location	Valuation method	Key unobservable inputs	Range	Inter-relationship between key unobservable inputs and fair value measurement
Singapore	Direct comparison method	Yield adjustments*	-8% to +10%	A significant increase (decrease) in yield adjustments would result in a significantly lower (higher) fair value measurement.

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

- (ii) *Movements in Level 3 assets and liabilities measured at fair value*

The disclosure of the movement in investment property in Note 5 to the combined financial statements constitute a reconciliation of the movement of assets which are measured at fair value based on significant unobservable inputs.

- (iii) *Valuation policies and procedures*

The senior management of the Group (the "Management") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. The Management is responsible for selecting and engaging valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and FRS 113 fair value measurement guidance.

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For the financial years ended 31 May 2015, 2016, and 2017

28. Fair value of assets and liabilities (cont'd)

(d) ***Level 3 fair value measurements (cont'd)***

(iii) *Valuation policies and procedures (cont'd)*

For valuations performed by external valuation experts, the Management reviews the appropriateness of the valuation methodologies and assumptions adopted. The Management also evaluates the appropriateness and reliability of the inputs used in the valuations.

Significant changes in fair value measurements from period to period are evaluated by the Management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(e) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts approximate fair value***

Trade receivables (Note 9), Other receivables and deposits (Note 10), Amounts due from a related company (Note 11), joint ventures and associates (Note 12), holding company (Note 16) and non-controlling interests (Note 13), Cash and cash equivalents (Note 14), Trade and other payables (Note 15), Accruals and Amounts due to related companies (Note 11), joint ventures and associates (Note 12), holding company (Note 16) and non-controlling interests (Note 13)

The carrying amounts of the above financial assets and liabilities are reasonable approximation of their fair values due to their short-term nature.

Bank loans (Note 17)

The carrying amounts of bank loans are reasonable approximation of their fair values as they are floating rate instruments that re-priced to market interest rates on or near the end of the reporting period.

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29. Classification of financial assets and liabilities

	2015	2016	2017
	\$'000	\$'000	\$'000
<i>Loans and receivables</i>			
Trade receivables (excluding GST receivable)	323	2,726	10,766
Other receivables and deposits	2	8	59
Amount due from a related company	–	–	10
Amounts due from holding company	44,239	43,230	35,717
Amounts due from joint ventures and associates	34,746	40,449	51,885
Amount due from non-controlling interest	–	1,108	–
Cash and cash equivalents	15,630	17,409	26,284
	<u>94,940</u>	<u>104,930</u>	<u>124,721</u>
<i>Financial liabilities at amortised cost</i>			
Trade and other payables (excluding GST payable)	17,899	35,103	34,697
Accruals	486	515	2,178
Amounts due to related companies	8,240	18,661	17,986
Amounts due to joint ventures and associates	45,816	46,190	18,805
Amounts due to holding company	39,640	41,548	60,124
Bank loans	71,998	77,491	106,724
Amounts due to non-controlling interests	11,286	9,776	9,776
	<u>195,365</u>	<u>229,284</u>	<u>250,290</u>

30. Financial risk management objectives and policies

The Group are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks. The Group do not apply hedge accounting.

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30. Financial risk management objectives and policies (cont'd)

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables, amounts due from related companies, joint ventures and associates. For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy counterparties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit evaluation by the management. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Trade receivables relate mainly to the Group's customers who purchase its property units. The Group's exposure to credit risk is deemed minimal as it would receive up to 90% of the sale proceeds prior to handing over the property units to the customers. There is no significant concentration of credit risk, as the exposure is spread over a large number of counter-parties and customers.

In addition, the Group manages its credit risk from amounts due from joint ventures and associates by assessing the profitability of development properties of its joint ventures and associates prior to committing loans and advances to them.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the combined statements of financial position as disclosed in Note 29.

Credit risk concentration profile

All of the Group's trade receivables were due from customers located in Singapore in the property development industry. The Group has no significant concentration of credit risk with any single customer.

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30. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 9.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

At the end of the reporting period, approximately 9.4% (2016: Nil, 2015: 6.3%) of the Group's loans and borrowings (Note 17) will mature in less than one year based on the carrying amount reflected in the financial statements.

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30. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2015			2016			2017				
	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Financial assets:											
Trade receivables (excluding GST receivable)	323	—	—	323	2,726	—	—	10,766	—	—	10,766
Other receivables and deposits	2	—	—	2	8	—	—	59	—	—	59
Cash and cash equivalents	15,630	—	—	15,630	17,409	—	—	26,284	—	—	26,284
Amounts due from related companies	—	—	—	—	—	—	—	10	—	—	10
Amounts due from holding company	44,239	—	—	44,239	43,230	—	—	35,717	—	—	35,717
Amounts due from joint ventures and associates	34,746	—	—	34,746	40,449	—	—	51,885	—	—	51,885
Amounts due from non-controlling interests	—	—	—	—	1,108	—	—	—	—	—	—
Total undiscounted financial assets	94,940	—	—	94,940	104,930	—	—	124,721	—	—	124,721

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Notes to the combined financial statements

30. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities (cont'd)

	2015			2016			2017					
	1 year or less	1 to 5 years	Over 5 years	Total	1 year or less	1 to 5 years	Over 5 years	Total	1 year or less	1 to 5 years	Over 5 years	Total
Financial liabilities:												
Trade and other payables (excluding GST payable)	17,899	-	-	17,899	35,103	-	-	35,103	34,697	-	-	34,697
Accruals	486	-	-	486	515	-	-	515	2,178	-	-	2,178
Amounts due to related companies	8,240	-	-	8,240	18,661	-	-	18,661	17,986	-	-	17,986
Amounts due to joint ventures and associates	45,816	-	-	45,816	46,190	-	-	46,190	18,805	-	-	18,805
Amounts due to holding company	39,640	-	-	39,640	41,548	-	-	41,548	60,124	-	-	60,124
Amounts due to non-controlling interests	11,286	-	-	11,286	9,776	-	-	9,776	9,776	-	-	9,776
Bank loans	6,403	71,343	-	77,746	2,013	79,571	-	81,584	13,123	75,341	30,301	118,765
Total undiscounted financial liabilities	129,770	71,343	-	201,113	153,806	79,571	-	233,377	156,689	75,341	30,301	262,331
Total net undiscounted financial liabilities	(34,830)	(71,343)	-	(106,173)	(48,876)	(79,571)	-	(128,447)	(31,968)	(75,341)	(30,301)	(137,610)

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30. Financial risk management objectives and policies (cont'd)

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their bank loans.

As at 31 May 2017, the Group has an interest rate swap instrument with notional amount totalling \$25,750,000 (2016: \$Nil; 2015: \$Nil). The negative fair value is recognised as derivative liability of \$449,000 (2016: \$Nil; 2015: \$Nil) (Note 15).

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 75 (2016: 75, 2015: 75) basis points lower/higher with all other variables held constant, the Group's profit net of taxation would have been \$255,000 (2016: \$62,000, 2015: \$Nil) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The interest capitalised in development properties under construction would have been \$546,000 (2016: \$420,000; 2015: \$448,000) lower/higher respectively. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) *Foreign currency risk*

The Group has minimal transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD. It is not the Group's policy to enter into derivative forward foreign exchange contracts for hedging and speculative purposes.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, namely China. The Group's net investments China are not hedged as currency positions in RMB are considered to be long-term in nature.

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30. Financial risk management objectives and policies (cont'd)

(d) ***Foreign currency risk (cont'd)***

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonable possible change in the RMB exchange rates (against SGD), with all other variables held constant, on the Group's profit net of taxation and equity.

		2015		2016		2017	
		Profit net of taxation	Equity	Profit net of taxation	Equity	Profit net of taxation	Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
RMB	– strengthened 5%	–	246	–	432	202	616
	– weakened 5%	–	(246)	–	(432)	(202)	(616)

31. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 May 2017, 31 May 2016 and 31 May 2015. The Group monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Group includes within total debt, loans and borrowings, trade and other payables and other liabilities, less cash and cash equivalents. Capital includes equity attributable to owners of the Company.

The Group is in compliance with externally imposed financial covenants as at 31 May 2017, 31 May 2016 and 31 May 2015.

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31. Capital management (cont'd)

	2015	2016	2017
	\$'000	\$'000	\$'000
Amounts due to joint ventures and associates (Note 12)	45,816	46,190	18,805
Amounts due to related companies (Note 11)	8,240	18,661	17,986
Amounts due to holding company (Note 16)	39,640	41,548	60,124
Amounts due to non-controlling interests (Note 13)	11,286	9,776	9,776
Bank loans (Note 17)	71,998	77,491	106,724
Trade and other payables (Note 15)	17,899	35,167	36,747
Accruals	486	515	2,178
Less: Cash and cash equivalents (Note 14)	(15,630)	(17,409)	(26,284)
<i>Net debt</i>	179,735	211,939	226,056
Equity attributable to owners of the Company	36,191	105,786	62,014
Capital and net debt	215,926	317,725	288,070
Gearing ratio	83.2	66.7	78.5

32. Segment information

The Group's operations are pre-dominantly focused on Singapore and its turnover and contribution to profit from operations are substantively derived from the sale of development properties. The Group's development properties have similar characteristics and exhibit similar long-term financial performance. Therefore, the Group comprises only one operating segment.

Geographical information

The Group's combined results are mainly generated in Singapore. Similarly, its assets and liabilities are mainly located in Singapore. Accordingly, analyses of revenue and assets of the Group by geographical distribution have not been presented.

Information about major customer

Revenue from one (2016: Nil, 2015: Nil) major customer amounted to \$9,168,000 (2016: \$Nil, 2015: \$Nil).

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For the financial years ended 31 May 2015, 2016, and 2017

33. Events after the reporting period

Subsequent to 31 May 2017:

- (a) On 26 July 2017, the Company incorporated a subsidiary, Lian Beng (Serangoon) Pte. Ltd. ("LBS") and LBS subscribed for 20 ordinary shares in Oxley Serangoon Pte. Ltd. ("OSPL"). Following the aforesaid subscription, LBS holds 20% of the paid up capital of OSPL.

On 14 September 2017, the Group increased its investment in OSPL by \$800,000. On 19 January 2018, LBS was renamed to LBD (Serangoon) Pte. Ltd.

On 21 March 2018, OSPL completed the purchase of a former HUDC estate, Serangoon Ville, at Serangoon North Avenue 1, Singapore for a purchase consideration of \$499 million.

- (b) On 12 September 2017, the Group increased its investment in associate, Rio Casa Venture Pte Ltd, by \$800,000.
- (c) On 24 October 2017, the Group's wholly owned subsidiary, Wellprime Pte Ltd, completed the purchase of a freehold property located at 50 Lorong 21 Geylang for a purchase consideration of \$12 million.
- (d) On 15 November 2017, the Company incorporated a subsidiary, LBD (GL) Pte. Ltd. ("LBDGL").

On 4 December 2017, LBDGL acquired 420,000 ordinary shares, representing 42% shareholding interest of Development 24 Pte. Ltd. ("Dev 24") for an aggregate purchase consideration of S\$420,000.

On 11 December 2017, Dev 24 exercised an option to purchase a group of freehold properties located at Geylang Lorong 24 for a purchase consideration of \$60 million. The purchase was completed on 5 March 2018.

- (e) On 30 November 2017, the Group reclassified its investment property to development property as the Group has obtained approval from Urban Redevelopment Authority to redevelop the property.

34. Authorisation of financial statements

The financial statements for the years ended 31 May 2015, 2016 and 2017 were authorised for issue in accordance with a resolution of the directors on 11 April 2018.

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APPENDIX B
INTERIM CONDENSED UNAUDITED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

Company Registration No. 201729864H

SLB Development Ltd. and its Subsidiaries

Interim Condensed Unaudited Financial Information
Six-month period ended 30 November 2017

APPENDIX B
INTERIM CONDENSED UNAUDITED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

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INTERIM CONDENSED UNAUDITED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Directors' statement

On behalf of the Board of Directors, we, Ong Eng Keong and Ong Lay Koon, being two of the directors of SLB Development Ltd., do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the accompanying interim financial information for the six-month period ended 30 November 2017 to be false or misleading.

On behalf of the board of directors:

Ong Eng Keong
Director

Ong Lay Koon
Director

Singapore
11 April 2018

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INTERIM CONDENSED UNAUDITED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Independent auditor's review report to the members of SLB Development Ltd.

The Board of Directors
SLB Development Ltd.
29 Harrison Road
#07-00 Lian Beng Building
Singapore 369648

Introduction

We have reviewed the accompanying condensed interim financial information of SLB Development Ltd. (the "Company") and its subsidiaries (collectively, the "Group") which comprises the interim combined statement of financial position as at 30 November 2017, and the related interim combined statement of comprehensive income, statement of changes in equity and cash flow statement for the six-month period then ended, selected notes comprising a summary of significant accounting policies and other explanatory information, as set out on pages B-6 to B-28 of the Offer Document issued by the Company.

Management is responsible for the preparation and fair presentation of these interim financial information in accordance with Financial Reporting Standard in Singapore 34, *Interim Financial Reporting* ("FRS 34"). Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Singapore Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with FRS 34.

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FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Independent auditor's review report to the members of SLB Development Ltd.

Restriction on distribution and use

This report is made solely to you as a body and for the inclusion in the Offer Document to be issued in relation to the proposed listing of the shares of the Company in connection with the Company's listing on the Catalist Board of Singapore Exchange Securities Trading Limited.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

11 April 2018

APPENDIX B
INTERIM CONDENSED UNAUDITED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Interim combined statement of financial position
As at 30 November 2017

	Note	30.11.2017 \$'000 (Unaudited)	31.5.2017 \$'000 (Audited)
Non-current assets			
Plant and equipment		4	4
Investment property	4	–	31,050
Investment in joint ventures and associates	5	22,827	39,455
Deferred tax assets		762	533
		<u>23,593</u>	<u>71,042</u>
Current assets			
Development properties	6	213,913	120,745
Trade receivables		25,636	10,766
Other receivables and deposits		175	59
Amount due from a related company		–	10
Amounts due from holding company		4,500	35,717
Amounts due from joint ventures and associates		45,703	51,885
Cash and cash equivalents		21,157	26,284
		<u>311,084</u>	<u>245,466</u>
Current liabilities			
Trade and other payables		68,775	36,747
Accruals		2,214	2,178
Amounts due to related companies		25,075	17,986
Amounts due to joint ventures and associates		10,175	18,805
Amounts due to holding company		60,370	60,124
Bank loans	7	89,445	10,000
Amounts due to non-controlling interests		9,776	9,776
Provision for taxation		1,097	2,182
		<u>266,927</u>	<u>157,798</u>
Net current assets		<u>44,157</u>	<u>87,668</u>
Non-current liabilities			
Bank loans	7	35,790	96,724
Net assets		<u>31,960</u>	<u>61,986</u>
Equity attributable to owners of the Company			
Share capital	9	33,649	33,649
Merger reserve	10	(30,288)	(31,288)
Foreign currency translation reserve		(84)	(67)
Retained earnings		29,093	59,720
		<u>32,370</u>	<u>62,014</u>
Non-controlling interests		<u>(410)</u>	<u>(28)</u>
Total equity		<u>31,960</u>	<u>61,986</u>

See accompanying notes to the interim financial information.

APPENDIX B
INTERIM CONDENSED UNAUDITED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Interim combined statement of comprehensive income
For the six-month period ended 30 November 2017

	Note	30.11.2017 \$'000 (Unaudited)	30.11.2016 \$'000 (Unaudited)
Revenue		–	–
Cost of sales		–	–
Gross profit		–	–
Other operating income	11	805	371
Sales and marketing expenses		(1,375)	(1,589)
Administrative expenses		(138)	(63)
Other operating expenses	11	(207)	(3)
Finance costs		(321)	(355)
Share of results of joint ventures and associates		1,322	9,275
		86	7,636
Fair value gain on investment property	4	7,041	–
Profit before taxation	11	7,127	7,636
Taxation credit/(expense)	12	229	(5)
Profit for the period, net of taxation		7,356	7,631
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation loss		(17)	(103)
Other comprehensive income, net of tax		(17)	(103)
Total comprehensive income for the period		7,339	7,528
Profit/(loss) for the period attributable to:			
Owners of the Company		7,738	8,456
Non-controlling interests		(382)	(825)
		7,356	7,631
Total comprehensive income for the period attributable to:			
Owners of the Company		7,721	8,353
Non-controlling interests		(382)	(825)
		7,339	7,528
Earnings per share (Cents)			
Basic and diluted	13	1.1	1.3

See accompanying notes to the interim financial information.

APPENDIX B

INTERIM CONDENSED UNAUDITED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Interim combined statement of changes in equity For the six-month period ended 30 November 2017

	Share capital (Note 9)	Attributable to owners of the Company				Non-controlling interests	Total equity
		Merger reserve (Note 10)	Foreign currency translation reserve	Retained earnings	Total reserves		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 June 2016	33,649	(31,788)	182	103,743	72,137	(315)	105,471
Profit/(loss) for the period, net of taxation	–	–	–	8,456	8,456	(825)	7,631
<u>Other comprehensive income</u>							
Foreign currency translation loss	–	–	(103)	–	(103)	–	(103)
Other comprehensive income for the period, net of taxation	–	–	(103)	–	(103)	–	(103)
Total comprehensive income for the period	–	–	(103)	8,456	8,353	(825)	7,528
<u>Distribution to owners</u>							
Dividends on ordinary shares	–	–	–	(43,700)	(43,700)	–	(43,700)
Total transactions with owners in the capacity as owners	–	–	–	(43,700)	(43,700)	–	(43,700)
Balance at 30 November 2016	33,649	(31,788)	79	68,499	36,790	(1,140)	69,299
Balance at 1 June 2017	33,649	(31,288)	(67)	59,720	28,365	(28)	61,986
Profit/(loss) for the period, net of taxation	–	–	–	7,738	7,738	(382)	7,356
<u>Other comprehensive income</u>							
Foreign currency translation loss	–	–	(17)	–	(17)	–	(17)
Other comprehensive income for the period, net of taxation	–	–	(17)	–	(17)	–	(17)
Total comprehensive income for the period	–	–	(17)	7,738	7,721	(382)	7,339
<u>Contribution and distribution to owners</u>							
Capital contribution	–	1,000	–	–	1,000	–	1,000
Dividends on ordinary shares (Note 15)	–	–	–	(38,365)	(38,365)	–	(38,365)
Total transactions with owners in the capacity as owners	–	1,000	–	(38,365)	(37,365)	–	(37,365)
Balance at 30 November 2017	33,649	(30,288)	(84)	29,093	(1,279)	(410)	31,960

See accompanying notes to the interim financial information.

APPENDIX B
INTERIM CONDENSED UNAUDITED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Interim combined cash flow statement

For the six-month period ended 30 November 2017

	30.11.2017 \$'000 (Unaudited)	30.11.2016 \$'000 (Unaudited)
Cash flows from operating activities		
Profit before taxation	7,127	7,636
Adjustments for:		
Depreciation of plant and equipment	2	2
Fair value gain on investment property	(7,041)	–
Reversal of fair value loss on derivative instrument	(449)	–
Interest income	(132)	(371)
Interest expense	321	355
Share of results of associates and joint ventures	(1,322)	(9,275)
Operating cash flows before changes in working capital	(1,494)	(1,653)
Changes in working capital:		
Development properties	(53,777)	(37,952)
Trade receivables	(14,870)	(355)
Other receivables and deposits	(116)	(3,120)
Trade payables, other payables and accruals	32,695	26,977
Balances with related companies	7,108	8,706
Cash flows used in operations	(30,454)	(7,397)
Interest paid and capitalised in development properties	(1,291)	(1,033)
Income tax paid	(1,084)	2
Net cash flows used in operating activities	(32,829)	(8,428)
Cash flows from investing activities		
Interest received	76	122
Dividend income from associates	1,273	5,700
Dividend income from a joint venture	17,710	40,750
Purchase of plant and equipment	(2)	–
Additional investment in investment property	(9)	(926)
Investment in associates	(1,600)	–
(Loan to)/repayment of loan due from associates	(4,712)	3,517
Repayment of loan due from/(loan to) joint ventures	10,894	(369)
Net cash flows from investing activities	23,630	48,794
Cash flows from financing activities		
Interest paid	(448)	(332)
Proceeds from bank loans	26,511	8,990
Repayment of bank loans	(8,000)	–
Dividends paid to the then shareholders of subsidiaries	(38,365)	(43,700)
Repayment of loans due to related companies	(8)	–
Loan from associates	4,580	11,971
Repayment of loans due to joint ventures	(13,210)	(28,250)
Loans from holding company	33,012	19,907
Net cash flows from/(used in) financing activities	4,072	(31,414)
Net (decrease)/increase in cash and cash equivalents	(5,127)	8,952
Cash and cash equivalents at beginning of the period	26,284	17,409
Cash and cash equivalents at end of the period	21,157	26,361

See accompanying notes to the interim financial information.

APPENDIX B

INTERIM CONDENSED UNAUDITED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Notes to the interim financial information

For the six-month period ended 30 November 2017

1. General

1.1 *The Company*

The Company (Registration No. 201729864H) 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, the Company name was changed to “Lian Beng Development Holding Pte. Ltd.” and subsequently to “SLB Development Pte. Ltd.” on 15 March 2018. The Company was converted into a public company limited by shares and its name was changed to “SLB Development Ltd.” on 23 March 2018. The immediate and ultimate holding company is Lian Beng Group Ltd which is incorporated in Singapore.

The registered office and principal place of business of the Company is located at 29 Harrison Road, #07-00, Lian Beng Building, Singapore 369648.

The principal activity of the Company is that of investment holding, while that of the subsidiaries relate mainly to property development and investment holding. The details of the subsidiaries are disclosed in Note 1.3 to the financial statements. The Group also undertakes property development projects through its joint ventures and associates. More details are disclosed in Note 5 to the financial statements.

1.2 *The Restructuring Exercise*

Transfer of businesses and entities under common control

The Group undertook the following transactions as part of a corporate reorganisation implemented in preparation for its listing on the Catalist Board of Singapore Exchange Securities Trading Limited (“SGX-ST”) (the “Restructuring Exercise”), the effects of which have been included in the combined financial statements of the Group for the financial period ended 30 November 2017.

Acquisition of subsidiaries, joint ventures and associates

Pursuant to a restructuring agreement dated 23 March 2018 (the “Restructuring Agreement”), the Company acquired all of the issued and paid-up ordinary shares (the “Relevant Sale Shares”) of certain subsidiaries, joint ventures and associates from its holding company (the “Acquisition”). In accordance with the Restructuring Agreement, the consideration for the transfer of the Relevant Sale Shares was satisfied by the issuance of consideration shares in the Company to the holding company. The consideration for the Acquisition was determined based on net assets value of the subsidiaries, joint ventures and associates acquired as at 30 November 2017, or where in the situation that the net assets value of the company is negative, a nominal sum.

Prior to the Restructuring Exercise and during the six-month period ended 30 November 2017, the subsidiaries were controlled by Lian Beng Group Ltd.

APPENDIX B
INTERIM CONDENSED UNAUDITED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Notes to the interim financial information

For the six-month period ended 30 November 2017

1. General (cont'd)

1.2 *The Restructuring Exercise (cont'd)*

Transfer of businesses and entities under common control (cont'd)

Acquisition of subsidiaries, joint ventures and associates (cont'd)

In accordance with Recommended Accounting Practice 12, Merger Accounting for Common Control Combinations for financial statements prepared under Part IX of the Fifth Schedule to the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, where the combining business or entities have been under common control but have not formed a legal group as at the end of the group's latest reporting period, the financial statements of the entities or businesses may, if meaningful, be presented on a combined basis provided that the common control combination under which the legal group is formed is completed before the date of approval of the combined financial statements by the directors.

Share split

As approved by the shareholders on 23 March 2018, every one share in the capital of the Company was sub-divided into 7.21 shares (the "Share Split"). The number of shares after the Share Split was 675,000,000.

1.3 *Composition of the Group*

The principal activities of the subsidiaries are as follows:

			Proportion of ownership interest	
		Principal place of business	30.11.17 (%)	31.5.17 (%)
Name of company	Principal activities			
<i>Held by the Company</i>				
Smooth Venture Pte Ltd	Property development	Singapore	100	100
Goldprime Investment Pte. Ltd.	Investment holding	Singapore	100	100
LBD (Midtown) Pte. Ltd.	Investment holding	Singapore	100	100
Luxe Development Pte. Ltd.	Investment holding	Singapore	100	100

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INTERIM CONDENSED UNAUDITED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Notes to the interim financial information
For the six-month period ended 30 November 2017

1. General (cont'd)

1.3 Composition of the Group (cont'd)

Name of company	Principal activities	Principal place of business	Proportion of ownership interest	
			30.11.17 (%)	31.5.17 (%)
Starview Investment Pte. Ltd.	Investment holding	Singapore	100	100
Wealth Property Pte. Ltd.	Property development	Singapore	65	65
LBD (China) Pte. Ltd.	Investment holding	Singapore	100	100
Goldprime Land Pte. Ltd.	Property development	Singapore	51	51
Wellprime Pte. Ltd.	Property development	Singapore	100	100
LBD (Serangoon) Pte. Ltd.	Investment holding	Singapore	100	–
LBD (GL) Pte. Ltd.	Investment holding	Singapore	100	–

2. Basis of preparation and changes in accounting policies

The interim financial information for the six-month period ended 30 November 2017 has been prepared in accordance with FRS 34, *Interim Financial Reporting*.

The interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's combined financial statements as at 31 May 2017.

The interim financial information has been prepared under the historical cost basis except as disclosed in the accounting policies below.

The interim financial information are presented in Singapore Dollars ("SGD" or "\$"), which is the functional currency of the Company, and the presentation currency for the interim financial information. All values are rounded to the nearest thousand (\$'000), except when otherwise indicated.

APPENDIX B

INTERIM CONDENSED UNAUDITED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Notes to the interim financial information

For the six-month period ended 30 November 2017

2. Basis of preparation and changes in accounting policies (cont'd)

The accounting policies adopted in the preparation of the interim financial information are consistent with those followed in the preparation of the Group's combined financial statements for the year ended 31 May 2017, except for the adoption of new standards and interpretations effective as of 1 June 2017. The adoption of these standards did not have any effect on the financial performance or position of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Convergence with International Financial Reporting Standards

Singapore incorporated companies listed on the Singapore Exchange are required to apply Singapore Financial Reporting Standards (International) ("SFRS (I)") issued by the Accounting Standards Council. SFRS (I) is a new financial reporting framework identical to the International Financial Reporting Standards. The Group will adopt SFRS (I) on 1 June 2018.

The Group has performed an assessment on the impact of adopting SFRS(I). Other than the impact on adoption of the SFRS(I) 15 and SFRS(I) 9, the Group expects that adoption of SFRS(I) will have no material impact on the financial statements in the year of initial application. The Group expects the impact of adopting SFRS(I) 15 and SFRS(I) 9 will be similar to the impact on adoption of FRS 115 and FRS 109 as disclosed in Note 2.3 to the Audited Combined Financial Statements of SLB Development Ltd. and its subsidiaries for the financial years ended 31 May 2015, 2016 and 2017 as set out in Appendix A of the Offer Document.

Reconciliation between FRS and SFRS (I)

In line with the requirements of the Amendment of Part IX of Fifth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) (Amendment) Regulations 2017, the Group is required to present a reconciliation of its net assets and net profit after tax for the financial period ended 30 November 2017 prepared in accordance with FRS to SFRS (I).

Other than the effects of the adoption of new standards that are effective for financial year beginning 1 June 2018, the Group has assessed that there are no material reconciliation required to its net assets and net profit after tax for the financial period ended 30 November 2017 and accordingly, no such reconciliation has been presented.

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FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Notes to the interim financial information

For the six-month period ended 30 November 2017

3. Significant accounting judgements and estimates

The preparation of the Group's interim financial information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) *Judgements made in applying accounting policies*

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

(b) *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the interim financial information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables as at 30 November 2017 is \$97,171,000 (31 May 2017: \$124,721,000). If the present value of estimated future cash flows decrease by 5% (31 May 2017: 5%) from management's estimates, the Group's allowance for impairment will increase by \$4,859,000 (31 May 2017: \$6,236,000).

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SLB Development Ltd. and its Subsidiaries

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For the six-month period ended 30 November 2017

3. Significant accounting judgements and estimates (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(ii) Estimation of net realisable value of development properties

Development properties are stated at the lower of cost and net realisable value.

Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting period and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale. The carrying amount of development properties as at 30 November 2017 is \$213,913,000 (31 May 2017: \$120,745,000). If the estimated costs to complete construction increase by 5% (31 May 2017: 5%) from management's estimate, the carrying amount of development property stated would reduce by \$10,696,000 (31 May 2017: \$6,037,000).

4. Investment property

Interim combined statement of financial position:

	30.11.2017	31.5.2017
	\$'000	\$'000
	(Unaudited)	(Audited)
Beginning of financial period/year	31,050	–
– Additions to investment property	9	31,980
– Net fair value gain/(loss) recognised in profit or loss	7,041	(930)
– Transfer to development properties (Note 6)	(38,100)	–
End of financial period/year	–	31,050

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FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Notes to the interim financial information
For the six-month period ended 30 November 2017

4. Investment property (cont'd)

Interim combined statement of comprehensive income:

	30.11.2017	30.11.2016
	\$'000	\$'000
	(Unaudited)	(Unaudited)
<i>Other operating income</i>		
Rental income from investment property:		
– Minimum lease payments	175	–
Direct operating expenses (including repairs and maintenance) arising from rental generating property	103	–

Valuation of investment property

As at 31 May 2017, investment property was stated at fair value, which has been determined based on valuation performed as at the same date. The valuation was performed by an independent valuer with recognised and relevant professional qualifications and with recent experience in the location and category of the property being valued.

Property pledged as security

As at 31 May 2017, the investment property was mortgaged to bank for credit facilities granted to a subsidiary (Note 7).

Details of the Group's investment property as at 31 May 2017 are as follows:

Description and location	Tenure	Gross Floor Area (square metre)	Interest held by the Group (%)
<i>Investment property</i>			
20 Mactaggart Road, Khong Guan Industrial Building, Singapore	Freehold	5,279	100

Transfer of development properties

As at 30 November 2017, the Group has reclassified the investment property to development property as the Group has obtained approval from the Urban Redevelopment Authority to redevelop the property during the period.

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FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Notes to the interim financial information

For the six-month period ended 30 November 2017

5. Investment in joint ventures and associates

(a) Investment in joint ventures

The Group's investment in joint ventures are summarised below:

	30.11.2017	31.5.2017
	\$'000	\$'000
	(Unaudited)	(Audited)
Oxley-LBD Pte. Ltd.	5,371	23,025
Spottiswoode Development Pte. Ltd.	9,790	9,148
	15,161	32,173

Details of the investment in joint ventures are as follows:

Name of company	Principal activities	Principal place of business	Proportion of ownership interest	
			30.11.17 (%)	31.5.17 (%)
<i>Held by the Company</i>				
Spottiswoode Development Pte. Ltd.	Property development	Singapore	50	50
<i>Held by a subsidiary</i>				
Oxley-LBD Pte. Ltd.	Property development	Singapore	50	50

The Group jointly controls the above ventures with partners under the contractual agreements and requires unanimous consent for all major decisions over the relevant activities.

There was dividend of \$17,710,000 (year ended 31 May 2017: \$40,750,000) received from a joint venture during the six-month period ended 30 November 2017.

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SLB Development Ltd. and its Subsidiaries

Notes to the interim financial information
For the six-month period ended 30 November 2017

5. Investment in joint ventures and associates (cont'd)

(b) Investment in associates

The Group's investment in associates are summarised below:

	30.11.2017	31.5.2017
	\$'000	\$'000
	(Unaudited)	(Audited)
Oxley Sanctuary Pte. Ltd.	6,186	5,922
Oxley Viva Pte. Ltd.	3,980	4,142
Action Property Pte. Ltd.	341	1,601
Other associates	(2,841)	(3,850)
	7,666	7,815
	7,666	7,815

Details of the investment in associates are as follows:

Name of company	Principal activities	Principal place of business	Proportion of ownership interest	
			30.11.17 (%)	31.5.17 (%)
<i>Held by the Company</i>				
Wealth Development Pte. Ltd.	Property development	Singapore	40	40
Rio Casa Venture Pte. Ltd.	Property development	Singapore	20	20
<i>Held by subsidiaries</i>				
Oxley Viva Pte. Ltd.	Property development	Singapore	10*	10*
Oxley YCK Pte. Ltd.	Property development	Singapore	10*	10*
Oxley Sanctuary Pte. Ltd.	Property development	Singapore	15*	15*

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SLB Development Ltd. and its Subsidiaries

Notes to the interim financial information

For the six-month period ended 30 November 2017

5. Investment in joint ventures and associates (cont'd)

(b) Investment in associates (cont'd)

Name of company	Principal activities	Principal place of business	Proportion of ownership interest	
			30.11.17 (%)	31.5.17 (%)
Oxley Serangoon Pte. Ltd.	Property development	Singapore	20	–
Action Property Pte. Ltd.	Property development	Singapore	19*	19*
KAP Holdings (China) Pte. Ltd.	Investment holding	Singapore	20	20

* Notwithstanding that the Group holds less than 20% of the voting power in these companies, the Group exercises significant influence by virtue of its representation on the respective boards of these companies.

The Group has the power to participate in the financial and operating policy decisions of the associates but does not have control or joint control of these policies.

There was dividend of \$1,273,000 (year ended 31 May 2017: \$35,456,000) received from the associates during the six-month period ended 30 November 2017.

6. Development properties

	30.11.2017 \$'000 (Unaudited)	31.5.2017 \$'000 (Audited)
Properties under development, units for which revenue is recognised using completion of contract method:		
Cost incurred	213,913	120,745
Allowance for foreseeable losses	–	–
Properties under development, net	213,913	120,745

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SLB Development Ltd. and its Subsidiaries

Notes to the interim financial information

For the six-month period ended 30 November 2017

6. Development properties (cont'd)

Assets pledged as security

Development properties with carrying amount of \$213,913,000 (31 May 2017: \$120,745,000) are pledged to banks for loans granted to subsidiaries (Note 7).

Capitalisation of borrowing costs

The interest on bank borrowings capitalised in the current six-month period ended 30 November 2017 amounted to \$1,291,000 (year ended 31 May 2017: \$2,212,000). The rates used to determine the amount of borrowing costs eligible for capitalisation ranged from 2.25% to 2.99% (year ended 31 May 2017: 1.85% to 2.86%) per annum. Interest ceases to be capitalised when the Temporary Occupation Permit ("TOP") has been obtained.

Details of the Group's development properties are as follows:

Description and Location	Tenure	Site area/ floor area (square metre)	Stage of development/ expected completion date	Interest held by Group	
				30.11.17 %	31.5.17 %
Proposed 9 storey ramp up strata industrial building on Lot 2964N at Mukim 29 Tampines North Drive 1, Singapore	Leasehold	27,395 (site area)	Under construction and expected to obtain TOP in FY2019	51	51
Proposed erection of a 5-storey multi-user light industrial development on lot 03706C MK24 at 50 Lorong 21 Geylang, Singapore	Freehold	2,093 (site area)	Planning stage	100	–
Proposed erection of an 5-storey multi-user light industrial building for food production on lot 08190L MK24 at 20 Mactaggart Road	Freehold	5,279 (floor area)	Planning stage	100 ⁽¹⁾	–

(1) On 30 November 2017, following the approval obtained from the Urban Redevelopment Authority for redevelopment, the Group transferred the investment property to development property (Note 4).

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INTERIM CONDENSED UNAUDITED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Notes to the interim financial information

For the six-month period ended 30 November 2017

7. Bank loans

	30.11.2017	31.5.2017
	\$'000	\$'000
	(Unaudited)	(Audited)
Current liabilities		
Current portion of long-term bank loans, secured	89,445	10,000
Non-current liabilities		
Long-term bank loans, secured	35,790	96,724

- (a) The Group's loans are denominated mainly in Singapore Dollars. During the financial period, the effective interest rates for bank loans ranged from 2.1% to 2.99% (year ended 31 May 2017: 1.85% to 2.86%) per annum.
- (b) The Group's loans are generally secured by corporate guarantee provided by the ultimate holding company in the ratio of the shareholdings held by the ultimate holding company in the respective subsidiaries and the assignment of rights, titles and benefits with respect to investment property (Note 4) and development properties (Note 6).

8. Related party transactions

Sale and purchase of goods and services

Some of the Group's transactions and arrangements are with related parties that are not members of the Group. During the six-month period ended 30 November 2017 and 30 November 2016, the Group entered into the following transactions with related parties at terms agreed between the parties:

- (i) Development management service amounting to \$13,000 (30 November 2016: \$39,000) by a related company to a subsidiary of the Group;
- (ii) Development management service amounting to \$150,000 (30 November 2016: \$22,000) by a related company to a joint venture of the Group;
- (iii) Construction services amounting to \$40,943,000 (30 November 2016: \$37,295,000) by related companies to the subsidiaries of the Group; and
- (iv) Construction services amounting to \$6,841,000 (30 November 2016: \$15,436,000) by related companies to joint ventures of the Group.

Related companies are subsidiaries of Lian Beng Group Ltd which are not part of the Group.

Corporate guarantees provided

The holding company of the Company provided corporate guarantees and securities for loans granted to joint ventures and associates of the Group of \$19,000,000 (31 May 2017: \$66,800,000).

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INTERIM CONDENSED UNAUDITED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Notes to the interim financial information

For the six-month period ended 30 November 2017

9. Share capital

Share capital as presented in the combined statements of financial position refers to shares issued to the holding company pursuant to the Restructuring Exercise as described in Note 1.2 as adjusted for the Share Split, which is deemed to have taken place since the beginning of the earliest period presented.

	30.11.2017		31.5.2017	
	No. of		No. of	
	shares	(Unaudited)	shares	(Audited)
	'000	\$'000	'000	\$'000
Ordinary shares held by the holding company				
At beginning and ending of financial period/year ended	675,000	33,649	675,000	33,649

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

10. Merger reserve

The merger reserve represents the difference between the consideration paid and the share capital of the entities acquired under common control accounted for by applying the pooling of interest method, as described in Note 1.2 of the financial statements. The merger reserve includes capital contributions from shareholders of subsidiaries under common control.

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SLB Development Ltd. and its Subsidiaries

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For the six-month period ended 30 November 2017

11. Profit before taxation

Profit before taxation includes the following:

	30.11.2017	30.11.2016
	\$'000	\$'000
	(Unaudited)	(Unaudited)
(a) Other operating income:		
Interest income		
– fixed deposits	25	7
– bank balances	1	–
– associates	106	364
Rental income from investment property (Note 4)	175	–
Reversal of fair value loss on derivative	449	–
Others	49	–
	<u>805</u>	<u>371</u>
(b) Other operating expenses:		
Depreciation of plant and equipment	2	2
Maintenance of investment property	103	–
Others	102	1
	<u>207</u>	<u>3</u>

12. Taxation

	30.11.2017	30.11.2016
	\$'000	\$'000
	(Unaudited)	(Unaudited)
Current income tax:		
– Current income taxation	–	(6)
– Under provision in respect of previous years	–	1
Deferred taxation:		
– Origination and reversal of temporary differences	229	–
Income tax credit/(expense) recognised in the combined statement of comprehensive income	<u>229</u>	<u>(5)</u>

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SLB Development Ltd. and its Subsidiaries

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For the six-month period ended 30 November 2017

13. Earnings per share

Earnings per share is calculated based on the Group's net profit attributable to equity holders of the Company for the six-month period ended 30 November 2017 of \$7,738,000 (six-month period ended 30 November 2016: \$8,456,000) over 675,000,000 (2016: 675,000,000; 2015: 675,000,000) shares, being the number of shares held by the holding company after the Restructuring Exercise as disclosed in Note 1.2, as adjusted for the Share Split.

As there were no share options and warrants granted during the period and no share options and warrants outstanding as at the end of the financial period, the basic and fully diluted earnings per share are the same.

14. Operating lease commitment – as lessor

The Group has entered into commercial leases on its development properties and investment property. These non-cancellable leases have remaining lease terms of between 0.5 to 15 months (31 May 2017: 2 to 22 months).

Future minimum rentals receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	30.11.2017	31.5.2017
	\$'000	\$'000
	(Unaudited)	(Audited)
Not later than one year	147	255
Later than one year but not later than five years	25	76
	<u>172</u>	<u>331</u>

15. Dividends

	30.11.2017	31.5.2017
	\$'000	\$'000
	(Unaudited)	(Audited)
<i>Declared and paid during the period/year</i>		
Dividends on ordinary shares paid to the then – shareholders of subsidiaries:		
– Exempt (one-tier) dividend	<u>38,365</u>	<u>59,870</u>
<i>Proposed but not recognised as a liability at the end of the period/year</i>		
– Interim exempt (one-tier) dividend for 2018	<u>–</u>	<u>1,273</u>

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For the six-month period ended 30 November 2017

16. Fair value of assets and liabilities

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs are obtained from various sources including market participants, dealers, fund managers and brokers, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
<i>Financial liability measured at fair value:</i>				
31 May 2017				
Derivative liability	–	449	–	449
<i>Non-financial asset measured at fair value:</i>				
31 May 2017				
Investment property (Note 4)	–	–	31,050	31,050

There were no assets and liabilities measured at fair value as at 30 November 2017.

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16. Fair value of assets and liabilities (cont'd)

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets that are categorised within Level 2 of the fair value hierarchy as at 31 May 2017:

Derivative liability: Interest rate swap contracts are valued by discounting the estimated future cash flows based on a forward rate curve at an appropriate discount rate.

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3) as at 31 May 2017:

Location	Valuation method	Key unobservable inputs	Range	Inter-relationship between key unobservable inputs and fair value measurement
Singapore	Direct comparison method	Yield adjustments*	-8% to +10%	A significant increase (decrease) in yield adjustments would result in a significantly lower (higher) fair value measurement.

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

(ii) Movements in Level 3 assets and liabilities measured at fair value

The disclosure of the movement in the investment property in Note 4 to the combined financial statements constitute a reconciliation of the movement of assets which are measured at fair value based on significant unobservable inputs.

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16. Fair value of assets and liabilities (cont'd)

(d) *Level 3 fair value measurements (cont'd)*

(iii) *Valuation policies and procedures*

The senior management of the Group (the "Management") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. The Management is responsible for selecting and engaging valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and FRS 113 fair value measurement guidance.

For valuations performed by external valuation experts, the Management reviews the appropriateness of the valuation methodologies and assumptions adopted. The Management also evaluates the appropriateness and reliability of the inputs used in the valuations.

Significant changes in fair value measurements from period to period are evaluated by the Management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(e) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts approximate fair value*

Trade receivables, Other receivables and deposits, Amounts due from a related company, joint ventures and associates, holding company, Cash and cash equivalents, Trade and other payables, Accruals and Amounts due to related companies, joint ventures and associates, holding company and non-controlling interests

The carrying amounts of the above financial assets and liabilities are reasonable approximation of their fair values due to their short-term nature.

Bank loans (Note 7)

The carrying amounts of bank loans are reasonable approximation of their fair values as they are floating rate instruments that re-priced to market interest rates on or near the end of the reporting period.

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17. Segment information

The Group's operations are pre-dominantly focused on Singapore and its turnover and contribution to profit from operations are substantively derived from the sale of development properties. The Group's development properties have similar characteristics and exhibit similar long-term financial performance. Therefore, the Group comprise only one operating segment.

Geographical information

The Group's combined results are mainly generated in Singapore. Similarly, its assets and liabilities are mainly located in Singapore. Accordingly, analysis of revenue and assets of the Group by geographical distribution has not been presented.

Information about major customers

The Group has a large number of customers and does not have any significant revenue arising from any major customer during the period.

18. Events after the reporting period

Subsequent to 30 November 2017:

- (i) On 4 December 2017, the Group's wholly owned subsidiary, LBD (GL) Pte. Ltd., acquired 420,000 ordinary shares, representing 42% shareholding interest of Development 24 Pte. Ltd. ("Dev 24") for an aggregate purchase consideration of \$420,000.

On 11 December 2017, Dev 24 exercised an option to purchase a group of freehold properties located at Geylang Lorong 24 for a purchase consideration of \$60 million. The purchase was completed on 5 March 2018.

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Company Registration No. 201729864H

SLB Development Ltd. and its Subsidiaries

Unaudited Pro Forma Combined Financial Information
Financial year ended 31 May 2017 and six-month period ended 30 November 2017

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SLB Development Ltd. and its Subsidiaries

**Independent auditor's report on the compilation of the
unaudited pro forma combined financial information**

For the financial year ended 31 May 2017 and six-month period ended 30 November 2017

The Board of Directors
SLB Development Ltd.
29 Harrison Road
#07-00 Lian Beng Building
Singapore 369648

Report on the compilation of unaudited pro forma combined financial information

We have completed our assurance engagement to report on the compilation of unaudited pro forma combined financial information of SLB Development Ltd. (the "Company") and its subsidiaries (collectively, the "Group") by the management. The unaudited pro forma combined financial information consists of the unaudited pro forma combined statements of financial position of the Group as at 31 May 2017 and 30 November 2017, the unaudited pro forma combined cash flow statements for the financial year ended 31 May 2017 and six-month period ended 30 November 2017 and related notes as set out in pages C-7 to C-21 of the Offer Document issued by the Company. The applicable criteria on the basis of which the management has compiled the unaudited pro forma combined financial information are described in Note 3.

The unaudited pro forma combined financial information has been compiled by the management to illustrate the impact of the transactions set out in Note 2 on the Group's financial position as at 31 May 2017 and 30 November 2017 as if the transactions had taken place on 31 May 2017 and 30 November 2017, and its cash flows for the financial year ended 31 May 2017 and six-month period ended 30 November 2017 as if the transactions had taken place on 1 June 2016.

As part of this process, information about the Group's financial position and cash flows have been extracted by the management from the Group's combined financial statements for the financial year ended 31 May 2017, on which an audit report has been published; and the Group's combined financial statements for the six-month period ended 30 November 2017, on which a review report has been published.

Management's responsibility for the unaudited pro forma combined financial information

The management is responsible for compiling the unaudited pro forma combined financial information on the basis as described in Note 3.

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SLB Development Ltd. and its Subsidiaries

**Independent auditor's report on the compilation of the
unaudited pro forma combined financial information**

For the financial year ended 31 May 2017 and six-month period ended 30 November 2017

Our independence and quality control

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Singapore Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion about whether the unaudited pro forma combined financial information has been compiled, in all material respects, by the management on the basis as described in Note 3.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the management has compiled, in all material respects, the unaudited pro forma combined financial information on the basis as described in Note 3.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma combined financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma combined financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at the respective dates would have been as presented.

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**Independent auditor's report on the compilation of the
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For the financial year ended 31 May 2017 and six-month period ended 30 November 2017

Auditor's responsibilities (cont'd)

A reasonable assurance engagement to report on whether the unaudited pro forma combined financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the management in the compilation of the unaudited pro forma combined financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma combined financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgement, having regard to the practitioner's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma combined financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma combined financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) The unaudited pro forma financial information has been compiled:
 - (i) in a manner consistent with the accounting policies adopted by the Group in its latest audited combined financial statements as included in Appendix A, which are in accordance with Singapore Financial Reporting Standards;
 - (ii) on the basis of the applicable criteria stated in Note 3 of the unaudited pro forma combined financial information; and
- (b) each material adjustment made to the information used in the preparation of the unaudited pro forma combined financial information is appropriate for the purpose of preparing such unaudited financial information.

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**Independent auditor's report on the compilation of the
unaudited pro forma combined financial information**

For the financial year ended 31 May 2017 and six-month period ended 30 November 2017

Restriction on distribution and use

This report is made solely to you as a body and for the inclusion in the Offer Document to be issued in relation to the proposed listing of the shares of the Company in connection with the Company's listing on the Catalist Board of Singapore Exchange Securities Trading Limited.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

11 April 2018

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SLB Development Ltd. and its Subsidiaries

Unaudited pro forma combined statements of financial position
As at 31 May 2017 and 30 November 2017

	30.11.2017	31.05.2017
	\$'000	\$'000
Non-current assets		
Plant and equipment	4	4
Investment property	–	31,050
Investment in joint ventures and associates	17,247	35,475
Deferred tax assets	762	533
	18,013	67,062
Current assets		
Development properties	213,913	132,894
Trade receivables	25,636	10,766
Other receivables and deposits	175	59
Amount due from a related company	–	10
Amount due from holding company	4,500	–
Amounts due from joint ventures and associates	71,194	99,045
Cash and cash equivalents	21,157	26,284
	336,575	269,058
Current liabilities		
Trade and other payables	68,775	36,747
Accruals	2,214	2,178
Amounts due to related companies	25,075	17,986
Amounts due to joint ventures and associates	10,175	18,805
Amounts due to holding company	20,281	48,661
Bank loans	89,445	10,000
Amounts due to non-controlling interests	9,776	9,776
Provision for taxation	1,097	2,182
	226,838	146,335
Net current assets	109,737	122,723
Non-current liabilities		
Bank loans	35,790	106,164
Net assets	91,960	83,621
Equity attributable to owners of the Company		
Share capital	93,649	93,649
Merger reserve	(30,288)	(31,288)
Foreign currency translation reserve	(84)	(67)
Retained earnings	29,093	21,355
	92,370	83,649
Non-controlling interests	(410)	(28)
Total equity	91,960	83,621

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SLB Development Ltd. and its Subsidiaries

Unaudited pro forma combined cash flow statements

For the financial year ended 31 May 2017 and six-month period ended 30 November 2017

	Six-month period ended 30.11.2017	Financial year ended 31.05.2017
Cash flows from operating activities		
Profit before taxation	7,127	19,645
<u>Adjustments for:</u>		
Depreciation of plant and equipment	2	5
Fair value (gain)/loss on investment property	(7,041)	930
(Reversal of fair value loss)/fair value loss on derivative instrument	(449)	449
Interest income	(132)	(715)
Interest expense	321	791
Share of results of associates and joint ventures	(1,322)	(8,187)
Total adjustments	(8,621)	(6,727)
Operating cash flows before changes in working capital	(1,494)	12,918
<u>Changes in working capital:</u>		
Development properties	(41,628)	(8,255)
Trade receivables	(14,870)	(8,040)
Other receivables and deposits	(116)	(51)
Trade payables, other payables and accruals	32,695	2,995
Balances with related companies	7,108	(118)
Total changes in working capital	(16,811)	(13,469)
Cash flows used in operations	(18,305)	(551)
Interest paid and capitalised in development properties	(1,291)	(1,035)
Income tax paid	(1,084)	(4)
Net cash flows used in operating activities	(20,680)	(1,590)

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SLB Development Ltd. and its Subsidiaries

Unaudited pro forma combined cash flow statements

For the financial year ended 31 May 2017 and six-month period ended 30 November 2017

	Six-month period ended 30.11.2017	Financial year ended 31.05.2017
Cash flows from investing activities		
Interest received	76	230
Dividend income from associates	1,273	35,456
Dividend income from a joint venture	17,710	46,750
Purchase of plant and equipment	(2)	–
Purchase of investment property	(9)	(31,980)
Investment in associates	–	(2,020)
Repayment of loans due from/(loans to) associates	16,957	(58,047)
Repayment of loans due from/(loans to) joint ventures	10,894	(549)
Repayment of loan from the non-controlling interest of a subsidiary	–	1,108
Net cash flows from/(used in) investing activities	46,899	(9,052)
Cash flows from financing activities		
Interest paid	(448)	(664)
Proceeds from bank loans	17,071	38,673
Repayment of bank loans	(8,000)	–
Dividends paid on ordinary shares	–	(98,235)
Dividends paid to non-controlling interest of subsidiaries	–	(3,150)
Repayment of loans due to related companies	(8)	(565)
Loans from/(repayment of loans due to) associates	4,580	(14,985)
Repayment of loans due to joint ventures	(13,210)	(12,400)
(Repayment of loans due to)/loans from holding company	(31,331)	110,843
Net cash flows (used in)/from financing activities	(31,346)	19,517
Net (decrease)/increase in cash and cash equivalents	(5,127)	8,875
Cash and cash equivalents at beginning of the period/year	26,284	17,409
Cash and cash equivalents at end of the period/year	21,157	26,284

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Statement of adjustments for the unaudited pro forma combined statement of financial position
As at 31 May 2017

	Audited combined statement of financial position 31.05.2017 \$'000	Pro forma adjustments \$'000	Unaudited pro forma combined statement of financial position 31.05.2017 \$'000
Non-current assets			
Plant and equipment	4		4
Investment property	31,050		31,050
Investment in joint ventures and associates	39,455	(3,980) ^{(i)(b),(iv)(a)}	35,475
Deferred tax assets	533		533
	71,042		67,062
Current assets			
Development properties	120,745	12,149 ⁽ⁱⁱⁱ⁾	132,894
Trade receivables	10,766		10,766
Other receivables and deposits	59		59
Amount due from a related company	10		10
Amounts due from holding company	35,717	(35,717) ^{(i)(a)}	–
Amounts due from joint ventures and associates	51,885	47,160 ^{(iv)(b)}	99,045
Cash and cash equivalents	26,284		26,284
	245,466		269,058
Current liabilities			
Trade and other payables	36,747		36,747
Accruals	2,178		2,178
Amounts due to related companies	17,986		17,986
Amounts due to joint ventures and associates	18,805		18,805
Amounts due to holding company	60,124	(11,463) ^{(i),(ii),(iii),(iv)}	48,661
Bank loans	10,000		10,000
Amounts due to non-controlling interests	9,776		9,776
Provision for taxation	2,182		2,182
	157,798		146,335
Net current assets	87,668		122,723
Non-current liabilities			
Bank loans	96,724	9,440 ⁽ⁱⁱⁱ⁾	106,164
Net assets	61,986		83,621

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Statement of adjustments for the unaudited pro forma combined statement of financial position
As at 31 May 2017

	Audited combined statement of financial position 31.05.2017 \$'000	Pro forma adjustments \$'000	Unaudited pro forma combined statement of financial position 31.05.2017 \$'000
Equity attributable to owners of the Company			
Share capital	33,649	60,000 ⁽ⁱⁱ⁾	93,649
Merger reserve	(31,288)		(31,288)
Foreign currency translation reserve	(67)		(67)
Retained earnings	59,720	(38,365) ^{(i)(a)}	21,355
	62,014		83,649
Non-controlling interests	(28)		(28)
Total equity	61,986		83,621

Note to the pro forma adjustments:

The pro forma adjustments relate to:

- (i) Declaration of dividends by the following:
 - a. Certain subsidiaries of the Group aggregating \$38,365,000 as described in Note 2(a)(i);
 - b. A joint venture of the Group aggregating \$6,000,000 as described in Note 2(a)(ii);
- (ii) Capitalisation of amounts due to holding company of \$60,000,000 into the shares of the Company as described in Note 2(b);
- (iii) Acquisition of development properties by a subsidiary which is partially financed by a bank loan of \$9,440,000 and loan from the holding company of \$2,709,000 as described in Note 2(d)(i); and
- (iv) Loan from holding company of \$49,180,000 to finance the following:
 - a. Additional investment in associates of \$1,600,000 and \$420,000 as described in Note 2(c)(i) and Note 2(c)(ii);
 - b. Shareholder loans to associates of \$47,160,000 as described in Note 2(d)(ii) to 2(d)(iv).

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Statement of adjustments for the unaudited pro forma combined statement of financial position
As at 30 November 2017

	Unaudited combined statement of financial position 30.11.2017 \$'000	Pro forma adjustments \$'000	Unaudited pro forma combined statement of financial position 30.11.2017 \$'000
Non-current assets			
Plant and equipment	4		4
Investment in joint ventures and associates	22,827	(5,580) ^{(i),(iii)(a)}	17,247
Deferred tax assets	762		762
	23,593		18,013
Current assets			
Development properties	213,913		213,913
Trade receivables	25,636		25,636
Other receivables and deposits	175		175
Amounts due from holding company	4,500		4,500
Amounts due from joint ventures and associates	45,703	25,491 ^{(iii)(b)}	71,194
Cash and cash equivalents	21,157		21,157
	311,084		336,575
Current liabilities			
Trade and other payables	68,775		68,775
Accruals	2,214		2,214
Amounts due to related companies	25,075		25,075
Amounts due to joint ventures and associates	10,175		10,175
Amounts due to holding company	60,370	(40,089) ^{(i),(ii),(iii)}	20,281
Bank loans	89,445		89,445
Amounts due to non-controlling interests	9,776		9,776
Provision for taxation	1,097		1,097
	266,927		226,838
Net current assets	44,157		109,737
Non-current liabilities			
Bank loans	35,790		35,790
Net assets	31,960		91,960

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Statement of adjustments for the unaudited pro forma combined statement of financial position
As at 30 November 2017

	Unaudited combined statement of financial position 30.11.2017 \$'000	Pro forma adjustments \$'000	Unaudited pro forma combined statement of financial position 30.11.2017 \$'000
Equity attributable to owners of the Company			
Share capital	33,649	60,000 ⁽ⁱⁱⁱ⁾	93,649
Merger reserve	(30,288)		(30,288)
Foreign currency translation reserve	(84)		(84)
Retained earnings	29,093		29,093
	32,370		92,370
Non-controlling interests	(410)		(410)
Total equity	31,960		91,960

Note to the pro forma adjustments:

The pro forma adjustments relate to:

- (i) Declaration of dividends by a joint venture of the Group aggregating \$6,000,000 as described in Note 2(a)(ii);
- (ii) Capitalisation of amounts due to holding company of \$60,000,000 into the shares of the Company as described in Note 2(b);
- (iii) Loan from holding company of \$25,911,000 to finance the following:
 - a. Additional investment in associate of \$420,000 as described in Note 2(c)(ii); and
 - b. Shareholder loans to associates of \$25,491,000 as described in Note 2(d)(ii) to 2(d)(iv).

APPENDIX C
UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 MAY 2017 AND
THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Statement of adjustments for the unaudited pro forma combined cash flow statements
For the financial year ended 31 May 2017

	Audited combined statement of cash flows 31.05.2017 \$'000	Pro forma adjustments \$'000	Unaudited pro forma combined statement of cash flows 31.05.2017 \$'000
Cash flows from operating activities			
Profit before taxation	19,645		19,645
<u>Adjustments for:</u>			
Depreciation of plant and equipment	5		5
Fair value loss on investment property	930		930
Fair value loss on derivative instrument	449		449
Interest income	(715)		(715)
Interest expense	791		791
Share of results of associates and joint ventures	(8,187)		(8,187)
Operating cash flows before changes in working capital	12,918		12,918
<u>Changes in working capital:</u>			
Development properties	3,894	(12,149) ⁽ⁱⁱⁱ⁾	(8,255)
Trade receivables	(8,040)		(8,040)
Other receivables and deposits	(51)		(51)
Trade payables, other payables and accruals	2,995		2,995
Balances with related companies	(118)		(118)
	(1,320)		(13,469)
Cash flows from/(used in) operations	11,598		(551)
Interest paid and capitalised in development properties	(1,035)		(1,035)
Income tax paid	(4)		(4)
Net cash flows from/(used in) operating activities	10,559		(1,590)
Cash flows from investing activities			
Interest received	230		230
Dividend income from associates	35,456		35,456
Dividend income from a joint venture	40,750	6,000 ^{(i)(b)}	46,750
Purchase of investment property	(31,980)		(31,980)
Investment in associates	—	(2,020) ^{(iii)(a)}	(2,020)
Loans to associates	(10,887)	(47,160) ^{(iii)(b)}	(58,047)
Loans to joint ventures	(549)		(549)
Repayment of loan due from the non-controlling interests of a subsidiary	1,108		1,108
Net cash flows from/(used in) investing activities	34,128		(9,052)

APPENDIX C
UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 MAY 2017 AND
THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Statement of adjustments for the unaudited pro forma combined cash flow statements
For the financial year ended 31 May 2017

	Audited combined statement of cash flows 31.05.2017 \$'000	Pro forma adjustments \$'000	Unaudited pro forma combined statement of cash flows 31.05.2017 \$'000
Cash flows from financing activities			
Interest paid	(664)		(664)
Proceeds from bank loans	29,233	9,440 ⁽ⁱⁱ⁾	38,673
Dividends paid on ordinary shares	(59,870)	(38,365) ^{(i)(a)}	(98,235)
Dividends paid to non-controlling interest of subsidiaries	(3,150)		(3,150)
Repayment of loans due to related companies	(565)		(565)
Repayment of loans due to associates	(14,985)		(14,985)
Repayment of loans due to joint ventures	(12,400)		(12,400)
Loans from holding company	26,589	84,254 ^{(i),(ii),(iii)}	110,843
Net cash flows (used in)/from financing activities	(35,812)		19,517
Net increase in cash and cash equivalents	8,875		8,875
Cash and cash equivalents at beginning of the year	17,409		17,409
Cash and cash equivalents at end of the year	26,284		26,284

Note to the pro forma adjustments:

The pro forma adjustments relate to:

- (i) Declaration of dividends by the following:
 - a. Certain subsidiaries of the Group aggregating \$38,365,000 as described in Note 2(a)(i);
 - b. A joint venture of the Group aggregating \$6,000,000 as described in Note 2(a)(ii);
- (ii) Acquisition of development properties by a subsidiary which is partially financed by a bank loan of \$9,440,000 and loan from the holding company of \$2,709,000 as described in Note 2(d)(i); and
- (iii) Loan from holding company of \$49,180,000 to finance the following:
 - a. Additional investment in associates of \$1,600,000 and \$420,000 as described in Note 2(c)(i) and Note 2(c)(ii);
 - b. Shareholder loans to associates of \$47,160,000 as described in Note 2(d)(ii) to 2(d)(iv).

APPENDIX C
UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 MAY 2017 AND
THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Statement of adjustments for the unaudited pro forma combined cash flow statements
For the six-month period ended 30 November 2017

	Unaudited combined statement of cash flows 30.11.2017 \$'000	Pro forma adjustments \$'000	Unaudited pro forma combined statement of cash flows 30.11.2017 \$'000
Cash flows from operating activities			
Profit before taxation	7,127		7,127
<u>Adjustments for:</u>			
Depreciation of plant and equipment	2		2
Fair value gain on investment property	(7,041)		(7,041)
Reversal of fair value loss on derivative instrument	(449)		(449)
Interest income	(132)		(132)
Interest expense	321		321
Share of results of associates and joint ventures	(1,322)		(1,322)
Operating cash flows before changes in working capital	(1,494)		(1,494)
<u>Changes in working capital:</u>			
Development properties	(53,777)	12,149 ⁽ⁱⁱⁱ⁾	(41,628)
Trade receivables	(14,870)		(14,870)
Other receivables and deposits	(116)		(116)
Trade payables, other payables and accruals	32,695		32,695
Balances with related companies	7,108		7,108
	(28,960)		(16,811)
Cash flows used in operations	(30,454)		(18,305)
Interest paid and capitalised in development properties	(1,291)		(1,291)
Income tax paid	(1,084)		(1,084)
Net cash flows used in operating activities	(32,829)		(20,680)
Cash flows from investing activities			
Interest received	76		76
Dividend income from associates	1,273		1,273
Dividend income from a joint venture	17,710		17,710
Purchase of plant and equipment	(2)		(2)
Additional investment in investment property	(9)		(9)
Investment in associates	(1,600)	1,600 ^{(iii)(a)}	–
(Loans to)/repayment of loans due from associates	(4,712)	21,669 ^{(iii)(b)}	16,957
Repayment of loan due from a joint venture	10,894		10,894
Net cash flows from investing activities	23,630		46,899

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FOR THE FINANCIAL YEAR ENDED 31 MAY 2017 AND
THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Statement of adjustments for the unaudited pro forma combined cash flow statements
For the six-month period ended 30 November 2017

	Unaudited combined statement of cash flows 30.11.2017 \$'000	Pro forma adjustments \$'000	Unaudited pro forma combined statement of cash flows 30.11.2017 \$'000
Cash flows from financing activities			
Interest paid	(448)		(448)
Proceeds from bank loans	26,511	(9,440) ⁽ⁱⁱ⁾	17,071
Repayment of bank loans	(8,000)		(8,000)
Dividends paid on ordinary shares	(38,365)	38,365 ⁽ⁱ⁾	–
Repayment of loans to related companies	(8)		(8)
Loans from associates	4,580		4,580
Repayment of loans due to joint ventures	(13,210)		(13,210)
Loans from/(repayment of loans due to) holding company	33,012	(64,343) ^{(i),(ii),(iii)}	(31,331)
Net cash flows from/(used in) financing activities	4,072		(31,346)
Net decrease in cash and cash equivalents	(5,127)		(5,127)
Cash and cash equivalents at beginning of the period	26,284		26,284
Cash and cash equivalents at end of the period	21,157		21,157

Note to the pro forma adjustments:

The pro forma adjustments relate to:

- (i) Declaration of dividends by certain subsidiaries of the Group aggregating \$38,365,000 as described in Note 2(a)(i);
- (ii) Acquisition of development properties by a subsidiary which is partially financed by a bank loan of \$9,440,000 and loan from the holding company of \$2,709,000 as described in Note 2(d)(i); and
- (iii) Loan from holding company of \$23,269,000 to finance the following:
 - a. Additional investment in associates of \$1,600,000 as described in Note 2(c)(i);
 - b. Shareholder loans to associates of \$21,669,000 as described in Note 2(d)(ii) to 2(d)(iv).

APPENDIX C
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FOR THE FINANCIAL YEAR ENDED 31 MAY 2017 AND
THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Notes to the unaudited pro forma combined financial information

For the financial year ended 31 May 2017 and six-month period ended 30 November 2017

1. Corporate information

The Company (Registration No. 201729864H) 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, the Company name was changed to “Lian Beng Development Holding Pte. Ltd.” and subsequently to “SLB Development Pte. Ltd.” on 15 March 2018. The Company was converted into a public company limited by shares and its name was changed to “SLB Development Ltd.” on 23 March 2018. The immediate and ultimate holding company is Lian Beng Group Ltd which is incorporated in Singapore.

The registered office and principal place of business of the Company is located at 29 Harrison Road, #07-00, Lian Beng Building, Singapore 369648.

The principal activity of the Company is investment holding, while that of the subsidiaries relate mainly to property development and investment holding. The Group also undertakes property development projects through its joint ventures and associates. The details of the subsidiaries, joint ventures and associates are disclosed in Note 1.3 and Note 5 to the interim condensed unaudited financial information for the six-month period ended 30 November 2017 as set out in Appendix B of this Offer Document.

Corporate reorganisation

As part of a corporate reorganisation implemented in preparation for its listing on the Catalist Board of Singapore Exchange Securities Trading Limited (“SGX-ST”) (“the Restructuring Exercise”), the Company acquired all of the issued and paid-up ordinary shares (the “Relevant Sale Shares”) of certain subsidiaries, joint ventures and associates from its holding company (the “Acquisition”) pursuant to a restructuring agreement dated 23 March 2018 (the “Restructuring Agreement”). In accordance with the Restructuring Agreement, the consideration for the transfer of the Relevant Sale Shares was satisfied by the issuance of consideration shares in the Company to the holding company. The consideration for the Acquisition was determined based on net asset values of the subsidiaries, joint ventures and associates acquired as at 30 November 2017, or where in the situation that the net asset values of the company is negative, a nominal sum.

2. Significant events

The unaudited pro forma combined financial information of the Group, because of their nature, are not necessarily indicative of the financial position and of the cash flows that would have been attained had the significant events actually occurred earlier. Save as disclosed in this report, management, for the purpose of preparing this set of unaudited pro forma combined financial information of the Group, have not considered the effects of other events.

APPENDIX C
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FOR THE FINANCIAL YEAR ENDED 31 MAY 2017 AND
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Notes to the unaudited pro forma combined financial information

For the financial year ended 31 May 2017 and six-month period ended 30 November 2017

2. Significant events (cont'd)

Save for the following significant events relating to the declaration of dividends, capitalisation of amounts due to holding company, additional investment in associates and shareholders loans provided to a subsidiary and associates to finance the acquisition of development properties by the subsidiary and associates (the "Significant Events") discussed below, the directors, as at the date of this report, are not aware of other significant events subsequent to 31 May 2017.

(a) Declaration of dividends by subsidiaries and joint venture

- (i) On 16 June 2017 and 17 November 2017, certain subsidiaries of the Group declared dividends aggregating to \$38,365,000. \$35,717,000 was used to offset existing amounts receivable from holding company while the remaining \$2,648,000 is payable to holding company.
- (ii) On 5 December 2017, 22 December 2017, 23 January 2018 and 9 March 2018, the Group's joint venture, Spottiswoode Development Pte. Ltd., declared dividends aggregating \$6,000,000 which was used to offset existing amounts payable to holding company.

(b) Capitalisation of amounts due to holding company

As at 31 May 2017, the Group had outstanding amounts owing to holding company of \$60,124,000. Of this, \$60,000,000 were capitalised into the shares of the Company on 23 March 2018, where the Company issued 60,000,000 ordinary shares to its holding company at \$1.00 per share.

(c) Additional investment in associates

- (i) On 12 September 2017 and 14 September 2017, the Group increased its investment in associates, namely Rio Casa Venture Pte. Ltd. and Oxley Serangoon Pte. Ltd., by an aggregate of \$1,600,000. The Group financed the additional investment through loans from its holding company of a similar amount.
- (ii) On 15 November 2017, the Company incorporated a subsidiary, LBD (GL) Pte. Ltd. ("LBDGL"). On 4 December 2017, LBDGL acquired 420,000 ordinary shares, representing 42% shareholding interest of Development 24 Pte. Ltd. for an aggregate purchase consideration of \$420,000. The Group financed the acquisition through a loan from its holding company of a similar amount.

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FOR THE FINANCIAL YEAR ENDED 31 MAY 2017 AND
THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2017

SLB Development Ltd. and its Subsidiaries

Notes to the unaudited pro forma combined financial information

For the financial year ended 31 May 2017 and six-month period ended 30 November 2017

2. Significant events (cont'd)

(d) Acquisition of development properties by subsidiaries and associates

- (i) On 24 October 2017, the Group's wholly owned subsidiary, Wellprime Pte. Ltd., completed the purchase of a freehold property located at 50 Lorong 21 Geylang for a purchase consideration of \$12,149,000. The purchase was financed by a bank loan of \$9,440,000 and loan from holding company of \$2,709,000.
- (ii) On 21 March 2018, the Group's associate, Oxley Serangoon Pte. Ltd. ("OSPL"), completed the purchase of a former HUDC estate, Serangoon Ville, at Serangoon North Avenue 1, Singapore for a purchase consideration of \$499 million. The purchase was partially financed by a shareholder loan which the Group obtained from its holding company of \$7,283,000 during the six-month period ended 30 November 2017 and \$12,677,000 subsequent to 30 November 2017.
- (iii) During the financial year ended 31 May 2017, the Group's associate, Rio Casa Venture Pte. Ltd., successfully tendered for a collective purchase of a former HUDC estate, Rio Casa at Hougang Avenue 7, Singapore for a purchase consideration of \$575 million. The purchase was partially financed by a shareholder loan which the Group obtained from its holding company of \$14,386,000 during the six-month period ended 30 November 2017 and \$8,614,000 subsequent to 30 November 2017.
- (iv) On 11 December 2017, the Group's associate, Development 24 Pte. Ltd., exercised an option to purchase a group of freehold properties located at Geylang Lorong 24 for a purchase consideration of \$60 million. The purchase was partially financed by a shareholder loan which the Group obtained from its holding company of \$4,200,000. The purchase was completed on 5 March 2018.

3. Basis of preparation of the unaudited pro forma combined financial information

- (a) The unaudited pro forma combined financial information of the Group is expressed in Singapore Dollars ("SGD" or "\$") and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated. The financial information has been prepared for illustrative purposes only. It has been prepared based on certain assumptions and after making certain adjustments to show what:
 - (i) the unaudited pro forma combined statement of financial position of the Group as at 31 May 2017 and 30 November 2017 would have been if the Significant Events as described in Note 2 had occurred on 31 May 2017 and 30 November 2017 respectively; and
 - (ii) the unaudited pro forma combined cash flow statements of the Group for the financial year ended 31 May 2017 and six-month period ended 30 November 2017 would have been if the Significant Events as described in Note 2 had occurred on 1 June 2016.

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SLB Development Ltd. and its Subsidiaries

Notes to the unaudited pro forma combined financial information

For the financial year ended 31 May 2017 and six-month period ended 30 November 2017

3. Basis of preparation of the unaudited pro forma combined financial information (cont'd)

(b) The unaudited pro forma combined financial information of the Group is based on the following:

- Audited combined financial statements of SLB Development Ltd. and its subsidiaries for the financial years ended 31 May 2015, 2016 and 2017, which have been prepared in accordance with Singapore Financial Reporting Standards.

The audited combined financial statements of SLB Development Ltd. and its subsidiaries for the financial years ended 31 May 2015, 2016 and 2017 was audited in accordance with Singapore Standards on Auditing by Ernst & Young LLP, Public Accountants and Chartered Accountants, Singapore. The independent auditor's report relating to the abovementioned audited financial statements was not subject to any qualification.

- Interim condensed unaudited combined financial information of SLB Development Ltd. and its subsidiaries for the six-month period ended 30 November 2017 which were prepared by management in accordance with Financial Reporting Standard in Singapore 34, *Interim Financial Reporting*.

The interim condensed unaudited combined financial information of SLB Development Ltd. and its subsidiaries was reviewed by Ernst & Young LLP, Public Accountants and Chartered Accountants, Singapore in accordance with the Singapore Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("SSRE 2410"). The independent auditor's report relating to the abovementioned interim condensed unaudited combined financial information was not subject to any qualification.

4. Significant accounting policies

The unaudited pro forma combined financial information is prepared using the same accounting policies as the audited combined financial statements of the Group for the financial years ended 31 May 2015, 2016 and 2017 as disclosed in Note 2 to the Audited Combined Financial Statements of SLB Development Ltd. and its subsidiaries for the financial years ended 31 May 2015, 2016 and 2017 as set out in Appendix A of the Offer Document.

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APPENDIX D

SUMMARY OF CONSTITUTION OF OUR COMPANY

The discussion below provides a summary of certain provisions of our Constitution and the laws of Singapore. This discussion is only a summary and is qualified by reference to Singapore law and our Constitution.

CONSTITUTION AND REGISTRATION NUMBER

We are registered in Singapore with ACRA. Our company registration number is 201729864H. Our Constitution sets out the powers of our Company, including carrying on business as, *inter alia*, an investment holding company.

SUMMARY OF OUR CONSTITUTION

1. Directors

(a) Ability of interested directors to vote

A Director shall not vote in respect of any contract, proposed contract or arrangement or any other proposal in which he has any personal material interest, and he shall not be counted in the quorum present at the meeting except under circumstances set out in our Constitution.

(b) Remuneration

Fees payable to Non-Executive Directors shall be a fixed sum (not being a commission on or a percentage of profits or turnover of our Company) as shall from time to time be determined by our Company in general meeting. Fees payable to Directors shall not be increased except at a general meeting convened by a notice specifying the intention to propose such increase.

Any Director who holds any executive office, or who serves on any committee of the Directors, or who performs services outside the ordinary duties of a Director, may be paid extra remuneration by way of salary or otherwise (not being a commission on or a percentage of profits or turnover of our Company), as the Directors may determine.

The remuneration of a CEO or managing Director shall be fixed by the Directors and may be by way of salary or commission or participation in profits or by any or all of these modes but shall not be by a commission on or a percentage of turnover.

Our Directors shall have power to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits, to contribute to any scheme or fund or to pay premiums.

(c) Borrowing

The Directors may borrow or raise money from time to time for the purpose of our Company or secure the payment of such sums as they think fit and may secure the repayment or payment of such sums by mortgage or charge upon all or any of the property or assets of our Company or by the issue of debentures (whether at par or at discount or premium) or otherwise as they may think fit.

APPENDIX D SUMMARY OF CONSTITUTION OF OUR COMPANY

(d) Retirement age limit

There is no retirement age limit for Directors under our Constitution.

(e) Shareholding qualification

There is no shareholding qualification for Directors in our Constitution.

2. Share rights and restrictions

Our Company currently has one class of shares, namely, ordinary shares. Only persons who are registered on our register of Shareholders and in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for the Shares, are recognised as our Shareholders.

(a) Dividends and distribution

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. We must pay all dividends out of our profits and we may satisfy dividends by the issue of shares to our Shareholders. All dividends are paid *pro rata* amongst our Shareholders in proportion to the amount paid-up on each Shareholder's Shares, unless the rights attaching to an issue of any ordinary share provide otherwise. Unless otherwise directed, dividends are paid by cheque, warrant or post office order sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that shareholder in respect of that payment.

The payment by our Directors of any unclaimed dividends or other monies payable on or in respect of a Share into a separate account shall not constitute our Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by our Directors for the benefit of our Company. Any dividend unclaimed after a period of six years after having been declared may be forfeited and shall revert to our Company but our Directors may thereafter at their discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.

Our Directors may retain any dividends or other monies payable on or in respect of a Share on which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) Voting rights

A holder of our ordinary shares is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a Shareholder. A person who holds ordinary shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP seventy-two hours before the general meeting. Except as otherwise provided in our Constitution, two or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution, if required by the Catalist Rules, all resolutions at general meetings shall

APPENDIX D

SUMMARY OF CONSTITUTION OF OUR COMPANY

be voted by poll. Subject to the aforesaid, on a show of hands, every Shareholder present in person and by proxy shall have one vote, and on a poll, every Shareholder present in person or by proxy shall have one vote for each Share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 5.0% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by any two Shareholders present in person or by proxy and entitled to vote. In the case of an equality of votes, whether on a show of hands or a poll, the chairman of the meeting shall not be entitled to a casting vote.

3. Change in capital

Changes in the capital structure of our Company (for example, consolidation, cancellation, sub-division or conversion of our share capital) require Shareholders to pass an ordinary resolution. Ordinary resolutions generally require at least fourteen days' notice in writing. The notice must be given to each of our Shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting. However, we are required to obtain our Shareholders' approval by way of a special resolution for any reduction of our share capital or other undistributable reserve, subject to the conditions prescribed by law.

4. Variation of rights of existing shares or classes of shares

Subject to the Companies Act, whenever the share capital of our Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the total number of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provisions of our Constitution relating to general meetings of our Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the total number of the issued shares of the class, and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters of the total number of the issued shares of the class concerned within two months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting. These provisions shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied or abrogated.

The relevant provision in our Constitution does not impose more significant conditions than the Companies Act in this regard.

5. Limitations on foreign or non-resident Shareholders

There are no limitations imposed by Singapore laws or by our Constitution on the rights of our Shareholders including those who are regarded as non-residents of Singapore, to hold or vote their Shares.

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APPENDIX E DESCRIPTION OF OUR SHARES

The following statements are brief summaries of the rights and privileges of our Shareholders conferred by the laws of Singapore, the Catalist Rules and our Constitution. These statements summarise the material provisions of our Constitution but are qualified in entirety by reference to our Constitution, a copy of which is available for inspection at our registered office during normal business hours for a period of six months from the date of this Offer Document.

Ordinary Shares

All of our Shares are in registered form. We may, subject to the provisions of the Companies Act and the rules of the SGX-ST, purchase our Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

New Shares

New Shares may only be issued with the prior approval of our Shareholders in a general meeting. The aggregate number of Shares to be issued pursuant to such approval may not exceed 100.0% (or such other limit as may be prescribed by the SGX-ST) of the total number of our issued Shares, excluding treasury shares and subsidiary holdings, of which the aggregate numbers of Shares to be issued other than on a *pro rata* basis to our Shareholders may not exceed 50.0% (or such other limit as may be prescribed by the SGX-ST) of the total number of our issued Shares, excluding treasury shares and subsidiary holdings (the percentage of the total number of issued Shares, excluding treasury shares and subsidiary holdings, being based on our Company's total number of issued Shares, excluding treasury shares subsidiary holdings, at the time such authority is given after adjusting for new Shares arising from the conversion of convertible securities or employee share options on issue at the time such authority is given and any subsequent bonus issue, consolidation or sub-division of Shares).

Shareholders

Only persons who are registered in our Register of Shareholders and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for the Shares, are recognised as our Shareholders. We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share or of the person whose name is entered in the Depository Register for that Share. We may close our Register of Shareholders for any time or times if we provide the SGX-ST at least five clear Market Days' notice. However, the Register of Shareholders may not be closed for more than 30 days in aggregate in any calendar year. We typically close our Register of Shareholders to determine Shareholders' entitlement to receive dividends and other distributions.

Transfer of Shares

There is no restriction on the transfer 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. Our Board of Directors may decline to register any transfer of Shares which are not fully paid Shares or Shares on which we have a lien. Our Shares may be transferred by a duly signed instrument of transfer in a form approved by the SGX-ST or any stock exchange on which our Company is listed. Our Board of Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. We will replace lost or destroyed certificates for Shares if it is properly notified and if the applicant pays a fee which will not exceed S\$2.00 and furnishes any evidence and indemnity that our Board of Directors may require.

APPENDIX E DESCRIPTION OF OUR SHARES

General Meetings of Shareholders

We are required to hold an annual general meeting every year. Our Board of Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than 10.0% of the total voting rights of all Shareholders request in writing that such a meeting be held. In addition, two or more Shareholders holding not less than 10.0% of our issued share capital may call a meeting. Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at the meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to our Constitution, a change of our corporate name and a reduction in our share capital. We must give at least twenty-one days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least fourteen days' notice in writing. The notice must be given to each of our Shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A holder of our Shares is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be Shareholders. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP seventy-two hours before the general meeting. Except as otherwise provided in our Constitution, two or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution, on a show of hands, every Shareholder present in person or by proxy shall have one vote (provided that in the case of a Shareholder who is represented by two proxies, the chairman of the meeting shall be entitled to treat the first named proxy as the authorised representative to vote on a show of hands), and on a poll, every Shareholder present in person or by proxy shall have one vote for each Share which he holds or represents. If required by the listing rules of the SGX-ST, all resolutions at general meetings shall be voted by poll. In addition, a poll may be demanded in certain circumstances, including by the chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 5.0% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by any two Shareholders present in person or by proxy and entitled to vote. In the case of an equality of votes, whether on a show of hands or a poll, the chairman of the meeting shall not be entitled to a casting vote.

Dividends

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. We must pay all dividends out of our profits and we may satisfy dividends by the issue of Shares to our Shareholders. All dividends are paid *pro rata* among our Shareholders in proportion to the amount paid-up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provides otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

APPENDIX E DESCRIPTION OF OUR SHARES

Bonus and Rights Issue

Our Board of Directors may, with approval of our Shareholders at a general meeting, capitalise any reserves or profits and distribute the same as bonus Shares credited as paid-up to our Shareholders in proportion to their shareholdings. Our Board of Directors may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which we are listed.

Take-overs

Under the Take-over Code issued by the Authority pursuant to section 321 of the SFA, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting Shares must extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Take-over Code. In addition, a mandatory takeover offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% of the voting shares acquires additional voting shares representing more than 1.0% of the voting shares in any six-month period. Under the Take-over Code, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the Subsidiaries of (i);
 - (iv) the fellow Subsidiaries of (i);
 - (v) the Associated Companies of (i), (ii), (iii) or (iv); and
 - (vi) companies whose Associated Companies include any of (i), (ii), (iii), (iv) or (v);
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its customer in respect of the shareholdings of:
 - (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and

APPENDIX E DESCRIPTION OF OUR SHARES

- (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the customer total 10.0% or more of the customer's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act in accordance with the instructions of (i); and
 - (v) companies controlled by any of (i), (ii), (iii) or (iv).

Under the Take-over Code, a mandatory offer made with consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert within the preceding six months.

Liquidation or Other Return of Capital

If we liquidate or in the event of any other return of capital, holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

Indemnity

To the extent permitted under the Companies Act, our Constitution provides that our Directors and officers shall be entitled to be indemnified by us against any losses or liabilities incurred in or about the execution of the duties of their office or otherwise in relation thereto, and no such Director or officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by our Company in the execution of the duties of his office or in relation thereto, unless such loss, damage, liabilities or misfortune occur through the wilful neglect or default, breach of duty, breach of trust or fraudulent act of such Director or officer.

Limitations on Rights to Hold or Vote Shares

Except as described in "Voting Rights" and "Take-overs" above, there are no limitations imposed by Singapore law or by our Constitution on the rights of non-resident Shareholders to hold or vote in respect of our Shares.

APPENDIX E DESCRIPTION OF OUR SHARES

Minority Rights

The rights of minority Shareholders of Singapore-incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any of our Shareholders, as they think fit to remedy any of the following situations where:

- (a) our affairs are being conducted or the powers of our Board of Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of our Shareholders; or
- (b) we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our Shareholders, including the applicant.

Singapore courts have a wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, the Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of our affairs in the future;
- (c) authorise civil proceedings to be brought in our name of, or on behalf of, by a person or persons and on such terms as the court may direct;
- (d) provide for the purchase of a minority Shareholder's Shares by our other Shareholders or by us and, in the case of a purchase of Shares by us, a corresponding reduction of our share capital; or
- (e) provide that we be wound up.

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APPENDIX F

SUMMARY OF RELEVANT PRC LAWS AND REGULATIONS

A. Establishment of a Property Development Enterprise

According to the Land Administration Law and the Law of Administration of Urban Real Estate of the PRC (《中华人民共和国城市房地产管理法》) (the “Urban Real Estate Law”), which was passed on 5 July 1994 and revised on 30 August 2007, a property developer is defined as an enterprise engaging in the development and sale of property for the purpose of making profits. Under the Regulations on Administration of Development of Urban Property (《城市房地产开发经营管理条例》) (the “Development Regulations”) promulgated and implemented by the State Council on 20 July 1998, an enterprise which is to engage in development of property shall have to satisfy the following requirements: 1) its registered capital shall be RMB1.0 million or more; and 2) it must have four or more full-time professional property and/or construction technicians and two or more full-time accounting officers, each of whom shall hold the relevant qualification certificate. The Development Regulations also stipulate that the local government of a province, autonomous region or municipality directly under the central government may, based on local circumstances, impose more stringent requirements on the registered capital and the professional personnel of a property developer. According to the Regulations on Administration of Development of Urban Property of Hebei Province (《河北省城市房地产开发经营管理规定》) promulgated and implemented by the Standing People’s Government of Hebei Province dated 15 May 2004 and amended on 22 April 2007, the registered capital of real estate development enterprise in Hebei shall be RMB5.0 million or more.

Pursuant to the Development Regulations, a developer who aims to establish a property development enterprise should apply to be registered with the administration for industry and commerce. The property developer must also report its establishment to the property development authority, within thirty days of the receipt of its business licence.

Under the Provisions on the Administration of Qualification for Real Estate Development Companies (《房地产开发企业资质管理规定》) promulgated by the Ministry of Construction of the PRC on 29 March 2000 and revised on 4 May 2015, a real estate development enterprise shall apply for a qualification certificate for real estate development (“Qualification Certificate”). Such regulations further categorise the real estate development enterprises with the Qualification Certificates into Grade I, Grade II, Grade III and Grade IV according to the various conditions of such enterprises (Grade I being the highest level).

Therefore, a newly established real estate development enterprise shall, within thirty days from the date of issuance of the business licence, file with the competent department of real estate development for an interim Qualification Certificate. If issued, an interim Qualification Certificate shall be valid for a term of one year. The competent departments of real estate development may, in light of the actual operations of the enterprise, extend the term of the interim Qualification Certificate, provided, however, that such extension shall not exceed two years.

Real estate development enterprises shall, within one month prior to the expiration of the term of the interim Qualification Certificate, apply to the competent department of real estate development for one of the grades (Grades I through IV). The competent departments of real estate development shall check and grant a grade to the applicant in light of its relevant development and operating performance.

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SUMMARY OF RELEVANT PRC LAWS AND REGULATIONS

B. Foreign Investment in Real Estate in the PRC

According to the Opinions on Regulating the Access and Administration of Foreign Investment in the Real Estate Market (关于规范房地产市场外资准入和管理的意见) promulgated jointly by the Ministry of Construction of the PRC, the Ministry of Commerce of the PRC ("MOFCOM"), the National Development and Reform Commission ("NDRC"), the People's Bank of China ("PBOC"), the State Administration for Industry and Commerce and SAFE on 11 July 2006 and the Notice of the Ministry of Housing and Urban-Rural Development and Other Departments on Amending the Policies Concerning Access by and Administration of Foreign Investment in the Real Estate Market (住房城乡建设部等部门关于调整房地产市场外资准入和管理有关政策的通知) promulgated jointly by the Ministry of Housing and Urban-Rural Development of the PRC, MOFCOM, NDRC, the PBOC, the State Administration for Industry and Commerce and SAFE on 19 August 2015: 1) foreign entities and individuals shall follow the principle of commercial existence and are allowed to invest and purchase non-self-occupied real estate in the PRC via their FIEs incorporated in the PRC; 2) the ratio of registered capital to total investment of foreign-invested real estate enterprises shall be governed by the relevant provisions of the Interim Provisions of the State Administration for Industry and Commerce on the Ratio of the Registered Capital to the Total Investment of a Sino-Foreign Equity Joint Venture Enterprise (国家工商行政管理局关于中外合资经营企业注册资本与投资总额比例的暂行规定) promulgated by the State Administration for Industry and Commerce on 17 February 1987 (in particular, if the total investment amount of a foreign-invested real estate development company is more than US\$10.0 million but less than US\$30.0 million, the amount of its registered capital shall not be less than 40.0% of the total investment, provided that the registered capital shall be no less than US\$5.0 million if the total investment is less than US\$12.5 million; if the total investment amount of a foreign-invested real estate development company is US\$30.0 million or more, the amount of its registered capital shall not be less than one-third of the total investment, provided that the registered capital shall be no less than US\$12.0 million if the total investment is less than US\$36.0 million); and 3) foreign investors shall pay off all the transfer price in a lump sum with their own funds if they acquire domestic real estate companies in the PRC.

According to the Notice on Further Strengthening and Regulating the Approval and Administration regarding Foreign Direct Investment in the Real Estate Industry (关于进一步加强、规范外商直接投资房地产业审批和监管的通知) jointly issued by MOFCOM and SAFE on 23 May 2007, local commerce authorities should reinforce the approval and supervision process over foreign-invested real estate enterprises, and strictly control foreign funds from investing in high-end real estate development projects. In order to incorporate a foreign invested real property company, the land use rights and/or building ownership should have been obtained in advance, or a pre-transfer and/or purchase contract has been entered into with the relevant land administrative authorities, land developers, or the owner of the building or other constructions. Otherwise the proposed incorporation of the foreign-invested real estate company will not be approved by the authorities.

According to the Notice of MOFCOM on Implementing Recording Work of Foreign Investment in Real Estate Sector (商务部关于做好外商投资房地产业备案工作的通知), effective from 1 July 2008 and the Circular of MOFCOM and SAFE on Improving the Recording Work of Foreign Investment in Real Estate Sector (商务部、外汇局关于改进外商投资房地产备案工作的通知) effective from 1 August 2014, the local competent commerce authorities shall, after approving the foreign investment in real estate in accordance with law, submit the electronic materials which were originally reported to provincial competent commerce authorities for

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SUMMARY OF RELEVANT PRC LAWS AND REGULATIONS

record to MOFCOM for checking. MOFCOM will conduct random checks on a weekly basis and will publicly announce on its website the foreign-invested real estate enterprises that have completed the recording and passed the random check as well as those that were not subject to the random check. According to the Circular of MOFCOM and SAFE on Further Improving Record Work Related to Foreign Investment in Real Estate Sector (商务部外汇局关于进一步改进外商投资房地产备案工作的通知) effective from 6 November 2015: 1) the filing procedure with MOFCOM has been further simplified and the requirement for public announcement by MOFCOM referred to above has been abolished by MOFCOM; and 2) the foreign-invested real estate company may carry out foreign exchange registration procedures directly without the filing record with MOFCOM upon the completion of (a) approval from the local counterparts of MOFCOM; and (b) input and submission of the real estate project's information by the local counterparts of MOFCOM through the online management system of MOFCOM.

On 22 November 2010, the Administrative Office of MOFCOM promulgated the Notice on Strengthening Administration of the Approval and Recording of Foreign Investment into Real Estate Industry (商务部办公厅关于加强外商投资房地产业审批备案管理的通知), whereby it is emphasised that speculative investments shall be restrained. Among other things, a foreign-invested real property company shall be prohibited from purchasing and selling real estate properties completed or under construction within the PRC for arbitrage purposes.

C. The Land System

In the case of the PRC, there are two kinds of land ownership, namely, state ownership and collective ownership. The urban lands are owned by the state, and the rural and suburban lands, unless stipulated by laws to be owned by the state, are owned by collectives.

PRC law distinguishes between the ownership of land and the right to use land. Under such a system, companies set up by local or foreign investors in the PRC can acquire the right to use the land owned by the state for their business purposes.

Lands in the PRC are also categorised by usage. A system of land usage control is implemented under PRC law. According to the Land Administration Law of the PRC (中华人民共和国土地管理法) (revised in 2004, effective from 28 August 2004 (the "Land Administration Law")), the state formulates overall planning of land utilisation, whereby lands are categorised as land for agricultural purpose, land for construction purpose (including but not limited to industrial, commercial, tourism, entertainment, commodity housing development) and unexploited land. Land users shall use lands in accordance with the approved usage.

According to the Property Law of the PRC (中华人民共和国物权法) (the "Property Law"), effective from 1 October 2007, users of granted state-owned land for construction purposes have the rights to, in accordance with the laws, occupy, use, benefit from and mortgage the land owned by the state and to use such land to construct buildings, structure and facilities and to dispose of the land use right.

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State-owned land for construction purpose can be further divided into two categories in terms of ways by which the land use right is obtained, that is, granted state-owned land for construction purpose and allocated state-owned land for construction purpose. Under the Provisional Regulations of the PRC Concerning the Grant and Assignment of the Right to Use State-owned Land in Urban Areas (中华人民共和国城镇国有土地使用权出让和转让暂行条例) (“Urban Land Regulations”), promulgated by the State of Council on 19 May 1990, the grant of state-owned land use rights refers to the grant of land use rights by the state to a land user for a definite period subject to the payment of land premium by the land user. Further details of the grant of land use rights are found in the paragraph titled “Grant of Land Use Rights” below.

As defined in the Provisional Rules on Administration of Allocated Land Use Right (划拨土地使用权管理暂行办法), effective from 8 March 1992, allocated land use rights refer to land use rights obtained by any way other than the grant of land use rights. Usually the holder of allocated land use right is free from payments of land premium. However, according to the Urban Real Estate Law, allocation of land use rights, subject to approval by the government, applies only when necessary and only to land used for the following purposes:

- (1) government offices and military sites;
- (2) urban infrastructure and public welfare;
- (3) power generation, transportation, water resources and other projects which are vigorously supported by the state; and
- (4) other purposes specified by laws and regulations.

In addition to acquisition of land use rights, either granted or allocated, directly from competent land authorities, entities may also acquire land use rights by means of transfer of land use rights by current land users who have obtained land use rights. For details please refer to the paragraphs titled “Transfer of Land Use Rights” and “Transfer of Property” below.

D. Grant of Land Use Rights

According to the Urban Real Estate Law, grant of land use rights shall be in line with overall planning of land utilisation, urban planning and annual plan on land for construction purposes. Land use rights may be granted by agreement, public auction, tender or bidding.

Grant by Public Auction, Tender or Bidding (招标投标挂牌出让)

According to the Regulations on the Grant of State-owned Land Use Rights through Competitive Bidding, Public Auction and Public Tender (招标投标挂牌出让国有建设用地使用权规定), which was passed by the Ministry of Land and Resources of the PRC on 3 April 2002 and revised on 28 September 2007 (effective from 1 November 2007), grants of land for business use (including industrial, commercial, tourism, entertainment and commodity housing development), or land with two or more prospective purchasers, shall be subject to competitive bidding, public auction or public tender.

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Under public auctions, the buyer that offers the highest price is the winner. Under public tenders, the person submitting the tender which best meets the comprehensive evaluation standard, or the tender that meets the material requirements of the tender and offering the highest price is the winner. In the case of competitive bidding, the buyer who offers the highest price will be the winner, and if there is more than one buyer offering the same price, the buyer first offering that price will be the winner. The winner will sign the land use right grant contract with the competent land authority.

Upon signing of the land use right grant contract for the grant of land use rights, the grantee is required to pay the land grant premium in accordance with the terms of the land use right grant contract. Once the land grant premium is paid in full, the grantee may apply for issuance of a land use right certificate from the land authority evidencing the grant of land use rights.

Grant by Bilateral Agreement (协议出让)

Pursuant to the Standards for Transfer of State-owned Land Use Right by Agreement (Trial) (协议出让国有土地使用权规范(试行)) promulgated by the Ministry of Land and Resources, which became effective on 1 August 2003, land use rights may be granted by way of a bilateral agreement between the relevant land authority and a grantee only if it is not required by laws, regulations or rules to be granted by means of competitive bidding, public auction or public tender. It is further provided that, if there is only one prospective land user for the plot of land to be granted (and which grant has been publicly announced), and such land is to be used for purposes other than industrial, commercial, tourism, entertainment and commodity housing development, the land authority may grant the land use rights through a bilateral agreement at a price not less than the minimum evaluated price approved by the competent government authority. Upon full payment of the land premium, the grantee may apply for registration with the local authority and obtain a land use right certificate evidencing the grant of land use rights.

E. Transfer of Land Use Rights

According to the Property Law, the Urban Land Regulations and the Provisions on the Administration of Urban Real Estate Transfer (城市房地产转让管理规定) ("Provisions of Real Estate Transfer") promulgated by the Ministry of Construction on 7 August 1995, as amended on 15 August 2001, a user of land for construction purposes has the right to transfer, exchange, contribute, donate or mortgage the land use rights, unless otherwise provided by PRC law. In the case of transfer of land use rights, all buildings and other fixtures on the land shall be transferred together.

The term of land use rights for the transferred land is the original term granted under the land use right grant contract less the term which has elapsed since the commencement of the original term granted to the original grantee.

A transfer of land use rights must be evidenced by a written contract. Upon such transfer, all rights and obligations of the transferor contained in the original contract for the grant of land use rights by the state shall be simultaneously transferred to the transferee. The transfer must be duly registered with the relevant local land authority and a new certificate of land use right will be issued and the original land use certificate of land use rights will be surrendered.

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Under the Urban Real Estate Law, transfer of land use rights acquired by way of grant shall be subject to the following pre-conditions:

- 1) the land grant premium must have been paid in full in accordance with the land use right grant contract and a certificate of land use rights must have been obtained; and
- 2) the investment in or development of such land must have been carried out in accordance with the land use right grant contract, evidenced by completion of 25.0% or more of total development amount (in the case of construction of buildings), or by satisfaction of other conditions (in the case of development of a large parcel of land),

provided further that, where real estate is transferred with completed buildings, a building ownership certificate shall be acquired.

F. Termination of Land Use Rights

Land use rights will terminate upon the expiration of the term of the grant specified in the relevant land use right grant contract. Land use rights may also terminate upon, *inter alia*, reclamation of the land use rights by the state or loss of land.

Under the Urban Land Regulations, the maximum term of the grant depends on the type of use of the land. Such term is generally as follows:

- (1) up to 70 years for residential use;
- (2) up to 50 years for industrial use;
- (3) up to 50 years for education, science, culture, public health or physical education uses;
- (4) up to 40 years for commercial, tourism and entertainment uses; and
- (5) up to 50 years for mixed or other uses.

Generally, the state shall not reclaim the granted land use rights prior to expiration of the term of land use under the land use right grant contract. In exceptional circumstances, and if it is in the public interest, the state has the right to reclaim the land use rights of land for construction purposes in accordance with law. In such a situation, the state will offer compensation to the land user for the buildings and other fixtures on the land and refund part of the land grant premium accordingly pursuant to the Property Law and Regulations for the Expropriation of and Compensation for Housing on State-owned Land (国有土地上房屋徵收与补偿条例), promulgated by the State Council on 21 January 2011.

According to the Property Law, upon expiry of the land use term: 1) where the land is for residential use, the term shall be automatically renewed; and 2) where the land is for non-residential use, the term shall be handled in accordance with applicable law and the ownership of buildings and other properties on such land shall be determined according to the contractual agreement with the state; if there is no contractual agreement or it is not expressly agreed upon, PRC law (including administrative laws) shall apply.

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According to the Urban Real Estate Law, upon expiry of the term of grant under the land use right grant contract, the user of non-residential land may apply for a renewal of the land use term by submitting an application at least twelve months in advance. Such application will be approved unless the land needs to be taken back by the state in the interest of the public. If the application is approved, the land user is required to enter into a new land use right grant contract, pay a land use right grant premium and effect the necessary registration of the renewed land use rights. If no application is made, or such application is not granted, the land use rights shall revert to the state and the buildings and fixtures on the land shall be handled in accordance with the agreements set forth in the land use right grant contract.

G. Commencement Permit for Construction Work

With respect to the construction of a building (including the internal decoration, equipment of pipes lines, and finishing activities), the real estate developer is required to apply for a permit for commencement of construction works from the relevant construction authority in accordance with the Regulations on Administration Regarding Permission for Commencement of Construction Works (《建筑工程施工许可管理办法》) promulgated by the Ministry of Housing and Urban-Rural Construction of the PRC on 25 June 2014 and which became effective on 25 October 2014.

H. Administration of Construction Project Quality

According to the Regulations on the Administration of Construction Project Quality (《建设工程质量管理条例》) promulgated by the State Council on 30 January 2000, the real estate developer together with the surveying, designing, construction and engineering supervision entities shall make sure that the design, survey, building and construction shall be in compliance with the quality requirements of construction projects according to law. The real estate developer shall, within fifteen days from the date on which the construction project passes the inspection for acceptance, submit the report of inspection for acceptance of the construction project and the recognised or approved documents issued by such departments relating to planning, public security firefighting and environment protection, to the competent administrative department for construction or other relevant departments for their record.

I. Environmental Protection

The laws and regulations governing the environmental requirements for real estate development in the PRC include the Environmental Protection Law of the PRC (《中华人民共和国环境保护法》) (revised on 24 April 2014 and effective from 1 January 2015), the Prevention and Control of Noise Pollution Law of the PRC (《中华人民共和国环境噪声污染防治法》) (effective from 1 March 1997), the Environmental Impact Assessment Law of the PRC (《中华人民共和国环境影响评价法》) (revised on 2 July 2016 and effective from 1 September 2016), the Administrative Regulations on Environmental Protection for Development Projects (《建设项目环境保护管理条例》) (revised on 16 July 2017 and effective from 1 October 2017), the Administrative Regulations on Environmental Protection for Acceptance Examination Upon Completion of Buildings (《建设项目竣工环境保护验收管理办法》) (revised and effective from 22 December 2010) and the Reply of the Former State Environment Protection Bureau on the Environment Protection Administration Issues of Real Estate Development Projects (《国家环境保护总局关于房地产开发项目环境管理问题的复函》) (effective from 1 July 1999). Pursuant to these laws and regulations, depending on the impact of the project on the environment, an environmental impact study report, an environmental impact analysis table or an environmental impact registration form may be required to be submitted by a developer before the relevant authorities will grant approval for the commencement of construction of the property development. In addition, upon completion of the property development, the

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relevant environmental authorities will also conduct a preliminary inspection at the property to ensure compliance with the applicable environmental standards and regulations before the possession of property can be delivered to the purchasers.

J. Documentation of Title

According to the Property Law, the creation, change, transfer or extinguishment of real property rights shall come into effect upon and at the time of registration and shall not have effect without registration unless otherwise provided by law. Nevertheless, the contracts between the parties regarding creation, change, transfer or extinguishment of real property rights shall come into effect upon offer and acceptance, and the effectiveness of the said contracts is not subject to registration of real property rights.

Pursuant to the Interim Regulations on Real Estate Registration (不动产登记暂行条例) promulgated by the State Council effective from 1 March 2015, a unified real estate registration system will be adopted and the local governments at and above the county level shall each designate a department as the real estate registration authority within their respective administrative regions which shall be responsible for the work of real estate registration. The state shall implement a system for legitimate enquiry of real estate registration materials. Rights holders and interested parties may inquire about and obtain copies of materials on real estate registration in accordance with the law and in such cases, the real estate registration authorities are required to provide such materials. Pursuant to the Implementation Regulations for the Provisional Regulations on Real Estate Registration (不动产登记暂行条例实施细则) promulgated by the Ministry of Land and Resources effective from 1 January 2016, the rights to be registered include registration of collective land ownership, registration of state-owned development land use rights and building ownership, registration of homestead use rights and building ownership, registration of collective development land use rights and ownership of buildings and structures, registration of land contracted management rights, registration of territorial waters use rights, registration of easements and registration of mortgage rights.

Pursuant to the Property Law, the registers kept by the registration authorities shall be the basis of the real property rights and the certificates issued to the owners or rights holders are evidentiary documents of the real property rights. In the event of any discrepancy between the information on the register and a certificate, the information on the register shall prevail unless it has been proven by evidence that there was an error in the register.

K. Transfer of Property

Pursuant to the Provisions on Real Estate Transfer promulgated by the Ministry of Construction on 7 August 1995, as amended on 15 August 2001, a real property owner may transfer, exchange, contribute, donate or mortgage the real property owned by it. Where a building is transferred, the ownership of the building and underlying land use rights shall be transferred simultaneously. Transfer of ownership of the building shall also be subject to the pre-conditions as set forth in the paragraph titled “Transfer of Land Use Rights” above. The real property may not be transferred in, *inter alia*, the following situations:

- 1) real property for which the underlying land use rights was acquired by way of grant but the pre-conditions for transfer of the granted land use rights are not met;
- 2) real property which was seized or the rights to which were restricted in any way by a ruling or decision of judicial or administrative authorities in accordance with the law;

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SUMMARY OF RELEVANT PRC LAWS AND REGULATIONS

- 3) the land use rights have been recalled in accordance with law;
- 4) jointly owned real property, if the other joint owners have not given their consent;
- 5) the title to the real property is subject to dispute; and
- 6) real property which has not been registered and a title certificate of which has not been obtained.

L. Mortgage of Property

The grant of mortgages in the PRC is governed by the Property Law, the Security Law (担保法) (effective from 1 October 1995) and the Administrative Measures on Mortgage of Urban Real Estate (城市房地产抵押管理办法) issued by the Ministry of Construction in 1997 and revised and effective as of 15 August 2001. Under these laws, all mortgage agreements must be in writing.

The validity of a mortgage depends on the validity of the mortgage contract, the validity of the secured principle contract unless otherwise stipulated in the mortgage contract, and registration of the mortgage with the relevant authorities. Where ownership rights to a lawfully acquired building are mortgaged, the land use rights underlying such building shall be deemed to have been mortgaged together with the building simultaneously.

M. Measures on Stabilising Housing Price

The General Office of the State Council promulgated the Circular on Stabilising Real Estate Price (国务院办公厅关于切实稳定住房价格的通知) on 26 March 2005, requiring measures to be taken to restrain the housing price from increasing too quickly and to promote the healthy development of the real estate market. The Opinions on Work of Stabilising Housing (关于做好稳定住房价格工作的意见) jointly issued by the Ministry of Construction, NDRC, the Ministry of Finance, the Ministry of Land and Resources, PBOC, the State Administration of Taxation and the China Banking Regulatory Commission on 30 April 2005 provides that:

- 1) where the price of housing is increasing too quickly, and the supply of medium or low priced ordinary commodity houses and affordable houses is insufficient, the housing construction should mainly involve projects of medium or low priced ordinary commodity houses and affordable houses. The construction of low-density, high quality houses shall be strictly controlled. With respect to construction projects of medium or low priced ordinary commodity houses, before making available the supply of land, the municipal planning authority shall, according to detailed planning, set forth conditions for planning and design such as height, plot ratio and green space, while the real estate authority, together with other relevant authorities, shall set forth controlling requirements such as sale price, type and area. Such conditions and requirements will be set up as pre-conditions of land grants to ensure the supply of medium or low priced houses and houses with medium or small area. The local government must also strengthen the supervision of planning permits for real estate development projects. Housing projects that have not commenced within two years must be examined again, and those projects that are not in compliance with the planning permits will be revoked.

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- 2) where the price of land for residential use is increasing too quickly, the proportion of land for residential use to the total land supply should be appropriately raised, and the land supply for the construction of medium or low priced ordinary commodity houses and affordable houses should be increased. Land supply for villa construction shall continue to be suspended, and land supply for high-end housing property construction shall be strictly restricted.

The General Office of the State Council promulgated the Circular on Adjusting Real Estate Supply Structure and Stabilising Real Estate Price (关于调整住房供应结构稳定住房价格的意见) on 24 May 2006. The regulation stipulates that from 1 June 2006:

- 1) the ratio of houses with a built-up area of not more than 90 sq m should be at least 70.0% of the total construction area for the newly approved or developed commodity residential houses. If there are special situations existing that may require an adjustment to this ratio, the affected municipality directly under the central government, city directly under state planning or provincial capital should apply to the Ministry of Construction for approving such adjustment. For the projects which have already obtained approval from the authorities but have yet to receive the permit for erection of construction projects, if the ratio of the house with a built-up area of no more than 90 sq m has not reached the above-mentioned ratio, the developer should adjust the ratio to satisfy the new requirements.
- 2) if the purchaser transfers the residential house within five years from the date of purchase, business tax will be levied on the basis of the entire sale price of the residential house. No business tax will be levied on the sale of ordinary residential houses on or after five years from the date of purchase. Business tax will be levied on the difference between the original purchase price and the sale price for the sale of non-ordinary residential houses on or after five years from the date of purchase.
- 3) a purchaser who wishes to obtain a housing mortgage loan must make an initial cash payment of not less than 30.0% of the total purchase price of the house. However, if the purchaser who purchases a house with a built-up area of not more than 90 sq m for his or her own residence will only need to make an initial cash payment of not less than 20.0% of the total purchase price of the house.

On 30 March 2015, the Ministry of Finance of the PRC and the State Administration of Taxation jointly issued the Notice on Adjusting the Business Tax Policies Concerning Personal Transfer of Individual Housing (关于调整个人住房转让营业税政策的通知), according to which, business tax shall be levied on the entire sale price of any non-ordinary residential house sold within two years of its purchase, or on the difference between the sale price and purchase price for non-ordinary residential houses sold on or after two years from the date of purchase.

Business tax shall also be levied on the sale of ordinary residential houses within two years from the date of purchase, but not for sales of ordinary residential houses on or after two years from the initial date of purchase.

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SUMMARY OF RELEVANT PRC LAWS AND REGULATIONS

According to the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (关于全面推开营业税改征增值税试点的通知), jointly issued by the Ministry of Finance of and the State Administration of Taxation on 23 March 2016, effective from 1 May 2016, entities and individuals engaged in the sales of services, intangible assets or real property within the territory of the PRC shall pay value-added tax ("VAT"), rather than business tax. VAT shall be levied on the entire sale price at a rate of 5.0% for any ordinary or non-ordinary residential house sold within two years of its purchase.

Sales of any ordinary or non-ordinary residential house on or after two years from the initial date of purchase are generally exempted from VAT. However, in the cities of Beijing, Shanghai, Guangzhou and Shenzhen, VAT shall be levied on the difference between the sale price and purchase price (provided that the sale price is greater than the purchase price) for non-ordinary residential houses sold on or after two years from the date of purchase.

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APPENDIX G TAXATION

Singapore Taxation

The following is a discussion of certain tax matters arising under the current tax laws in Singapore on the tax consequences in relation to the purchase, ownership and disposal of the Shares. The discussion is based on current tax laws in Singapore and is not intended to be and does not constitute legal or tax advice.

While this discussion is considered to be a correct interpretation of existing laws in force as at the date of this Offer Document, no assurance can be given that the courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation, or that changes in such law, which may be retrospective, will not occur. The discussion is limited to a general description of certain tax consequences in Singapore with respect to ownership of the Shares by Shareholders, and does not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a Shareholder's decision with regard to the Invitation.

Shareholders should consult their own tax advisors regarding Singapore income tax and other consequences of owning and disposing of the Shares. It is emphasised that neither we, the Directors, nor any other persons involved in this Invitation accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of our Shares.

Singapore Income Tax

Corporate income tax

Singapore imposes tax on a modified territorial basis i.e. income is subject to tax only when it is accrued in or derived from Singapore (i.e. Singapore-sourced) or when it is received in Singapore from outside Singapore (i.e. foreign-sourced income received or deemed received in Singapore). This applies to both resident and non-resident companies.

A Singapore tax resident corporate taxpayer is subject to Singapore income tax on foreign-sourced income received or deemed received in Singapore, unless otherwise exempted. Foreign-sourced income in the form of branch profits, dividends or service fee income ("specified foreign income") received or deemed received in Singapore by a Singapore tax resident company are exempted from Singapore tax provided certain qualifying conditions are met.

A company is regarded as a tax resident in Singapore if the control and management of the company's business is exercised in Singapore. In general, control and management of the company is vested in its board of directors and the place of residence of the company is generally where its board of directors meets to make strategic decisions and discuss important matters concerning the company.

The prevailing corporate income tax rate in Singapore is 17.0% with the first S\$300,000 of chargeable income of a company being partially exempt from tax as follows:

75.0% of the first S\$10,000 of chargeable income; and

50.0% of the next S\$290,000 of chargeable income.

APPENDIX G TAXATION

Qualifying new companies under the tax exemption scheme for new start-up companies are given full exemption on the first S\$100,000 chargeable income and a further 50.0% exemption on the next S\$200,000 of chargeable income for the first three consecutive Years of Assessment ("YA"). The tax exemption scheme for new start-up companies is available to all companies except for companies whose principal activity is that of investment holding, or companies whose principal business activities is that of developing properties for sale or investment or both.

Individual income tax

An individual taxpayer (both resident and non-resident) is subject to Singapore income tax on income accrued in or derived from Singapore, subject to certain exceptions. Foreign-sourced income received or deemed received by a Singapore tax resident individual is generally exempt from income tax in Singapore except for such income received through a partnership in Singapore. Certain Singapore-sourced investment income received or deemed received by individuals is also exempt from tax.

Currently, a Singapore tax resident individual is subject to tax at progressive rates, ranging from 0% to 20.0%, after deductions of qualifying personal reliefs where applicable, up to YA 2016. With effect from YA 2017, the highest individual income tax rate may be 22.0%.

A non-Singapore tax resident individual is generally taxed at the tax rate of 20.0% (22.0%) with effect from YA 2017) except that Singapore employment income is taxed at a flat rate of 15.0% or at the progressive resident rates, whichever yields a higher tax.

An individual is regarded as a tax resident in Singapore if, in the calendar year preceding the year of assessment, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for one hundred and eighty-three days or more, or if he ordinarily resides in Singapore.

Dividend Distributions

Under the one-tier corporate tax system, the tax paid by a resident company is a final tax and the distributable profits of the company can be paid to shareholders as tax exempt (one-tier) dividends, regardless of the tax residence status or the legal form of the shareholders. However, foreign shareholders receiving tax exempt (one-tier) dividends are advised to consult their own tax advisors to take into account the tax laws of their respective countries of residence and the existence of any double taxation agreement which their country of residence may have with Singapore.

Capital Gains Tax

Singapore currently does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains. In general, gains or profits derived from the disposal of our Shares acquired for long-term investment purposes are considered as capital gains and are not subject to Singapore tax.

On the other hand, where such gains or profits arise from activities which the Comptroller of Income Tax regards as the carrying on of a trade or business of dealing in shares in Singapore, gains or profits will be taxed as income.

APPENDIX G TAXATION

Gains derived by a resident company from the disposal of ordinary shares, made during the period 1 June 2012 to 31 May 2022 (both dates inclusive), are not taxable if, immediately prior to the date of the disposal, the divesting company had legally and beneficially owned at least 20.0% of the ordinary share capital of the company for a continuous period of at least twenty-four months ending on the date immediately prior to the date of disposal of such shares.

Bonus Shares

Any bonus shares received by our Shareholders are not taxable.

Stamp Duty

There is no stamp duty payable on the subscription and allotment of our Shares.

Stamp duty is payable on the instrument of transfer of our Shares at 0.2% of the consideration paid or market value of our Shares registered in Singapore, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require instruments of transfer to be executed) or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

Goods and Services Tax

The sale of our Shares by a GST-registered investor belonging in Singapore to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST (for example, GST on brokerage) incurred by the GST-registered investor in connection with the making of this exempt supply is generally not recoverable and will become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or satisfies certain GST concessions.

Where our Shares are sold by a GST-registered investor in the course or furtherance of a business carried on by such an investor to a person belonging outside Singapore (and who is outside Singapore at the time of supply), the sale is a taxable supply subject to GST at zero rate (i.e. 0%). Any input GST (for example, GST on brokerage) incurred by the GST-registered investor in making this zero-rated supply for the purpose of his business will, subject to the provisions of the GST legislation, be recoverable from the Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of our Shares.

Services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase or sale of our Shares will be subject to GST at the prevailing standard rate (currently 7.0%). Similar services rendered contractually to an investor belonging outside Singapore should, subject to certain conditions, qualify for zero-rating (i.e. subject to GST at zero rate).

Estate Duty

Singapore estate duty has been abolished with effect from 15 February 2008.

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APPENDIX H

SUMMARY VALUATION CERTIFICATES



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Valuation Certificate

Our Reference

2017/138

Valuation Prepared For

LBD Holding Pte Ltd

Instruction

In accordance with our terms of engagement dated 24 November 2017, we provide our valuation of the unexpired leasehold interest in the Property, for proposed listing purposes.

An inspection of the property was made on 20 January 2018. Investigations have been conducted independently and without influence from any third parties. The information used for this report has been obtained from your good selves, the public domain, and our internal database, and has been reasonably verified.

Property Address

Balance Unsold Units (Total 85 Units) including a Heavy Vehicle Park at Level 5 at 1 Tampines North Drive 1
T-SPACE
Singapore 528559



Valuer

The valuation has been prepared by Rachel Lim and Kelvin Ng. They have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the Property.

Valuation Standards

This valuation has been carried out in accordance with the Valuation Standards and Guidelines of the Singapore Institute of Surveyors and Valuers.

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SUMMARY VALUATION CERTIFICATES



Valuation Basis	To provide Market Values of the Property based on Gross Development Value and As-Is Value for the balance unsold units. Market Value is defined as "the estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".
Legal Description	Lot 2964N (development site)
Tenure	Leasehold 30 years 1 day with effect from 20 March 2015
Registered Proprietor(s)	Goldprime Land Pte Ltd
Brief Description	T-SPACE is located at the south-eastern junction of Tampines North Drive 1 and Tampines North Drive 2, off Tampines Avenue 10 and Tampines Link, and some 16 km from the City Centre. Accessibility to other parts of the island is enhanced by its proximity to the Tampines MRT Station/ Bus Interchange, Tampines Expressway and Kallang-Paya Lebar Expressway. T-SPACE, upon completion will comprise a 9-storey ramp-up multi-user general industrial development comprising 110 factory units with mezzanine, 139 factory units, 1 temporary industrial canteen, 1 level of heavy vehicle park at level 5 and other ancillary facilities.
Land Area	27,395.2 sm or thererabouts
Strata Floor Area of 85 Units	39,393 sm including 14,337 sm of Heavy Vehicle Park, 6,871 sm of void, 737 sm of A/C ledge and 35 sm of Lift Pit as provided by your goodselves and subject to final survey
Year of Completion	We understand that Temporary Occupation Permit is expected to be issued by 31 August 2018.
Master Plan Zoning (2014 Edition)	"Business 2" with gross plot ratio of 2.5
Valuation Approach	Comparison Method and Income Capitalisation Approach
Caveats & Assumptions	This report is subject to and includes our Standard Caveats and Assumptions as set out at Appendix I.

2 Balance Unsold Units (Total 85 Units) Including A Heavy Vehicle Park at Level 5 at 1 Tampines North Drive 1
T-SPACE
Singapore 528559
Our Ref : 2017/138

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Date of Inspection	20 January 2018	
Date of Valuation	31 January 2018	
Market Value for 85 Unsold Units	<u>Gross Development Value*</u> S\$77,300,000/-	<u>As-Is Basis</u> S\$64,000,000/-
Estimated Development Profit for the Whole Project	S\$31,190,000/-	

**(Subject To Satisfactory Completion And Issuance Of Temporary Permit And Certificate Of Statutory Completion)*

For and on behalf of
Colliers International Consultancy & Valuation (Singapore) Pte Ltd

Kelvin Ng
B.Sc.(Estate Management), MSISV
Licensed Appraiser No. AD41-2006050A
Senior Director
Valuation and Advisory Services | Singapore

RL/KN/ct

3 Balance Unsold Units (Total 85 Units) Including A Heavy Vehicle Park at Level 5 at 1 Tampines North Drive 1
T-SPACE
Singapore 528559
Our Ref : 2017/138

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Valuation certificate

Property	: 160 Changi Road #B1-01/02/03/05/06, #01-01/02/03/05/06/07/08/09/10, #02-01/02/04/05/07/10/11/12 and #04-01/05 "Hexacube" (Total 24 unsold units) Singapore 419728
Client	: LBD Holding Pte. Ltd.
Purpose	: For the proposed listing on the Singapore Exchange Securities Trading Limited
Legal description	: Strata Lot Nos. : U29645M, U29646W, U29647V, U29649T, U29650V, U29655N, U29656X, U29657L, U29659M, U29660L, U29661C, U29662M, U29663W, U29664V, U29667A, U29668K, U29670A, U29671K, U29673X, U29676M, U29677W, U29678V, U29693M and U29697T Mukim : 26
Tenure	: Estate in Fee Simple (Grant No. 2)
Basis of valuation	: Market Value on an "As-is" basis subject to existing tenancies and occupational arrangements
Registered owner	: Wealth Development Pte. Ltd.
Master plan 2014	: "Commercial" with a gross plot ratio of 3.0
Brief description	: "Hexacube" is a 5-storey commercial development comprising 32 shops at basement 1, 1st and 2nd storeys, 4 food & beverage units on the 1st storey and 37 offices from the 3rd to 5th storeys, with attic and a basement car park. We understand that the Temporary Occupation Permit was issued in March 2017. The Property comprises 18 shop units at basement 1, 1st and 2nd storeys, 4 food & beverage units on the 1st storey and 2 office units on the 4th storey.
Strata floor area (Total)	: 1,404.0 sm approximately, including total accessory lot area of 95.0 sm
Valuation approach	: Comparable Sales Method
Valuation date	: 31 January 2018
Market Value	: S\$47,750,000/- (Singapore Dollars Forty-Seven Million Seven Hundred And Fifty Thousand Only) This valuation is exclusive of GST.
Assumptions, disclaimers, limitations & qualifications	: <i>This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the certificate. Reliance on this certificate and extension of our liability is <u>conditional</u> upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.</i>
Prepared by	: Knight Frank Pte Ltd  Low Kin Hon B.Sc.(Estate Management) Hons.,FSISV Deputy Group Managing Director Head, Valuations Appraiser's Licence No. AD 041-20037521 For and on behalf of Knight Frank Pte Ltd

Date of issue: 14 February 2018

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KF Property Network Pte Ltd 491B River Valley Road #07-02 Valley Point Singapore 248373



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General Terms of Business for Valuations

These General Terms of Business and our Terms of Engagement letter together form the agreement between us ("Agreement"). The following General Terms of Business apply to all valuations and appraisals undertaken by Knight Frank Pte Ltd unless specifically agreed otherwise in the Terms of Engagement letter and so stated within the main body of the valuation report.

1. Knight Frank Pte Ltd ("the company")

Knight Frank Pte Ltd is a privately owned company with registration number 198205243Z. Any work done by an individual is in the capacity as an employee of the Company.

2. Limitations on Liability

The Valuer's responsibility in connection with this valuation report and/or certificate is limited to the party to whom the valuation report and/or certificate is addressed for the stated purpose. The Valuer disclaims all responsibility and will accept no liability to any third party for the whole or any part of its contents saved on the basis of written and agreed instructions; this will incur an additional fee.

Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to the lower of S\$1 million or 3 times Knight Frank Pte Ltd's fee under the instruction.

We do not accept liability for any indirect or consequential loss (such as loss of profits).

3. Disclosure and Publication

If our opinion of value is disclosed to persons other than the addressees of our valuation report and/or certificate, the basis of valuation should be stated. Reproduction of this valuation report and/or certificate in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any websites) without the Valuer's prior written approval of the form and context in which may appear is prohibited.

4. Valuation Standards

All valuations and appraisals works are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Guidelines and International Valuation Standards (IVS), and all codes, standards and requirements of professionalism have been met.

5. Valuation Basis

Valuations and appraisals are carried out on a basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions outlined in the valuation report and/or certificate. The basis of valuation will be agreed with you for the instruction.

The opinion expressed in this valuation report and/or certificate is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.

6. Titles and Burdens

We do not read documents of title although, where provided, we consider and take account of matters referred to in solicitor's reports or certificates of title. We would normally assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoing, planning proposals, onerous restrictions or regulatory intentions which affect the property, nor any material litigation pending.

All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.

The Valuer does not warrant to the party to whom the valuation report and/or certificate is addressed and any other person the title or the rights of any person with regard to the property

7. Sources of Information

We rely upon the information provided to us, by the sources listed, as to details of tenure and tenancies (subject to "leases" below), planning consents and other relevant matters, as summarised in our valuation report and/or certificate. We do not check with the relevant government departments or other appropriate authorities on the legality of the structures, approved gross floor area or other information provided to us. We assume that this information is complete and correct and the Valuer shall not be held responsible or liable if this should prove not to be so.

Unless otherwise stated, all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this valuation report and/or certificate that information has been supplied to the Valuer by another party, this information is believed to be reliable and the Valuer shall not be held responsible or liable if this should prove not to be so.

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8. Boundaries

Plans accompanying valuation report are for identification purposes and should not be relied upon to define boundaries, title or easements. The extent of the site is outlined in accordance with information given to us and/or our understanding of the boundaries.

9. Planning and Other Statutory Regulations

Enquiries of the relevant planning authorities in respect of matters affecting the property, where considered appropriate, are normally only obtained verbally and this information is given to us, and accepted by us, on the basis that it should not be relied upon. Where reassurance is required on planning matters, we recommend that formal written enquiries should be undertaken by the client's solicitors who should also confirm the position with regard to any legal matters referred to in our report. We assume that properties have been constructed, or are being constructed, and are occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

10. Property Insurance

Our valuation assumes that the property would, in all respects, be insurable against all usual risks at normal, commercially acceptable premiums.

11. Building Areas and Age

Where so instructed, areas provided from a quoted source will be relied upon. Where the age of the building is estimated, this is for guidance only.

12. Structural Condition

Building structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations, except where separately instructed to do so, we are unable to report that the property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report referred to us or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defect.

13. Ground Conditions

We assume there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

14. Environmental Issues

Investigations into environmental matters would usually be commissioned of suitably qualified environmental specialists by most responsible purchasers of higher value properties or where there was any reason to suspect contamination or a potential future liability. Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Anyone averse to risk is strongly recommended to have a property environmental investigation undertaken and, besides, a favourable report may be of assistance to any future sale of the property. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

We are not, however, environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation will be on the assumption that the property is unaffected.

15. Leases

The client should confirm to us in writing if they require us to read leases. Where we do read leases reliance must not be placed on our interpretation of these documents without reference to solicitors, particularly where purchase or lending against the security of a property is involved.

16. Covenant

We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. We do not, however, carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

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SUMMARY VALUATION CERTIFICATES



17. Loan Security

Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

18. Build Cost Information

Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by you. In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our advice.

19. Reinstatement Assessments

A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If advice is required as a check against the adequacy of existing cover this should be specified as part of the initial instruction. Any indication given is provided only for guidance and must not be relied upon as the basis for insurance cover. Our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be considered.

20. Attendance in Court

The Valuer is not obliged to give testimony or to appear in Court with regard to this valuation report and/or certificate, with reference to the property unless specific arrangement has been made therefor.

APPENDIX H

SUMMARY VALUATION CERTIFICATES



Our Ref: 2017/2349 (A to D & F)/CORP

14 February 2018

LBD Holding Pte Ltd
29 Harrison Road
Singapore 369648

Dear Sirs

Savills Valuation And
Professional Services (S) Pte Ltd
Reg No : 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

T : (65) 6836 6888
F : (65) 6536 8611

Savills.com

VALUATION OF SINGAPORE PROPERTIES AT:

- (A) BLOCKS 344 TO 350 HOUGANG AVENUE 7
 - (B) BLOCKS 128 TO 134 SERANGOON NORTH AVENUE 1
 - (C) 50 LORONG 21 GEYLANG
 - (D) 20 MACTAGGART ROAD
 - (E) 31/A TO 39/A (ODD NOS.) AND 41 TO 51 (ODD NOS.) LORONG 24 GEYLANG
- SINGAPORE**

We refer to your instructions to carry out valuation of the abovementioned properties to provide the market values as at 31 January 2018 for the purpose of initial public offering.

As per your request, we have prepared this separate letter to address the estimate of developer's profit for the abovementioned properties based on the actual contract sums of construction for Properties (A) & (B) and our estimates on the construction costs as per the proposed schemes by Client for Properties (C), (D) & (E) made available to us as at 31 January 2018 as follows:-

Address of Property	Type of Property	Construction Contract Sum Provided By Client (Unless Otherwise Mentioned)	Estimated Developer's Profit
Blocks 344 to 350 Hougang Avenue 7	Leasehold residential redevelopment site assuming grant of planning approval for a condominium development with a proposed gross floor area of 113,378 sm	\$266,270,000 (excluding professional fees, GST, finance cost and road widening work as required by the Land Transport Authority based on the Client's traffic impact assessment report)	\$195,600,000
Blocks 128 to 134 Serangoon North Avenue 1	Leasehold residential redevelopment site assuming grant of planning approval for a condominium development with a proposed gross floor area of 84,958 sm	\$199,525,000 (excluding professional fees, GST, finance cost and road widening work as required by the Land Transport Authority based on the Client's traffic impact assessment report)	\$160,900,000

APPENDIX H

SUMMARY VALUATION CERTIFICATES



Address of Property	Type of Property	Construction Contract Sum Provided By Client (Unless Otherwise Mentioned)	Estimated Developer's Profit
50 Lorong 21 Geylang	Freehold industrial redevelopment site assuming grant of planning approval for a multi-user light industrial development with a proposed gross floor area of 2,093 sm	\$3,378,000 based on Savills' estimate (excluding professional fees, GST and finance cost)	\$4,360,000
20 Mactaggart Road	Freehold industrial redevelopment site with the benefit of grant of Provisional Permission for a multi-user light industrial development designated for food production with a proposed gross floor area of 5,279 sm	\$8,807,000 based on Savills' estimate (excluding professional fees, GST and finance cost)	\$14,240,000
31/A to 39/A (Odd Nos.) and 41 to 51 (Odd Nos.) Lorong 24 Geylang	Freehold residential redevelopment site with the benefit of grant of Written Permission for an apartment development with a proposed gross floor area of 7,493 sm	\$22,584,000 based on Savills' estimate (excluding professional fees, GST and finance cost)	\$10,380,000

The above estimates are good as at the material date of valuation. In the event that these contract sums/construction costs differ from the actual costs, the above estimated developer's profits will have to be adjusted accordingly. Please be advised that the above estimates are to be read in conjunction with the valuation certificates and not to be relied upon in isolation.

Yours faithfully,

Savills Valuation And Professional Services (S) Pte Ltd


Cynthia Ng
Managing Director

APPENDIX H

SUMMARY VALUATION CERTIFICATES



Our Ref: 2017/2349 (A to F)/CORP

14 February 2018

LBD Holding Pte Ltd
29 Harrison Road
Singapore 369648

Savills Valuation And
Professional Services (S) Pte Ltd
Reg No : 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

T : (65) 6836 6888
F : (65) 6536 8611

Savills.com

Dear Sirs

VALUATION OF SINGAPORE PROPERTIES AT:

- (1) BLOCKS 344 TO 350 HOUGANG AVENUE 7
- (2) BLOCKS 128 TO 134 SERANGOON NORTH AVENUE 1
- (3) 50 LORONG 21 GEYLANG
- (4) 20 MACTAGGART ROAD
- (5) 26 COMMERCIAL UNITS AT 7 ANG MO KIO STREET 66, FLORAVISTA
- (6) 31/A TO 39/A (ODD NOS.) AND 41 TO 51 (ODD NOS.) LORONG 24 GEYLANG SINGAPORE

We refer to your instructions to carry out valuation of the abovementioned properties to provide the market values as at 31 January 2018 for the purpose of initial public offering.

Our valuation is conducted according to the Singapore Institute of Surveyors and Valuers guidelines which supports the definition of market value as follows:

"Market Value is the estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The valuation methods that we have adopted are Direct Comparison Method for all properties and Residual Method for redevelopment sites.

Savills Valuation and Professional Services (S) Pte Ltd ("Savills") have relied upon the property data supplied by LBD Holding Pte Ltd which we assume to be true and accurate. Savills takes no responsibility for inaccurate data supplied by the client and subsequent conclusions related to such data.

APPENDIX H

SUMMARY VALUATION CERTIFICATES



The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions as set out in the valuation reports for the properties as at 31 January 2018 and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the properties and are not a related corporation of nor do we have a relationship with LBD Holding Pte Ltd, the advisers or other party/ parties with whom LBD Holding Pte Ltd is contracting. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that our valuers undertaking this valuation are authorized to practice as valuers and have the necessary expertise and experience in valuing similar types of properties.

Following our site inspections, title searches and having made other relevant inquiries and investigations as we consider necessary to provide you with our assessment of their values, we have prepared a summary of our valuations for your easy reference together with the respective Valuation Certificates for the properties.

The table for the summary of values are appended as follows:

Address of Property	Type of Property	Market Value as at 31 January 2018	
		As Redevelopment Site Assuming Grant of Planning Approval and all development charge/differential/ lease renewal premiums fully paid	Gross Development Value Subject To Satisfactory Completion and Issuance of Temporary Occupation Permit and Certificate of Statutory Completion
Blocks 344 to 350 Hougang Avenue 7	Leasehold residential redevelopment site assuming grant of planning approval for a condominium development with proposed gross floor area and saleable floor area of 113,378 sm and 104,868 sm respectively	\$885,000,000	\$1,521,000,000
Blocks 128 to 134 Serangoon North Avenue 1	Leasehold residential redevelopment site assuming grant of planning approval for a condominium development with proposed gross floor area and saleable floor area of 84,958 sm and 80,027 sm respectively	\$766,000,000	\$1,271,000,000
50 Lorong 21 Geylang	Freehold industrial redevelopment site assuming grant of planning approval for a multi-user light industrial development with proposed gross floor area and saleable floor area of 2,093 sm and 2,204 sm respectively	\$12,100,000	\$21,800,000

APPENDIX H

SUMMARY VALUATION CERTIFICATES



Address of Property	Type of Property	Market Value as at 31 January 2018	
		As Redevelopment Site Assuming Grant of Planning Approval and all development charge/differential/ lease renewal premiums fully paid	Gross Development Value Subject To Satisfactory Completion and Issuance of Temporary Occupation Permit and Certificate of Statutory Completion
20 Mactaggart Road	Freehold industrial redevelopment site with the benefit of grant of Provisional Permission for a multi-user light industrial development designated for food production with proposed gross floor area and saleable floor area of 5,279 sm and 6,480 sm respectively	\$40,300,000	\$71,200,000
31/A to 39/A (Odd Nos.) and 41 to 51 (Odd Nos.) Lorong 24 Geylang	Freehold residential redevelopment site with the benefit of grant of Written Permission for an apartment development with proposed gross floor area and saleable floor area of 7,493 sm and 6,519 sm respectively	\$60,000,000	\$103,800,000
7 Ang Mo Kio Street 66 #01-01 to 10, #01-12, #01-14 & #01-15 to 28 Floravista	26 commercial units comprising 12 shops and 14 restaurants within a 4-storey commercial-cum-residential development with attic (total strata area: 1,400 sm)	\$52,762,000	

Yours faithfully

Savills Valuation And Professional Services (S) Pte Ltd

Cynthia Ng
Managing Director

encl. Valuation Certificates

APPENDIX H

SUMMARY VALUATION CERTIFICATES



Valuation Certificate

Address of Property	Blocks 344 to 350 Hougang Avenue 7 Singapore 530344 to 550350
Client	LBD Holding Pte Ltd
Purpose of Valuation	Initial Public Offering
Legal Description	Lot 9693T Mukim 22
Tenure	Leasehold 104 years, 3 months and 1 day commencing from 1 February 1986 (balance term of about 72.2 years) For the purpose of this valuation, we are instructed to assume that the existing land lease will be topped up to a fresh 99-year tenure.
Registered Proprietor	Individual Strata Subsidiary Certificates of Title ("SSCT") have been issued for all the strata lots within the existing HUDC Estate known as Rio Casa.
Brief Description	The subject property is located along Hougang Avenue 7, off Upper Serangoon Road and approximately 13.5 km from the City Centre. The subject site is fairly regular in shape bounded by Hougang Avenue 7 along its eastern to northern boundaries. The plot contour is generally flat and at the access road except for the fringes along the north-western section of the boundary which has elevated and steep slopes. The site is currently occupied by a privatised HUDC estate comprising 286 apartments and maisonettes housed in seven blocks, collectively known as Serangoon Ville. We are given to understand that this HUDC estate was built around 1980s and subsequently privatised in 2014. We are instructed to disregard the existing buildings and site improvements and value the property as a residential redevelopment site. All essential public services are available for connection.
Site Area	36,811.1 sm, subject to government's re-survey
Planning Approval	We understand that Client had recently submitted their redevelopment proposal to the Urban Redevelopment Authority ("URA") for Provisional Permission.
Proposed Development	We understand that the existing development will be demolished to make way for the proposed residential development comprising nine 17-storey blocks, 21 units of strata landed houses (Total 1,472 units) and 6 shops with 2 basement car parks landscape deck and communal facilities. For the purpose of this valuation, we have assumed that reasonably good quality of finishes and fittings will be provided.
Gross Floor Area	113,378.19 sm (including additional 10% bonus GFA of about 10,307.11 sm), as provided and subject to final survey
Saleable Floor Area	104,867.86 sm (including 6 shops of 294 sm), as provided and subject to final survey
Construction Brief	According to the client, the construction cost will be in the region of \$266,269,705.23 (excluding professional fees, GST, finance cost). The construction work is scheduled to commence in November 2018 and complete by February 2022.
Lease Renewal Premium & Differential Premium	For the purpose of this valuation, we have assumed that all Lease Renewal Premium and Differential Premium are fully paid for topping up of the existing land lease to a fresh 99-year tenure and for the increase of gross plot ratio up to the maximum allowable development intensity as prescribed by the current Master Plan.
Master Plan (2014)	Residential with a gross plot ratio of 2.8
Basis of Valuation	As vacant development site, subject to vacant possession and free from all encumbrances
Valuation Approaches	Direct Comparison Method and Residual Method

APPENDIX H SUMMARY VALUATION CERTIFICATES

Valuation Certificate



Material Date of Valuation	31 January 2018
Valuation	(A) <u>As Residential Redevelopment Site Assuming Grant Of Planning Approval For 9 blocks of 17-storey apartments, 21 units of strata landed houses (Total 1,472 units) and 6 shops with 2 basement car parks, landscape deck and communal facilities And All Differential Premium & Lease Renewal Premium Fully Paid</u> Market Value \$885,000,000 (Singapore Dollars Eight Hundred And Eighty-Five Million Only)
	(B) <u>Gross Development Value Of The Aforesaid Proposed Development Assuming Satisfactory Completion And Subject to Issuance of Temporary Occupation Permit and Certificate of Statutory Completion*</u> Market Value \$1,521,000,000 (Singapore Dollars One Billion Five Hundred And Twenty-One Million Only) * Based on total saleable floor area of 104,867.86 sm
Prepared by	 Cynthia Ng Licensed Appraiser No. AD041-2003388A Savills Valuation And Professional Services (S) Pte Ltd  Angus Quek Licensed Appraiser No. AD041-2009188F Savills Valuation And Professional Services (S) Pte Ltd

This valuation certificate must be read in conjunction with the valuation report. The valuation is exclusive of Goods and Services Tax.

APPENDIX H

SUMMARY VALUATION CERTIFICATES



LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

APPENDIX H

SUMMARY VALUATION CERTIFICATES



Valuation Certificate

Address of Property	Blocks 128 to 134 Serangoon North Avenue 1, Singapore 550128 to 550134
Client	LBD Holding Pte Ltd
Purpose of Valuation	Initial Public Offering
Legal Description	Lot 10733V Mukim 18
Tenure	Leasehold 100 years, 7 months and 1 day commencing from 1 March 1986 (balance term of about 68.6 years) For the purpose of this valuation, we are instructed to assume that the existing land lease will be topped up to a fresh 99-year tenure.
Registered Proprietor	Individual Strata Subsidiary Certificates of Title ("SSCT") have been issued for all the strata lots within the existing HUDC Estate known as Serangoon Ville.
Brief Description	The subject property is located on the southern side of Serangoon North Avenue 1, near its junction with Yio Chu Kang Road, and approximately 11 km from the City Centre. The subject site is a fairly regular shaped land with double frontages onto Serangoon North Avenue 1 and Yio Chu Kang Road. The land is generally flat and at access road level. The site is currently occupied by a privatised HUDC estate comprising 244 apartments and maisonettes housed in seven blocks, collectively known as Serangoon Ville. We are given to understand that this HUDC estate was built around 1980s and subsequently privatised in 2014. We are instructed to disregard the existing buildings and site improvements and value the property as a residential redevelopment site. All essential public services are available for connection.
Site Area	27,583.9 sm, subject to government's re-survey
Planning Approval	We understand that Client had recently submitted their redevelopment proposal to the Urban Redevelopment Authority ("URA") for Provisional Permission.
Proposed Development	We understand that the existing development will be demolished to make way for a proposed condominium development comprising seven 14-storey blocks of 1,012 apartments, three blocks of 40 units of 2-storey strata landed houses with basement level, 5 shops, basement car park, swimming pool and communal facilities. For the purpose of this valuation, we have assumed that reasonably good quality of finishes and fittings will be provided.
Gross Floor Area	84,958.41 sm (including additional 10% bonus GFA of about 7,723.49 sm), as provided and subject to final survey
Saleable Floor Area	80,027.2 sm (including 5 shops of 243.3 sm), as provided and subject to final survey
Construction Brief	According to the client, the construction cost will be in the region of \$199,525,602.93 (excluding professional fees, GST, finance cost and road widening work as required by the Land Transport Authority based on the Client's traffic impact assessment report). The construction work is scheduled to commence in 4 th Quarter 2018 and complete by 1 st Quarter 2022.
Lease Renewal Premium & Differential Premium	For the purpose of this valuation, we have assumed that all Lease Renewal Premium and Differential Premium are fully paid for topping up of the existing land lease to a fresh 99-year tenure and for the increase of gross plot ratio up to the maximum allowable development intensity as prescribed by the current Master Plan.
Master Plan (2014)	Residential with a gross plot ratio 2.8
Basis of Valuation	As vacant development site, subject to vacant possession and free from all encumbrances
Valuation Approaches	Direct Comparison Method and Residual Method

APPENDIX H

SUMMARY VALUATION CERTIFICATES

Valuation Certificate



Material Date of Valuation	31 January 2018
Valuation	(A) <u>As Residential Redevelopment Site Assuming Grant Of Planning Approval For Seven 14-Storey Blocks Of 1,012 Apartments, 3 Blocks of 40 Units Of 2-Storey Strata Landed Houses With Basement, 5 Shops, Basement Carpark, Swimming Pool And Communal Facilities And All Differential Premium & Lease Renewal Premium Fully Paid</u> Market Value \$766,000,000 (Singapore Dollars Seven Hundred And Sixty-Six Million Only) (B) <u>Gross Development Value Of The Aforesaid Proposed Development Assuming Satisfactory Completion And Subject to Issuance of Temporary Occupation Permit and Certificate of Statutory Completion*</u> Market Value \$1,271,000,000 (Singapore Dollars One Billion Two Hundred And Seventy-One Million Only) * Based on total saleable floor area of 80,027.2 sm
Prepared by	 Cynthia Ng Licensed Appraiser No. AD041-2003388A  Daniel Ee Licensed Appraiser No. AD041-2004607E Savills Valuation And Professional Services (S) Pte Ltd

This valuation certificate must be read in conjunction with the valuation report. The valuation is exclusive of Goods and Services Tax.

APPENDIX H

SUMMARY VALUATION CERTIFICATES

LIMITING CONDITIONS



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Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

APPENDIX H

SUMMARY VALUATION CERTIFICATES



Valuation Certificate

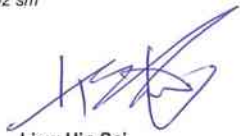
Address of Property	50 Lorong 21 Geylang Singapore 388465
Client	LBD Holding Pte Ltd
Purpose of Valuation	Initial Public Offering
Legal Description	Lot 3706C Mukim 24
Tenure	Estate In Fee Simple
Registered Proprietor	Wellprime Pte. Ltd.
Brief Description	The subject property is located near to the cul-de-sac on the eastern side of Lorong 21 Geylang, off Sims Avenue and approximately 5 km from the City Centre. Accessibility to other parts of Singapore is enhanced by its proximity to the Aljunied MRT Station while the locality is also within easy access to the Pan-Island Expressway, Kallang-Paya Lebar Expressway and Nicoll Highway. The subject site has a trapezoidal-shaped plot with a frontage of approximately 20.5 metres onto a cul-de-sac of Lorong 21 Geylang and a return frontage of about 42 metres alongside an MRT rail viaduct. The land is generally flat and at the access road level. At the date of our inspection, the site comprises a 3-storey detached factory estimated to have been completed circa 1970s. All essential public services are available for connection.
Site Area	837.10 sm or thereabouts, subject to government's re-survey
Planning Approval	We understand that Client had recently submitted their redevelopment proposal to the Urban Redevelopment Authority ("URA") for Provisional Permission.
Proposed Development	We are given the understanding that the proposed development will comprise a 5-storey multi-user light industrial building comprising 10 factory units (2nd and 3rd storey units each with mezzanine – 6 units) and common facilities including 1 lorry lot, 5 car parking lots (including 1 handicap lot), 1 service lift and 1 passenger/fire lift. For the purpose of this valuation, we have assumed that reasonably good quality of finishes and fittings will be provided.
Gross Floor Area	2,092.53 sm, as provided and subject to final survey
Saleable Floor Area	2,203.92 sm, as provided and subject to final survey
Construction Brief	According to the Client, the construction of the proposed development shall commence in June 2018 and is expected to take 15 months to complete.
Master Plan (2014)	Business 1 with a gross plot ratio of 2.5
Basis of Valuation	As vacant development site, subject to vacant possession and free from all encumbrances
Valuation Approaches	Direct Comparison Method and Residual Method

APPENDIX H

SUMMARY VALUATION CERTIFICATES

Valuation Certificate



Material Date of Valuation	31 January 2018
Valuation	(A) <u>As Light Industrial Redevelopment Site Assuming Grant Of Planning Approval For A 5-Storey Multi-User Light Industrial Development</u> Market Value \$12,100,000 (Singapore Dollars Twelve Million And One Hundred Thousand Only) (B) <u>Gross Development Value Of The Aforesaid Proposed Development Assuming Satisfactory Completion And Subject To Issuance Of Temporary Occupation Permit and Certificate of Statutory Completion*</u> Market Value \$21,800,000 (Singapore Dollars Twenty-One Million And Eight Hundred Thousand Only) * Based on total saleable floor area of 2,203.92 sm
Prepared by	 Cynthia Ng Licensed Appraiser No. AD041-2003388A  Liaw Hin Sai Licensed Appraiser No. AD041-2007108I Savills Valuation And Professional Services (S) Pte Ltd

This valuation certificate must be read in conjunction with the valuation report. The valuation is exclusive of Goods and Services Tax.

APPENDIX H

SUMMARY VALUATION CERTIFICATES

LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose (s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme (s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

APPENDIX H

SUMMARY VALUATION CERTIFICATES



Valuation Certificate

Address of Property	20 Mactaggart Road Singapore 368079
Client	LBD Holding Pte Ltd
Purpose of Valuation	Initial Public Offering
Legal Description	Lot 8190L Mukim 24
Tenure	Estate In Fee Simple
Registered Proprietor	Smooth Venture Pte Ltd
Brief Description	The subject property is bounded by Mactaggart Road and Burn Road, within the Kampong Ampat Industrial Estate and approximately 8 km from the City Centre. Accessibility to other parts of Singapore is enhanced by its close proximity to the Tai Seng MRT Station which is just a short walking distance away. The locality is also within easy access to the Kallang-Paya Lebar Expressway and Pan-Island Expressway. The subject site has a fairly regular-shaped plot with a frontage of approximately 60 metres onto Mactaggart Road to the south and another frontage of about 35 metres onto Burn Road to the north. The land is generally flat and slightly above the access road level. At the date of our inspection, the site comprises an 8-storey multi-user light industrial building with basement car-parking completed circa 1990s. It has vehicular access via both Mactaggart Road and Burn Road. All essential public services are available for connection.
Site Area	1,962.4 sm or thereabouts, subject to government's re-survey
Planning Approval	Notice of Grant of Provisional Permission for the proposed erection of an 8-storey multi-user light industrial building (B1) for food production was obtained on 27 October 2017 (Ref: ES20170928R0160). This approval shall be valid for 6 months. However, we understand that the Client had recently submitted a revised redevelopment proposal to the Urban Redevelopment Authority ("URA"), pending the issuance of a fresh Provisional Permission.
Proposed Development	We are given the understanding that the new proposed development will comprise a 5-storey light industrial development for food production comprising 28 factory units each with a mezzanine level and common facilities including 3 lorry lots, 16 car parking lots, a service lift, a fire/service lift and a passenger/fire lift. For the purpose of this valuation, we have assumed that reasonably good quality of finishes and fittings will be provided.
Gross Floor Area	5,278.92 sm, as provided and subject to final survey
Saleable Floor Area	6,480.02 sm, as provided and subject to final survey
Construction Brief	According to the Client, the construction of the proposed development shall commence in January 2019 and is expected to take 20 months to complete.
Master Plan (2014)	Business 1 with a gross plot ratio of 2.5
Basis of Valuation	As vacant development site, subject to vacant possession and free from all encumbrances
Valuation Approaches	Direct Comparison Method and Residual Method

APPENDIX H

SUMMARY VALUATION CERTIFICATES

Valuation Certificate



Material Date of Valuation	31 January 2018	
	Valuation	
	(A) <u>As Light Industrial Redevelopment Site Assuming Grant Of Planning Approval For A 5-Storey Multi-User Light Industrial Building (B1) For Food Production</u>	
	Market Value \$40,300,000 (Singapore Dollars Forty Million And Three Hundred Thousand Only)	
	(B) <u>Gross Development Value Of The Aforesaid Proposed Development Assuming Satisfactory Completion And Subject To Issuance Of Temporary Occupation Permit and Certificate of Statutory Completion*</u>	
	Market Value \$71,200,000 (Singapore Dollars Seventy-One Million And Two Hundred Thousand Only)	
	* Based on total saleable floor area of 6,480.02 sm	
Prepared by	 Cynthia Ng Licensed Appraiser No. AD041-2003388A	
	 Liaw Hin Sai Licensed Appraiser No. AD041-20071081	
	Savills Valuation And Professional Services (S) Pte Ltd	

This valuation certificate must be read in conjunction with the valuation report. The valuation is exclusive of Goods and Services Tax.

APPENDIX H

SUMMARY VALUATION CERTIFICATES



LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose (s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme (s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

APPENDIX H

SUMMARY VALUATION CERTIFICATES



Valuation Certificate

Address of Property	26 Commercial Units At 7 Ang Mo Kio Street 66 Floravista Singapore 567708
Client	LBD Holding Pte Ltd
Purpose of Valuation	Initial Public Offering
Legal Description	Currently the subject units are held under the Parent Lot 9803T Mukim 18, pending issuance of individual strata titles.
Tenure	Estate In Perpetuity
Registered Proprietor	Oxley YCK Pte. Ltd.
Brief Description	The subject development is located on the eastern side of Ang Mo Kio Street 66, at its junction with Yio Chu Kang Road, and approximately 14.5 km from the City Centre. The subject development is a 4-storey commercial-cum-residential development with attic. It comprises a retail podium known as Floravista (No. 7) and 3 residential blocks (Nos. 1, 3 & 5) known as Floraview, sitting atop the retail podium. Floravista is located at the 1st storey, comprising 13 shops and 15 restaurants whilst Floraview which comprises total 90 apartment/penthouse units of various designs and layouts are located from 2nd storey upwards. Vertical access to the residential units is via lifts and supplemented by reinforced concrete staircases. All essential public services are available for connection.
Floor Area	The total provisional strata floor area of the subject units is 1,400 sm, as provided and subject to final survey.
Master Plan (2014)	Residential with Commercial at 1 st Storey and gross plot ratio 1.4
Basis of Valuation	As-Is basis
Valuation Approaches	Direct Comparison Method
Material Date of Valuation	31 January 2018
Valuation	Market Value \$52,762,000 (Singapore Dollars Fifty-Two Million Seven Hundred And Sixty-Two Thousand Only)
Prepared by	 Cynthia Ng Licensed Appraiser No. AD041-2003388A  Vera Sham Licensed Appraiser No. AD041-2009803I Savills Valuation And Professional Services (S) Pte Ltd

This valuation certificate must be read in conjunction with the valuation report. The valuation is exclusive of Goods and Services Tax.

APPENDIX H

SUMMARY VALUATION CERTIFICATES

LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

APPENDIX H

SUMMARY VALUATION CERTIFICATES

Valuation Certificate



Address of Property	31/A to 39/A (Odd Nos.) and 41 to 51 (Odd Nos.) Lorong 24 Geylang Singapore 398632 to 398642
Client	LBD Holding Pte Ltd
Purpose of Valuation	Initial Public Offering
Legal Description	Lots 1717W, 1718V, 1719P, 1720W, 1721V, 97922N, 97921K, 97920A, 97919N, 97918K, 97917A and 97916T All of Mukim 25
Tenure	Estate In Fee Simple
Registered Proprietor	The One Residence Pte. Ltd.
Brief Description	The subject property is located on the eastern side of Lorong 24 Geylang, off Guillemard Road/Geylang Road, and approximately 5 km from the City Centre. Accessibility to other parts of Singapore is facilitated by its proximity to the Pan Island/Kallang-Paya Lebar Expressways, Nicoll Highway, East Coast Parkway; Mountbatten/Dakota/Aljunied MRT Stations. The subject site comprises twelve contiguous plots which together formed a near rectangular shape land. The site is generally flat and at the access road level. The boundaries are demarcated by corrugated metal fencings/gates. Immediately to its north are terrace houses while to its south is a petrol station. There is a back lane at rear and public road side parking is also available. At the date of our inspection, the site is ready for redevelopment. All essential public services are available for connection.
Site Area	2,432.9 sm, subject to government's re-survey
Planning Approval	Notice of Grant of Written Permission for the proposed erection of one block of 8-storey residential flats with attic (total 116 units) with multi-storey car park from basement to 2nd storey and communal facilities including swimming pool at 3rd storey was obtained on 21 October 2015 and extended to 21 October 2019. The approved gross plot ratio is 3.07. We understand that the Client will be submitting amendment plans to Urban Redevelopment Authority ("URA") for further approval.
Proposed Development	We were given the understanding that the new proposed residential development will comprise a block of 8-storey residential flats (total 110 units) with sky garden, swimming pool and multi-storey carpark For the purpose of this valuation, we have assumed that reasonably good quality of finishes and fittings will be provided.
Gross Floor Area	7,493.25 sm (including bonus balcony of about 681.13 sm), according to the Grant of Written Permission
Saleable Floor Area	6,519.17 sm, as provided and subject to final survey
Construction Brief	According to the Client, the construction of the proposed development shall commence in June 2019 and is expected to complete by 2022. We understand that the development charge has been paid.
Master Plan (2014)	Residential/Institution with a gross plot ratio of 2.8
Basis of Valuation	As vacant development site, subject to vacant possession and free from all encumbrances
Valuation Approaches	Direct Comparison Method and Residual Method

APPENDIX H

SUMMARY VALUATION CERTIFICATES

Valuation Certificate



Material Date of Valuation	31 January 2018
	Valuation
	(A) <u>As Residential Redevelopment Site Assuming Grant Of Written Permission For Proposed Erection Of A Block Of 8-Storey Residential Flats (Total 110 Units) With Sky Garden, Swimming Pool And Multi-Storey Carpark, And Development Charge Paid</u>
	Market Value \$60,000,000 (Singapore Dollars Sixty Million Only)
	(B) <u>Gross Development Value Of The Aforesaid Proposed Development Assuming Satisfactory Completion And Subject To Issuance Of Temporary Occupation Permit and Certificate of Statutory Completion*</u>
	Market Value \$103,800,000 (Singapore Dollars One Hundred Three Million And Eight Hundred Thousand Only) * Based on total saleable floor area of 6,519.17 sm
Prepared by	 Cynthia Ng Licensed Appraiser No. AD041-2003388A
	 Cassandra Tan Licensed Appraiser No. AD041-2008452H
Savills Valuation And Professional Services (S) Pte Ltd	

This valuation certificate must be read in conjunction with the valuation report. The valuation is exclusive of Goods and Services Tax.

APPENDIX H

SUMMARY VALUATION CERTIFICATES

LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

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Valuation Report

LBD Holding Pte Ltd

Four land plots in Sino-Singapore Health City in Gaobeidian City,
Hebei Province, the PRC

Valuation as at 31 January 2018

16/F, Jardine House, Central, Hong Kong
香港中環怡和大廈 16 樓
Tel 電話 +852 2507 0507
Fax 傳真 +852 2530 1502
cushmanwakefield.com.hk

Valuation Report No. F18-000711-01
PT/RL/pcy

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*The following is the text of a letter, summary of valuations and valuation report for the purpose of incorporation in the offer document of **LBD Holding Pte Ltd** received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of market values in existing state of the Properties held in the PRC as at 31 January 2018.*

14 February 2018

LBD Holding Pte Ltd
29 Harrison Road
Lian Beng Building
Singapore 369648

Dear Sirs

Instructions, Purpose & Valuation Date

In accordance with the instructions from **LBD Holding Pte Ltd** (the "Company") for us to carry out the valuations of the market values of the properties ("Properties") held in the People's Republic of China (the "PRC"), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we considered necessary for the purpose of providing you with our opinion of the market values of the Properties as at 31 January 2018 (the "valuation date") for the purpose of the proposed application of the Company for the listing on the Catalist Board of Singapore Exchange ("SGX").

Definition of Market Value

Our valuation of each of the Properties represent its Market Value. The definition of Market Value follows the International Valuation Standards published by the International Valuation Standards Council ("IVSC"). Market Value is defined by the IVSC as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

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Valuation Basis & Assumptions

Our valuations of the Properties exclude an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of value available to a specific owner or purchaser.

In the course of our valuations of the Properties held in the PRC, we have prepared our valuation on the basis that transferable land use rights in respect of the Properties for their specific term at nominal annual land use fee has been granted and that any premium payable has already been fully paid. We have relied on the information and advice given by the Company regarding the titles to the Properties and the interests in the Properties. In valuing the Properties, we have prepared our valuations on the basis that the owners have enforceable title to the Properties and has free and uninterrupted rights to use, occupy or assign the Properties for the whole of the unexpired terms as granted.

No allowance has been made in our valuations for any charges, pledges or amounts owing on the Properties nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is valued on the basis that the Properties is free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

Method of Valuation

In valuing the Properties of land, we adopted the Residual Method which indicates the residual amount after deducting all known or anticipated costs required to complete the development from the anticipated value of the project when completed after consideration of the risks associated with the completion of the project. At the same time, the Direct Comparison Approach were adopted for supportive purpose by assuming sale of the Property in its existing state by making reference to comparable sales transactions or evidences available in the relevant market.

In valuing the Properties which are held for development in the PRC, we have valued each of the Properties on the basis that it will be developed and completed in accordance with the Company's latest development scheme provided to us. In arriving at our opinion of value, we have adopted Depreciated Replacement Cost Approach which indicates the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

According to the information provided by the Company, the Properties will be developed by phases. Certificate for the Use of State-owned Land and Grant Contracts of Land Use Rights or such equivalent title documents have been obtained as at the Valuation Date. However, Permits for Commencement of Construction Works or such equivalent permits of the Properties have not been obtained yet. As some of the Properties are still vacant land, without such said certificate, contracts or permits will not affect our valuation and is in line with the market practice.

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Source of Information

We have been provided by the Company with extracts of documents in relation to the title to the Properties. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us.

In the course of our valuation, we have relied to a considerable extent on the information given by the Company in respect of the Properties in the PRC and have accepted advice on such matters as planning approvals or statutory notices, easements, tenure, identification of the Properties, particulars of occupancy, construction cost, development scheme, site and floor areas and all other relevant matters.

Dimensions, measurements and areas included in the valuation certificates are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We were also advised by the Company that no material facts have been omitted from the information provided.

We would point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese edition of the documents and consult your legal adviser regarding the legality and interpretation of these documents.

Title Investigation

We have been provided with copies of documents in relation to the current title to the Properties. However, we have not been able to conduct searches to verify the ownership of the Properties or to ascertain any amendment which may not appear on the copies handed to us. We are also unable to ascertain the title of the Properties in the PRC. We have therefore relied on the advice given by the Company.

Site Inspection

Our Tianjin Office valuers, Robert Leung (Associate Director and Registered China Real Estate Appraiser with 13 years' experience of valuation) and Kris Ng (Manager and Registered China Real Estate Appraiser with 9 years' experience of valuation) inspected the exterior and, wherever possible, the interior of the properties on 26 December 2017. However, we have not carried out investigation on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period.

Unless otherwise stated, we have not carried out on-site measurements to verify the site and floor areas of the Properties and we have assumed that the areas shown on the copies of the documents handed to us are correct.

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Currency

Unless otherwise stated, all monetary amounts indicated herein our valuation are in Renminbi (RMB) which is the official currency of the PRC.

Compliance

In valuing the Properties, we have complied with the requirements set out in the Rule 416 of the SGX-ST Listing Manual Section B; Rules of Catalist governing the listing of securities on Catalist Board of the SGX and the International Valuation Standards published by the IVSC.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited

Philip C Y Tsang
Registered Professional Surveyor (General Practice)
Registered China Real Estate Appraiser
MSc, MRICS
Director

Note: Mr. Philip C Y Tsang is Registered Professional Surveyor who has over 24 years' experience in the valuation of properties in the PRC.

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Summary of Valuations

Property No.	Sino-Singapore Health City Land No.	Property Address	Site Area (sq m)	Number of Real Property Right Certificate	Market Value in existing state as at 31 January 2018 (RMB)	Estimated Market Value as if completed (Gross Development Value) as at 31 January 2018 (RMB)	Projected Development Profit as at 31 January 2018 (RMB)
1.	11#	North Side of Kanghua Road, West Side of Guihua Road	24,744.83	冀(2017)高碑店市不动产权第 0000125 号	53,000,000	368,000,000	96,000,000
2.	25#	North Side of Antai Road, West Side of Sunmansa Village	5,333.36	冀(2017)高碑店市不动产权第 0000017 号	328,000,000	969,000,000	185,000,000
	25#	South Side of Zhengyang Road, West Side of Sunmansa Village	13,333.33	冀(2017)高碑店市不动产权第 0000018 号			
	25#	North Side of Antai Road, East Side of Sunmansa Village	8,000.00	冀(2017)高碑店市不动产权第 0000019 号			
	25#	South Side of Zhengyang Road, East Side of Guihua Road	14,069.65	冀(2017)高碑店市不动产权第 0000100 号			
	25#	South Side of Zhengyang Road, West Side of Guihua Road	16,347.70	冀(2017)高碑店市不动产权第 0000101 号			
3.	29#	North Side of Hexie Road, West Side of Guihua Road	33,841.17	冀(2017)高碑店市不动产权第 0000127 号	81,000,000	516,000,000	134,000,000
4.	30#	South Side of Antai Road, East Side of Guihua Road	66,666.67	冀(2017)高碑店市不动产权第 0000031 号	233,000,000	1,929,000,000	504,000,000
	30#	North Side of Hexie Road	31,065.95	冀(2017)高碑店市不动产权第 0000098 号			
	30#	South Side of Antai Road, East Side of Guihua Road	3,499.45	冀(2017)高碑店市不动产权第 0000099 号			

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Notes:

Market Value in existing state (as is) subject to the existing use and condition of the Properties.

Estimated Market Value as if completed (Gross Development Value) is the aggregate Market Value of the proposed development assessed on assumption that the development is completed as at the valuation date.

Projected Development Profit is the remaining value of the Gross Development Value of the proposed development after deducting all estimated expenses and costs to complete the development.

These valuations are based on the information provided by the Company which is assumed to be valid and correct. We reserve the right to amend our valuation report if any of the information provided is invalid / incorrect.

It must be noted that the above valuations must be read in conjunction with our detailed valuation report.

This valuation report is subject to the attached limiting conditions.

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Properties held for development (with Title Certificate)

Property No.	: 1
Sino-Singapore Health City Land No.	11#
Property Address	: West Side of Kanghua Road, West Side of Guihua Road
Number of Real Property Right Certificate	: 冀(2017)高碑店市不动产权第0000125号
Grant Contracts of Land Use Rights	: GBD20170046
Registered Owner	: Hebei Yuezhi Real Estate Development Co., Ltd.
Land Use Term	: 70 Years
Land Use	: Residential Land
Permits for Commencement of Construction Works	: Not applicable
Site Area (sq m)	: 24,744.83
Gross Floor Area of proposed Development Scheme	: 41,739.60
Method of Valuation	: Residual Method
Estimated total construction cost (RMB)	: 179,470,000
Expended construction cost (RMB)	: 0
Valuation Date	: 31 January 2018
Market Value in existing state as at 31 January 2018 (RMB)	: 53,000,000
Estimated Market Value as if completed (Gross Development Value) as at 31 January 2018 (RMB)	: 368,000,000
Projected Development Profit as at 31 January 2018 (RMB)	: 96,000,000

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Property No.	: 2
Sino-Singapore Health City Land No.	25#
Property Address	: North Side of Antai Road, West Side of Sunmansa Village South Side of Zhengyang Road, West Side of Sunmansa Village North Side of Antai Road, East Side of Sunmansa Village South Side of Zhengyang Road, East Side of Guihua Road South Side of Zhengyang Road, West Side of Guihua Road
Number of Real Property Right Certificate	: 冀(2017)高碑店市不动产权第0000017号 冀(2017)高碑店市不动产权第0000018号 冀(2017)高碑店市不动产权第0000019号 冀(2017)高碑店市不动产权第0000100号 冀(2017)高碑店市不动产权第0000101号
Grant Contracts of Land Use Rights	: GBD20170043, GBD20170044, GBD20170049, GBD20170050, GBD20170058
Registered Owner	: Hebei Xuxing Investment Co., Ltd.
Land Use Term	: 40 Years
Land Use	: Cultural, Sports and Recreational Land
Permits for Commencement of Construction Works	: Not applicable
Site Area (sq m)	: 57,084.04
Gross Floor Area of proposed Development Scheme	: 40,064.10
Method of Valuation	: Depreciated Replacement Cost Approach
Estimated total construction cost (RMB)	: 521,504,536
Expended construction cost (RMB)	: 170,376,226
Valuation Date	: 31 January 2018
Market Value in existing state as at 31 January 2018 (RMB)	: 328,000,000
Estimated Market Value as if completed (Gross Development Value) as at 31 January 2018 (RMB)	: 969,000,000
Projected Development Profit as at 31 January 2018 (RMB)	: 185,000,000

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Property No.	: 3
Sino-Singapore Health City Land No.	29#
Property Address	: North Side of Hexie Road, West Side of Guihua Road
Number of Real Property Right Certificate	: 冀(2017)高碑店市不动产权第0000127号
Grant Contracts of Land Use Rights	: GBD20170045
Registered Owner	: Hebei Yuezhi Real Estate Development Co., Ltd.
Land Use Term	: 70 Years
Land Use	: Residential Land
Permits for Commencement of Construction Works	: Not applicable
Site Area (sq m)	: 33,841.17
Gross Floor Area of proposed Development Scheme	: 57,250.00
Method of Valuation	: Residual Method
Estimated total construction cost (RMB)	: 245,240,000
Expended construction cost (RMB)	: 0
Valuation Date	: 31 January 2018
Market Value in existing state as at 31 January 2018 (RMB)	: 81,000,000
Estimated Market Value as if completed (Gross Development Value) as at 31 January 2018 (RMB)	: 516,000,000
Projected Development Profit as at 31 January 2018 (RMB)	: 134,000,000

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Property No.	: 4
Sino-Singapore Health City Land No.	30#
Property Address	: South Side of Antai Road, East Side of Guihua Road North Side of Hexie Road South Side of Antai Road, East Side of Guihua Road
Number of Real Property Right Certificate	: 冀(2017)高碑店市不动产权第0000031号 冀(2017)高碑店市不动产权第0000098号 冀(2017)高碑店市不动产权第0000099号
Grant Contracts of Land Use Rights	: GBD20170051, GBD20170041, GBD20170042
Registered Owner	: Gaobeidian City KAP Real Estate Development Co., Ltd.
Land Use Term	: 70 Years
Land Use	: Residential Land
Permits for Commencement of Construction Works	: Not applicable
Site Area (sq m)	: 101,232.07
Gross Floor Area of proposed Development Scheme	: 251,904.61
Method of Valuation	: Residual Method
Estimated total construction cost (RMB)	: 990,030,000
Expended construction cost (RMB)	: 0
Valuation Date	: 31 January 2018
Market Value in existing state as at 31 January 2018 (RMB)	: 233,000,000
Estimated Market Value as if completed (Gross Development Value) as at 31 January 2018 (RMB)	: 1,929,000,000
Projected Development Profit as at 31 January 2018 (RMB)	: 504,000,000

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OPINION OF THE INDEPENDENT FINANCIAL ADVISER



11 April 2018

SLB Development Ltd.
29 Harrison Road
#07-00 Lian Beng Building
Singapore 369648

Attention: The Independent Directors

Dear Sirs

ADOPTION OF GENERAL MANDATE FOR RECURRENT INTERESTED PERSON TRANSACTIONS

*Unless otherwise defined or the context otherwise requires, all terms used herein have the same meaning as defined in the offer document of SLB Development Ltd. dated 11 April 2018 (the “**Offer Document**”).*

This report has been prepared solely for inclusion in the Offer Document of the Company in connection with the initial public offering of the Shares of the Company on the Catalist Board of the Singapore Exchange Securities Trading Limited.

1. INTRODUCTION

This letter (the “**IFA Letter**”) has been prepared for the inclusion in the Offer Document of SLB Development Ltd. (the “**Company**”) in relation to the adoption of a general mandate for recurrent interested person transactions (the “**IPT General Mandate**”) between any entities in the EAR Group and any entities in the New Lian Beng Group (the “**Mandated Interested Persons**” and each a “**Mandated Interested Person**”).

Under Chapter 9 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”), a listed company may seek a general mandate from its shareholders for recurrent interested person transactions of revenue or trading nature or for those necessary for its day-to-day operations, but not in respect of the purchase or sale of assets, undertakings or businesses.

It is anticipated that the Group would, following the admission of the Company to the Catalist Board of the Singapore Exchange Securities Trading Limited, in the ordinary course of business, continue to enter into certain transactions with the Mandated Interested Persons (the “**Mandated Transactions**”). It is likely that such Mandated Transactions will occur with some degree of frequency and may arise at any time. In view of the time-sensitive and/or recurrent nature of the Mandated Transactions, the Company is adopting the IPT General

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Mandate to enable the Group to enter into the Mandated Transactions in its normal course of business, provided that an independent financial adviser opines that the methods and procedures set out in the IPT General Mandate are sufficient to ensure that all such Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Pursuant to Rule 920(2) of the Catalist Rules, the Company may treat the IPT General Mandate as having been given by its Shareholders for the Group to enter into Mandated Transactions if the information required under Rule 920(1)(b) is included in the Offer Document.

To comply with the requirements of Chapter 9 of the Catalist Rules, Xandar Capital Pte. Ltd. ("**Xandar Capital**") has been appointed as the independent financial adviser to provide an opinion on whether the methods or procedures as set out in the section entitled "Interested Person Transactions – General Mandate For Interested Person Transactions" of the Offer Document are sufficient to ensure that the Mandated Transactions between the Group and the Mandated Interested Persons will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

This IFA letter sets out our evaluation of the IPT General Mandate and our opinion thereof. This IFA Letter has been prepared for the use of the Independent Directors of the Company, who as at the date of the Offer Document, are considered to be independent for the purpose of the IPT General Mandate, and this IFA Letter forms part of the Offer Document.

2. TERMS OF REFERENCE

Xandar Capital has been appointed to opine on whether the methods or procedures for the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

We are and were not involved in any aspect of the negotiations pertaining to the IPT General Mandate or the Mandated Transactions contemplated under the IPT General Mandate, nor were we involved in the deliberations leading to the Company's decision to adopt the IPT General Mandate and to enter into the Mandated Transactions contemplated under the IPT General Mandate. We do not, by this IFA Letter, make any representation or warranty in relation to the merits of the IPT General Mandate or the transactions contemplated under the IPT General Mandate.

Our terms of reference do not require us to evaluate or comment on the rationale for legal, strategic or commercial merits and/or risks of the IPT General Mandate and the Mandated Transactions contemplated under the IPT General Mandate. We have also not conducted any review of the business, operations or financial condition of the Company and the Group, and we have not relied on any financial projections or forecasts in respect of the Company or the Group, nor did we have access to their business plans, financial projections and forecasts. We are not required to express and we do not express any view herein on the growth prospects, financial position and earnings potential of the Company or the Group pursuant to the adoption of the IPT General Mandate or the Mandated Transactions

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contemplated under the IPT General Mandate. We are also not expressing any view herein as to the prices at which the shares of the Company may trade with or without the IPT General Mandate. Such evaluation shall remain the sole responsibility of the Directors.

We were also not required or authorised to obtain, and we have not obtained, any quotation or transacted price from third parties for products or services similar to those which are to be covered by the IPT General Mandate, and are therefore not able to, and will not comment on the Mandated Transactions.

In the course of our evaluation, we have held discussions with certain Directors and management of the Group and have examined information provided and representations made to us by the aforesaid parties, including information in the Offer Document. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness or adequacy of such information, representation and assurance. Nonetheless, we have made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy and reliability of the information.

We have relied upon the assurance of the Directors that they collectively and individually accept full responsibility for the accuracy of the information given in the Offer Document and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, the Offer Document constitutes full and true disclosure of all material facts about the IPT General Mandate, the Company and the Group as at the date of the Offer Document. The Directors are not aware of any facts the omission of which would make any statement in the Offer Document misleading. Where information in the Offer Document has been extracted from published or otherwise publicly available sources or this IFA Letter, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Offer Document in its proper form and context. In relation to this IFA Letter, the Directors have confirmed that the facts stated, with respect to the Company, the Group and the IPT General Mandate are to the best of their knowledge and belief, fair and accurate in all material aspects. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us as described above.

The Company has been separately advised by its own advisers in the preparation of the Offer Document (other than this IFA Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Offer Document (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Offer Document (other than this IFA Letter).

Whilst a copy of this IFA Letter may be reproduced in the Offer Document, save for the purpose of any matter relating to the IPT General Mandate, neither the Company nor the Directors may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purposes at any time and in any manner without our prior written consent in each specific case. Our opinion in relation to the IPT General Mandate should be considered in the context of the entirety of this IFA Letter and the section entitled “Interested Person Transactions – General Mandate For Interested Person Transactions” of the Offer Document.

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3. THE IPT GENERAL MANDATE

3.1 THE IPT GENERAL MANDATE

Information on the IPT General Mandate is set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions” of the Offer Document.

3.2 CLASSES OF MANDATED INTERESTED PERSONS

Information on the classes of Mandated Interested Persons of the IPT General Mandate is set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions – Classes of Mandated Interested Persons” of the Offer Document.

We note that the classes of Mandated Interested Persons are limited to the existing corporate entities principally engaged in general building construction and civil engineering works within the New Lian Beng Group as at the Latest Practicable Date.

3.3 CATEGORIES OF MANDATED TRANSACTIONS

Information on the categories of Mandated Transactions is set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions – Categories of Mandated Interested Person Transactions” of the Offer Document.

We note that there is only one category of Mandated Transactions, which is the provision of construction services by the New Lian Beng Group to the Group (the “**Mandated Transactions**”).

3.4 RATIONALE FOR AND BENEFITS OF THE IPT GENERAL MANDATE

Information on the rationale for and benefits of the IPT General Mandate is set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions – Rationale for and Benefits of the IPT General Mandate” of the Offer Document.

3.5 METHODS AND PROCEDURES FOR THE MANDATED TRANSACTIONS

Detailed information on the methods and procedures is set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions – Review Procedures for Mandated Transactions with Mandated Interested Persons” of the Offer Document.

We note that the methods and procedures include:

- (a) the appointment of an independent project team comprising independent third-party professionals such as quantity surveyor, architects and engineers for each property development project (the “**Independent Project Team**”);
- (b) the Independent Project Team will nominate, shortlist, invite and evaluate all quotations received and prepare a quotation evaluation report;

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- (c) the quotation evaluation report will contain quotations from at least two unrelated third parties;
- (d) where it is not practical to obtain comparative quotations from unrelated third parties, the Independent Project Team will review at least two comparative contracts entered into by the relevant Mandated Interested Person with unrelated third parties;
- (e) prior approval of the Audit Committee will be required for all Mandated Transactions; and
- (f) other monitoring and review procedures, including a register for all Mandated Transactions, monthly review of the register by the CFO, quarterly review of the register by the Audit Committee, and annual review by internal auditors.

4. VALIDITY PERIOD OF THE IPT GENERAL MANDATE

Pursuant to Catalist Rule 920(2), the IPT General Mandate will be effective until the earlier of the following: (a) the conclusion of the first annual general meeting (“**AGM**”) following the Company’s admission to Catalist, or the date by which the next AGM of the Company is required by law to be held; or (b) the first anniversary of the date of the Company’s admission to Catalist.

Approval from independent Shareholders will be sought for the renewal of the IPT General Mandate at each subsequent AGM or the date by which the next AGM of the Company is required by law to be held, subject to the satisfactory review by the Audit Committee of its continued application to the Mandated Transactions. In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, Mandated Interested Persons and their Associates shall abstain from voting on resolutions involving themselves and the Group. Furthermore, such Mandated Interested Persons shall not act as proxies in relation to such resolutions unless voting instructions have been given by the appointing Shareholder. As such, Lian Beng and their Associates will abstain from voting on the resolutions approving the renewal of the IPT General Mandate. They shall also not act as proxies in relation to such resolutions unless voting instructions have been given by the appointing Shareholder.

5. ROLE OF AUDIT COMMITTEE

We note that the Audit Committee will:

- (a) be involved in the review and approval of all Mandated Transactions;
- (b) review the IPT Register on a quarterly basis;
- (c) review the findings reported by the annual internal auditors; and
- (d) if, during these reviews by the Audit Committee, the Audit Committee is of the view that the established methods and procedures for the Mandated Transactions have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Company are conducted, it will take such actions as it deems appropriate and/or institute additional methods and procedures as necessary

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(and where relevant, obtain a fresh mandate for Mandated Transactions) to ensure that the Mandated Transactions will be conducted based on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

6. OUR OPINION

In arriving at our opinion in respect of the IPT General Mandate, we have considered, *inter alia*, the methods and procedures set up by the Company, the role of the Audit Committee in enforcing the IPT General Mandate, and the rationale for and benefits of the IPT General Mandate.

Having regard to the considerations set out in this IFA Letter and the information available to us as at the Latest Practicable Date, Xandar Capital is of the opinion that the methods and procedures for determining the transaction prices of the Mandated Transactions, if adhered strictly, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

7. THIS IFA LETTER

This IFA Letter is addressed to the Independent Directors in connection with and for the purposes of their consideration of the IPT General Mandate and for inclusion in the Offer Document. Our opinion in relation to the IPT General Mandate should be considered in the context of the entirety of this IFA Letter and the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions” of the Offer Document.

Whilst a copy of this IFA Letter may be reproduced in the Offer Document, save for the purpose of any matter relating to the IPT General Mandate, neither the Company nor the Directors may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

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You are invited to apply and subscribe for the New Shares at the Issue Price for each New Share, subject to the following terms and conditions set out below and in the Application Forms or, as the case may be, the Electronic Applications:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 NEW SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF NEW SHARES WILL BE REJECTED.**
2. Your application for Offer Shares may be made by way of printed **WHITE** Offer Shares Application Forms or by way of Electronic Applications through the ATMs of the Participating Banks ("**ATM Electronic Applications**") or through IB websites of the relevant Participating Banks ("**Internet Electronic Applications**", which together with ATM Electronic Applications, shall be referred to as "**Electronic Applications**"). The Participating Banks are United Overseas Bank Limited ("**UOB**"), DBS Bank Ltd. (including POSB) ("**DBS Bank**") and Oversea-Chinese Banking Corporation Limited ("**OCBC**").

Your application for Placement Shares may only be made by way of printed **BLUE** Placement Shares Application Forms or such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may deem appropriate.

YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE NEW SHARES.

3. You (not being an approved nominee company) are allowed to submit only one (1) application in your own name for the Offer Shares. If you submit an application for Offer Shares by way of an Offer Shares Application Form, you **MAY NOT** submit another application for Offer Shares by way of an Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.

If you submit an application for Offer Shares by way of an ATM Electronic Application, you **MAY NOT** submit another application for Offer Shares by way of an Internet Electronic Application, and *vice versa*. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.

If you, being other than an approved nominee company, have submitted an application for Offer Shares in your own name, you should not submit any other application for Offer Shares, whether by way of an Offer Shares Application Form or by way of an Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.

Joint or multiple applications for the Offer Shares shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent. If you submit or procure submissions of multiple share applications for Offer Shares, you may be deemed to have committed an offence under the Penal Code (Chapter 224) of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications, except in the case of applications by

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approved nominee companies where such applications are made on behalf of a different beneficiary, shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent. By submitting an application for the New Shares, you declare that you do not possess more than one individual direct Securities Account with CDP.

4. **Multiple applications may be made in the case of applications by any person for (i) the Placement Shares only (by way of Application Forms for Placement Shares or such other form of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may in its absolute discretion deem appropriate) or (ii) the Placement Shares together with a single application for the Offer Shares whether by way of an Offer Shares Application Form or an Electronic Application.**
5. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks, as the case may be) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.
6. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 7 below.
7. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** "Approved nominee companies" are defined as banks, merchant banks, finance companies, insurance companies and licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.
8. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application Form), or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 9 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number provided in your Application Form or in the case of an Electronic Application, contained in records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.

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9. If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondences from CDP will be sent to your address last registered with CDP.
10. Our Company, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or which does not comply with the instructions for Electronic Applications or with the terms and conditions of this Offer Document or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance or which is not honored upon its first presentation.

Our Company, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the instructions for Electronic Applications or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

Without prejudice to the rights of our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent, as agent of our Company, has been authorised to accept, for and on behalf of our Company such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may deem appropriate.

11. Our Company, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent reserves the right to reject or accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company will be entertained. This right applies to applications made by way of Application Forms and by way of Electronic Applications and by such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may, in consultation with our Company, deem appropriate. In deciding the basis of allotment which shall be at the discretion of our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent, due consideration will be given to the desirability of allotting the New Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.
12. Subject to your provision of a valid and correct CDP Securities Account number, share certificates will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within fifteen Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of New Shares allotted to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent. You irrevocably authorise CDP to complete and sign on your behalf, as transferee or renounee, any instrument of transfer and/or other documents required for the issue and/or transfer of the New Shares allotted to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.

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13. In the event that we lodge a supplementary or replacement Offer Document (“**Relevant Document**”) pursuant to the SFA or any applicable legislation in force from time to time prior to the close of the Invitation, and the New Shares have not been issued, we will (as required by law and subject to the SFA), at our sole and absolute discretion either:

- (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to withdraw your application and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document;
- (ii) within seven days of the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to withdraw your application; or
- (iii) deem your application as withdrawn and cancelled and refund your application monies (without interest or any share of revenue or other benefit arising therefrom and at your own risk) to you within seven days from the lodgement of the Relevant Document.

Where you have notified us within fourteen days from the date of lodgement of the Relevant Document of your wish to exercise your option under paragraph 13(i) or 13(ii) above to withdraw your application, we shall pay to you all monies paid by you on account of your application for the New Shares without interest or any share of revenue or other benefit arising therefrom and at your own risk, within seven days from the receipt of such notification and you will not have any claim against our Company, our Directors, or the Sponsor, Issue Manager, Underwriter and Placement Agent.

In the event that at any time at the time of the lodgement of the Relevant Document, the New Shares have already been issued but trading has not commenced, we will (as required by law and subject to the SFA), at our Company’s sole and absolute discretion, either:

- (iv) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to return to our Company the New Shares which you do not wish to retain title in and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document;
- (v) within seven days from the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to return the New Shares which you do not wish to retain title in; or
- (vi) deem the issue as void and refund your payment for the New Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk) within seven days from the lodgement of the Relevant Document,

and you shall not have any claim against our Company, our Directors, or the Sponsor, Issue Manager, Underwriter and Placement Agent.

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If you wish to exercise your option under paragraph 13(iv) or 13(v) above to return the New Shares issued to you, you shall, within fourteen days from the date of lodgement of the Relevant Document, notify our Company of this and return all documents, if any, purporting to be evidence of title of those New Shares to us, whereupon we shall, subject to the SFA, within seven days from the receipt of such notification and documents, pay to you all monies paid by you for the New Shares without interest or any share of revenue or other benefit arising therefrom and at your own risk, and the New Shares issued to you shall be void. You shall not have any claim whatsoever against our Company, our Directors, or the Sponsor, Issue Manager, Underwriter and Placement Agent.

Additional terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw your application or return the New Shares allotted to you, may be found in such Relevant Document.

14. In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for shall be made available to satisfy excess applications for the Placement Shares to the extent that there is an over-subscription for Placement Shares as at the close of the Application List.

In the event of an under-subscription for Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for shall be made available to satisfy excess applications for Offer Shares to the extent that there is an over-subscription for Offer Shares as at the close of the Application List.

In the event of an over-subscription for Offer Shares as at the close of the Application List and Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Company, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent and/or approved by the SGX-ST (if required).

In all the above instances, the basis of allotment of the New Shares as may be decided by our Directors in ensuring a reasonable spread of shareholders of our Company, shall be made public as soon as practicable through an announcement on the SGX-ST's website at <http://www.sgx.com> and through an advertisement in a local English newspaper.

You hereby consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent residency status, CDP Securities Account number and shares application amount from your account with the relevant Participating Bank to the Share Registrar and Share Transfer Agent, SCCS, SGX-ST, CDP, our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.

15. You irrevocably authorise CDP to disclose the outcome of your application, including the number of New Shares allotted to you pursuant to your application, to our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent and any other parties so authorised by the foregoing persons. None of our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent, the Participating Banks or CDP shall be liable for any delays, failures, or inaccuracies in the recording, storage, transmission or delivery of data relating to your Electronic Applications.

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16. Any reference to “you” or the “applicant” in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Offer Shares by way of a **WHITE** Offer Shares Application Form or by way of an Electronic Application, and a person applying for the Placement Shares through the Placement Agent by way of a **BLUE** Placement Shares Application Form, or such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may, in consultation with our Company, deem appropriate.
17. By completing and delivering an Application Form or by making and completing an Electronic Application by (in the case of an ATM Electronic Application) pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM (as the case may be) or by (in the case of an Internet Electronic Application) clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other relevant button on the IB website screen of the relevant Participating Banks in accordance with the provisions of this Offer Document, you:
- (i) irrevocably offer, agree and undertake to subscribe for the number of New Shares specified in your application (or such smaller number for which the application is accepted) at the Issue Price for each New Share and agree that you will accept such New Shares as may be allotted to you, in each case, on the terms of and subject to the conditions set out in this Offer Document and our Constitution;
 - (ii) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Offer Document and those set out in the IB websites or ATMs of the relevant Participating Banks, the terms and conditions set out in this Offer Document shall prevail;
 - (iii) agree that the aggregate Issue Price for the New Shares applied for is due and payable to our Company upon application;
 - (iv) (a) consent to the collection, use, processing and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, CDP Securities Account number, CPF Investment Account number (if applicable), share application amount and details, the outcome of your application (including the number of New Shares allotted to you pursuant to your application) and other personal data (the “**Personal Data**”) by the Share Registrar and Share Transfer Agent, CDP, SCCS, the SGX-ST, the Participating Banks, our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or other authorised operators (the “**Relevant Parties**”) for the purpose of facilitating and processing your application for the New Shares, and in order for the Relevant Parties to comply with any applicable laws, listing rules and/or guidelines (collectively, the “**Purposes**”) and warrant that such Personal Data is true, accurate and correct; (b) consent that the Relevant Parties may disclose or share the Personal Data with third parties who provide necessary services to the Relevant Parties, such as service providers working for them and providing services such as hosting and maintenance services, delivery services, handling of payment transactions, and consultants and professional advisers; (c) consent that the Relevant Parties may transfer Personal Data to any location outside of Singapore in order for them to provide the requisite support and services in connection with the New Shares; (d) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Parties for the Purposes, you have obtained the consent of the beneficial owner(s) to

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paragraphs (iv)(a), (iv)(b) and (iv)(c) and that any disclosure of the Personal Data to the Relevant Parties is in compliance with all applicable laws; (e) agree that the Relevant Parties may do anything or disclose any Personal Data or matters without notice to you if our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body; and (f) agree that you will indemnify the Relevant Parties in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Parties shall be entitled to enforce this indemnity (collectively, the **“Personal Data Privacy Terms”**);

- (v) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Persons, such disclosure is in compliance with the applicable laws;
 - (vi) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent in determining whether to accept your application and/or whether to allot any New Shares to you; and
 - (vii) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and neither our Company nor the Sponsor, Issue Manager, Underwriter and Placement Agent will infringe any such laws as a result of the acceptance of your application.
18. Our acceptance of applications will be conditional upon, *inter alia*, our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent being satisfied that:
- (i) permission has been granted by the SGX-ST to deal in and for the listing and quotation of all our existing Shares and the New Shares on the Catalist;
 - (ii) the Sponsorship and Management Agreement and the Underwriting and Placement Agreement referred to in the section entitled “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine; and
 - (iii) the Authority, the SGX-ST or other competent authority has not served a Stop Order which directs that no or no further shares to which this Offer Document relates be allotted, issued or sold.
19. In the event that a Stop Order in respect of the New Shares is served by the Authority, the SGX-ST or other competent authority, and applications to subscribe for the New Shares have been made prior to the Stop Order, then to the extent permissible under applicable laws:
- (i) in the case where the New Shares have not been issued, we will (as required by law and subject to the SFA), deem all applications withdrawn and cancelled and our Company shall pay all monies paid on account of your application for the New Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk)

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to you within fourteen days from the date of the Stop Order and you shall not have any claim whatsoever against our Company, our Directors, or the Sponsor, Issue Manager, Underwriter and Placement Agent; or

- (ii) in the case where New Shares have already been issued but trading has not commenced, the issue of the New Shares shall be deemed to be void and, if documents purporting to evidence title had been issued to you, our Company shall inform you to return such documents to us within fourteen days from that date, our Company shall, within fourteen days from the date of the Stop Order, pay all the monies paid on account of your application for the New Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk) and you shall not have any claim whatsoever against our Company, or the Sponsor, Issue Manager, Underwriter and Placement Agent.

This shall not apply where only an interim stop order has been served.

- 20. In the event that an interim stop order in respect of the New Shares is served by the Authority, the SGX-ST or other competent authority, no New Shares shall be issued to you when the interim Stop Order is in force.
- 21. The Authority, the SGX-ST or other competent authority may not serve a Stop Order in respect of the New Shares if the New Shares have been issued and listed on a securities exchange and trading in them has commenced.
- 22. In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same through a SGXNET announcement to be posted on the SGX-ST website at <http://www.sgx.com> and through a paid advertisement in a local English newspaper.
- 23. We will not hold any application in reserve.
- 24. We will not allot shares on the basis of this Offer Document later than six months after the date of registration of this Offer Document by the SGX-ST, acting as an agent on behalf of the Authority.
- 25. Additional terms and conditions for applications by way of an Application Form are set out on “Additional Terms and Conditions for Applications using Application Forms” below.
- 26. Additional terms and conditions for applications by way of Electronic Applications are set out in “Additional Terms and Conditions for Electronic Applications” below.
- 27. All payments in respect of any application for the New Shares, and all refunds where (a) an application is rejected or accepted in part only, or (b) the Invitation does not proceed for any reason, shall be made in Singapore dollars.
- 28. CDP shall not be liable for any delays, failures or inaccuracies in the recording or storage or in the transmission or delivery of data relating to the Electronic Applications.

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ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Offer Document, including but not limited to, the terms and conditions appearing below as well as those set out in Appendix J entitled “Terms, Conditions And Procedures For Applications and Acceptances” of this Offer Document as well as our Constitution.

1. Your application for the New Shares must be made using the **WHITE** Offer Shares Application Forms and **WHITE** official envelopes “A” and “B” for Offer Shares, and the **BLUE** Application Form for Placement Shares, accompanying and forming part of this Offer Document or such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may, in its absolute discretion, deem appropriate without prejudice to the rights of our Company. **ONLY ONE APPLICATION** should be enclosed in each envelope.

We draw your attention to the detailed instructions contained in the respective Application Forms and this Offer Document for the completion of the Application Forms which must be carefully followed. **Our Company, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation.**

2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Forms, except those under the heading “**FOR OFFICIAL USE ONLY**”, must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears in your identity cards (if you have such identification document) or in your passports and, in the case of corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your constitution or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your constitution or equivalent constitutive documents must be lodged with our Company’s Share Registrar and Share Transfer Office. Our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent, reserve the right to require you to produce documentary proof of identification for verification purposes.

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5. (a) You must complete Sections A and B and sign on page 1 of the Application Form.
- (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
- (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50.0 per cent of the issued share capital of or interests in such corporations.

If you are an approved nominee company, you are required to declare whether the beneficial owner of the New Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0 per cent of the issued share capital of or interests in such corporation.

7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of New Shares applied for, in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**SLB DEVELOPMENT SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", and with your name, CDP Securities Account Number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by ANY OTHER FORM OF PAYMENT WILL NOT BE ACCEPTED. No combined Banker's Draft or Cashier's Order for different CDP Securities Accounts shall be accepted. We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. No acknowledgement or receipt will be issued by us or the Sponsor, Issue Manager, Underwriter and Placement Agent for applications and application monies received.
8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within twenty-four hours of balloting of applications at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within fourteen days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and application monies have been received in the designated share issue account. In the event that the Invitation does not proceed for any reason, the full amount of the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within five Market Days of the termination of the Invitation. In the event that the Invitation is cancelled by us following the issuance of a Stop Order by the SGX-ST, acting as an agent on behalf of the Authority, the application

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monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within fourteen days from the date of the Stop Order.

9. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
10. You irrevocably agree and acknowledge that your application is subject to risks of fire, acts of God and other events beyond the control of the Participating Banks, our Company, our Directors and the Sponsor, Issue Manager, Underwriter and Placement Agent and/or any other party involved in the Invitation and if, in any such event, our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank do not receive your Application Form, you shall have no claim whatsoever against our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent, the relevant Participating Bank, any/or other party involved in the Invitation for the New Shares applied for or for any compensation, loss or damage.
11. By completing and delivering the Application Form, you agree that:
 - (i) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at 12.00 noon on 18 April 2018 or such other time or date as our Company may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent in our absolute discretion, decide and by completing and delivering the Application Form, you agree that:
 - (a) your application is irrevocable; and
 - (b) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
 - (ii) neither our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent nor any party involved in the Invitation shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;
 - (iii) all applications, acceptances and contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (iv) in respect of the New Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
 - (v) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

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- (vi) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent, or any other person involved in the Invitation shall have any liability for any information not so contained;
- (vii) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document;
- (viii) you consent to the collection, use and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, CDP Securities Account number, and share application amount to our Share Registrar, CDP, SCCS, SGX-ST, our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent or other authorised operators; and
- (ix) you irrevocably agree and undertake to subscribe for the number of New Shares applied for as stated in the Application Form or any smaller number of such New Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot any smaller number of New Shares or not to allot any New Shares to you, you agree to accept such decision as final.

Applications for Offer Shares

- (a) Your application for Offer Shares **MUST** be made using the **WHITE** Offer Shares Application Form and **WHITE** official envelopes “A” and “B”. **ONLY ONE APPLICATION** should be enclosed in each envelope.
- (b) You must:
 - (i) enclose the **WHITE** Offer Shares Application Form, duly completed and signed, together with the correct remittance in accordance with the terms and conditions of this Offer Document in the **WHITE** envelope “A” provided;
 - (ii) in the appropriate spaces on **WHITE** envelope “A”:
 - (aa) write your name and address;
 - (bb) state the number of Offer Shares applied for;
 - (cc) tick the relevant box to indicate the form of payment; and
 - (dd) affix adequate Singapore postage;
 - (iii) seal the **WHITE** envelope “A”;
 - (iv) write, in the special box provided on the larger **WHITE** envelope “B” addressed to **SLB Development Ltd. c/o M & C Services Private Limited at 112 Robinson Road, #05-01 Singapore 068902**, the number of Offer Shares for which the application is made; and

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- (v) insert **WHITE** envelope “A” into **WHITE** envelope “B”, seal **WHITE** envelope “B”, affix adequate Singapore postage on **WHITE** envelope “B” (if despatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND at your own risk to SLB Development Ltd. c/o M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, so as to arrive by 12.00 noon on 18 April 2018 or such other date and time as our Company may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
- (c) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

Applications for Placement Shares

- (a) Your application for Placement Shares **MUST** be made using the **BLUE** Placement Shares Application Form. **ONLY ONE APPLICATION** should be enclosed in each envelope.
- (b) The completed **BLUE** Placement Shares Application Form and your remittance (in accordance with the terms and conditions of this Offer Document) for the full amount payable in respect of the number of Placement Shares you have applied for, with your name, address and CDP Securities Account number written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk to SLB Development Ltd. c/o M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, to arrive by 12.00 noon on 18 April 2018 or such other date and time as our Company may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in our absolute discretion, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
- (c) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Applications) and the IB website screens (in the case of Internet Electronic Applications). For illustration purposes, the procedures for Electronic Applications through the ATMs and the IB website of UOB are set out respectively in the “Steps for ATM Electronic Application for the Offer Shares through ATMs of UOB” and “Steps for Internet Electronic Applications through the IB website of UOB” (collectively, the “**Steps**”) sections appearing below.

The Steps set out the actions that you must take at an ATM or IB website of UOB to complete an Electronic Application. Please read carefully the terms of this Offer Document, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic

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Application. Any reference to “you” or the “applicant” in this section “Additional terms and Conditions for Electronic Applications” and the Steps shall refer to you making an application for Offer Shares through an ATM or the IB website of a relevant Participating Bank.

You may incur an administrative fee and/or such related charges as stipulated by the respective Participating Banks from time to time for the application of the Offer Shares.

You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at the ATMs of the relevant Participating Bank. An ATM card issued by one Participating Bank cannot be used to apply for Offer Shares at an ATM belonging to other Participating Banks. For an Internet Electronic Application, you must have an existing bank account with an IB User Identification (“**User ID**”) and a Personal Identification Number/Password given by the relevant Participating Bank. The Steps set out the actions that you must take at ATMs or the IB website of UOB to complete an Electronic Application. The actions that you must take at ATMs or the IB websites of other Participating Banks are set out on the ATM screens or the IB screens of the relevant Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of your Electronic Application upon completion of your Internet Electronic Application, there will be an on-screen confirmation (“**Confirmation Screen**”) of the application which can be printed for your record. The Transaction Record or your printed record of the Confirmation Screen is for retention by you and should not be submitted with any Application Form.

You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.

You must ensure, when making an Internet Electronic Application, that your mailing address is in Singapore and the application is being made in Singapore and you will be asked to declare accordingly. Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time when you make the application.

You shall make an Electronic Application on the terms, and subject to the conditions, of this Offer Document including but not limited to the terms and conditions appearing below and those set out under this Appendix J as well as our Constitution.

1. In connection with your Electronic Application for Offer Shares, you are required to confirm statements to the following effect in the course of activating the ATM or the IB website for your Electronic Application:
 - (i) that you have received a copy of this Offer Document (in the case of ATM Electronic Applications only) and have read, understood and agreed to all the terms and conditions of application for Offer Shares and this Offer Document prior to effecting the Electronic Application and agree to be bound by the same;

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- (ii) that you consent to the collection, use, processing and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent residence status, share application amount, CDP Securities Account number, application details and other Personal Data (the “**Relevant Particulars**”) with the relevant Participating Bank to the Relevant Parties; and
- (iii) that this is your only application for Offer Shares and it is made in your own name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction in the ATM or on the IB website unless you press the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen. By doing so, you shall be treated as signifying your confirmation of each of the above three statements. In respect of statement (a)(ii) above, your confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act (Chapter 19) of Singapore to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

2. **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR OFFER SHARES AS A NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS BENEFICIAL OWNER.**

YOU SHALL MAKE ONLY ONE ELECTRONIC APPLICATION FOR OFFER SHARES AND SHALL NOT MAKE ANY OTHER APPLICATION FOR OFFER SHARES, WHETHER AT AN ATM OR THE IB WEBSITE (IF ANY) OF ANY PARTICIPATING BANK OR ON AN APPLICATION FORM. IF YOU HAVE MADE AN APPLICATION FOR OFFER SHARES ON AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION FOR OFFER SHARES AND VICE VERSA.

3. You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which your Electronic Application will not be completed or accepted. **Any Electronic Application which does not conform strictly to the instructions set out in this Offer Document or on the screens of the ATM or IB website of the relevant Participating Bank through which your Electronic Application is being made shall be rejected.**

You may make an ATM Electronic Application at an ATM of any Participating Bank or an Internet Electronic Application at the IB website of a relevant Participating Bank for Offer Shares using cash only by authorising such Participating Bank to deduct the full amount payable from your account with such Participating Bank.

4. You irrevocably agree and undertake to subscribe for and/or accept the number of Offer Shares applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of Offer Shares that may be allotted to you in respect of your Electronic Application.

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In the event that our Company decides to allot any lesser number of such Offer Shares or not to allot any Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM or clicking “Confirm” or “OK” or any other relevant key on the IB website screen) of the number of Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Offer Shares that may be allotted to you and your agreement to be bound by our Constitution. You also irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or documents required for the issue and/or transfer of the Offer Shares that may be allotted to you.

5. **Our Company will not keep any applications in reserve.** Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom and at your own risk) in Singapore dollars to you by being automatically credited to your account with your Participating Bank within twenty-four hours of balloting of the applications provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account. **Trading on a “WHEN ISSUED” basis, if applicable, is expected to commence after such refund has been made.**

Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom and at your own risk) to you by being automatically credited to your account with your Participating Bank within fourteen days after the close of the Application List provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account.

If the Invitation does not proceed for any reason, the full amount of the application monies received will be refunded (without interest or any share of revenue arising therefrom and at your own risk) to you within five Market Days of the termination of the Invitation.

Responsibility for timely refund of application monies arising from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any monies to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Offer Shares allotted to you before trading the Offer Shares on the Catalist. You may also call CDP at 6535 7511 to check the provisional results of your application using your T-pin (issued by CDP upon your application for the service) and keying in the stock code (that will be made available together with the results of the allotment via an announcement through the SGX-ST website at <http://www.sgx.com> and by advertisement in a local English newspaper). To sign up for the service, you may contact CDP’s customer service officers. None of the SGX-ST, CDP, SCCS, the Participating Banks, our Company, our Directors, or the Sponsor, Issue Manager, Underwriter and Placement Agent assumes any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

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6. **If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Banks.**

If you make an Electronic Application through an ATM or the IB website of one of the following Participating Banks, you may check the provisional results of your Electronic Application as follows:

Bank	Telephone	Available at	Operating Hours	Service expected from
DBS	1800 339 6666 (for POSB account holders)	Internet Banking http://www.dbs.com ⁽¹⁾	Twenty-four hours a day	Evening of the balloting day
	1800 111 1111 (for DBS account holders)			
OCBC	1800 363 3333	ATM/Phone Banking/ Internet Banking http://www.ocbc.com ⁽²⁾	Twenty-four hours a day	Evening of the balloting day
UOB	1800 222 2121	ATM (Other Transactions – “IPO Results Enquiry”)/ Phone Banking/ Internet Banking http://www.uobgroup.com ⁽³⁾	Twenty-four hours a day	Evening of the balloting day

Notes:

- (1) If you have made your Electronic Application through the ATMs or IB website of DBS Bank or mobile banking interfaces of DBS Bank, you may check the results of your application through the channel listed above in relation to ATM Electronic Applications made at the ATM of DBS Bank.
 - (2) If you have made your Electronic Application through the ATMs or IB website of OCBC, you may check the results of your application through OCBC Personal Internet Banking, OCBC’s ATMs or OCBC Phone Banking Service.
 - (3) If you have made your Electronic Application through the ATMs or IB website of UOB, you may check the results of your application through UOB Personal Internet Banking, UOB’s ATMs or UOB Phone Banking Services.
7. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks, our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent and if, in any such event, our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank do not receive your Electronic Application, or data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever

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against our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank for Offer Shares applied for or for any compensation, loss or damage.

8. Electronic Applications shall close at 12.00 noon on 18 April 2018 or such other date and time as our Company may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion decide. Subject to paragraph above, an Internet Electronic Application is deemed to be received when it enters the designated information system of the relevant Participating Bank, that is, when there is an onscreen confirmation of the application.
9. You are deemed to have requested and authorised our Company to:
 - (i) register the Offer Shares allotted to you in the name of CDP for deposit into your Securities Account as entered by you;
 - (ii) send the relevant Share certificate(s) by ordinary post, at your own risk, to CDP;
 - (iii) return or refund (without interest or any share of revenue or other benefit arising therefrom and at your own risk) the application monies in Singapore dollars, should your Electronic Application be unsuccessful, by automatically crediting your bank account with your Participating Bank with the relevant amount within twenty-four hours of the balloting of applications or within five Market Days of the termination of the Invitation if the Invitation does not proceed for any reason (as the case may be); and
 - (iv) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies in Singapore dollars, should your Electronic Application be accepted in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within fourteen days after the close of the Application List.
10. We do not recognise the existence of a trust. Any Electronic Application by a trustee must be made in your own name and without qualification. Our Company will reject any application by any person acting as nominee except those made by approved nominee companies only.
11. All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after the time of the making your Electronic Application, you shall promptly notify your Participating Bank.

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12. **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical or otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment will be sent to your address last registered with CDP before the close of the Invitation.
13. By making and completing an Electronic Application, you are deemed to have agreed that:
- (i) In consideration of our Company making available the Electronic Application facility through the Participating Banks acting as our agents, at the ATMs and the IB websites (if any) of the relevant Participating Banks:
 - (aa) your Electronic Application is irrevocable; and
 - (bb) your Electronic Application, our acceptance and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (ii) none of our Company, our Directors, or the Sponsor, Issue Manager, Underwriter and Placement Agent shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to our Company or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph (g) above or to any cause beyond our respective controls;
 - (iii) in respect of Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on our behalf and not otherwise, notwithstanding any payment received by or on our behalf;
 - (iv) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - (v) in making your application, reliance is placed solely on information contained in this Offer Document and that none of the Company, the Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent or any other person involved in the Invitation shall have any liability for any information not so contained;
 - (vi) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document; and
 - (vii) you irrevocably agree and undertake to subscribe for the number of New Shares applied for as stated in your Electronic Application or any smaller number of such New Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot a smaller number of New Shares or not to allot any New Shares to you, you agree to accept such decision as final.

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Steps for Electronic Applications through ATMs and the IB website of UOB

The instructions for Electronic Applications will appear on the ATM screens and the IB website screens of the respective Participating Banks. For illustrative purposes, the steps for making an Electronic Application through the ATMs or IB website of UOB are shown below. Instructions for Electronic Applications appearing on the ATM screens and the IB website screens (if any) of the relevant Participating Banks (other than UOB) may differ from that represented below.

Owing to space constraints on UOB's ATM screens, the following terms will appear in abbreviated form:

"&"	:	And
"A/C" and "A/CS"	:	ACCOUNT AND ACCOUNTS, respectively
"ADDR"	:	ADDRESS
"AMT"	:	AMOUNT
"APPLN"	:	APPLICATION
"CDP"	:	THE CENTRAL DEPOSITORY (PTE) LIMITED
"CPF"	:	CENTRAL PROVIDENT FUND
"CPFINVT A/C"	:	CPF INVESTMENT ACCOUNT
"ESA"	:	ELECTRONIC SHARE APPLICATION
"IC/PSSPT"	:	NRIC or PASSPORT NUMBER
"NO" or "NO."	:	NUMBER
"PIN"	:	PERSONAL IDENTIFICATION NUMBER
"REGISTRARS"	:	SHARE REGISTRARS
"SCCS"	:	SECURITIES CLEARING & COMPUTER SERVICES (PTE) LTD
"SGX"	:	SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
"UOB/ICB CPFIS"	:	UOB OR ICB CPF INVESTMENT SCHEME
"YR"	:	YOUR

Steps for ATM Electronic Application for the Offer Shares through ATMs of UOB

1. Insert your personal Unicaard, Uniplus card or UOB VISA/MASTER card and key in your personal identification number.
2. Select "CASHCARD/OTHER TRANSACTIONS".
3. Select "SECURITIES APPLICATION".
4. Select "ESA-Fixed".
5. Select the share counter which you wish to apply for.

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6. Read and understand the following statements which will appear on the screen:

- THIS OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/PRODUCT HIGHLIGHTS SHEET/SIMPLIFIED DISCLOSURE DOCUMENT/PROFILE STATEMENT/RELEVANT DOCUMENT. ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) WILL NEED TO MAKE AN APPLICATION IN THE MANNER SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT/PRODUCT HIGHLIGHTS SHEET/SIMPLIFIED DISCLOSURE DOCUMENT/PROFILE STATEMENT/RELEVANT DOCUMENT
- YOU AGREE THAT THIS TRANSACTION IS ENTERED INTO TOTALLY ON YOUR OWN ACCORD AND THE AVAILABILITY OF THIS APPLICATION SERVICE SHALL NOT BE CONSTRUED AS A RECOMMENDATION OR ADVICE FROM UOB TO ENTER INTO THIS TRANSACTION. YOU MAY WISH TO SEEK PRIOR ADVICE FROM A QUALIFIED ADVISER AS TO THE TRANSACTION SUITABILITY

(Customer to press “ENTER” to continue)

- PLEASE CALL 1800 222 2121 IF YOU WOULD LIKE TO FIND OUT WHERE YOU CAN OBTAIN A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/PRODUCT HIGHLIGHTS SHEET/SIMPLIFIED DISCLOSURE DOCUMENT/PROFILE STATEMENT/RELEVANT DOCUMENT
- WHERE APPLICABLE, A COPY OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENT HAS BEEN LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE/OR SGX WHO ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/PRODUCTS HIGHLIGHTS SHEET/SIMPLIFIED DISCLOSURE DOCUMENT/PROFILE STATEMENT/RELEVANT DOCUMENT OR SUPPLEMENTARY DOCUMENT

(Customer to press “ENTER” to continue)

7. Read and understand the following terms which will appear on the screen:

- YOU HAVE READ, UNDERSTOOD & AGREED TO ALL TERMS OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/PRODUCT HIGHLIGHTS SHEET/SIMPLIFIED DISCLOSURE DOCUMENT/PROFILE STATEMENT/RELEVANT DOCUMENT & THIS ELECTRONIC APPLICATION

(Customer to press “ENTER” to continue)

- YOU CONSENT TO DISCLOSE YOUR NAME, IC/PSSPT, NATIONALITY, ADDR, APPLN AMT, CPFINVT A/C NO & CDP A/C NO FROM YOUR A/CS TO CDP, CPF, SCCS, REGISTRARS, SGX-ST & ISSUER/VENDOR(S)
- THIS IS YR ONLY FIXED PRICE APPLN & IS IN YR NAME AND AT YR RISK

(Customer to press “ENTER” to continue)

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8. Screen will display:

NRIC/Passport No. XXXXXXXXXXXX

IF YOUR NRIC NO/PASSPORT NO IS INCORRECT, PLEASE CANCEL THE TRANSACTION AND NOTIFY THE BRANCH PERSONALLY.

(Customer to press "CANCEL" or "CONFIRM")

9. Select mode of payment i.e. "CASH ONLY". You will be prompted to select Cash Account type to debit (i.e., "CURRENT ACCOUNT/I-ACCOUNT", "CAMPUS ACCOUNT" OR "SAVINGS ACCOUNT/TX ACCOUNT"). Should you have a few accounts linked to your ATM card, a list of linked account numbers will be displayed for you to select.
10. After you have selected the account, your CDP Securities Account Number will be displayed for you to confirm or change (This screen with your CDP Securities Account number will be shown if your CDP Securities Account number is already stored in the ATM system of UOB). If this is the first time you are using UOB's ATM to apply for Shares, your CDP Securities Account number will not be stored in the ATM system of UOB, and the following screen will be displayed for your input of your CDP Securities Account number.
11. Read and understand the following terms which will appear on the screen:
- 1. YOU ARE REQUIRED TO ENTER YOUR CDP A/C NO FOR YOUR FIRST IPO/SECURITIES APPLICATION. THIS A/C NO. WOULD BE DISPLAYED FOR FUTURE APPLICATIONS.**
 - 2. DO NOT APPLY FOR JOINT A/C HOLDER OR THIRD PARTIES**
 - 3. PLEASE ENTER YOUR OWN CDP A/C NO. (12 DIGITS) AND PRESS ENTER**
12. Key in your CDP Securities Account number (12 digits) and press the "ENTER" key.
13. Select your nationality status.
14. Key in the number of Shares you wish to apply for and press the "ENTER" key.
15. Check the details of your Electronic Application on the screen and press "ENTER" key to confirm your Electronic Application.
16. Select "NO" if you do not wish to make any further transactions and remove the Transaction Record. You should keep the Transaction Record for your own reference only.

APPENDIX J

TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCES

Steps for Internet Electronic Applications through the IB website of UOB

Owing to space constraints on UOB's IB website screens, the following terms will appear in abbreviated form:

"CDP"	:	The Central Depository (Pte) Limited
"CPF"	:	Central Provident Fund
"NRIC" or "I/C"	:	National Registration Identity Card
"PR"	:	Permanent Resident
"SGD" or "\$"	:	Singapore Dollars
"SCCS"	:	Securities Clearing & Computer Services (Pte) Ltd
"SGX"	:	Singapore Exchange Securities Trading Limited

1. Connect to UOB's website at <http://www.uobgroup.com>
2. Locate the UOB Online Services Login icon on the top right hand side next to "Internet Banking"
3. Click on UOB Online Services Login and at drop list select "UOB Personal Internet Banking"
4. Enter your Username and Password and click "Login"
5. Click on "Proceed" under the Full Access Mode
6. You will receive a SMS One-Time Password. Enter the SMS One-Time Password and click "Proceed"
7. Click on "Investment", followed by "Securities", then "Add"
8. Read the IMPORTANT notice and complete the declarations found on the bottom of the page by answering Yes/No to the questions
9. Click "Proceed"
10. Select your country of residence (you must be residing in Singapore to apply) and click "Continue"
11. Select the "Securities Counter" from the drop list (if there are concurrent IPOs) and click "Submit"
12. Check the "Securities Counter", select the mode of payment and account number to debit and click on "Submit"

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13. Read the important instructions and click on “Continue” to confirm that:
1. **You have read, understood and agreed to all terms and conditions of this application and Prospectus/Offer Information Statement/Product Highlights Sheet/Simplified Disclosure Document/Profile Statement/Relevant Document.**
 2. **You consent to disclose your name, I/C or passport number, address, nationality, CDP Securities Account number, and application details and other personal data to the share registrars, SGX, SCCS, CDP, the Issuer, the Sponsor, Issue Manager, Underwriter and Placement Agent.**
 3. **This application is made in your own name, for your own account and at your own risk.**
 4. **For FIXED/MAX price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.**
 5. **For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following: The application moneys will be debited from your bank account in S\$, based on the Bank’s exchange profit or loss, or application moneys may be debited and refunds credited in \$ at the same exchange rate.**
 6. **For 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to the availability at the point of application.**
14. Check your personal details, details of the share counter you wish to apply for and account to debit
- Select (a) Nationality;
- Enter (b) your CDP securities account number; and
- (c) the number of shares applied for
15. Check the details of your application, your NRIC/Passport number, CDP securities account number and the number of shares applied for, share counter, payment mode and account to debit
16. Click “Submit”, “Clear” or “Home” as applicable
17. Print the Confirmation Screen (optional) for your own reference and retention only.

