

## NEWS RELEASE

### **SLB REPORTS MAIDEN FY2018 RESULTS SINCE IPO; ACHIEVES S\$3.9 MILLION NET PROFIT**

- ***T-Space @ Tampines awarded TOP in June 2018***
- ***Received warm reception for recent industrial project launch, Mactaggart Foodlink, and residential project launches – Affinity @ Serangoon & Riverfront Residences***
- ***Upcoming launches in 2018: one industrial and one residential pipeline project in Singapore***

**Singapore, July 26, 2018** – Diversified property developer, **SLB Development Ltd.** (“**SLB**”, 新聯明發展有限公司, and together with its subsidiaries, the “**Group**”), reported a net profit attributable to shareholders of S\$3.9 million in its first full-year results for the financial year ended May 31, 2018 (“**FY2018**”) since it commenced trading on the Catalist board of the SGX-ST on April 20, 2018.

Mr Matthew Ong (王榮強), Executive Director and CEO of SLB, said, “The IPO marked a new chapter for us, as we look forward to greater things in the new financial year, which is off to a good start with the launch of two residential projects.”

“Moving forward, we’ll work closely with our partners, taking a prudent stance to replenishing our residential land bank in Singapore, while working aggressively to execute our pipeline industrial sites. Concurrently, we continue to explore opportunities overseas to achieve a balanced and diversified portfolio for sustainable long-term growth.”

## **Resilient Performance**

In the absence of revenue from the development and sale of industrial properties, where revenue is recognised only upon completion and handover of units to purchasers, the Group did not record any revenue in FY2018 compared to S\$87.6 million recorded a year ago (“FY2017”) that was mainly derived from revenue recognised from Mandai Foodlink upon TOP and handover of units sold to purchasers in April 2017.

The Group also recognised a S\$7.0 million fair value gain on investment property from Mactaggart Foodlink in FY2018 upon reclassification of the asset to a development property from investment property in October 2017.

In undertaking property development projects, SLB had outlined a joint venture strategy, working with other established property developers to manage risks and undertake larger property development projects. During the year, SLB’s share of results of joint ventures and associates decreased S\$6.8 million due to a decrease in share of profits from the completion of projects.

Overall, SLB reported FY2018 net profit attributable to shareholders of S\$3.9 million compared to S\$15.8 million in FY2017.

The Group’s balance sheet remains healthy with cash and cash equivalents at S\$51.1 million and gearing of 0.47 time.

Earnings per share was 0.55 Singapore cent in FY2018, compared to 2.35 Singapore cents in FY2017. Net asset value per share was 15.47 Singapore cents as at May 31, 2018 compared to 18.08 Singapore cents a year ago.

## Well-Positioned for Growth

Latest flash estimates from the Urban Redevelopment Authority showed a 3.4% growth in the private property index in the second quarter of 2018, continuing the 3.9% increase in the preceding quarter<sup>1</sup>. The authorities had also on July 5, 2018 tightened additional buyer's stamp duty rates and loan-to-value limits on residential property purchases<sup>2</sup>.

Together with its partners, SLB had in June and July launched the first phase of Affinity @ Serangoon (formerly known as Serangoon Ville) and Riverfront Residences (formerly known as Rio Casa) for sale, respectively.

On its industrial projects, SLB's 51%-owned T-Space @ Tampines achieved TOP in June 2018 and has sold 93.6% of its units as at June 30, 2018. Separately, Mactaggart Foodlink was launched for sale in May 2018 and 60.7% of units available for sale had been sold as at June 30, 2018.

“While we recognise the challenges ahead, we are confident of our project selection acumen, execution capabilities and ability to differentiate our projects from the crowded market, which had led to the success of our past projects. Moreover, these sites were purchased before the en bloc fever at very reasonable prices. Together with our partners, we are optimistic on our ability to maintain healthy margins for our residential projects.”

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<sup>1</sup> Urban Redevelopment Agency, July 2, 2018 – URA releases flash estimate of 2<sup>nd</sup> Quarter 2018 private residential price index

<sup>2</sup> Monetary Authority of Singapore, July 5, 2018 – Raising Additional Buyer's Stamp Duty rates and tightening Loan-to-value limits to promote a stable and sustainable property market

“Our diversified approach will also show merit during times such as this – we’ve always had particular interest in the industrial sector, where we see pockets of opportunities we can capitalise on, such as specialised facilities like Mandai Foodlink and Mactaggart Foodlink. Our industrial projects have so far resonated well with the market as we look forward to launch one more pipeline project this year,” added Mr Ong.

In Singapore, the Group plans to launch the freehold residential project at Lorong 24 Geylang in the second half of 2018, as well as the freehold industrial site at 50 Lorong 21 Geylang.

While it focuses on execution of these pipeline property development projects and pushing the sales of its ongoing projects, SLB intends to explore suitable opportunities to undertake wholly-owned property development projects, and venture into hospitality developments.

SLB will also work with its partners to source development opportunities in new overseas markets that will aid in diversifying the Group’s activities and income stream.

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*This news release is to be read in conjunction with the Company’s related financial announcement released on the SGXNet on the same day.*

**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 quality 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.

For more information, please visit [www.slbdevelopment.com.sg](http://www.slbdevelopment.com.sg).

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ISSUED ON BEHALF OF	:	SLB Development Ltd.
BY	:	Citigate Dewe Rogerson Singapore Pte Ltd 55 Market Street #02-01 Singapore 048941
CONTACT	:	Ms Dolores Phua / Ms Amelia Lee at telephone
DURING OFFICE HOURS	:	6534-5122
EMAIL	:	<a href="mailto:dolores.phua@citigatedewerogerson.com">dolores.phua@citigatedewerogerson.com</a> <a href="mailto:amelia.lee@citigatedewerogerson.com">amelia.lee@citigatedewerogerson.com</a>

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*The contact person for the Sponsor is Ms Tay Sim Yee, at 1 Robinson Road #21-00, AIA Tower, Singapore 048542, telephone (65) 6532-3829.*