



SLB Development Ltd.

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

JOINT VENTURE IN RELATION TO THE FUND MANAGEMENT BUSINESS

Capitalised words which are not defined in this announcement shall carry the same meanings ascribed to them in the circular to shareholders dated 11 September 2019.

Further to the extraordinary general meeting convened on 26 September 2019 (“**EGM**”) at which shareholders approved of the Proposed Diversification by SLB Development Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) into the Fund Management Business, the Board of Directors of the Company wishes to announce that the Company’s wholly-owned subsidiary, SLBF Pte. Ltd. (“**SLBF**”), has entered into a subscription and shareholders’ agreement dated 12 December 2019 (“**SSHA**”) with 32 Holdings Pte. Ltd. (“**32HPL**”), Mr. Jeremy Choy Chun Min (“**JC**”) and 32 Real Estate Pte. Ltd (the “**JVC**”) to establish a fund management company.

1. INFORMATION ON THE JVC

The JVC is currently a wholly-owned subsidiary of 32HPL. Pursuant to the SSHA, the business of the JVC will include:

- (a) fund management, including the setting up of funds, establishing investment strategies, analysing potential investment opportunities, producing research notes, formulating and implementing investment strategies and solutions, and executing investments in accordance with the relevant mandate of the funds. It will also manage and maintain the assets and portfolio of clients, as well as engage in other activities ancillary or complementary to fund management such as the business of property management;
- (b) raising funds to invest in real estate assets;
- (c) investing in real estate funds, such as through participation by way of a limited partner or shareholder in the fund company, for the purpose of income and capital gain. For the avoidance of doubt, the JVC may invest in funds which are not managed by the Group;
- (d) investment into and operation of the various segments of the real estate value chain, including land acquisition, planning and design, construction and investment into technologically innovative products or new business models for the real estate markets; and
- (e) such other businesses as may from time to time be agreed among the shareholders in accordance with the terms and conditions of the SSHA.

2. INFORMATION ON THE JOINT VENTURE PARTNER 32HPL

32HPL is an investment holding company wholly-owned by JC and two partners. JC holds the majority stake in 32HPL and has more than 18 years of institutional experience investing in real estate markets across Asia Pacific. Following the completion of the subscription of shares pursuant to the SSHA, JC shall be appointed as Chief Executive Officer of the fund management company and will be involved in the day-to-day management and operations of the fund management company. The two partners have collectively more than 15 years of financial services experience and institutional experience investing in real estate markets and will be assisting JC in the operations of the fund management company.

None of the shareholders or directors of 32HPL are related to any of the Directors or Controlling Shareholders of the Company, or their respective associates. In addition, none of the shareholders or directors of 32HPL hold any shares of the Company.

3. CAPITAL CONTRIBUTION TOWARDS THE JVC

SLBF shall subscribe for 1,000,000 ordinary shares of the JVC at an issue price of \$1 each and 32HPL shall subscribe for 999,999 ordinary shares of the JVC at an issue price of \$1 each. Following completion of the aforesaid subscription, the parties shall each hold 50% of the total issued shares of the JVC of S\$2,000,000 comprising 2,000,000 ordinary shares.

In addition to the share subscription above, each of 32HPL and SLBF will also provide shareholders' loans to the JVC when necessary. These shareholders' loans shall be utilised for general working capital purposes.

SLBF's portion of the share subscription and shareholder's loan will be funded through internal resources and is not expected to have any material impact on the earnings per share or net tangible assets of the Company for the current financial year ending 31 May 2020.

4. OTHER MATERIAL TERMS OF THE SSHA

4.1 Governance of the JVC

SLBF and 32HPL have the right to appoint one director each to the board of the JVC, and all decisions may only be made with the unanimous approval of the board. The board may delegate any of its powers (including the making of investment decisions) to such sub-committees consisting of such as it deems fit. In addition, certain key agreed matters will also require unanimous approval of the shareholders of the JVC before the JVC may undertake the same.

4.2 Right of first refusal granted to SLBF

32HPL and the JVC have given undertakings to SLBF to grant SLBF the rights of first refusal on the terms set out in Section 4.2 of the Company's circular to shareholders dated 11 September 2019 in respect of the Company's proposed diversification into the fund management business.

4.3 Non-compete and non-solicitation undertakings

32HPL and JC have given non-compete and non-solicitation undertakings to SLBF, which shall be effective from the date of the SSHA until six months until they cease to be a shareholder or employee of the JVC (as the case may be).

None of the Directors or Controlling Shareholders of the Company have any interest in the SSHA save as disclosed above and through their shareholding in the Company (if any).

By Order of the Board

Ong Eng Keong
Executive Director and CEO
12 December 2019

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

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

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