

NEWS RELEASE

SLB ACHIEVES 157.2% GROWTH IN PROFIT BEFORE TAX OF S\$15.5 MILLION IN 1H2022

- ***Higher profit before tax of the Company mainly due to:***
 - ***Stronger take up of INSPACE units as construction progresses***
 - ***Higher development profits recognised from Affinity @ Serangoon, Rezi 24 and Riverfront Residences with sale of additional units***
- ***Incorporation of two joint venture companies, Sophia Residential Pte. Ltd. and Sophia Commercial Pte. Ltd. via associated company, Ultra Infinity Pte. Ltd., through new joint venture partnership with CEL Development Pte. Ltd. and Sing-Haiyi Crystal Pte. Ltd.***

Singapore, 14 January 2022 – Diversified property developer, **SLB Development Ltd.** (“SLB”, 新聯明發展有限公司, and together with its subsidiaries, the “**Group**”), reported that the Group has continued to achieve a strong performance despite the ongoing pandemic, with a 157.2% increase in profit before tax to S\$15.5 million for the half year ended 30 November 2021 (“**1H2022**”), up from S\$6.0 million for the half year ended 30 November 2020 (“**1H2021**”).

Financial Highlights:

(S\$'m)	1H2022	1H2021	Change (%)
Revenue	39.9	19.0	109.5
Profit before tax	15.5	6.0	157.2
Profit after tax	14.2	5.2	172.9
Profit attributable to owners of the Company	12.0	5.5	116.8
Earnings per share fully diluted (Singapore cents)	1.32	0.61	116.4

Prudent Replenishment of Land Bank through Strategic Partnerships

The Group recently successfully acquired Peace Centre / Peace Mansion (the “**Property**”) through an enbloc, private treaty arrangement, at a price of S\$650 million. This was through the Group’s 33.33%-owned associated company, Ultra Infinity Pte. Ltd.’s (“**UIPL**”) strategic partnership with CEL Development Pte. Ltd. and Sing-Haiyi Crystal Pte. Ltd. Two joint venture companies, Sophia Residential Pte. Ltd. and Sophia Commercial Pte. Ltd. have since been incorporated via UIPL through this new joint venture partnership. A mixed development comprising 319 strata units, the Property is a large District 9 commercial site allowed for mixed-use development, and strategically located in the established Mount Sophia residential enclave.

The Group also continued to see additional sales of the remaining units of its joint venture (“**JV**”) developments – Affinity @ Serangoon, Rezi 24 and Riverfront Residences – of which all three projects are almost fully sold.

Commenting on these recent corporate developments, Mr Matthew Ong (王榮強), Executive Director and CEO of SLB, said: “We have continued to make good strides ahead through strategic partnerships with experienced property developers.

“Additionally, we have collectively seen a continued good take-up of units for the three joint venture residential developments in Singapore.

“The ongoing enhancement initiatives at Thye Hong Centre are progressing well and are expected to be completed by 1st quarter of 2022. We look forward to an uplift of the short-term income for the asset, whilst we wait for suitable market conditions to re-develop the building.”

Financial Review

The Group reported S\$39.9 million revenue for 1H2022, an increase of 109.5% as compared to S\$19.0 million registered in 1H2021. The increase in revenue was mainly due to higher revenue recognised from INSPACE as more units were sold during 1H2022 and as the development project's construction progressed; offset by a decrease in revenue recognised from Mactaggart Foodlink as the project had obtained TOP in March 2021.

The Group's gross profit increased by S\$2.9 million or 46.2% to S\$9.3 million in 1H2022, from S\$6.4 million in 1H2021, mainly due to higher revenue recognised from INSPACE in 1H2022.

Other operating income increased by S\$1.4 million or 62.2% to S\$3.6 million, from S\$2.2 million over the same period, mainly due to rental income of S\$1.8 million from the development property, Thye Hong Centre, which was acquired in December 2020.

Share of results of joint ventures and associates increased by S\$8.1 million or 521.9% to S\$9.6 million in 1H2022 from S\$1.5 million in 1H2021. The increase in share of results of joint ventures and associates was mainly due to higher development profits recognised from Affinity @ Serangoon, Riverfront Residences and Rezi 24 as additional units were sold and the respective projects' construction progressed.

The Group's balance sheet remained healthy, with a net gearing of 0.58 time, which will enable SLB to react swiftly to opportunities in the market.

Overall, the Group registered a net profit attributable to owners of the Company of \$12.0 million in 1H2022. This marks a 116.8% increase as compared to \$5.5 million in 1H2021.

Fully diluted earnings per share for 1H2022 was 1.32 Singapore cents, an increase from earnings per share of 0.61 Singapore cents in 1H2021. Net asset value per share rose to 20.14 Singapore cents as compared to 17.92 Singapore cents a year ago.

Outlook

Despite the resumption of construction work, the progress of the Group's property development continues to be affected by manpower constraints due to tighter border controls that have hampered the influx of foreign workers. While the Group expects possible delay in the completion for some of its development projects, SLB will continue to actively monitor the progress to ensure smooth development and completion of its projects and focus on taking the necessary initiatives to moderate any financial impact arising thereon.

Following the recent acquisitions and investments, the Group will continue to monitor the property market closely, alongside its partners and take appropriate actions when necessary. With the latest measures proposed by the Ministry of National Development aimed at cooling the private residential market, the Group continues to remain cautious and will be financially prudent when seeking opportunities to replenish its land bank and while continuing to explore business opportunities in the region through acquisitions, joint ventures and/or strategic alliances that will complement its property development business. It will also prudently seek suitable opportunities to diversify its income streams further for sustainable future growth.

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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 different asset classes. The diversified nature of its quality portfolio allows effective management of exposure to the fluctuations in demand and/or changes in regulations for each asset classes.

In 2019, SLB established a fund management business in partnership with experienced industry veterans, which aims to actively pursue investment opportunities in real estate funds and various segments of the real estate value chain.

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

For more information, please visit www.slbdevelopment.com.sg.

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

*This news release 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 news release, including the correctness of any of the statements or opinions made, or reports contained in this news release.*

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