

Unaudited Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 May 2022

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

This announcement has not been examined or approved by the 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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SLB DEVELOPMENT LTD. AND ITS SUBSIDIARIES

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**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2022**

A. Condensed Interim Consolidated Statements of Comprehensive Income

	Note	Group Six months ended			Group Full year ended		
		31.05.2022	31.05.2021	Increase / (Decrease)	31.05.2022	31.05.2021	Increase / (Decrease)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	4	52,936	23,353	126.7	92,818	42,387	119.0
Cost of sales		(38,292)	(18,912)	102.5	(68,843)	(31,565)	118.1
Gross profit		14,644	4,441	229.7	23,975	10,822	121.5
Other operating income		4,087	3,880	5.3	7,716	6,117	26.1
Sales and marketing expenses		(3,223)	(1,243)	159.3	(5,670)	(2,306)	145.9
Administrative expenses		(2,695)	(1,586)	69.9	(4,870)	(3,280)	48.5
Other operating expenses		(1,146)	(677)	69.3	(1,778)	(972)	82.9
Finance costs		(1,700)	(1,871)	(9.1)	(3,487)	(2,954)	18.0
Share of results of joint ventures and associates		9,743	5,308	83.6	19,308	6,846	182.0
Profit before taxation	7	19,710	8,252	138.9	35,194	14,273	146.6
Taxation	8	(2,316)	(1,643)	41.0	(3,587)	(2,455)	46.1
Profit for the period/year, net of taxation		17,394	6,609	163.2	31,607	11,818	167.4
Other comprehensive income:							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation (loss)/gain		(443)	199	n.m	(231)	496	n.m
Fair value gain on financial assets at fair value through other comprehensive income		2,803	636	340.7	3,102	164	1,791.5
Other comprehensive income for the period/year, net of taxation		2,360	835	182.6	2,871	660	335.0
Total comprehensive income for the period/year		19,754	7,444	165.4	34,478	12,478	176.3
Profit/(loss) attributable to:							
Owners of the Company		14,232	7,815	82.1	26,249	13,358	96.5
Non-controlling interests		3,162	(1,206)	n.m	5,358	(1,540)	n.m
		17,394	6,609	163.2	31,607	11,818	167.4
Total comprehensive income attributable to:							
Owners of the Company		16,592	8,650	91.8	29,120	14,018	107.7
Non-controlling interests		3,162	(1,206)	n.m	5,358	(1,540)	n.m
		19,754	7,444	165.4	34,478	12,478	176.3
Earnings per share (Cents)							
Basic and diluted	10	1.56	0.85	83.5	2.88	1.46	97.3

n.m. means not meaningful

The accompanying accounting policies and explanatory notes form an integral part of the condensed interim financial statements.

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B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		31.05.2022 \$'000	31.05.2021 \$'000	31.05.2022 \$'000	31.05.2021 \$'000
Non-current assets					
Plant and equipment	5	196	316	156	309
Investment in subsidiaries		–	–	9,335	9,335
Investment in joint ventures and associates		24,336	10,208	1,829	1,829
Other investments	13	24,559	14,126	–	–
Deferred tax assets		–	768	–	–
		<u>49,091</u>	<u>25,418</u>	<u>11,320</u>	<u>11,473</u>
Current assets					
Development properties		120,062	180,892	–	–
Contract assets		47,809	19,762	–	–
Capitalised contract costs		2,662	1,381	–	–
Trade receivables		1,389	1,485	–	–
Other receivables and deposits		5,231	74	7	7
Prepayments		1,389	197	7	14
Amounts due from joint ventures and associates		157,070	142,700	66,010	58,337
Amounts due from subsidiaries		–	–	148,679	144,926
Amounts due from non-controlling interests		262	262	–	–
Cash and cash equivalents		26,058	40,230	7,302	10,731
		<u>361,932</u>	<u>386,983</u>	<u>222,005</u>	<u>214,015</u>
Current liabilities					
Trade and other payables		5,196	4,702	–	–
Accruals and provision		5,277	6,876	1,938	907
Amounts due to related companies		250	2,922	–	–
Amounts due to joint ventures and associates		1,418	1,024	950	950
Amounts due to subsidiaries		–	–	488	34,731
Amounts due to immediate holding company		160	130	160	130
Amounts due to non-controlling interests		15,617	15,002	–	–
Loans and borrowings	6	35,851	67,995	17,053	51
Provision for taxation		2,067	4,243	481	378
		<u>65,836</u>	<u>102,894</u>	<u>21,070</u>	<u>37,147</u>
Net current assets		<u>296,096</u>	<u>284,089</u>	<u>200,935</u>	<u>176,868</u>
Non-current liabilities					
Investment in associates		7,985	12,485	–	–
Amounts due to immediate holding company		33,783	33,783	33,783	33,783
Loans and borrowings	6	97,102	90,071	18	71
Deferred tax liabilities		1,486	1,510	–	–
		<u>140,356</u>	<u>137,849</u>	<u>33,801</u>	<u>33,854</u>
Net assets		<u>204,831</u>	<u>171,658</u>	<u>178,454</u>	<u>154,487</u>
Equity attributable to owners of the Company					
Share capital	14	146,216	146,216	146,216	146,216
Merger reserve		(30,288)	(30,288)	–	–
Foreign currency translation reserve		(226)	5	–	–
Fair value reserve		2,905	(197)	–	–
Retained earnings		81,836	56,500	32,238	8,271
		<u>200,443</u>	<u>172,236</u>	<u>178,454</u>	<u>154,487</u>
Non-controlling interests		<u>4,388</u>	<u>(578)</u>	<u>–</u>	<u>–</u>
Total equity		<u>204,831</u>	<u>171,658</u>	<u>178,454</u>	<u>154,487</u>

The accompanying accounting policies and explanatory notes form an integral part of the condensed interim financial statements.

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CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2022

C. Condensed Interim Statements of Changes in Equity

Group	← Attributable to owners of the Company →						Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total reserves \$'000		
Balance at 1 June 2021	146,216	(30,288)	5	(197)	56,500	26,020	(578)	171,658
Profit for the year	–	–	–	–	26,249	26,249	5,358	31,607
<u>Other comprehensive income</u>								
Foreign currency translation loss	–	–	(231)	–	–	(231)	–	(231)
Fair value gain on debt instruments at fair value through other comprehensive income	–	–	–	109	–	109	–	109
Fair value gain on equity instruments at fair value through other comprehensive income	–	–	–	2,993	–	2,993	–	2,993
Other comprehensive income for the year, net of tax	–	–	(231)	3,102	–	2,871	–	2,871
Total comprehensive income for the year	–	–	(231)	3,102	26,249	29,120	5,358	34,478
<u>Contribution by and distribution to owners</u>								
Dividends on ordinary shares (Note 9)	–	–	–	–	(913)	(913)	–	(913)
Dividends paid to non-controlling interests of subsidiaries	–	–	–	–	–	–	(392)	(392)
Total transactions with owners in their capacity as owners	–	–	–	–	(913)	(913)	(392)	(1,305)
Balance at 31 May 2022	146,216	(30,288)	(226)	2,905	81,836	54,227	4,388	204,831

The accompanying accounting policies and explanatory notes form an integral part of the condensed interim financial statements.

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CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2022

C. Condensed Interim Statements of Changes in Equity (cont'd)

Group	← Attributable to owners of the Company →						Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total reserves \$'000		
Balance at 1 June 2020	146,216	(30,288)	(491)	(361)	43,142	12,002	2,432	160,650
Profit/(loss) for the year, net of tax	–	–	–	–	13,358	13,358	(1,540)	11,818
<u>Other comprehensive income</u>								
Foreign currency translation gain	–	–	496	–	–	496	–	496
Fair value gain on debt instruments at fair value through other comprehensive income	–	–	–	138	–	138	–	138
Net fair value gain on equity instruments at fair value through other comprehensive income	–	–	–	26	–	26	–	26
Other comprehensive income for the year, net of tax	–	–	496	164	–	660	–	660
Total comprehensive income for the year	–	–	496	164	13,358	14,018	(1,540)	12,478
<u>Contribution by and distribution to owners</u>								
Dividends paid to non-controlling interests of subsidiaries	–	–	–	–	–	–	(1,470)	(1,470)
Total transactions with owners in their capacity as owners	–	–	–	–	–	–	(1,470)	(1,470)
Balance at 31 May 2021	146,216	(30,288)	5	(197)	56,500	26,020	(578)	171,658

The accompanying accounting policies and explanatory notes form an integral part of the condensed interim financial statements.

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C. Condensed Interim Statements of Changes in Equity (cont'd)

Company	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 June 2021	146,216	8,271	154,487
Profit for the year	–	24,880	24,880
Other comprehensive income for the year, net of tax	–	–	–
Total comprehensive income for the year	–	24,880	24,880
<u>Contribution by and distribution to owners</u>			
Dividends on ordinary shares (Note 9)	–	(913)	(913)
Total transactions with owners in their capacity as owners	–	(913)	(913)
Balance at 31 May 2022	<u>146,216</u>	<u>32,238</u>	<u>178,454</u>
Balance at 1 June 2020	146,216	6,777	152,993
Profit for the year	–	1,494	1,494
Other comprehensive income for the year, net of tax	–	–	–
Total comprehensive income for the year	–	1,494	1,494
Balance at 31 May 2021	<u>146,216</u>	<u>8,271</u>	<u>154,487</u>

The accompanying accounting policies and explanatory notes form an integral part of the condensed interim financial statements.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
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D. Condensed Interim Consolidated Cash Flow Statement

	Group	
	Full year ended	
	31.05.2022	31.05.2021
	\$'000	\$'000
Cash flows from operating activities		
Profit before taxation	35,194	14,273
<u>Adjustments for:</u>		
Amortisation of capitalised contract costs	5,286	1,979
Depreciation of plant and equipment	173	295
Gain on dilution of investment in a joint venture	–	(113)
Gain on disposal of investment in a joint venture	(90)	–
Gain from loan waiver from an associate	–	(4)
Write-back of loan waiver by an associate	394	–
Foreign exchange loss/(gain)	266	(378)
Interest income	(3,391)	(3,261)
Interest expense	3,487	2,954
Share of results of joint ventures and associates	(19,308)	(6,846)
Operating cash flows before changes in working capital	22,011	8,899
<u>Changes in working capital:</u>		
Development properties	60,830	(101,541)
Trade receivables	96	(1,521)
Contract assets	(28,047)	15,587
Other receivables and deposits	(1,655)	90
Prepayments	(1,192)	1
Capitalised contract costs	(6,567)	(1,692)
Trade payables, other payables and accruals	(4,509)	7,143
Balances with related companies	(2,672)	(20)
	<u>16,284</u>	<u>(81,953)</u>
Cash flows from/(used in) operations	38,295	(73,054)
Income tax paid	(5,019)	(3,226)
Net cash flows from/(used in) operating activities	33,276	(76,280)
Cash flows from investing activities		
Interest received	21	27
Purchase of plant and equipment	(53)	(28)
Loan to joint venture	(955)	(3,440)
Loans to associates	(10,351)	(5,658)
Investment in a joint venture and associate	(26)	(157)
Proceeds from disposal of investment in a joint venture	565	–
Proceeds from redemption of equity instruments	439	–
Proceeds from redemption of debt instruments	204	–
Proceeds from capital distribution from investment in equity instruments	1,932	–
Purchase of other investments	(9,906)	(3,649)
Net cash flows used in investing activities	(18,130)	(12,905)

The accompanying accounting policies and explanatory notes form an integral part of the condensed interim financial statements.

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D. Condensed Interim Consolidated Cash Flow Statement (cont'd)

	Group	
	Full year ended	
	31.05.2022	31.05.2021
	\$'000	\$'000
Cash flows from financing activities		
Interest paid	(2,838)	(2,253)
Proceeds from bank loans	24,084	132,043
Repayment of bank loans	(49,144)	(38,500)
Repayment of lease liabilities	(53)	(106)
Dividends paid on ordinary shares	(913)	–
Dividends paid to non-controlling interests of subsidiaries	(392)	(1,470)
Loan from associates	–	4
Loan from joint ventures	–	250
Net cash flows (used in)/from financing activities	(29,256)	89,968
Net (decrease)/increase in cash and cash equivalents	(14,110)	783
Cash and cash equivalents at beginning of the year	40,230	39,412
Effect of exchange rate changes on cash and cash equivalents	(62)	35
Cash and cash equivalents at end of the year	26,058	40,230

The accompanying accounting policies and explanatory notes form an integral part of the condensed interim financial statements.

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E. Notes to the Condensed Interim Financial Statements

1. Corporate information

SLB Development Ltd. (the “**Company**”) was incorporated on 17 October 2017 under the Singapore Companies Act and domiciled in Singapore. On 23 March 2018, the Company was converted into a public company limited by shares and changed its name from SLB Development Pte. Ltd. to SLB Development Ltd.. The Company was listed on the Catalist Board of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 20 April 2018.

The immediate holding company is Lian Beng Group Ltd, which is incorporated and domiciled in Singapore. Lian Beng Group Ltd is listed on the Main Board of the SGX-ST. The ultimate holding company is Ong Sek Chong & Sons Pte Ltd, which is incorporated and domiciled 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 primary activity of the Company is that of investment holding. The principal activities of the Group are that of property development and investment holding.

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 May 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 May 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars (“**SGD**” or “**\$**”), and all values are rounded to the nearest thousand (“**\$’000**”), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

The condensed interim financial statements have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements of the Group for the financial year ended 31 May 2021. The Group applied for the first-time certain standards and amendments, which are effective for annual period beginning on or after 1 January 2021. The adoption of these standards and amendments did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current financial period.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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E. Notes to the Condensed Interim Financial Statements (cont'd)

2.2 Use of judgements and estimates (cont'd)

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 May 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

- (i) Information about critical judgements in applying accounting policies that have most significant effect on the amounts recognised in the financial statements is discussed below:

Sales of development properties

For the sale of development properties, the Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. In making the assessment, the Group considered the terms of the contracts entered into with customers and the provisions of relevant laws and regulations applicable to the contracts. The assessment of whether the Group has an enforceable right to payment for performance completed to date involves judgement made in determining the enforceability of right to payment under the legal environment of the jurisdictions where the contracts are subject to.

- (ii) Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are discussed below:

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate expected credit loss ("ECL") for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying amount of trade receivables and contract assets as at 31 May 2022 are \$1,389,000 and \$47,809,000 (31 May 2021: \$1,485,000 and \$19,762,000) respectively.

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E. Notes to the Condensed Interim Financial Statements (cont'd)

2.2 Use of judgements and estimates (cont'd)

- (ii) Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are discussed below (cont'd):

Revenue recognition on development properties under construction

For the sale of development properties where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the development properties to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the development properties. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the development properties.

The estimated total construction and other related costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project engineers to make estimates of the amounts to be incurred. In making these estimates, management takes into consideration the historical trends of the amounts incurred in its other similar development properties, analysed by different property types and geographical areas for the past 3 to 5 years.

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 31 May 2022 is \$120,062,000 (31 May 2021: \$180,892,000).

3. Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial year.

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E. Notes to the Condensed Interim Financial Statements (cont'd)

4. Segment and revenue information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- (i) The property development segment is involved in the development and sale of properties (residential, commercial and industrial), as well as the provision of development management services.
- (ii) The funds management and investment segment refers to the Group's business as a fund manager through joint ventures and strategic alliance with third parties, as well as investment in the funds managed by fund managers such as through participation by way of a limited partner or shareholder in the fund company.
- (iii) The corporate segment mainly relates to corporate office functions.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the condensed consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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E. Notes to the Condensed Interim Financial Statements (cont'd)

4. Segment and revenue information (cont'd)

4.1 Reportable segments

	Property development		Funds management and investment		Corporate		Adjustments and eliminations		Notes	Total	
	Full year ended		Full year ended		Full year ended		Full year ended			Full year ended	
	31.05.2022	31.05.2021	31.05.2022	31.05.2021	31.05.2022	31.05.2021	31.05.2022	31.05.2021		31.05.2022	31.05.2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Revenue:	91,990	41,709	828	678	27,114	1,806	(27,114)	(1,806)		92,818	42,387
Results:											
Interest income	1,925	2,698	3	3	3,900	4,090	(2,437)	(3,530)	A	3,391	3,261
Interest expenses	(5,282)	(5,717)	(16)	(9)	(626)	(758)	2,437	3,530	A	(3,487)	(2,954)
Depreciation of plant and equipment	(20)	(6)	–	–	(153)	(289)	–	–		(173)	(295)
Gain on dilution of investment in a joint venture	–	–	–	–	–	113	–	–		–	113
Gain on disposal of investment in a joint venture	–	–	–	–	90	–	–	–		90	–
Share of results of joint ventures and associates	18,922	7,231	386	(385)	–	–	–	–		19,308	6,846
Segment profit/(loss) before tax	35,591	13,115	1,099	(215)	25,618	2,025	(27,114)	(652)	B	35,194	14,273
Fair value gain on financial assets at fair value through other comprehensive income	–	–	3,102	164	–	–	–	–		3,102	164
Other non-cash expenses:											
Amortisation of capitalised contract costs	5,286	1,979	–	–	–	–	–	–		5,286	1,979
(Reversal of provisions)/Provisions	(2,287)	2,679	–	–	–	–	–	–		(2,287)	2,679
	As at	As at	As at	As at	As at	As at	As at	As at		As at	As at
	31.05.2022	31.05.2021	31.05.2022	31.05.2021	31.05.2022	31.05.2021	31.05.2022	31.05.2021		31.05.2022	31.05.2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Assets:											
Investment in joint ventures and associates	15,998	(2,823)	353	546	–	–	–	–		16,351	(2,277)
Additions to non-current assets	53	2	–	–	–	26	–	–		53	28
Segment assets	309,743	361,916	28,286	15,818	222,669	214,832	(149,675)	(180,165)	C	411,023	412,401
Segment liabilities	(276,816)	(334,209)	(24,180)	(15,699)	(54,871)	(71,000)	149,675	180,165	C	(206,192)	(240,743)

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

- A. Inter-segment interest income and interest expenses are eliminated on consolidation.
- B. Inter-segment profit or loss comprising interest income and interest expense, dividends, management fees and other intercompany adjustments are eliminated on consolidation.
- C. Inter-segment assets and liabilities are eliminated on consolidation.

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E. Notes to the Condensed Interim Financial Statements (cont'd)

4. Segment and revenue information (cont'd)

4.2 Disaggregation of Revenue

	Property development		Fund management and investment		Corporate		Total	
	Full year ended		Full year ended		Full year ended		Full year ended	
	31.05.2022	31.05.2021	31.05.2022	31.05.2021	31.05.2022	31.05.2021	31.05.2022	31.05.2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Types of goods or service</u>								
Revenue from contracts with customers:								
Sale of development properties	91,990	41,709	–	–	–	–	91,990	41,709
Distribution income from investment securities	–	–	828	678	–	–	828	678
	91,990	41,709	828	678	–	–	92,818	42,387

Revenue from contracts with customers relates to the sale of development properties in Singapore and is recognised over time.

4.3 Geographical information

	Property development		Fund management and investment		Corporate		Total	
	Full year ended		Full year ended		Full year ended		Full year ended	
	31.05.2022	31.05.2021	31.05.2022	31.05.2021	31.05.2022	31.05.2021	31.05.2022	31.05.2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Revenue</u>								
Singapore	91,990	41,709	384	324	–	–	92,374	42,033
Australia	–	–	444	354	–	–	444	354
	91,990	41,709	828	678	–	–	92,818	42,387

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E. Notes to the Condensed Interim Financial Statements (cont'd)

4.3 Geographical information (cont'd)

	Non-current assets	
	31.05.2022	31.05.2021
	\$'000	\$'000
Singapore	24,178	10,514
Australia	319	–
United Kingdom	35	10
	<u>24,532</u>	<u>10,524</u>

Non-current assets information presented above consists of plant and equipment and investment in joint ventures and associates as presented in the consolidated statement of financial position.

5. Plant and equipment

During the financial year ended 31 May 2022, the Group acquired assets amounting to \$53,000 (31 May 2021: \$28,000). There was no disposal of assets during the financial year ended 31 May 2022 and 31 May 2021.

6. Loans and borrowings

	Group		Company	
	31.05.2022	31.05.2021	31.05.2022	31.05.2021
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Lease liabilities	58	58	53	51
Current portion of long-term bank loans, secured	35,793	67,937	17,000	–
	<u>35,851</u>	<u>67,995</u>	<u>17,053</u>	<u>51</u>
<u>Non-current</u>				
Lease liabilities	18	71	18	71
Long-term bank loans, secured	97,084	90,000	–	–
	<u>97,102</u>	<u>90,071</u>	<u>18</u>	<u>71</u>
Total loans and borrowings	132,953	158,066	17,071	122

Details of any collaterals:

- As at 31 May 2021, the Group's bank loan of \$5,000,000 was secured by corporate guarantee provided by the immediate holding company in the ratio of the shareholdings held in the respective subsidiaries and the assignment of rights, titles and benefits with respect to the development properties. This bank loan was fully repaid as at 31 May 2022.
- As at 31 May 2022, the Group's bank loans of \$115,877,000 (31 May 2021: \$152,937,000) are secured by corporate guarantee provided by the Company in the ratio of the shareholdings held in the subsidiaries and the assignment of rights, titles and benefits with respect to the development properties and other investments.
- As at 31 May 2022, the Group's and Company's bank loan of \$17,000,000 (31 May 2021: \$Nil) are secured by the legal assignment of rights, titles and benefits with respect to the development property of a joint venture.

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E. Notes to the Condensed Interim Financial Statements (cont'd)

7. Profit before taxation

Profit before tax includes the following:

	Group	
	Full year ended	
	31.05.2022	31.05.2021
	\$'000	\$'000
Other income / (expenses):		
Interest income	3,391	3,261
Rental income	4,071	1,809
Government grant income	12	120
Foreign exchange (loss)/gain	(291)	497
Gain on dilution of investment in a joint venture	–	113
Gain on disposal of investment in a joint venture	90	–
Depreciation of plant and equipment	(173)	(295)
Amortisation of capitalised contract costs	(5,286)	(1,979)
Interest expenses	(3,487)	(2,954)

8. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	Full year ended	
	31.05.2022	31.05.2021
	\$'000	\$'000
Current taxation		
- Current income taxation	2,657	4,106
- Under provision in respect of previous years	188	191
Deferred taxation		
- Origination and reversal of temporary differences	742	(1,842)
Income tax expense recognised in profit or loss	3,587	2,455

9. Dividends

	Group and Company	
	Full year ended	
	31.05.2022	31.05.2021
	\$'000	\$'000
<i>Ordinary dividends paid:</i>		
- Exempt dividend for 2021 of 0.1 Cents (2020: Nil Cents) per share)	913	–
Proposed but not recognised as a liability as at 31 May		
- Exempt dividend for 2022 of 0.2 Cents (2021: 0.1 Cents) per share)	1,826	913

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E. Notes to the Condensed Interim Financial Statements (cont'd)

10. Earnings per share ("EPS")

	Group Full year ended	
	31.05.2022	31.05.2021
Earnings per ordinary share for the year:		
(i) Based on weighted average number of ordinary shares in issue (cents)	2.88	1.46
(ii) On a fully diluted basis (cents)	2.88	1.46
	<u>\$'000</u>	<u>\$'000</u>
Group's net profit for the year attributable to owners of the Company used in the computation of basic and diluted EPS	26,249	13,358
	'000	'000
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	913,000	913,000

Basic earnings per share is calculated based on the Group's net profit for the year attributable to equity holders of the Company over the weighted average number of ordinary shares outstanding during the financial period.

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 period, the basic and fully diluted earnings per share are the same.

11. Net asset value per share

	Group		Company	
	31.05.2022	31.05.2021	31.05.2022	31.05.2021
Net asset value per ordinary share (cents)	21.95	18.86	19.55	16.92

Net asset value per share is calculated by dividing the Group's net assets attributable to owners of the Company by the total number of issued ordinary shares as at the end of the financial year.

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E. Notes to the Condensed Interim Financial Statements (cont'd)

12. Related party transactions

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:

	Group	
	Full year ended	
	31.05.2022	31.05.2021
	\$'000	\$'000
Construction services rendered by a related company to:		
- An associate	74,410	25,258
Commercial lease of office space from		
- A related company	96	96
Interest income from		
- Associates	3,371	3,235
Interest expense to		
- Immediate holding company	547	509

Related companies are subsidiaries of Lian Beng Group Ltd which are not part of the Group.

Corporate guarantees provided

The immediate holding company provided corporate guarantees and securities for loans granted to the Group of \$175,372,000 (31 May 2021: \$228,602,000).

SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
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E. Notes to the Condensed Interim Financial Statements (cont'd)

13. Fair value of assets and liabilities

	Group		Company	
	31.05.2022	31.05.2021	31.05.2022	31.05.2021
	\$'000	\$'000	\$'000	\$'000
Financial assets carried at amortised cost				
Trade receivables	1,389	1,485	–	–
Other receivables and deposits	5,231	74	7	7
Amounts due from joint ventures and associates	157,070	142,700	66,010	58,337
Amounts due from subsidiaries	–	–	148,679	144,926
Amounts due from non-controlling interests	262	262	–	–
Cash and cash equivalents	26,058	40,230	7,302	10,731
	<u>190,010</u>	<u>184,751</u>	<u>221,998</u>	<u>214,001</u>
Financial assets carried at fair value through other comprehensive income				
Other investments	24,559	14,126	–	–
Financial liabilities measured at amortised cost				
Trade and other payables	4,809	1,833	–	–
Accruals and provision	5,277	6,876	1,938	907
Amounts due to related companies	250	2,922	–	–
Amounts due to joint ventures and associates	1,418	1,024	950	950
Amounts due to subsidiaries	–	–	488	34,731
Amounts due to immediate holding company	33,943	33,913	33,943	33,913
Amounts due to non-controlling interests	15,617	15,002	–	–
Loans and borrowings	132,953	158,066	17,071	122
	<u>194,267</u>	<u>219,636</u>	<u>54,390</u>	<u>70,623</u>

Financial assets at fair value through other comprehensive income comprise the following:

	Group	
	31.05.2022	31.05.2021
	\$'000	\$'000
Financial assets carried at fair value through other comprehensive income		
Unquoted equity instruments (AUD)	8,070	3,975
Unquoted equity instruments (GBP)	3,715	3,450
Unquoted equity instruments (SGD)	–	439
Unquoted equity instruments (USD)	6,605	–
Quoted equity securities (SGD)	77	75
Quoted debt investments (SGD)	6,092	5,973
Quoted debt investments (AUD)	–	214
	<u>24,559</u>	<u>14,126</u>

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
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FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2022**

E. Notes to the Condensed Interim Financial Statements (cont'd)

13. Fair value of assets and liabilities (cont'd)

(a) Fair value measurement

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, 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:

	Fair value measurements at the end of the reporting period using			Total
	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	
<u>31.05.2022</u>				
<i>Financial asset measured at fair value:</i>				
Other investments	6,169	–	18,390	24,559
<u>31.05.2021</u>				
<i>Financial asset measured at fair value:</i>				
Other investments	6,262	–	7,864	14,126

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E. Notes to the Condensed Interim Financial Statements (cont'd)

13. Fair value of assets and liabilities (cont'd)

(c) Level 3 fair value measurements

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):

Description	Valuation techniques	Unobservable inputs	Range
As at 31.05.2022:			
Other investments	Net asset valuation	Note 1	Not applicable
As at 31.05.2021			
Other investments	Net asset valuation	Note 1	Not applicable

Note 1 – Other investments

The fair values of unquoted equity instruments are determined based on the fair values of the underlying assets and liabilities of the investee.

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy:

	Group
	\$'000
As at 01.06.2021	7,864
Purchases	9,906
Capital refund and redemption	(2,371)
Fair value gain recognised in other comprehensive income	2,991
As at 31.05.2022	18,390

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the financial year ended 31 May 2022.

14. Share capital

	Group and Company			
	31.05.2022		31.05.2021	
	Number of ordinary shares	Share capital	Number of ordinary shares	Share capital
		\$'000		\$'000
Issued and paid up:				
At beginning and end of year	913,000,000	146,216	913,000,000	146,216

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
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E. Notes to the Condensed Interim Financial Statements (cont'd)

14. Share capital (cont'd)

The Company did not hold any treasury shares and subsidiary holdings as at 31 May 2022 and 31 May 2021.

There are no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 31 May 2022 and 31 May 2021.

15. Subsequent events

- (i) The Group's acquisition of 2-storey property at Nos 17 to 33 Jalan Sultan was completed on 8 June 2022.
- (ii) The Group's acquisition of 30 and 31 North Canal Road was completed on 23 June 2022.
- (iii) On 4 July 2022, the Group incorporated a wholly-owned subsidiary, SLB (King Street) Pty Ltd with paid-up and issued share capital of AUD100.00 comprising 100 ordinary shares.
- (iv) On 25 July 2022, the Group subscribed for 15 ordinary shares in the capital of KSH Ultra Unity Pte. Ltd ("**KSHUU**") for an aggregate cash consideration of \$15. Following the subscription, the Group hold 15% of the paid-up capital of KSHUU. Please refer to the Company's announcement dated 26 July 2022 for further details.
- (v) On 26 July 2022, the Group's 15%-owned associated company, KSHUU has successfully tendered for the collective purchase ("**Purchase**") of all the lots and the common property comprised in Strata Title Plan No. 1652 in the development known as Euro-Asia Apartments at 1037 Serangoon Road Singapore 328170 at the purchase price of S\$222,180,000. The completion of the Purchase is subject to the fulfilment of applicable terms and conditions. Please refer to the Company's announcement dated 26 July 2022 for further details.

SLB Development Ltd. and its Subsidiaries
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2022

F. Other information required by the Appendix 7C of the Catalyst Rules

1. Review

The condensed interim consolidated statement of financial position of SLB Development Ltd (the “**Company**”) and its subsidiaries (collectively the “**Group**”) as at 31 May 2022 and the related condensed interim consolidated statement of comprehensive income, condensed interim statement of changes in equity and condensed interim consolidated cash flows statements for the financial year then ended and certain explanatory notes have not been audited or reviewed by our auditors.

- 2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

A. Comprehensive Income Statements

2H2022 vs 2H2021

The Group reported \$52.9 million in revenue for the six months ended 31 May 2022 (“**2H2022**”), an increase of \$29.5 million or 126.7% compared to \$23.4 million registered in the corresponding period ended 31 May 2021 (“**2H2021**”). The increase in revenue was mainly due to increase in revenue recognised from INSPACE as more units were sold during 2H2022 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 \$10.2 million or 229.7% from \$4.4 million in 2H2021 to \$14.6 million in 2H2022 mainly due to higher revenue recognised from INSPACE in 2H2022.

Other operating income increased by \$0.2 million or 5.3% from \$3.9 million in 2H2021 to \$4.1 million in 2H2022 mainly due to an increase in rental income of \$0.5 million from Thye Hong Centre; offset by a decrease in foreign exchange gain of \$0.3 million.

Sales and marketing expenses increased by \$2.0 million or 159.3% from \$1.2 million in 2H2021 to \$3.2 million in 2H2022 mainly due to the higher sales commission amortised to profit or loss in 2H2022 as more units were sold for INSPACE and as the development project’s construction progressed.

Administrative expenses increased by \$1.1 million or 69.9% from \$1.6 million in 2H2021 to \$2.7 million in 2H2022 mainly due to increases in (i) staff costs of \$0.7 million; (ii) professional fees of \$0.1 million; and (iii) bank charges on loan commitment of \$0.2 million.

Other operating expenses increased by \$0.4 million or 69.3% from \$0.7 million in 2H2021 to \$1.1 million in 2H2022 mainly due to foreign exchange loss of \$0.2 million and write-back of a loan waiver by an associate of \$0.4 million.

Finance costs decreased by \$0.2 million or 9.1% from \$1.9 million in 2H2021 to \$1.7 million in 2H2022 mainly due to lower bank loan interest expenses as a result of bank loan repayment.

Share of results of joint ventures and associates increased by \$4.4 million or 83.6% from \$5.3 million in 2H2021 to \$9.7 million in 2H2022. The increase in share of results of joint ventures and associates was mainly due to increases in development profits recognised from Affinity @ Serangoon and Riverfront Residences as additional units were sold and as the respective projects’ construction progressed.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
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F. Other information required by the Appendix 7C of the Catalist Rules (cont'd)

- 2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

A. Comprehensive Income Statements (cont'd)

2H2022 vs 2H2021 (cont'd)

The Group's tax expense increased by \$0.7 million or 41.0% from \$1.6 million in 2H2021 to \$2.3 million in 2H2022. The increase in income tax expense was mainly due to an increase in profits recognised in 2H2022 from the development projects.

As a result of the above, the Group registered a net profit attributable to owners of the Company of \$14.2 million in 2H2022, an increase of \$6.4 million or 82.1% from \$7.8 million in 2H2021.

FY2022 vs FY2021

The Group reported \$92.8 million in revenue for the financial year ended 31 May 2022 ("**FY2022**"), an increase of \$50.4 million or 119.0% compared to \$42.4 million registered in the corresponding year ended 31 May 2021 ("**FY2021**"). The increase in revenue was mainly due to increase in revenue recognised from INSPACE as more units were sold during FY2022 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 \$13.2 million or 121.5% from \$10.8 million in FY2021 to \$24.0 million in FY2022 mainly due to higher revenue recognised from INSPACE in FY2022.

Other operating income increased by \$1.6 million or 26.1% from \$6.1 million in FY2021 to \$7.7 million in FY2022 mainly due to an increase in rental income of \$2.3 million from Thye Hong Centre; offset by a decrease in foreign exchange gain of \$0.5 million.

Sales and marketing expenses increased by \$3.4 million or 145.9% from \$2.3 million in FY2021 to \$5.7 million in FY2022 mainly due to the higher sales commission amortised to profit or loss in FY2022 as more units were sold for INSPACE and as the development project's construction progressed.

Administrative expenses increased by \$1.6 million or 48.5% from \$3.3 million in FY2021 to \$4.9 million in FY2022 mainly due to increases in (i) staff costs of \$1.3 million; (ii) professional fees of \$0.1 million; and (iii) bank charges on loan commitment of \$0.1 million.

Other operating expenses increased by \$0.8 million or 82.9% from \$1.0 million in FY2021 to \$1.8 million in FY2022 mainly due to increases in (i) property maintenance expenses for Thye Hong Centre of \$0.2 million; (ii) foreign exchange loss of \$0.3 million; and (iii) write-back of a loan waiver by an associate of \$0.4 million.

Finance costs increased by \$0.5 million or 18.0% from \$3.0 million in FY2021 to \$3.5 million in FY2022 mainly due to an increase in interest expenses of \$0.8 million on bank loan taken for Thye Hong Centre in December 2020; offset by a decrease in interest expenses for Mactaggart Foodlink and INSPACE due to repayment of bank loans in FY2022.

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F. Other information required by the Appendix 7C of the Catalist Rules (cont'd)

2. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

A. Comprehensive Income Statements (cont'd)

FY2022 vs FY2021 (cont'd)

Share of results of joint ventures and associates increased by \$12.5 million or 182.0% from \$6.8 million in FY2021 to \$19.3 million in FY2022. The increase in share of results of joint ventures and associates was mainly due to increases in development profits recognised from Affinity @ Serangoon and Riverfront Residences as additional units were sold and as the respective projects' construction progressed.

The Group's tax expense increased by \$1.1 million or 46.1% from \$2.5 million in FY2021 to \$3.6 million in FY2022. The increase in income tax expense was mainly due to an increase in profits recognised in FY2022 from the development projects.

As a result of the above, the Group registered a net profit attributable to owners of the Company of \$26.3 million in FY2022, an increase of \$12.9 million or 96.5% from \$13.4 million in FY2021.

B. Financial Position Statements

Non-current assets

Investment in joint ventures and associates increased by \$18.6 million from net liabilities of \$2.3 million as at 31 May 2021 (resulting from S\$10.2 million as presented under non-current assets less \$12.5 million as presented under non-current liabilities) to net assets of \$16.3 million as at 31 May 2022 (resulting from \$24.3 million as presented under non-current assets less \$8.0 million as presented under non-current liabilities) mainly due to share of profits of joint ventures and associates of \$19.3 million in FY2022; offset by disposal of investment in a joint venture of \$0.5 million in FY2022.

Other investments increased by \$10.5 million or 73.9% from \$14.1 million as at 31 May 2021 to \$24.6 million as at 31 May 2022 mainly due to the Group's additional investment in equity and debt instruments of \$9.9 million and a fair value gain of \$3.1 million recognised from both equity and debts instruments; offset by (i) capital return from an investment in equity instrument of \$1.9 million; (ii) redemption of redeemable preference shares of \$0.4 million upon disposal of our investment in a joint venture; and (iii) redemption of debt instrument of \$0.2 million.

Deferred tax assets decreased by \$0.8 million or 100.0% from \$0.8 million as at 31 May 2021 due to reversal of temporary timing difference recognised from INSPACE.

Current assets

Development properties decreased by \$60.8 million or 33.6% from \$180.9 million as at 31 May 2021 to \$120.1 million as at 31 May 2022 mainly due to increase in sale of development units of the Group's on-going project, INSPACE.

Contract assets increased by \$28.0 million or 141.9% from \$19.8 million as at 31 May 2021 to \$47.8 million as at 31 May 2022 mainly due to increase in contract assets from INSPACE as more units were sold during FY2022.

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F. Other information required by the Appendix 7C of the Catalist Rules (cont'd)

2. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

B. Financial Position Statements (Cont'd)

Current assets (cont'd)

Capitalised contract costs increased by \$1.3 million or 92.8% from \$1.4 million as at 31 May 2021 to \$2.7 million as at 31 May 2022 mainly due to increase in sales commission capitalised from the sale of development units at INSPACE during FY2022.

Other receivables, deposits and prepayments increased by \$6.3 million from \$0.3 million as at 31 May 2021 to \$6.6 million as at 31 May 2022 mainly due to (i) deposits and stamp duty of \$5.4 million for the acquisition of properties at 30 and 31 North Canal Road, Singapore and 225 King Street, Melbourne; and (ii) prepayment for materials costs of \$0.9 million for INSPACE.

Amounts due from joint ventures and associates increased by \$14.4 million or 10.1% from \$142.7 million as at 31 May 2021 to \$157.1 million as at 31 May 2022 mainly due to loans to joint ventures and associates of \$7.3 million for new project investments in FY2022; additional loans to joint ventures and associates of \$3.9 million for existing projects and accumulation of interest receivables from loans to associates of \$3.3 million.

Current liabilities

Trade and other payables and accruals decreased by \$1.1 million or 9.5% from \$11.6 million as at 31 May 2021 to \$10.5 million as at 31 May 2022 mainly due to (i) decrease in GST payable of \$2.4 million; (ii) reversal of accruals for liquidated damages of \$2.7 million recognised from Mactaggart Foodlink and (iii) decrease in accrued development cost of \$0.4 million; offset by an increase in accrued operating expenses of \$1.1 million and deposit payable for 225 King Street of \$3.5 million.

Amount due to related companies decreased by \$2.6 million or 91.4% from \$2.9 million as at 31 May 2021 to \$0.3 million as at 31 May 2022 mainly due to repayment of amount to a related company in FY2022.

Current loans and borrowings decreased by \$32.1 million or 47.3% from \$68.0 million as at 31 May 2021 to \$35.9 million as at 31 May 2022 mainly due to repayment of bank loans of \$49.0 million for Mactaggart Foodlink and INSPACE; offset by drawdown of bank loan of \$17.0 million in FY2022.

Provision for taxation decreased by \$2.1 million or 51.3% from \$4.2 million as at 31 May 2021 to \$2.1 million as at 31 May 2022 mainly due to provision for current year tax expenses of \$2.7 million; offset by income tax paid of \$5.0 million.

Non-current liabilities

Non-current loans and borrowings increased by \$7.0 million or 7.8% from \$90.1 million as at 31 May 2021 to \$97.1 million as at 31 May 2022 mainly due to drawdown of bank loan of \$7.1 million in FY2022.

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F. Other information required by the Appendix 7C of the Catalist Rules (cont'd)

- 2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

C. Cash Flow Statements

Overall, cash and cash equivalents decreased by \$14.1 million from \$40.2 million as at 31 May 2021 to \$26.1 million as at 31 May 2022, due to net cash used in investing activities of \$18.1 million and financing activities of \$29.3 million; offset by net cash flows from operating activities of \$33.3 million.

Net cash flows from operating activities of \$33.3 million in FY2022 was mainly due to operating cash flows before changes in working capital of \$22.0 million, net working capital inflows of \$16.3 million and income tax paid of \$5.0 million.

Net cash used in investing activities of \$18.1 million in FY2022 was mainly due to loans to joint ventures and associates of \$11.3 million and purchase of other investments of \$9.9 million; offset by (i) capital return from investment in equity instruments of \$1.9 million; (ii) redemption of debt and equity instruments of \$0.6 million; and (iii) sale proceed of \$0.6 million from disposal of investment in a joint venture.

Net cash used in financing activities of \$29.3 million in FY2022 was mainly due to (i) repayment of bank loans of \$49.1 million; (ii) interest paid of \$2.8 million; (iii) dividends paid on ordinary shares of \$0.9 million; and (iv) dividends paid to non-controlling interests of subsidiaries of \$0.4 million; offset by drawdown of bank loan of \$24.1 million.

- 3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement has previously been disclosed.

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F. Other information required by the Appendix 7C of the Catalist Rules (cont'd)

4. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Based on advance estimates released by the Ministry of Trade and Industry on 14 July 2022, Singapore's economy grew by 4.8% on a year-on-year basis in the second quarter of 2022, extending the 4.0% growth recorded in the previous quarter¹. MTI also maintained Singapore's Gross Domestic Product ("GDP") forecast at "3.0 to 5.0 per cent" for 2022, with growth likely to come in at the lower half of the forecast range².

Separately, the Monetary Authority of Singapore ("MAS") further tightened its monetary policy on 14 July 2022, to slow inflation momentum and help ensure medium-term price stability. In this move, the MAS will re-centre the mid-point of the exchange rate policy band, and will increase the rate of appreciation of the policy band slightly. There will be no change to the width of the policy band. The MAS has also raised its inflation forecast for 2022, with overall inflation now projected at 5.0% to 6.0%, from the earlier range of 4.5% to 5.5%³.

According to real estate statistics released by the Urban Redevelopment Authority ("URA"), flash estimate for the private residential property price index increased by 3.5 per cent quarter on quarter in 2Q2022, compared to the 0.7 per cent quarter on quarter increase in 1Q2022.⁴ Meanwhile, developers sold a total of 2,397 private residential units, excluding executive condominiums, in 2Q2022 compared with the 1,825 units sold in the previous quarter.

With the gradual pick up in construction activities, supported in part by the relaxation of border restrictions on the inflow of migrant workers, the Group 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, given that the value-added of the construction sector remains below its pre-pandemic levels.

Singapore

On 3 December 2021, the Group's 33.33%-owned associated company, Ultra Infinity Pte. Ltd ("UIPL") together with its joint venture partners successfully made an offer for the enbloc acquisition of Peace Centre / Peace Mansion by way of a private treaty at a price of \$650 million. The acquisition is currently on-going.

On 9 June, the Group announced the completion of its acquisition for 17 shophouses, currently operating as Hotel Clover in Jalan Sultan, for S\$74.8 million. This hotel was acquired on 11 March 2022, in joint partnership with Weave Living, which has a significant majority ownership. This 2-storey property at Nos 17 to 33 Jalan Sultan has a total land area of 15,201 square feet and a total gross floor area of 35,000 square feet, with a 99-year leasehold tenure starting April 2008. Together with Weave Living, the Group intends to reposition the asset into serviced residences with a modern flavour.

¹ Ministry of Trade and Industry - Singapore's GDP Grew by 4.8 Per Cent in the Second Quarter of 2022
https://www.mti.gov.sg/Newsroom/Press-Releases/2022/07/Singapore-GDP-Grew-by-4_8-Per-Cent-in-the-Second-Quarter-of-2022

² "MTI Maintains 2022 GDP Growth Forecast at "3.0 to 5.0 Per Cent". Ministry of Trade and Industry Singapore. 25 May 2022
https://www.mti.gov.sg/Newsroom/Press-Releases/2022/05/MTI-Maintains-2022-GDP-Growth-Forecast-at-3_0-to-5_0-Per-Cent

³ MAS Monetary Policy Statement – July 2022
<https://www.mas.gov.sg/news/monetary-policy-statements/2022/mas-monetary-policy-statement-14jul22>

⁴ Urban Redevelopment Authority, 22 July 2022 – Release of 2nd Quarter 2022 real estate statistics

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F. Other information required by the Appendix 7C of the Catalist Rules (cont'd)

4. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months. (cont'd)

In addition, SLB, through its wholly-owned subsidiary, SLB NCR (1) Pte Ltd, acquired two commercial properties at 30 and 31 North Canal Road for S\$14.38 million, with completion scheduled for 23 June 2022. This pair of 4-storey commercial buildings has a total land area of 3,207.64 square feet and a net lettable area of 11,464 square feet. Plans are underway to rejuvenate and uplift overall tenant experience through green and sustainable repositioning, to achieve positive rental reversions in near terms, for future redevelopment or disposal.

On 26 July 2022, the Group's 15%-owned associated company, KSH Ultra Unity Pte Ltd ("**KSHUU**") has successfully tendered for the collective purchase ("**Purchase**") of all the lots and the common property comprised in Strata Title Plan No. 1652 in the development known as Euro-Asia Apartments at 1037 Serangoon Road Singapore 328170 ("**Property**") at the purchase price of S\$222.18 million. The completion of the Purchase is subject to the fulfilment of applicable terms and conditions. The Property is a freehold property comprising approximately 56,476 square feet of land area. It has a maximum allowable Gross Floor Area of approximately 158,132 square feet. KSHUU intends to redevelop the Property into a new residential development with approximately 172 residential units.

Australia

In Australia, SLB has also entered into a contract of sale to acquire a property located at 225 King Street, Melbourne for A\$35.5 million. The completion will take place 90 days from 31 May 2022. 225 King Street is a 12-storey office building located in Melbourne's Central Business District ("**CBD**"), in the thriving Flagstaff precinct, comprising 67,663 square feet of net lettable area. This is the Group's second project in Melbourne, Australia.

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 tightening of monetary measures and earlier 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 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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F. Other information required by the Appendix 7C of the Catalist Rules (cont'd)

5. Dividend

a. Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of dividend	Final
Dividend type	Cash
Dividend amount per share	0.2 Singapore cents
Tax rate	Tax-exempt

b. Corresponding period of the immediately preceding financial year.

Name of dividend	Final
Dividend type	Cash
Dividend amount per share	0.1 Singapore cents
Tax rate	Tax-exempt

c. Date payable.

The date payable for the proposed final cash dividend will be announced at a later date.

d. Books closure date.

The record date of the Company for the proposed final cash dividend will be announced at a later date.

6. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

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F. Other information required by the Appendix 7C of the Catalist Rules (cont'd)

- 7. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group had sought renewal of the general mandate from shareholders for the Interested Person Transactions (“IPT”) in the Annual General Meeting held on 28 September 2021.

The aggregate value of all interested person transactions during the FY2022 were as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	Total value of the transaction	Based on issuer's effective interest pursuant to Catalist Rule 909(1)	Total value of the transaction	Based on issuer's effective interest pursuant to Catalist Rule 909(1)
	\$'000	\$'000	\$'000	\$'000
<u>Construction services by related companies</u>				
L.S. Construction Pte Ltd ⁽¹⁾	-	-	74,410	14,882
<u>Interest expenses to holding company</u>				
Lian Beng Group Ltd	547	547	-	-

Notes: (1) L.S. Construction Pte Ltd is a wholly-owned subsidiary of the Company's controlling shareholder, Lian Beng Group Ltd.

- 8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company confirms that it has procured the undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

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F. Other information required by the Appendix 7C of the Catalist Rules (cont'd)

9. Disclosure pursuant to Rule 706A of the Catalist Rules

As at the date of this announcement, the Group has incorporated the following companies:

Company Name	Place of Incorporation	Date of Incorporation	Issued and Paid-up Capital	Principal Activities	Effective Interest Held by the Group
Weave Living Real Estate SG JV Limited	British Virgin Island	2/3/2022	\$100	Investment holding	20%
Jalan Sultan Investment 1 Limited	British Virgin Island	2/3/2022	USD 1	Investment holding	20%
SLB NCR (1) Pte Ltd	Singapore	30/3/2022	\$500,000	Real Estate Developers & Other holding companies	100%
SLB (RS) Pte Ltd	Singapore	20/5/2022	\$10	Real Estate Developers & Other holding companies	100%
SLB (King Street) Pty Ltd	Australia	4/7/2022	AUD 100	Real Estate Developers & Other holding companies	100%

The incorporation of these entities is not expected to have any material impact on the earnings per share or the net tangible assets per share of the Group for the current financial year ended 31 May 2022.

None of the directors and controlling shareholders has any interest (direct or indirect) in the incorporation of these entities.

On 25 July 2022, the Group subscribed for 15 ordinary shares in the capital of KSH Ultra Unity Pte. Ltd ("KSHUU") for an aggregate cash consideration of \$15. Following the subscription, the Group hold 15% of the paid-up capital of KSHUU. Please refer to the Company's announcement dated 26 July 2022 for further details.

10. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item F.2.

11. A breakdown of sales.

	Group		Increase / (Decrease) %
	31.05.2022 \$'000	31.05.2021 \$'000	
Sales reported for first half year	39,882	19,034	109.5
Operating profit after tax and before deducting NCI reported for first half year	14,213	5,209	172.9
Sales reported for second half year	52,936	23,353	126.7
Operating profit after tax and before deducting NCI reported for second half year	17,394	6,609	163.2

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F. Other information required by the Appendix 7C of the Catalist Rules (cont'd)

- 12. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Total annual dividend	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary Shares	1,826	913
Preference Shares	-	-
Total	1,826	913

- 13. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Save for Mr Ong Eng Keong, there is no person occupying a managerial position in the Company and its subsidiaries who is a relative of the director, chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10) of the Catalist Rules.

BY ORDER OF THE BOARD

Ong Eng Keong
Executive Director and Chief Executive Officer
27 July 2022