

Unaudited Condensed Interim Financial Statements
For the six months ended 30 November 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

Table of Contents

	Page
A. Condensed Interim Consolidated Statement of Comprehensive Income.....	1
B. Condensed Interim Statements of Financial Position	2
C. Condensed Interim Statements of Changes in Equity	3
D. Condensed Interim Consolidated Cash Flow Statement	6
E. Notes to the Condensed Interim Financial Statements.....	8
F. Other information required by the Appendix 7C of the Catalist Rules.....	21

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

A. Condensed Interim Consolidated Statement of Comprehensive Income

	Note	Group Six months ended		Increase / (Decrease) %
		30.11.2022 \$'000	30.11.2021 \$'000	
Revenue	4	38,232	39,882	(4.1)
Cost of sales		(28,318)	(30,551)	(7.3)
Gross profit		9,914	9,331	6.2
Other operating income		4,561	3,629	25.7
Sales and marketing expenses		(2,160)	(2,447)	(11.7)
Administrative expenses		(2,528)	(2,175)	16.2
Other operating expenses		(2,825)	(632)	347.0
Finance costs		(3,687)	(1,787)	106.3
Share of results of joint ventures and associates		9,198	9,565	(3.8)
Profit before taxation	7	12,473	15,484	(19.4)
Taxation	8	(1,864)	(1,271)	46.7
Profit for the period, net of taxation		10,609	14,213	(25.4)
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation (loss)/gain		(987)	212	n.m.
Fair value (loss)/gain on financial assets at fair value through other comprehensive income		(84)	299	n.m.
Other comprehensive income for the period, net of tax		(1,071)	511	n.m.
Total comprehensive income for the period		9,538	14,724	(35.2)
Profit attributable to:				
Owners of the Company		8,100	12,017	(32.6)
Non-controlling interests		2,509	2,196	14.3
		10,609	14,213	(25.4)
Total comprehensive income attributable to:				
Owners of the Company		7,029	12,528	(43.9)
Non-controlling interests		2,509	2,196	14.3
		9,538	14,724	(35.2)
Earnings per share (Cents)				
Basic and diluted	10	0.89	1.32	(32.6)

n.m. means not meaningful

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

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30.11.2022 \$'000	31.05.2022 \$'000	30.11.2022 \$'000	31.05.2022 \$'000
Non-current assets					
Property, plant and equipment	5	147	196	88	156
Investment in subsidiaries		–	–	9,835	9,335
Investment in joint ventures and associates		31,250	24,336	2,129	1,829
Other investments	13	19,925	24,559	–	–
		<u>51,322</u>	<u>49,091</u>	<u>12,052</u>	<u>11,320</u>
Current assets					
Development properties		170,406	120,062	–	–
Contract assets		–	47,809	–	–
Capitalised contract costs		505	2,662	–	–
Trade receivables		14,913	1,389	–	–
Other receivables and deposits		310	5,231	46	7
Prepayments		642	1,389	22	7
Amounts due from related companies		12	–	–	–
Amounts due from joint ventures and associates		170,439	157,070	74,111	66,010
Amounts due from subsidiaries		–	–	165,123	148,679
Amounts due from non-controlling interests		262	262	–	–
Cash and cash equivalents		39,863	26,058	13,248	7,302
		<u>397,352</u>	<u>361,932</u>	<u>252,550</u>	<u>222,005</u>
Current liabilities					
Contract liabilities		4,357	–	–	–
Trade and other payables		5,879	5,196	–	–
Accruals and provision		4,165	5,277	1,240	1,938
Amounts due to related companies		250	250	–	–
Amounts due to joint ventures and associates		1,418	1,418	950	950
Amounts due to subsidiaries		–	–	4,788	488
Amounts due to immediate holding company		316	160	316	160
Amounts due to non-controlling interests		2,143	15,617	–	–
Loans and borrowings	6	44,351	35,851	40,045	17,053
Provision for taxation		926	2,067	412	481
		<u>63,805</u>	<u>65,836</u>	<u>47,751</u>	<u>21,070</u>
Net current assets		<u>333,547</u>	<u>296,096</u>	<u>204,799</u>	<u>200,935</u>
Non-current liabilities					
Investment in associates		6,398	7,985	–	–
Amounts due to holding company		33,783	33,783	33,783	33,783
Loans and borrowings	6	129,630	97,102	8,250	18
Deferred tax liabilities		2,515	1,486	–	–
		<u>172,326</u>	<u>140,356</u>	<u>42,033</u>	<u>33,801</u>
Net assets		<u>212,543</u>	<u>204,831</u>	<u>174,818</u>	<u>178,454</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		(1,213)	(226)	–	–
Fair value reserve		(389)	2,905	–	–
Retained earnings		91,320	81,836	28,602	32,238
		<u>205,646</u>	<u>200,443</u>	<u>174,818</u>	<u>178,454</u>
Non-controlling interests		<u>6,897</u>	<u>4,388</u>	<u>–</u>	<u>–</u>
Total equity		<u>212,543</u>	<u>204,831</u>	<u>174,818</u>	<u>178,454</u>

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

SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 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 2022	146,216	(30,288)	(226)	2,905	81,836	54,227	4,388	204,831
Profit for the period	–	–	–	–	8,100	8,100	2,509	10,609
<u>Other comprehensive income</u>								
Foreign currency translation loss	–	–	(987)	–	–	(987)	–	(987)
Reclassification to profit and loss on disposal of equity instruments at fair value through other comprehensive income	–	–	–	(3,210)	3,210	–	–	–
Fair value loss 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	–	–	–	54	–	54	–	54
Other comprehensive income for the period, net of tax	–	–	(987)	(3,294)	3,210	(1,071)	–	(1,071)
Total comprehensive income for the period	–	–	(987)	(3,294)	11,310	7,029	2,509	9,538
<u>Contribution by and distribution to owners</u>								
Dividends on ordinary shares (Note 9)	–	–	–	–	(1,826)	(1,826)	–	(1,826)
Total transactions with owners in their capacity as owners	–	–	–	–	(1,826)	(1,826)	–	(1,826)
Balance at 30 November 2022	146,216	(30,288)	(1,213)	(389)	91,320	59,430	6,897	212,543

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

SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 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 2021	146,216	(30,288)	5	(197)	56,500	26,020	(578)	171,658
Profit for the period	–	–	–	–	12,017	12,017	2,196	14,213
<u>Other comprehensive income</u>								
Foreign currency translation gain	–	–	212	–	–	212	–	212
Fair value gain on debt instruments at fair value through other comprehensive income	–	–	–	186	–	186	–	186
Net fair value gain on equity instruments at fair value through other comprehensive income	–	–	–	113	–	113	–	113
Other comprehensive income for the period, net of tax	–	–	212	299	–	511	–	511
Total comprehensive income for the period	–	–	212	299	12,017	12,528	2,196	14,724
<u>Contribution by and distribution to owners</u>								
Dividends on ordinary shares (Note 9)	–	–	–	–	(913)	(913)	–	(913)
Total transactions with owners in their capacity as owners	–	–	–	–	(913)	(913)	–	(913)
Balance at 30 November 2021	146,216	(30,288)	217	102	67,604	37,635	1,618	185,469

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

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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

Company	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 June 2022	146,216	32,238	178,454
Loss for the period	–	(1,810)	(1,810)
Other comprehensive income for the period, net of tax	–	–	–
Total comprehensive income for the period	–	(1,810)	(1,810)
<u>Contribution by and distribution to owners</u>			
Dividends on ordinary shares	–	(1,826)	(1,826)
Total transactions with owners in their capacity as owners	–	(1,826)	(1,826)
Balance at 30 November 2022	<u>146,216</u>	<u>28,602</u>	<u>174,818</u>
Balance at 1 June 2021	146,216	8,271	154,487
Profit for the period	–	25,778	25,778
Other comprehensive income for the period, net of tax	–	–	–
Total comprehensive income for the period	–	25,778	25,778
<u>Contribution by and distribution to owners</u>			
Dividends on ordinary shares	–	(913)	(913)
Total transactions with owners in their capacity as owners	–	(913)	(913)
Balance at 30 November 2021	<u>146,216</u>	<u>33,136</u>	<u>179,352</u>

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

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

D. Condensed Interim Consolidated Cash Flow Statement

	Group	
	Six months ended	
	30.11.2022	30.11.2021
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	12,473	15,484
<u>Adjustments for:</u>		
Amortisation of capitalised contract costs	2,157	2,331
Depreciation of property, plant and equipment	82	88
Gain on disposal of investment in a joint venture	–	(90)
Unrealised exchange difference	482	93
Interest income	(1,729)	(1,701)
Interest expense	3,687	1,787
Share of results of joint ventures and associates	(9,198)	(9,565)
Operating cash flows before changes in working capital	7,954	8,427
<u>Changes in working capital:</u>		
Development properties	(45,404)	46,304
Trade receivables	(13,524)	(8,690)
Contract assets and liabilities	52,166	(26,077)
Other receivables and deposits	(19)	(189)
Prepayments	747	(290)
Capitalised contract costs	–	(4,962)
Trade payables, other payables and accruals	(689)	3,393
Balances with related companies	(12)	–
	<u>(6,735)</u>	<u>9,489</u>
Cash flows from operations	1,219	17,916
Income tax paid	(1,976)	(2,407)
Net cash flows (used in)/from operating activities	(757)	15,509
Cash flows from investing activities		
Interest received	20	19
Purchase of property, plant and equipment	(2)	(39)
Repayment of loan from joint venture	–	95
Loan to associates	(12,313)	(2,124)
Investment in a joint venture and associate	(300)	–
Proceeds from disposal of investment in a joint venture	–	565
Proceeds from disposal of other investments	5,366	–
Redemption of debt instruments	–	439
Refund of capital from investment in equity instruments	–	1,932
Purchase of investment in equity instruments	(816)	(3,302)
Net cash flows used in investing activities	(8,045)	(2,415)

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**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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

	Group	
	30.11.2022	30.11.2021
	\$'000	\$'000
Cash flows from financing activities		
Interest paid	(2,976)	(1,523)
Proceeds from bank loans	59,061	5,000
Repayment of bank loans	(18,035)	(15,000)
Repayment of lease liabilities	(29)	(27)
Repayment of loan to non-controlling interests	(13,668)	–
Dividends paid on ordinary shares	(1,826)	(913)
Net cash flows from/(used in) financing activities	22,527	(12,463)
Net increase in cash and cash equivalents	13,725	631
Cash and cash equivalents at beginning of the period	26,058	40,230
Effect of exchange rate changes on cash and cash equivalents	80	(100)
Cash and cash equivalents at end of the period	39,863	40,761

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**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

E. Notes to the Condensed Interim Financial Statements

1. Corporate information

SLB Development Ltd. (the “**Company**”) was incorporated under the Singapore Companies Act, domiciled in Singapore and was listed on the Catalist Board of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

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 ended 30 November 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 2022.

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 in the tables 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 2022. The Group applied for the first-time certain standards and amendments, which are effective for annual period beginning on or after 1 June 2022. The adoption of these standard 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.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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 2022.

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 30 November 2022 are \$14,913,000 and \$Nil (31 May 2022: \$1,389,000 and \$47,809,000) respectively.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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. Land cost is not considered as part of the total input cost but as fulfilment cost.

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 at the end of the reporting period is \$170,406,000 (31 May 2022: \$120,062,000).

3. Seasonal operations

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

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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 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 refer 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.

SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022

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	
	Six months ended		Six months ended		Six months ended		Six months ended			Six months ended	
	30.11.2022	30.11.2021	30.11.2022	30.11.2021	30.11.2022	30.11.2021	30.11.2022	30.11.2021		30.11.2022	30.11.2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Revenue:	37,456	39,495	776	387	–	26,658	–	(26,658)		38,232	39,882
Results:											
Interest income	955	1,304	2	2	1,870	1,997	(1,098)	(1,602)	A	1,729	1,701
Interest expenses	(3,554)	(3,107)	(26)	(8)	(1,205)	(274)	1,098	1,602	A	(3,687)	(1,787)
Depreciation of property, plant and equipment	(12)	(9)	–	–	(70)	(79)	–	–		(82)	(88)
Gain on disposal of investment in a joint venture	–	–	–	90	–	–	–	–		–	90
Share of results of joint ventures and associates	8,870	9,206	328	359	–	–	–	–		9,198	9,565
Segment profit/(loss) before tax	14,603	15,195	754	816	(2,884)	26,027	–	(26,554)	B	12,473	15,484
Fair value gain/(loss) on financial assets at fair value through other comprehensive income	–	–	(84)	299	–	–	–	–		(84)	299
Other non-cash expenses:											
Amortisation of capitalised contract costs	2,157	2,331	–	–	–	–	–	–		2,157	2,331
	As at	As at	As at	As at	As at	As at	As at	As at		As at	As at
	30.11.2022	31.05.2022	30.11.2022	31.05.2022	30.11.2022	31.05.2022	30.11.2022	31.05.2022		30.11.2022	31.05.2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Assets:											
Investment in joint ventures and associates	24,464	15,998	388	353	–	–	–	–		24,852	16,351
Additions to non-current assets	31	53	–	–	2	–	–	–		33	53
Segment assets	356,917	309,743	32,420	28,286	251,901	222,669	(192,564)	(149,675)	C	448,674	411,023
Segment liabilities	(310,351)	(276,816)	(28,559)	(24,180)	(89,785)	(54,871)	192,564	149,675	C	(236,131)	(206,192)

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated interim 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.

SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022

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	
	Six months ended		Six months ended		Six months ended		Six months ended	
	30.11.2022	30.11.2021	30.11.2022	30.11.2021	30.11.2022	30.11.2021	30.11.2022	30.11.2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Types of goods or service</u>								
Revenue from contracts with customers:								
Sale of development properties	37,456	39,495	–	–	–	–	37,456	39,495
Distribution income from investment securities	–	–	776	387	–	–	776	387
	37,456	39,495	776	387	–	–	38,232	39,882
<u>Geographical information</u>								
Singapore	37,456	39,495	586	193	–	–	38,042	39,688
Australia	–	–	190	194	–	–	190	194
	37,456	39,495	776	387	–	–	38,232	39,882

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

**SLB DEVELOPMENT LTD. AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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

5. Property, plant and equipment

During the six months ended 30 November 2022, the Group acquired assets amounting to \$33,000 (30 November 2021: \$39,000). There was no disposal of assets during the six months ended 30 November 2022 and 30 November 2021.

6. Loans and borrowings

	Group		Company	
	30.11.2022	31.05.2022	30.11.2022	31.05.2022
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Lease liabilities	51	58	45	53
Current portion of long-term bank loans, secured	44,300	35,793	40,000	17,000
	44,351	35,851	40,045	17,053
<u>Non-current</u>				
Lease liabilities	27	18	–	18
Long-term bank loans, secured	129,603	97,084	8,250	–
	129,630	97,102	8,250	18
Total loans and borrowings	173,981	132,953	48,295	17,071

Details of any collaterals:

- (a) The Group's bank loans of \$125,653,000 (31 May 2022: \$115,877,000) are secured by corporate guarantee provided by the Company in the ratio of the shareholdings held in the subsidiary and the assignment of rights, titles and benefits with respect to the development properties and other investments;
- (b) The Group's bank loans of \$48,250,000 (31 May 2022: \$17,000,000) are secured by the assignment of Group's rights, titles and benefits with respect to the development properties held by the Group in the associates.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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

7. Profit before taxation

Profit before tax includes the following:

	Group	
	Six months ended	
	30.11.2022	30.11.2021
	\$'000	\$'000
<i>Other income / (expenses):</i>		
Interest income	1,729	1,701
Rental income	2,768	1,815
Government grant income	–	12
Foreign exchange loss	(2,110)	(129)
Gain on disposal of investment in a joint venture	–	90
Depreciation of property, plant and equipment	(82)	(88)
Amortisation of capitalised contract costs	(2,157)	(2,331)
Interest expenses	(3,687)	(1,787)
	<u>(3,687)</u>	<u>(1,787)</u>

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	
	Six months ended	
	30.11.2022	30.11.2021
	\$'000	\$'000
Current taxation		
- Current income taxation	835	374
Deferred taxation		
- Origination and reversal of temporary differences	1,029	897
Income tax expense recognised in profit or loss	<u>1,864</u>	<u>1,271</u>

9. Dividends

	Group and Company	
	Six months ended	
	30.11.2022	30.11.2021
	\$'000	\$'000
<i>Ordinary dividends paid:</i>		
- Interim exempt 2022 dividend of 0.2 Cents (2021: 0.1 Cents) per share)	1,826	913
	<u>1,826</u>	<u>913</u>

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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

10. Earnings per share ("EPS")

	Group	
	Six months ended	
	30.11.2022	30.11.2021
Earnings per ordinary share for the period:		
(i) Based on weighted average number of ordinary shares in issue (cents)	0.89	1.32
(ii) On a fully diluted basis (cents)	0.89	1.32
	<u>\$'000</u>	<u>\$'000</u>
Group's net profit for the period attributable to owners of the Company used in the computation of basic and diluted EPS	8,100	12,017
	<u>'000</u>	<u>'000</u>
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 period attributable to equity holders of the Company over the weighted average number of ordinary shares outstanding during the financial period.

As there were no potential ordinary shares granted during the year and no potential ordinary shares 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	
	30.11.2022	31.05.2022	30.11.2022	31.05.2022
	\$'000	\$'000	\$'000	\$'000
Net asset value per ordinary share (cents)	22.52	21.95	19.15	19.55

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 period.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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 period:

	Group	
	Six months ended	
	30.11.2022	30.11.2021
	\$'000	\$'000
Construction services rendered by a related company to:		
- An associate	39,622	31,244
Commercial lease of office space from		
- A related company	56	48
Commercial lease of industrial space to		
- A related company	19	–
Interest income from		
- Associates	1,709	1,681
Interest expense to		
- Immediate holding company	534	258

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's associates of \$148,160,000 (31 May 2022: \$175,372,000).

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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

13. Fair value of assets and liabilities

	Group		Company	
	30.11.2022	31.05.2022	30.11.2022	31.05.2022
	\$'000	\$'000	\$'000	\$'000
<i>Financial assets carried at amortised cost</i>				
Trade receivables	14,913	1,389	–	–
Other receivables and deposits	310	5,231	46	7
Amounts due from joint ventures and associates	170,439	157,070	74,111	66,010
Amounts due from subsidiaries	–	–	165,123	148,679
Amounts due from non-controlling interests	262	262	–	–
Cash and cash equivalents	39,863	26,058	13,248	7,302
	<u>225,787</u>	<u>190,010</u>	<u>252,528</u>	<u>221,998</u>
<i>Financial assets carried at fair value through other comprehensive income</i>				
Other investments	19,925	24,559	–	–
<i>Financial liabilities carried at amortised cost</i>				
Trade and other payables	1,846	4,809	–	–
Accruals and provision	4,165	5,277	1,240	1,938
Amounts due to related companies	250	250	–	–
Amounts due to joint ventures and associates	1,418	1,418	950	950
Amounts due to subsidiaries	–	–	4,788	488
Amounts due to holding company	34,099	33,943	34,099	33,943
Amounts due to non-controlling interests	2,143	15,617	–	–
Loans and borrowings	173,981	132,953	48,295	17,071
	<u>217,902</u>	<u>194,267</u>	<u>89,372</u>	<u>54,390</u>

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

	Group	
	30.11.2022	31.05.2022
	\$'000	\$'000
<i>Financial assets carried at fair value through other comprehensive income</i>		
Unquoted equity instruments (AUD)	4,117	8,069
Unquoted equity instruments (GBP)	3,162	3,716
Unquoted equity instruments (USD)	6,605	6,605
Unquoted equity instruments (SGD)	–	–
Quoted equity securities (SGD)	87	77
Quoted debt investments (SGD)	5,954	6,092
	<u>19,925</u>	<u>24,559</u>

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 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 \$'000
	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>30.11.2022</u>				
<i>Financial asset measured at fair value:</i>				
Other investments	6,041	–	13,884	19,925
<u>31.05.2022</u>				
<i>Financial asset measured at fair value:</i>				
Other investments	6,169	–	18,390	24,559

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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 30.11.2022			
Other investment	Net asset valuation	Note 1	Not applicable
As at 31.05.2022			
Other investment	Net asset valuation	Note 1	Not applicable

Note 1 – Other investment

The fair values of unquoted equity securities 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
	<u>\$'000</u>
As at 01.06.2022	24,559
Purchases	816
Disposal	(5,366)
Fair value loss recognised in other comprehensive income	(84)
As at 30.11.2022	<u>19,925</u>

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 six months ended 30 November 2022.

14. Share capital

	Group and Company			
	30.11.2022		31.05.2022	
	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
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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

14. Share capital (cont'd)

The Company did not hold any treasury shares as at 30 November 2022 and 31 May 2022. There are no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 30 November 2022 and 30 November 2021.

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 30 November 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 six-month period 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

1H2023 vs 1H2022

The Group reported \$38.2 million in revenue for the six months ended 30 November 2022 (“**1H2023**”), a decrease of \$1.7 million or 4.1% compared to \$39.9 million registered in the corresponding period ended 30 November 2021 (“**1H2022**”). The decrease in revenue was mainly due to lower revenue recognised from INSPACE as the development project’s construction progressed.

The Group’s gross profit increased by \$0.6 million or 6.2% from \$9.3 million in 1H2022 to \$9.9 million in 1H2023 mainly due to additional units sold in 1H2023 from INSPACE.

Other operating income increased by \$1.0 million or 25.7% from \$3.6 million in 1H2022 to \$4.6 million in 1H2023, mainly due to increase in rental income of \$0.9 million from the Group’s development properties.

Sales and marketing expenses decreased by \$0.2 million or 11.7% from \$2.4 million in 1H2022 to \$2.2 million in 1H2023 mainly due to the lower sales commission amortised to profit or loss in 1H2023 as the Group’s development project’s construction progressed.

Administrative expenses increased by \$0.3 million or 16.2% from \$2.2 million in 1H2022 to \$2.5 million in 1H2023 mainly due to increase in professional fees of \$0.2 million and travelling expenses of \$0.1 million.

Other operating expenses increased by \$2.2 million or 347.0% from \$0.6 million in 1H2022 to \$2.8 million in 1H2023 mainly due to foreign exchange loss of \$2.0 million.

Finance costs increased by \$1.9 million or 106.3% from \$1.8 million in 1H2022 to \$3.7 million in 1H2023 mainly due to an increase in interest expenses on bank loans.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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)

Share of results of joint ventures and associates decreased by \$0.4 million or 3.8% from \$9.6 million in 1H2022 to \$9.2 million in 1H2023. The decrease in share of results of joint ventures and associates was mainly due to lower development profits recognised from Affinity @ Serangoon and Riverfront Residences as the respective projects' construction progressed.

The Group's tax expense increased by \$0.6 million or 46.7% from \$1.3 million in 1H2022 to \$1.9 million in 1H2023. The increase in income tax expense was mainly due to higher taxable profits for the period.

As a result of the above, the Group registered a net profit attributable to owners of the Company of \$8.1 million in 1H2023, a decrease of \$3.9 million or 32.6% from \$12.0 million in 1H2022.

B. Financial Position Statements

Non-current assets

Investment in joint ventures and associates increased by \$8.6 million from net assets of \$16.3 million as at 31 May 2022 (resulting from S\$24.3 million as presented under non-current assets less \$8.0 million as presented under non-current liabilities) to net assets of \$24.9 million as at 30 November 2022 (resulting from \$31.3 million as presented under non-current assets less \$6.4 million as presented under non-current liabilities) mainly due to share of profits of joint ventures and associates of \$9.2 million in 1H2023 and investment in associate of \$0.3 million in 1H2023; offset by unrealised foreign exchange loss on foreign associates of \$1.0 million.

Other investments decreased by \$4.7 million or 18.9% from \$24.6 million as at 31 May 2022 to \$19.9 million as at 30 November 2022 mainly due to the Group's disposal of investment in equity instruments of \$5.4 million and fair value loss of \$0.1 million; offset by additional investment in equity instruments of \$0.8 million.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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

Development properties increased by \$50.3 million or 41.9% from \$120.1 million as at 31 May 2022 to \$170.4 million as at 30 November 2022 mainly due to the acquisition of properties at 30 and 31 North Canal Road, Singapore and 225 King Street, Melbourne which were completed in June 2022 and August 2022 respectively.

Contract assets decreased from \$47.8 million as at 31 May 2022 to contract liabilities of \$4.4 million as at 30 November 2022 mainly due to progressive payments received as the development project's construction progressed.

Trade receivables increased by \$13.5 million from \$1.4 million as at 31 May 2022 to \$14.9 million as at 30 November 2022 mainly due to progress billings on the development units sold for INSPACE.

Capitalised contract costs decreased by \$2.2 million or 81.0% from \$2.7 million as at 31 May 2022 to \$0.5 million as at 30 November 2022 mainly due to amortisation of sales commission to profit and loss as the development project's construction progressed.

Other receivables, deposits and prepayments decreased by \$5.6 million or 85.6% from \$6.6 million as at 31 May 2022 to \$1.0 million as at 30 November 2022 mainly due to decreases in deposits and stamp duty for the acquisition of properties at 30 and 31 North Canal Road, Singapore and 225 King Street, Melbourne.

Amounts due from joint ventures and associates increased by \$13.3 million or 8.5% from \$157.1 million as at 31 May 2022 to \$170.4 million as at 30 November 2022 mainly due to additional loans to joint ventures and associates of \$12.3 million in 1H2023 and accumulation of interest receivables from loans to associates of \$1.6 million.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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 liabilities

Amount due to non-controlling interests decreased by \$13.5 million or 86.3% from \$15.6 million as at 31 May 2022 to \$2.1 million as at 30 November 2022 mainly due to loan repayment to non-controlling interests in 1H2023.

Current loans and borrowings increased by \$8.5 million or 23.7% from \$35.9 million as at 31 May 2022 to \$44.4 million as at 30 November 2022 mainly due to (i) drawdown of bank loan of \$23 million; and (ii) reclassification of \$2.5 million of bank loan from non-current loans and borrowings; offset by repayment of bank loans for INSPACE \$17 million.

Provision for taxation decreased by \$1.2 million or 55.2% from \$2.1 million as at 31 May 2022 to \$0.9 million as at 30 November 2022 mainly due to income tax paid of \$2.0 million; offset by increase in provision for current income tax liabilities.

Non-current liabilities

Non-current loans and borrowings increased by \$32.5 million or 33.5% from \$97.1 million as at 31 May 2022 to \$129.6 million as at 30 November 2022 mainly due to drawdown of bank loan of \$36.1 million in 1H2023; offset by repayment of bank loan of \$1.1 million and reclassification of \$2.5 million to current loans and borrowings.

C. Cash Flow Statements

Overall, cash and cash equivalents increased by \$13.8 million from \$26.1 million as at 31 May 2022 to \$39.9 million as at 30 November 2022, due to net cash flows from financing activities of \$22.5 million; offset by net cash used in operating activities of \$0.7 million and investing activities of \$8.0 million.

Net cash used in operating activities of \$0.7 million in 1H2023 was mainly due to operating cash flows before changes in working capital of \$8.0 million, net working capital outflows of \$6.7 million and income tax paid of \$2.0 million.

Net cash used in investing activities of \$8.0 million in 1H2023 was mainly due to loans to associates of \$12.3 million; investment in associates of \$0.3 million and other investments of \$0.8 million; offset by proceeds from disposal of investment in equity instruments of \$5.4 million.

Net cash flows from financing activities of \$22.5 million in 1H2023 was mainly due to (i) drawdown of bank loans of \$59.1 million; offset by (i) repayment of bank loans of \$18.0 million, (ii) interest paid of \$3.0 million, (iii) dividend paid on ordinary shares of \$1.8 million; and (iv) repayment of loan to non-controlling interests of \$13.7 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.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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.

On 3 January 2023, The Ministry of Trade and Industry (MTI) announced that Singapore's economy grew by 2.2 per cent on a year-on-year basis for the fourth quarter of 2022, moderating from the 4.2 per cent growth in the previous quarter¹. On a quarter-on-quarter seasonally-adjusted basis, the Singapore economy expanded by 0.2 per cent in the fourth quarter of 2022, extending the 1.1 per cent expansion in the third quarter. For the whole of 2022, the economy grew by 3.8 per cent lower than the 7.6 per cent growth in 2021¹.

According to real estate statistics released by the Urban Redevelopment Authority ("URA"), the prices of private residential properties increased by 0.2 per cent in 4Q2022, as compared to the 3.8 per cent increase in 3Q2022. For the whole of 2022, prices increased by 8.4 per cent, down from the 10.6 per cent rise in 2021². In 4Q2022, sales transaction volume (up to mid-December) totalled 3,135 as compared to 6,148 in 3Q2022. For 2022, this totalled 21,427 as compared to 33,557 in 2021.

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.

For the property segment, the Group has successfully extended its reach in the 'living sectors', residential, mixed-use development and commercial/office space through five acquisitions made in both Singapore and Australia during the year.

In Singapore, the joint venture enbloc acquisition of the District 9 Peace Centre/Peace Mansion for redevelopment is currently on-going. In addition, together with Weave Living and the completion of the acquisition of 17 shophouses, there is a joint intention to reposition the asset into serviced residences with a modern flavour, tapping into Singapore's midmarket hotel segment which is expected to continue its path towards recovery, on the back of increased tourist demand.

In the commercial space, the Group has acquired two commercial buildings at 30 and 31 North Canal Road, and will look to rejuvenate and uplift overall tenant experience through green and sustainable repositioning. The Group intends to achieve positive rental reversions in the near term, whilst waiting for suitable market conditions for redevelopment or disposal, tapping on the 'return to office' trend to capture demand for CBD office space. The Group has also jointly tendered with its JV partner for the collective purchase of Euro-Asia Apartments, for redevelopment into a new residential development.

In Australia, the Group has further expanded its footprint with the acquisition of a major CBD building – 225 King Street, Melbourne – which offers significant value-add, repositioning or owner occupation potential. This is the Group's second project in Melbourne following the consolidation of both office and retail podiums in 235 Bourke Street with its joint venture partners.

¹Ministry of Trade and Industry Singapore, 3 January 2023 – [Singapore's GDP Grew by 2.2 Per Cent in the Fourth Quarter of 2022 and by 3.8 Per Cent in 2022](#)

²Urban Redevelopment Authority, 3 January 2023 – [URA releases flash estimate of 4th Quarter 2022 private residential property price index](#)

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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)

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 more cooling measures introduced on 30 September 2022 including the tightening of borrowing limits and imposition of a 15-month wait-out period for private homeowners seeking to buy a non-subsidised HDB flat in the resale market, the Group expects the private residential market to remain challenging and will remain cautious and selective in replenishing its land bank. The Group will also remain financially prudent when seeking accretive opportunities that support its drive to create green and sustainable assets, whilst prudently diversifying its geographical footprint and income streams for sustainable future growth.

5. Dividend

a. Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

b. Corresponding period of the immediately preceding financial year.

No.

c. Date payable.

Not Applicable.

d. Books closure date.

Not Applicable.

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

No dividend has been declared or recommended for the financial period ended 30 November 2022 as to retain funds for working capital requirements of the Group and to allow the Group to capitalise on potential investments opportunities.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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 2022.

The aggregate value of all interested person transactions during the 1H2023 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⁾	-	-	39,622	7,924
<u>Interest expenses to holding company</u>				
Lian Beng Group Ltd	534	534	-	-

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).

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022**

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

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

- (a) During the 1H2023 and as at the date of this announcement, the Group has incorporated the following subsidiaries:

Company Name	Place of Incorporation	Date of Incorporation	Issued and Paid-up Capital	Principal Activities	Equity Interest Held by the Group
Wealthbliss Pte Ltd	Singapore	11/11/2022	\$100	Investment holding	100%
Wealthbliss Development Pte Ltd	Singapore	11/11/2022	\$100	Investment holding/Property development	51%
Blissful Development Pte Ltd	Singapore	9/1/2023	\$100	Investment holding/Property development	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 ending 31 May 2023.

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

- (b) On 10 January 2023, the Group's wholly-owned subsidiary company, Blissful Development Pte Ltd ("**BDPL**") has, together with H10 Pte. Ltd. ("**H10**") and Kim Seng Heng Realty Pte Ltd ("**KSHR**", a wholly owned subsidiary of KSH Holdings Limited ("**KSH**")), incorporated a company (the "**Incorporation**"), Ultra Trinity Investment Pte. Ltd. ("**UTIPL**"), with an issued and paid-up share capital of 30 ordinary shares of S\$1.00 each. Following the Incorporation, UTIPL became a 33.3%-owned company of the Group.

The principal activities of UTIPL are (i) property development and (ii) holding of assets for investment.

Ms Ong Lay Koon, the Non-Independent and Non-Executive Chairman, holds less than 1% shareholding in KSH while Mr Ong Pang Aik, the controlling shareholder of the Company, holds less than 1% shareholding in KSH. Save as disclosed, none of the Directors or controlling shareholders of the Company, or their associates has any interest, direct or indirect, in the subscription of shares in UTIPL, other than through their shareholding interest in the Company (if any).

10. Confirmation pursuant to Rule 705(5) of the Catalist Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, do hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited consolidated financial statements of the Group and the Company for the six months ended 30 November 2022 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Ong Eng Keong
Executive Director and Chief Executive Officer
12 January 2023