

Unaudited Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 May 2023

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 Statements 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.....	22

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

A. Condensed Interim Consolidated Statements of Comprehensive Income

	Note	Group Six months ended			Group Full year ended		
		31.05.2023	31.05.2022	Increase / (Decrease)	31.05.2023	31.05.2022	Increase / (Decrease)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	4	9,456	52,936	(82.1)	47,688	92,818	(48.6)
Cost of sales		(6,364)	(38,292)	(83.4)	(34,682)	(68,843)	(49.6)
Gross profit		3,092	14,644	(78.9)	13,006	23,975	(45.8)
Other operating income		5,084	4,087	24.4	9,645	7,716	25.0
Sales and marketing expenses		(541)	(3,223)	(83.2)	(2,701)	(5,670)	(52.4)
Administrative expenses		(1,605)	(2,695)	(40.4)	(4,133)	(4,870)	(15.1)
Other operating expenses		(1,975)	(1,146)	72.3	(4,800)	(1,778)	170.0
Finance costs		(5,574)	(1,700)	227.9	(9,261)	(3,487)	165.6
Share of results of joint ventures and associates		129	9,743	(98.7)	9,327	19,308	(51.7)
Profit/(loss) before taxation	7	(1,390)	19,710	n.m.	11,083	35,194	(68.5)
Taxation	8	(689)	(2,316)	(70.3)	(2,553)	(3,587)	(28.8)
Profit/(loss) for the period/year, net of taxation		(2,079)	17,394	n.m.	8,530	31,607	(73.0)
Other comprehensive income:							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation loss		(1,071)	(443)	141.8	(2,058)	(231)	790.9
Fair value gain on financial assets at fair value through other comprehensive income, net		4,320	2,803	54.1	4,236	3,102	36.6
Other comprehensive income for the period/year, net of taxation		3,249	2,360	37.7	2,178	2,871	(24.1)
Total comprehensive income for the period/year		1,170	19,754	(94.1)	10,708	34,478	(68.9)
Profit/(loss) attributable to:							
Owners of the Company		(2,835)	14,232	n.m.	5,265	26,249	(79.9)
Non-controlling interests		756	3,162	(76.1)	3,265	5,358	(39.1)
		(2,079)	17,394	n.m.	8,530	31,607	(73.0)
Total comprehensive income attributable to:							
Owners of the Company		414	16,592	(97.5)	7,443	29,120	(74.4)
Non-controlling interests		756	3,162	(76.1)	3,265	5,358	(39.1)
		1,170	19,754	(94.1)	10,708	34,478	(68.9)
Earnings/(loss) per share (Cents)							
Basic and diluted	10	(0.31)	1.56	n.m.	0.58	2.88	(79.9)

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 AND FULL YEAR ENDED 31 MAY 2023

B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		31.05.2023 \$'000	31.05.2022 \$'000	31.05.2023 \$'000	31.05.2022 \$'000
Non-current assets					
Plant and equipment	5	90	196	37	156
Investment in subsidiaries		–	–	9,836	9,335
Investment in joint ventures and associates		32,148	24,336	2,129	1,829
Other investments	13	23,454	24,559	–	–
		<u>55,692</u>	<u>49,091</u>	<u>12,002</u>	<u>11,320</u>
Current assets					
Development properties		184,638	120,062	–	–
Contract assets		–	47,809	–	–
Capitalised contract costs		–	2,662	–	–
Other investments	13	6,040	–	–	–
Trade receivables		15,756	1,389	–	–
Other receivables and deposits		1,084	5,231	40	7
Prepayments		43	1,389	12	7
Amounts due from joint ventures and associates		194,355	157,070	95,705	66,010
Amounts due from subsidiaries		–	–	175,261	148,679
Amounts due from non-controlling interests		262	262	–	–
Cash and cash equivalents		21,001	26,058	4,470	7,302
		<u>423,179</u>	<u>361,932</u>	<u>275,488</u>	<u>222,005</u>
Current liabilities					
Trade and other payables		2,031	5,196	–	–
Accruals and provision		5,490	5,277	763	1,938
Amounts due to related companies		274	250	24	–
Amounts due to joint ventures and associates		1,418	1,418	950	950
Amounts due to subsidiaries		–	–	4,188	488
Amounts due to immediate holding company		412	160	412	160
Amounts due to non-controlling interests		2,143	15,617	–	–
Loans and borrowings	6	172,190	35,851	74,413	17,053
Provision for taxation		609	2,067	356	481
		<u>184,567</u>	<u>65,836</u>	<u>81,106</u>	<u>21,070</u>
Net current assets		<u>238,612</u>	<u>296,096</u>	<u>194,382</u>	<u>200,935</u>
Non-current liabilities					
Investment in associates		7,466	7,985	–	–
Amounts due to immediate holding company		33,783	33,783	33,783	33,783
Loans and borrowings	6	36,778	97,102	–	18
Deferred tax liabilities		2,564	1,486	–	–
		<u>80,591</u>	<u>140,356</u>	<u>33,783</u>	<u>33,801</u>
Net assets		<u>213,713</u>	<u>204,831</u>	<u>172,601</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		(1,965)	(226)	–	–
Fair value reserve		3,931	2,905	–	–
Retained earnings		88,166	81,836	26,385	32,238
		<u>206,060</u>	<u>200,443</u>	<u>172,601</u>	<u>178,454</u>
Non-controlling interests		<u>7,653</u>	<u>4,388</u>	<u>–</u>	<u>–</u>
Total equity		<u>213,713</u>	<u>204,831</u>	<u>172,601</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 AND FULL YEAR ENDED 31 MAY 2023

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 year	–	–	–	–	5,265	5,265	3,265	8,530
<u>Other comprehensive income</u>								
Foreign currency translation loss	–	–	(2,058)	–	–	(2,058)	–	(2,058)
Transfer of foreign currency translation reserves of equity instruments at fair value through other comprehensive income	–	–	319	–	(319)	–	–	–
Transfer of fair value reserves 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	–	–	–	(60)	–	(60)	–	(60)
Fair value gain on equity instruments at fair value through other comprehensive income	–	–	–	4,296	–	4,296	–	4,296
Other comprehensive income for the year, net of tax	–	–	(1,739)	1,026	2,891	2,178	–	2,178
Total comprehensive income for the year	–	–	(1,739)	1,026	8,156	7,443	3,265	10,708
<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 31 May 2023	146,216	(30,288)	(1,965)	3,931	88,166	59,844	7,653	213,713

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SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023

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 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.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

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 year	–	(4,027)	(4,027)
Total comprehensive income for the year	–	(4,027)	(4,027)
<u>Contribution by and distribution to owners</u>			
Dividends on ordinary shares (Note 9)	–	(1,826)	(1,826)
Total transactions with owners in their capacity as owners	–	(1,826)	(1,826)
Balance at 31 May 2023	146,216	26,385	172,601
Balance at 1 June 2021	146,216	8,271	154,487
Profit for the year	–	24,880	24,880
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	146,216	32,238	178,454

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 AND FULL YEAR ENDED 31 MAY 2023**

D. Condensed Interim Consolidated Cash Flow Statement

	Group	
	Full year ended	
	31.05.2023	31.05.2022
	\$'000	\$'000
Cash flows from operating activities		
Profit before taxation	11,083	35,194
<u>Adjustments for:</u>		
Amortisation of capitalised contract costs	2,662	5,286
Depreciation of plant and equipment	151	173
Gain on disposal of investment in a joint venture	–	(90)
Reversal of loan waiver by an associate	–	394
Foreign exchange loss	508	266
Interest income	(3,771)	(3,391)
Interest expense	9,261	3,487
Share of results of joint ventures and associates	(9,327)	(19,308)
Operating cash flows before changes in working capital	10,567	22,011
<u>Changes in working capital:</u>		
Development properties	(59,636)	60,830
Trade receivables	(14,367)	96
Contract assets	47,809	(28,047)
Other receivables and deposits	(259)	(1,655)
Prepayments	1,346	(1,192)
Capitalised contract costs	–	(6,567)
Trade payables, other payables and accruals	(3,456)	(4,509)
Balances with related companies	24	(2,672)
	<u>(28,539)</u>	<u>16,284</u>
Cash flows (used in)/from operations	(17,972)	38,295
Income tax paid	(3,467)	(5,019)
Net cash flows (used in)/from operating activities	(21,439)	33,276
Cash flows from investing activities		
Interest received	45	21
Purchase of plant and equipment	(15)	(53)
Loan to a joint venture	(247)	(955)
Loans to associates	(34,203)	(10,351)
Investment in a joint venture and associate	(300)	(26)
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
Proceeds from disposal of investment in equity instruments	5,366	–
Purchase of other investments	(6,558)	(9,906)
Net cash flows used in investing activities	(35,912)	(18,130)

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 AND FULL YEAR ENDED 31 MAY 2023**

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

	Group	
	Full year ended	
	31.05.2023	31.05.2022
	\$'000	\$'000
Cash flows from financing activities		
Interest paid	(8,208)	(2,838)
Proceeds from bank loans	95,328	24,084
Repayment of bank loans	(19,285)	(49,144)
Repayment of lease liabilities	(58)	(53)
Repayment of amounts due to non-controlling interests	(13,668)	-
Dividends paid on ordinary shares	(1,826)	(913)
Dividends paid to non-controlling interests of subsidiaries	-	(392)
Net cash flows from/(used in) financing activities	52,283	(29,256)
Net decrease in cash and cash equivalents	(5,068)	(14,110)
Cash and cash equivalents at beginning of the year	26,058	40,230
Effect of exchange rate changes on cash and cash equivalents	11	(62)
Cash and cash equivalents at end of the year	21,001	26,058

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 AND FULL YEAR ENDED 31 MAY 2023**

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 OSC Capital 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 2023 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 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 January 2022. 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.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

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:

Sale 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 2023 are \$15,756,000 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 AND FULL YEAR ENDED 31 MAY 2023**

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 2023 is \$184,638,000 (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 year.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

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.

SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023

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	
	31.05.2023	31.05.2022	31.05.2023	31.05.2022	31.05.2023	31.05.2022	31.05.2023	31.05.2022		31.05.2023	31.05.2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Revenue:	46,530	91,990	1,158	828	-	27,114	-	(27,114)		47,688	92,818
Results:											
Interest income	1,684	1,925	4	3	3,921	3,900	(1,838)	(2,437)	A	3,771	3,391
Interest expenses	(7,478)	(5,282)	(65)	(16)	(3,556)	(626)	1,838	2,437	A	(9,261)	(3,487)
Depreciation of plant and equipment	(28)	(20)	-	-	(123)	(153)	-	-		(151)	(173)
Gain on disposal of investment in a joint venture	-	-	-	-	-	90	-	-		-	90
Share of results of joint ventures and associates	9,152	18,922	175	386	-	-	-	-		9,327	19,308
Segment profit/(loss) before tax	15,679	35,591	1,197	1,099	(5,793)	25,618	-	(27,114)	B	11,083	35,194
Fair value gain on financial assets at fair value through other comprehensive income, net	-	-	4,236	3,102	-	-	-	-		4,236	3,102
Other non-cash expenses/(income):											
Amortisation of capitalised contract costs	2,662	5,286	-	-	-	-	-	-		2,662	5,286
Reversal of provisions	(63)	(2,287)	-	-	-	-	-	-		(63)	(2,287)
	As at	As at	As at	As at	As at	As at	As at	As at		As at	As at
	31.05.2023	31.05.2022	31.05.2023	31.05.2022	31.05.2023	31.05.2022	31.05.2023	31.05.2022		31.05.2023	31.05.2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Assets:											
Investment in joint ventures and associates	32,153	23,983	(5)	353	-	-	-	-		32,148	24,336
Additions to plant and equipment	15	53	-	-	-	-	-	-		15	53
Segment assets	367,701	309,743	38,583	28,286	273,763	222,669	(201,176)	(149,675)	C	478,871	411,023
Segment liabilities	(320,401)	(276,816)	(31,044)	(24,180)	(114,889)	(54,871)	201,176	149,675	C	(265,158)	(206,192)

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.

SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023

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

4. Segment and revenue information (cont'd)

4.2 Disaggregation of Revenue

	Property development		Funds management and investment		Corporate		Total	
	Full year ended		Full year ended		Full year ended		Full year ended	
	31.05.2023	31.05.2022	31.05.2023	31.05.2022	31.05.2023	31.05.2022	31.05.2023	31.05.2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Types of goods or service</u>								
Revenue from contracts with customers:								
Sale of development properties	46,530	91,990	–	–	–	–	46,530	91,990
Distribution income from investment securities	–	–	1,158	828	–	–	1,158	828
	46,530	91,990	1,158	828	–	–	47,688	92,818

Revenue from sale of development properties is earned in Singapore and is recognised over time.

4.3 Geographical information

	Property development		Funds management and investment		Corporate		Total	
	Full year ended		Full year ended		Full year ended		Full year ended	
	31.05.2023	31.05.2022	31.05.2023	31.05.2022	31.05.2023	31.05.2022	31.05.2023	31.05.2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Revenue</u>								
Singapore	46,530	91,990	388	384	–	–	46,918	92,374
Australia	–	–	770	444	–	–	770	444
	46,530	91,990	1,158	828	–	–	47,688	92,818

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

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

4.3 Geographical information (cont'd)

	Non-current assets	
	31.05.2023	31.05.2022
	\$'000	\$'000
Singapore	31,744	24,178
Australia	457	319
United Kingdom	37	35
	32,238	24,532

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 2023, the Group acquired plant and equipment amounting to \$15,000 (31 May 2022: \$53,000). There was no disposal of plant and equipment during the financial year ended 31 May 2023 and 31 May 2022.

6. Loans and borrowings

	Group		Company	
	31.05.2023	31.05.2022	31.05.2023	31.05.2022
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Lease liabilities	24	58	18	53
Current portion of long-term bank loans, secured	172,166	35,793	74,395	17,000
	172,190	35,851	74,413	17,053
<u>Non-current</u>				
Lease liabilities	24	18	–	18
Long-term bank loans, secured	36,754	97,084	–	–
	36,778	97,102	–	18
Total loans and borrowings	208,968	132,953	74,413	17,071

Details of any collaterals:

- (a) As at 31 May 2023, the Group's bank loans of \$134,525,000 (31 May 2022: \$115,877,000) are secured by corporate guarantee provided by the Company in the ratio of the shareholdings held in the subsidiaries and the assignment of rights, titles and benefits with respect to the development properties and other investments.
- (b) As at 31 May 2023, the Group's and Company's bank loan of \$74,395,000 (31 May 2022: \$17,000,000) are secured by the legal assignment of rights, titles and benefits with respect to the development properties of associates.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

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

7. Profit before taxation

Profit before tax includes the following:

	Group	
	Full year ended	
	31.05.2023	31.05.2022
	\$'000	\$'000
<i>Other income / (expenses):</i>		
Interest income	3,771	3,391
Rental income	5,725	4,071
Government grant income	–	12
Foreign exchange loss	(3,129)	(291)
Gain on disposal of investment in a joint venture	–	90
Depreciation of plant and equipment	(151)	(173)
Amortisation of capitalised contract costs	(2,662)	(5,286)
Interest expenses	(9,261)	(3,487)

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	
	31.05.2023	31.05.2022
	\$'000	\$'000
Current taxation		
- Current income taxation	1,489	2,655
- Under provision in respect of previous years	(14)	188
Deferred taxation		
- Origination and reversal of temporary differences	1,078	744
Income tax expense recognised in profit or loss	<u>2,553</u>	<u>3,587</u>

9. Dividends

	Group and Company	
	Full year ended	
	31.05.2023	31.05.2022
	\$'000	\$'000
<i>Ordinary dividends paid:</i>		
- Exempt dividend for 2022 of 0.2 Cents (2021: 0.1 Cents) per share)	1,826	913
Proposed but not recognised as a liability as at 31 May		
- Exempt dividend for 2023 of 0.1 Cents (2022: 0.2 Cents) per share)	913	1,826

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

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

10. Earnings per share ("EPS")

	Group Full year ended	
	31.05.2023	31.05.2022
Earnings per ordinary share for the year:		
(i) Based on weighted average number of ordinary shares in issue (cents)	0.58	2.88
(ii) On a fully diluted basis (cents)	0.58	2.88
	<u>0.58</u>	<u>2.88</u>
	\$'000	\$'000
Group's net profit for the year attributable to owners of the Company used in the computation of basic and diluted EPS	5,265	26,249
	<u>5,265</u>	<u>26,249</u>
	'000	'000
	913,000	913,000
	<u>913,000</u>	<u>913,000</u>

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	
	31.05.2023	31.05.2022	31.05.2023	31.05.2022
Net asset value per ordinary share (cents)	22.57	21.95	18.90	19.55
	<u>22.57</u>	<u>21.95</u>	<u>18.90</u>	<u>19.55</u>

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.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

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	
	31.05.2023	31.05.2022
	\$'000	\$'000
Construction services rendered by a related company to:		
- An associate	(65,416)	(74,410)
Commercial lease of office space from		
- A related company	(113)	(96)
Industrial lease of space to		
- A related company	19	-
Interest income from		
- Associates	3,716	3,371
Interest expense to		
- Immediate holding company	<u>(1,308)</u>	<u>(547)</u>

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 \$99,291,000 (31 May 2022: \$175,372,000).

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

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

13. Fair value of assets and liabilities

	Group		Company	
	31.05.2023	31.05.2022	31.05.2023	31.05.2022
	\$'000	\$'000	\$'000	\$'000
<i>Financial assets carried at amortised cost</i>				
Trade receivables	14,734	1,389	–	–
Other receivables and deposits	1,084	5,231	40	7
Amounts due from joint ventures and associates	194,355	157,070	95,705	66,010
Amounts due from subsidiaries	–	–	175,261	148,679
Amounts due from non-controlling interests	262	262	–	–
Cash and cash equivalents	21,001	26,058	4,470	7,302
	<u>231,436</u>	<u>190,010</u>	<u>275,476</u>	<u>221,998</u>
<i>Financial assets carried at fair value through other comprehensive income</i>				
Other investments	29,494	24,559	–	–
<i>Financial liabilities measured at amortised cost</i>				
Trade and other payables	2,031	4,809	–	–
Accruals and provision	5,490	5,277	763	1,938
Amounts due to related companies	274	250	24	–
Amounts due to joint ventures and associates	1,418	1,418	950	950
Amounts due to subsidiaries	–	–	4,188	488
Amounts due to immediate holding company	34,195	33,943	34,195	33,943
Amounts due to non-controlling interests	2,143	15,617	–	–
Loans and borrowings	208,968	132,953	74,413	17,071
	<u>254,519</u>	<u>194,267</u>	<u>114,533</u>	<u>54,390</u>

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

	Group	
	31.05.2023	31.05.2022
	\$'000	\$'000
<i>Financial assets carried at fair value through other comprehensive income</i>		
Unquoted equity instruments (AUD)	6,124	8,070
Unquoted equity instruments (GBP)	3,242	3,715
Unquoted equity instruments (USD)	14,012	6,605
Quoted equity securities (SGD)	76	77
Quoted debt investments (SGD)	6,040	6,092
	<u>29,494</u>	<u>24,559</u>

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

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>31.05.2023</u>				
<i>Financial asset measured at fair value:</i>				
Other investments	6,116	–	23,378	29,494
<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 AND FULL YEAR ENDED 31 MAY 2023**

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 31.05.2023:			
Other investments	Net asset valuation	Note 1	Not applicable
As at 31.05.2022			
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	
	31.5.2023	31.5.2022
	\$'000	\$'000
At beginning of year	18,390	7,864
Purchases	6,558	9,906
Disposal	(5,366)	-
Capital refund and redemption	-	(2,371)
Foreign currency translation loss	(502)	-
Fair value gain recognised in other comprehensive income, net	4,298	2,991
At end of year	23,378	18,390

There were no transfers between Level 1 and Level 2 fair value measurements during the financial year ended 31 May 2023, and no transfers into or out of Level 3 fair value measurements during the financial year ended 31 May 2023.

14. Share capital

	Group and Company			
	31.05.2023		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 AND FULL YEAR ENDED 31 MAY 2023**

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 2023 and 31 May 2022.

There are no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 31 May 2023 and 31 May 2022.

SLB Development Ltd. and its Subsidiaries
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023

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 2023 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. Consolidated Statements of Comprehensive Income

2H2023 vs 2H2022

The Group reported \$9.5 million in revenue for the six months ended 31 May 2023 (“**2H2023**”), a decrease of \$43.4 million or 82.1% compared to \$52.9 million registered in the corresponding period ended 31 May 2022 (“**2H2022**”). The decrease in revenue was mainly due to lower revenue recognised from INSPACE as the development project’s construction progressed. INSPACE has obtained Temporary Occupation Permit (“TOP”) in January 2023.

The Group’s gross profit decreased by \$11.5 million or 78.9% from \$14.6 million in 2H2022 to \$3.1 million in 2H2023 mainly due to lower revenue recognised from INSPACE in 2H2023.

Other operating income increased by \$1.0 million or 24.4% from \$4.1 million in 2H2022 to \$5.1 million in 2H2023 mainly due to increases in rental income of \$0.7 million from Group’s development properties and interest income from associates of \$0.3 million.

Sales and marketing expenses decreased by \$2.7 million or 83.2% from \$3.2 million in 2H2022 to \$0.5 million in 2H2023 mainly due to the lower sales commission amortised to profit or loss in 2H2023 as INSPACE obtained TOP in January 2023.

Administrative expenses decreased by \$1.1 million or 40.4% from \$2.7 million in 2H2022 to \$1.6 million in 2H2023 mainly due to decreases in staff costs.

Other operating expenses increased by \$0.9 million or 72.3% from \$1.1 million in 2H2022 to \$2.0 million in 2H2023 mainly due to increase in foreign exchange loss.

Finance costs increased by \$3.9 million or 227.9% from \$1.7 million in 2H2022 to \$5.6 million in 2H2023 mainly due to increase in interest expenses on bank loans.

Share of results of joint ventures and associates decreased by \$9.6 million or 98.7% from \$9.7 million in 2H2022 to \$0.1 million in 2H2023. 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.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

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. Consolidated Statements of Comprehensive Income (cont'd)

2H2023 vs 2H2022 (cont'd)

The Group's tax expense decreased by \$1.6 million or 70.3% from \$2.3 million in 2H2022 to \$0.7 million in 2H2023. The decrease in income tax expense was mainly due to a decrease in profits recognised in 2H2023 from the development project.

As a result of the above, the Group registered a net loss attributable to owners of the Company of \$2.8 million in 2H2023, a decrease of \$17.0 million or 119.9% from a net profit attributable to owners of the Company of \$14.2 million in 2H2022.

FY2023 vs FY2022

The Group reported \$47.7 million in revenue for the financial year ended 31 May 2023 ("FY2023"), a decrease of \$45.1 million or 48.6% compared to \$92.8 million registered in the corresponding year ended 31 May 2022 ("FY2022"). The decrease in revenue was mainly due to lower revenue recognised from INSPACE as this project obtained TOP in January 2023.

The Group's gross profit decreased by \$11.0 million or 45.8% from \$24.0 million in FY2022 to \$13.0 million in FY2023 mainly due to lower revenue recognised in FY2023.

Other operating income increased by \$1.9 million or 25.0% from \$7.7 million in FY2022 to \$9.6 million in FY2023 mainly due to an increase in rental income from our development property.

Sales and marketing expenses decreased by \$3.0 million or 52.4% from \$5.7 million in FY2022 to \$2.7 million in FY2023 mainly due to the lower sales commission amortised to profit or loss in FY2023 as INSPACE obtained TOP in January 2023.

Administrative expenses decreased by \$0.8 million or 15.1% from \$4.9 million in FY2022 to \$4.1 million in FY2023 mainly due to decrease in staff costs of \$1.1 million; offset by increases in professional fees of \$0.2 million and overseas traveling costs of \$0.2 million.

Other operating expenses increased by \$3.0 million or 170.0% from \$1.8 million in FY2022 to \$4.8 million in FY2023 mainly due to increases in (i) property maintenance expenses for development properties of \$0.5 million and (ii) foreign exchange loss of \$2.9 million; offset by decrease in reversal of loan waiver by an associate of \$0.4 million.

Finance costs increased by \$5.8 million or 165.6% from \$3.5 million in FY2022 to \$9.3 million in FY2023 mainly due to interest expenses on additional bank loans obtained during FY2023 and also increase in interest rates on borrowings.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

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. Consolidated Statements of Comprehensive Income (cont'd)

FY2023 vs FY2022 (cont'd)

Share of results of joint ventures and associates decreased by \$10.0 million or 51.7% from \$19.3 million in FY2022 to \$9.3 million in FY2023. 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. Both Rezi24 and Riverfront Residences have been completed and obtained TOP in January 2023 and May 2023 respectively.

The Group's tax expense decreased by \$1.0 million or 28.8% from \$3.6 million in FY2022 to \$2.6 million in FY2023. The decrease in income tax expense was mainly due to a decrease in profits recognised in FY2023 from the development projects.

As a result of the above, the Group registered a net profit attributable to owners of the Company of \$5.3 million in FY2023, a decrease of \$20.9 million or 79.9% from \$26.2 million in FY2022.

B. Statements of Financial Position

Non-current assets

Investment in joint ventures and associates increased by \$8.3 million or 51.0% from 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) to net assets of \$24.6 million as at 31 May 2023 (resulting from \$32.1 million as presented under non-current assets less \$7.5 million as presented under non-current liabilities) mainly due to (i) share of profits of joint ventures and associates of \$9.3 million in FY2023 and (ii) investment in associate of \$0.3 million in FY2023; offset by unrealised foreign exchange loss on foreign associates of \$1.3 million.

Other investments decreased by \$1.1 million or 4.5% from \$24.6 million as at 31 May 2022 to \$23.5 million as at 31 May 2023 mainly due to the Group's additional investment in equity and debt instruments of \$6.6 million and fair value gain of \$4.2 million; offset by disposal of investment in equity instruments of \$5.4 million and reclassification of debts instruments of \$6.0 million due within next twelve months to current assets.

Current assets

Development properties increased by \$64.5 million or 53.8% from \$120.1 million as at 31 May 2022 to \$184.6 million as at 31 May 2023 mainly due to the acquisition of properties at (i) 30 and 31 North Canal Road, Singapore in June 2022; (ii) 225 King Street, Melbourne in August 2022; and (iii) 38 and 40 South Bridge Road in April 2023.

Contract assets decreased from \$47.8 million as at 31 May 2022 to \$Nil as at 31 May 2023 mainly due to INSPACE obtained TOP in January 2023.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

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. Statements of Financial Position (Cont'd)

Current assets (cont'd)

Capitalised contract costs decreased from \$2.7 million as at 31 May 2022 to \$Nil as at 31 May 2023 mainly due to sales commission capitalised from the sale of development units at INSPACE being fully amortised to profit and loss as the project obtained TOP in January 2023.

Other investments of \$6.0 million as at 31 May 2023 represents debts instruments due within next twelve months reclassified from non-current assets.

Trade receivables increased by \$14.4 million from \$1.4 million as at 31 May 2022 to \$15.8 million as at 31 May 2023 mainly due to progress billings for INSPACE upon completion.

Other receivables, deposits and prepayments decreased by \$5.5 million or 83.0% from \$6.6 million as at 31 May 2022 to \$1.1 million as at 31 May 2023 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 \$37.3 million or 23.7% from \$157.1 million as at 31 May 2022 to \$194.4 million as at 31 May 2023 mainly due to additional loans to joint ventures and associates of \$34.4 million in FY2023 and accumulation of interest receivables from loans to associates of \$3.6 million.

Current liabilities

Trade and other payables and accruals decreased by \$3.0 million or 28.2% from \$10.5 million as at 31 May 2022 to \$7.5 million as at 31 May 2023 mainly due to decrease in deposit payable for 225 King Street of \$3.5 million; offset by increase in accruals costs of \$0.2 million and rental deposits received of \$0.3 million.

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 31 May 2023 mainly due to loan repayment to non-controlling interests in FY2023.

Current loans and borrowings increased by \$136.3 million or 380.3% from \$35.9 million as at 31 May 2022 to \$172.2 million as at 31 May 2023 mainly due to (i) drawdown of bank loans of \$58.8 million; and (ii) reclassification of \$94.5 million of bank loan from non-current loans and borrowings; offset by repayment of bank loans for INSPACE of \$17 million.

Provision for taxation decreased by \$1.5 million or 70.5% from \$2.1 million as at 31 May 2022 to \$0.6 million as at 31 May 2023 mainly due to provision for current year tax expenses of \$1.5 million; offset by income tax paid of \$3.5 million.

Non-current liabilities

Non-current loans and borrowings decreased by \$60.3 million or 62.1% from \$97.1 million as at 31 May 2022 to \$36.8 million as at 31 May 2023 mainly due to drawdown of bank loans of \$36.5 million; offset by repayment of bank loan of \$2.3 million and reclassification of \$94.5 million to current loans and borrowings.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

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. Consolidated Cash Flow Statement

Overall, cash and cash equivalents decreased by \$5.1 million from \$26.1 million as at 31 May 2022 to \$21.0 million as at 31 May 2023, due to net cash used in operating activities of \$21.4 million and investing activities of \$35.9 million; offset by net cash flows from financing activities of \$52.3 million.

Net cash used in operating activities of \$21.4 million in FY2023 was mainly due to operating cash flows before changes in working capital of \$10.6 million, net working capital outflows of \$28.5 million and income tax paid of \$3.5 million.

Net cash used in investing activities of \$35.9 million in FY2023 was mainly due to (i) loans to joint ventures and associates of \$34.5 million; (ii) purchase of other investments of \$6.6 million; and (iii) investment in joint venture and associates of \$0.3 million; offset by proceeds from disposal of investment in equity instruments of \$5.4 million.

Net cash flows from financing activities of \$52.3 million in FY2023 was mainly due to drawdown of bank loans of \$95.3 million; offset by (i) repayment of bank loans of \$19.3 million, (ii) interest paid of \$8.2 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.

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 14 July 2023, The Ministry of Trade and Industry (MTI) announced that Singapore's economy grew by 0.7 per cent on a year-on-year basis in the second quarter of 2023, faster than the 0.4 per cent growth recorded in the previous quarter¹. On a quarter-on-quarter seasonally-adjusted basis, the Singapore economy expanded by 0.3 per cent in the second quarter of 2023, a turnaround from the 0.4 per cent contraction during the first quarter of 2023.

According to real estate statistics released by the Urban Redevelopment Authority ("URA"), the private residential property price index increased by 6.0 points from 188.6 points in the fourth quarter of 2022 to 194.6 points in the first quarter of 2023. Sale transaction volume fell by about 8 per cent on a quarter-on-quarter basis and by about 38 per cent on a year-on-year basis in the first quarter of 2023².

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 acquisitions of the Peace Centre/Peace Mansion and Euro-Asia Apartment for redevelopment were completed in February 2023 and March 2023 respectively. In addition, together with Weave Living, the acquisition of 17 shophouses were completed and repositioned 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 four commercial buildings at 30 and 31 North Canal Road and 38 and 40 South Bridge 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 Bagnall Court, 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, 14 July 2023 – [Singapore's GDP Grew by 0.7 Per Cent in the Second Quarter of 2023](#)

²Urban Redevelopment Authority, 3 April 2023 – [URA releases flash estimate of 1st Quarter of 2023 private residential property price index](#)

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

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 implementation of the latest round of property cooling measures on 26 April 2023 with an upward revision of 3 to 30 percentage points in Additional Buyer's Stamp Duty ("ABSD"), of which the steepest increase is targeted at foreigners where the ABSD doubled from 30% to 60%, there has been a decline of 0.4 percent in private home prices. The Group foresees the private residential market to remain challenging and will be selective in land replenishment efforts. 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.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

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	0.1 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	0.2 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.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

F. Other information required by the Appendix 7C of the Catalyst 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 FY2023 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 Catalyst Rule 909(1)	Total value of the transaction	Based on issuer's effective interest pursuant to Catalyst Rule 909(1)
	\$'000	\$'000	\$'000	\$'000
<u>Construction services by related companies</u>				
L.S. Construction Pte Ltd ⁽¹⁾	-	-	65,416	13,083
<u>Rental expenses to related company</u>				
Lian Beng Investment Pte Ltd ⁽¹⁾	113	113	-	-
<u>Interest expenses to holding company</u>				
Lian Beng Group Ltd	1,308	1,308	-	-

Notes: (1) L.S. Construction Pte Ltd and Lian Beng Investment Pte Ltd are wholly-owned subsidiaries 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 AND FULL YEAR ENDED 31 MAY 2023**

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	Equity Interest Held by the Group
Starbliss Development Pte Ltd	Singapore	13/1/2023	\$10	Property development/ Investment Holding	100%
OTTO Projects Pte Ltd	Singapore	12/7/2023	\$100	Property development/ Investment Holding	50%

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 2023.

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

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) %
	31.05.2023 \$'000	31.05.2022 \$'000	
Sales reported for first half year	38,232	39,882	(4.1)
Operating profit after tax and before deducting NCI reported for first half year	10,609	14,213	(25.4)
Sales reported for second half year	9,456	52,936	(82.1)
Operating (loss)/profit after tax and before deducting NCI reported for second half year	(2,079)	17,394	n.m.

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MAY 2023**

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	913	1,826
Preference Shares	-	-
Total	913	1,826

- 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
25 July 2023