

Unaudited Condensed Interim Financial Statements  
For the six months ended 30 November 2021

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

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

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## SLB DEVELOPMENT LTD. AND ITS SUBSIDIARIES

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**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES  
CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2021**

**A. Condensed Interim Consolidated Statement of Comprehensive Income**

	Note	Group Six months ended		Increase / (Decrease) %
		30.11.2021	30.11.2020	
		\$'000	\$'000	
<b>Revenue</b>	4	39,882	19,034	109.5
Cost of sales		(30,551)	(12,653)	141.5
<b>Gross profit</b>		9,331	6,381	46.2
Other operating income		3,629	2,237	62.2
Sales and marketing expenses		(2,447)	(1,063)	130.2
Administrative expenses		(2,175)	(1,694)	28.4
Other operating expenses		(632)	(295)	114.2
Finance costs		(1,787)	(1,083)	65.0
Share of results of joint ventures and associates		9,565	1,538	521.9
<b>Profit before taxation</b>	7	15,484	6,021	157.2
Taxation	8	(1,271)	(812)	56.5
<b>Profit for the period, net of taxation</b>		14,213	5,209	172.9
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation gain		212	297	(28.6)
Fair value gain/(loss) on financial assets at fair value through other comprehensive income		299	(472)	n.m.
<b>Other comprehensive income for the period, net of tax</b>		511	(175)	n.m.
<b>Total comprehensive income for the period</b>		14,724	5,034	192.5
<b>Profit/(loss) attributable to:</b>				
Owners of the Company		12,017	5,543	116.8
Non-controlling interests		2,196	(334)	n.m.
		14,213	5,209	172.9
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		12,528	5,368	133.4
Non-controlling interests		2,196	(334)	n.m.
		14,724	5,034	192.5
<b>Earnings per share (Cents)</b>				
Basic and diluted	10	1.32	0.61	116.4

n.m. means not meaningful

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

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**B. Condensed Interim Statements of Financial Position**

	Note	Group		Company	
		30.11.2021 \$'000	31.05.2021 \$'000	30.11.2021 \$'000	31.05.2021 \$'000
<b>Non-current assets</b>					
Plant and equipment	5	267	316	230	309
Investment in subsidiaries		–	–	9,335	9,335
Investment in joint ventures and associates		14,665	10,208	1,829	1,829
Other investments	13	15,357	14,126	–	–
Deferred tax assets		–	768	–	–
		<u>30,289</u>	<u>25,418</u>	<u>11,394</u>	<u>11,473</u>
<b>Current assets</b>					
Development properties		134,588	180,892	–	–
Contract assets		45,839	19,762	–	–
Capitalised contract costs		4,012	1,381	–	–
Trade receivables		10,175	1,485	–	–
Other receivables and deposits		263	74	7	7
Prepayments		487	197	36	14
Amounts due from joint ventures and associates		146,348	142,700	58,822	58,337
Amounts due from subsidiaries		–	–	137,528	144,926
Amounts due from non-controlling interests		262	262	–	–
Cash and cash equivalents		40,761	40,230	8,668	10,731
		<u>382,735</u>	<u>386,983</u>	<u>205,061</u>	<u>214,015</u>
<b>Current liabilities</b>					
Trade and other payables		4,885	4,702	–	–
Accruals and provision		9,973	6,876	1,168	907
Amounts due to related companies		2,922	2,922	–	–
Amounts due to joint ventures and associates		1,024	1,024	950	950
Amounts due to subsidiaries		–	–	488	34,731
Amounts due to holding company		129	130	129	130
Amounts due to non-controlling interests		15,311	15,002	–	–
Loans and borrowings	6	52,995	67,995	52	51
Provision for taxation		2,195	4,243	489	378
		<u>89,434</u>	<u>102,894</u>	<u>3,276</u>	<u>37,147</u>
<b>Net current assets</b>		<u>293,301</u>	<u>284,089</u>	<u>201,785</u>	<u>176,868</u>
<b>Non-current liabilities</b>					
Investment in associates		7,640	12,485	–	–
Amounts due to holding company		33,783	33,783	33,783	33,783
Loans and borrowings	6	95,044	90,071	44	71
Deferred tax liabilities		1,654	1,510	–	–
		<u>138,121</u>	<u>137,849</u>	<u>33,827</u>	<u>33,854</u>
<b>Net assets</b>		<u>185,469</u>	<u>171,658</u>	<u>179,352</u>	<u>154,487</u>
<b>Equity attributable to owners of the Company</b>					
Share capital	14	146,216	146,216	146,216	146,216
Merger reserve		(30,288)	(30,288)	–	–
Foreign currency translation reserve		217	5	–	–
Fair value reserve		102	(197)	–	–
Retained earnings		67,604	56,500	33,136	8,271
		<u>183,851</u>	<u>172,236</u>	<u>179,352</u>	<u>154,487</u>
<b>Non-controlling interests</b>		<u>1,618</u>	<u>(578)</u>	<u>–</u>	<u>–</u>
<b>Total equity</b>		<u>185,469</u>	<u>171,658</u>	<u>179,352</u>	<u>154,487</u>

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

**SLB DEVELOPMENT LTD AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2021**

**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		
<b>Balance at 1 June 2021</b>	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
<b>Total comprehensive income for the period</b>	–	–	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)
<b>Total transactions with owners in their capacity as owners</b>	–	–	–	–	(913)	(913)	–	(913)
<b>Balance at 30 November 2021</b>	146,216	(30,288)	217	102	67,604	37,635	1,618	185,469

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**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		
<b>Balance at 1 June 2020</b>	146,216	(30,288)	(491)	(361)	43,142	12,002	2,432	160,650
Profit/(loss) for the period, net of tax	–	–	–	–	5,543	5,543	(334)	5,209
<u>Other comprehensive income</u>								
Foreign currency translation gain	–	–	297	–	–	297	–	297
Fair value loss on debt instruments at fair value through other comprehensive income	–	–	–	(486)	–	(486)	–	(486)
Net fair value gain on equity instruments at fair value through other comprehensive income	–	–	–	14	–	14	–	14
Other comprehensive income for the period, net of tax	–	–	297	(472)	–	(175)	–	(175)
<b>Total comprehensive income for the period</b>	–	–	297	(472)	5,543	5,368	(334)	5,034
<b>Balance at 30 November 2020</b>	146,216	(30,288)	(194)	(833)	48,685	17,370	2,098	165,684

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

<b>Company</b>	<b>Share capital \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 June 2021</b>	146,216	8,271	154,487
Profit for the period	–	25,778	25,778
Other comprehensive income for the period, net of tax	–	–	–
<b>Total comprehensive income for the period</b>	–	25,778	25,778
<u>Contribution by and distribution to owners</u>			
Dividends on ordinary shares	–	(913)	(913)
<b>Total transactions with owners in their capacity as owners</b>	–	(913)	(913)
<b>Balance at 30 November 2021</b>	<b>146,216</b>	<b>33,136</b>	<b>179,352</b>
<b>Balance at 1 June 2020</b>	146,216	6,777	152,993
Profit for the period	–	334	334
Other comprehensive income for the period, net of tax	–	–	–
<b>Total comprehensive income for the period</b>	–	334	334
<b>Balance at 30 November 2020</b>	<b>146,216</b>	<b>7,111</b>	<b>153,327</b>

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**D. Condensed Interim Consolidated Cash Flow Statement**

	<b>Group</b>	
	<b>Six months ended</b>	
	<b>30.11.2021</b>	<b>30.11.2020</b>
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	15,484	6,021
<u>Adjustments for:</u>		
Amortisation of capitalised contract costs	2,331	987
Depreciation of plant and equipment	88	190
Gain on dilution of investment in a joint venture	–	(113)
Gain on disposal of investment in a joint venture	(90)	–
Unrealised exchange difference	93	(164)
Interest income	(1,701)	(1,637)
Interest expense	1,787	1,083
Share of results of joint ventures and associates	(9,565)	(1,538)
<b>Operating cash flows before changes in working capital</b>	<b>8,427</b>	<b>4,829</b>
<u>Changes in working capital:</u>		
Development properties	46,304	3,203
Trade receivables	(8,690)	(1,360)
Contract assets	(26,077)	(2,329)
Other receivables and deposits	(189)	(5,525)
Prepayments	(290)	(4,754)
Capitalised contract costs	(4,962)	(790)
Trade payables, other payables and accruals	3,393	973
Balances with related companies	–	(21)
	<u>9,489</u>	<u>(10,603)</u>
<b>Cash flows from/(used in) operations</b>	<b>17,916</b>	<b>(5,774)</b>
Income tax paid	(2,407)	(1,224)
<b>Net cash flows from/(used in) operating activities</b>	<b>15,509</b>	<b>(6,998)</b>
<b>Cash flows from investing activities</b>		
Interest received	19	15
Purchase of plant and equipment	(39)	(4)
Repayment of loan from/(loan to) joint venture	95	(3,256)
Loan to associates	(2,124)	(2,875)
Investment in a joint venture and associate	–	(157)
Proceeds from disposal of investment in a joint venture	565	–
Redemption of debt instruments	439	–
Refund of capital from investment in equity instruments	1,932	–
Purchase of investment in equity instruments	(3,302)	(3,006)
<b>Net cash flows used in investing activities</b>	<b>(2,415)</b>	<b>(9,283)</b>

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

	<b>Group</b>	
	<b>30.11.2021</b>	<b>30.11.2020</b>
	\$'000	\$'000
<b>Cash flows from financing activities</b>		
Interest paid	(1,523)	(872)
Proceeds from bank loans	5,000	13,317
Repayment of bank loans	(15,000)	(6,000)
Repayment of lease liabilities	(27)	(71)
Dividends paid on ordinary shares	(913)	–
<b>Net cash flows (used in)/from financing activities</b>	<b>(12,463)</b>	<b>6,374</b>
Net increase/(decrease) in cash and cash equivalents	631	(9,907)
Cash and cash equivalents at beginning of the period	40,230	39,412
Effect of exchange rate changes on cash and cash equivalents	(100)	49
<b>Cash and cash equivalents at end of the period</b>	<b>40,761</b>	<b>29,554</b>

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**E. Notes to the Condensed Interim Financial Statements**

**1. Corporate information**

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

The immediate holding company is Lian Beng Group Ltd, which is incorporated and domiciled in Singapore. Lian Beng Group Ltd is listed on the Main Board of the SGX-ST. The ultimate holding company is Ong Sek Chong & Sons Pte Ltd, which is incorporated and domiciled in Singapore.

The registered office and principal place of business of the Company is located at 29 Harrison Road, #07-00, Lian Beng Building, Singapore 369648.

The primary activity of the Company is that of investment holding. The principal activities of the Group are that of property development and investment holding.

**2. Basis of preparation**

The condensed interim financial statements for the six months ended 30 November 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 May 2021.

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

The condensed interim financial statements are presented in Singapore Dollars (“**SGD**” or “**\$**”), and all values 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 2021. The Group applied for the first-time certain standards and amendments, which are effective for annual period beginning on or after 1 June 2021. 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.

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

**2.2 Use of judgements and estimates (cont'd)**

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

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

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

Sales of development properties

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

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

Provision for expected credit losses of trade receivables and contract assets

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

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

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

The carrying amount of trade receivables and contract assets as at 30 November 2021 are \$10,175,000 and \$45,839,000 (31 May 2021: \$1,485,000 and \$19,762,000) respectively.

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

**2.2 Use of judgements and estimates (cont'd)**

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

Revenue recognition on development properties under construction

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

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

Estimation of net realisable value of development properties

Development properties are stated at the lower of cost and net realisable value.

Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting period and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale. The carrying amount of development properties at the end of the reporting period is \$134,588,000 (31 May 2021: \$180,892,000).

**3. Seasonal operations**

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

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

**4. Segment and revenue information**

For management purposes, the Group is organised into business units based on their products and services, and has three 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.

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

**4. Segment and revenue information (cont'd)**

4.1 Reportable segments

	Property development		Funds management and investment		Corporate		Adjustments and eliminations		Notes	Total	
	Six months ended		Six months ended		Six months ended		Six months ended			Six months ended	
	30.11.2021	30.11.2020	30.11.2021	30.11.2020	30.11.2021	30.11.2020	30.11.2021	30.11.2020		30.11.2021	30.11.2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
<b>Revenue:</b>	39,495	18,696	387	338	-	-	-	-		39,882	19,034
<b>Results:</b>											
Interest income	1,304	1,266	2	-	1,997	1,913	(1,602)	(1,542)	A	1,701	1,637
Interest expenses	(3,107)	(2,333)	(8)	(2)	(274)	(290)	1,602	1,542	A	(1,787)	(1,083)
Depreciation of plant and equipment	(9)	(3)	-	-	(79)	(187)	-	-		(88)	(190)
Gain on dilution of investment in a joint venture	-	-	-	113	-	-	-	-		-	113
Gain on disposal of investment in a joint venture	-	-	90	-	-	-	-	-		90	-
Share of results of joint ventures and associates	9,206	1,841	359	(303)	-	-	-	-		9,565	1,538
Segment profit/(loss) before tax	15,195	5,641	816	136	(631)	398	104	(154)	B	15,484	6,021
Fair value gain/(loss) on financial assets at fair value through other comprehensive income	-	-	299	(472)	-	-	-	-		299	(472)
<b>Other non-cash expenses:</b>											
Amortisation of capitalised contract costs	2,331	987	-	-	-	-	-	-		2,331	987
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>		<b>As at</b>	<b>As at</b>
	30.11.2021	31.05.2021	30.11.2021	31.05.2021	30.11.2021	31.05.2021	30.11.2021	31.05.2021		30.11.2021	31.05.2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
<b>Assets:</b>											
Investment in joint ventures and associates	6,292	(2,823)	733	546	-	-	-	-		7,025	(2,277)
Additions to non-current assets	39	2	-	-	-	26	-	-		39	28
Segment assets	326,873	361,916	18,876	15,818	205,800	214,832	(138,525)	(180,165)	C	413,024	412,401
Segment liabilities	(311,515)	(334,209)	(17,462)	(15,699)	(37,103)	(71,000)	138,525	180,165	C	(227,555)	(240,743)

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

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

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

**4. Segment and revenue information (cont'd)**

4.2 Disaggregation of Revenue

	Property development		Fund management and investment		Corporate		Total	
	Six months ended		Six months ended		Six months ended		Six months ended	
	30.11.2021	30.11.2020	30.11.2021	30.11.2020	30.11.2021	30.11.2020	30.11.2021	30.11.2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Types of goods or service</u>								
Revenue from contracts with customers:								
Sale of development properties	39,495	18,696	–	–	–	–	39,495	18,696
Distribution income from investment securities	–	–	387	338	–	–	387	338
	39,495	18,696	387	338	–	–	39,882	19,034
<u>Geographical information</u>								
Singapore	39,495	18,696	193	136	–	–	39,688	18,832
Australia	–	–	194	202	–	–	194	202
	39,495	18,696	387	338	–	–	39,882	19,034

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

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

**5. Plant and equipment**

During the six months ended 30 November 2021, the Group acquired assets amounting to \$39,000 (30 November 2020: \$4,000). There were no disposal of assets during the six months ended 30 November 2021 and 30 November 2020.

**6. Loans and borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>30.11.2021</b>	<b>31.05.2021</b>	<b>30.11.2021</b>	<b>31.05.2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Current</u>				
Lease liabilities	58	58	52	51
Current portion of long-term bank loans, secured	52,937	67,937	–	–
	<u>52,995</u>	<u>67,995</u>	<u>52</u>	<u>51</u>
<u>Non-current</u>				
Lease liabilities	44	71	44	71
Long-term bank loans, secured	95,000	90,000	–	–
	<u>95,044</u>	<u>90,071</u>	<u>44</u>	<u>71</u>
<b>Total loans and borrowings</b>	<u>148,039</u>	<u>158,066</u>	<u>96</u>	<u>122</u>

Details of any collaterals:

- (a) As at 31 May 2021, the Group's bank loan of \$5,000,000 was secured by corporate guarantee provided by the immediate holding company in the ratio of the shareholdings held in the respective subsidiaries and the assignment of rights, titles and benefits with respect to the development properties. This bank loan has been fully repaid as at 30 November 2021.
- (b) The Group's bank loans of \$147,937,000 (31 May 2021: \$152,937,000) are secured by corporate guarantee provided by the Company in the ratio of the shareholdings held in the subsidiary and the assignment of rights, titles and benefits with respect to the development properties and other investments.



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

**7. Profit before taxation**

Profit before tax includes the following:

	<b>Group</b>	
	<b>Six months ended</b>	
	<b>30.11.2021</b>	<b>30.11.2020</b>
	\$'000	\$'000
<b><i>Other income / (expenses):</i></b>		
Interest income	1,701	1,637
Rental income	1,815	–
Government grant income	12	92
Foreign exchange (loss)/gain	(129)	248
Gain on dilution of investment in a joint venture	–	113
Gain on disposal of investment in a joint venture	90	–
Depreciation of plant and equipment	(88)	(190)
Amortisation of capitalised contract costs	(2,331)	(987)
Interest expenses	(1,787)	(1,083)
	<u>(1,787)</u>	<u>(1,083)</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:

	<b>Group</b>	
	<b>Six months ended</b>	
	<b>30.11.2021</b>	<b>30.11.2020</b>
	\$'000	\$'000
Current taxation		
- Current income taxation	374	81
- Under provision in respect of previous years	–	8
Deferred taxation		
- Origination and reversal of temporary differences	897	723
Income tax expense recognised in profit or loss	<u>1,271</u>	<u>812</u>

**9. Dividends**

	<b>Group and Company</b>	
	<b>Six months ended</b>	
	<b>30.11.2021</b>	<b>30.11.2020</b>
	\$'000	\$'000
<b><i>Ordinary dividends paid:</i></b>		
- Interim exempt 2021 dividend of 0.1 Cents (2020: Nil Cents) per share)	913	–
	<u>913</u>	<u>–</u>

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

**10. Earnings per share ("EPS")**

	<b>Group</b>	
	<b>Six months ended</b>	
	<b>30.11.2021</b>	<b>30.11.2020</b>
Earnings per ordinary share for the period:		
(i) Based on weighted average number of ordinary shares in issue (cents)	1.32	0.61
(ii) On a fully diluted basis (cents)	1.32	0.61
	<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	12,017	5,543
	'000	'000
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	<u>913,000</u>	<u>913,000</u>

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 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**

	<b>Group</b>		<b>Company</b>	
	<b>30.11.2021</b>	<b>31.05.2021</b>	<b>30.11.2021</b>	<b>31.05.2021</b>
	\$'000	\$'000	\$'000	\$'000
Net asset value per ordinary share (cents)	20.14	18.86	19.64	16.92

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

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

**12. Related party transactions**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	<b>Group</b>	
	<b>Six months ended</b>	
	<b>30.11.2021</b>	<b>30.11.2020</b>
	\$'000	\$'000
Construction services rendered by a related company to:		
- An associate	31,244	8,346
Commercial lease of office space from		
- A related company	48	48
Interest income from		
- Associates	1,681	1,622
Interest expense to		
- Immediate holding company	258	254

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

Corporate guarantees provided

The holding company provided corporate guarantees and securities for loans granted to the Group's associates of \$201,007,000 (31 May 2021: \$228,602,000).

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

**13. Fair value of assets and liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>30.11.2021</b>	<b>31.05.2021</b>	<b>30.11.2021</b>	<b>31.05.2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><i>Financial assets carried at amortised cost</i></b>				
Trade receivables	10,175	1,485	–	–
Other receivables and deposits	263	74	7	7
Amounts due from joint ventures and associates	146,348	142,700	58,822	58,337
Amounts due from subsidiaries	–	–	137,528	144,926
Amounts due from non-controlling interests	262	262	–	–
Cash and cash equivalents	40,761	40,230	8,668	10,731
	<b>197,809</b>	<b>184,751</b>	<b>205,025</b>	<b>214,001</b>
<b><i>Financial assets carried at fair value through other comprehensive income</i></b>				
Other investments	15,357	14,126	–	–
<b><i>Financial liabilities carried at amortised cost</i></b>				
Trade and other payables	3,040	1,833	–	–
Accruals and provision	9,973	6,876	1,168	907
Amounts due to related companies	2,922	2,922	–	–
Amounts due to joint ventures and associates	1,024	1,024	950	950
Amounts due to subsidiaries	–	–	488	34,731
Amounts due to holding company	33,912	33,913	33,912	33,913
Amounts due to non-controlling interests	15,311	15,002	–	–
Loans and borrowings	148,039	158,066	96	122
	<b>214,221</b>	<b>219,636</b>	<b>36,614</b>	<b>70,623</b>

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

	<b>Group</b>	
	<b>30.11.2021</b>	<b>31.05.2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><i>Financial assets carried at fair value through other comprehensive income</i></b>		
Unquoted equity instruments (AUD)	5,459	3,975
Unquoted equity instruments (GBP)	3,450	3,450
Unquoted equity instruments (SGD)	–	439
Quoted equity securities (SGD)	75	75
Quoted debt investments (SGD)	6,166	5,973
Quoted debt investments (AUD)	207	214
	<b>15,357</b>	<b>14,126</b>

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**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	
<b><u>30.11.2021</u></b>				
<b><i>Financial asset measured at fair value:</i></b>				
Other investments	6,448	–	8,909	15,357
<b><u>31.05.2021</u></b>				
<b><i>Financial asset measured at fair value:</i></b>				
Other investments	6,262	–	7,864	14,126

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

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

**(c) Level 3 fair value measurements**

*Information about significant unobservable inputs used in Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

<b>Description</b>	<b>Valuation techniques</b>	<b>Unobservable inputs</b>	<b>Range</b>
<b>As at 30.11.2021:</b>			
Other investment	Net asset valuation	Note 1	Not applicable
<b>As at 31.05.2021</b>			
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:

	<b>Group</b>
	<u>\$'000</u>
As at 01.06.2021	7,864
Purchases	3,302
Capital refund and redemption	(2,371)
Fair value gain recognised in other comprehensive income	113
As at 30.11.2021	<u>8,908</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 2021.

**14. Share capital**

	<b>Group and Company</b>			
	<b>30.11.2021</b>		<b>31.05.2021</b>	
	<b>Number of ordinary shares</b>	<b>Share capital \$'000</b>	<b>Number of ordinary shares</b>	<b>Share capital \$'000</b>
Issued and paid up:				
At beginning and end of year	913,000,000	146,216	913,000,000	146,216

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

**14. Share capital (cont'd)**

The Company did not hold any treasury shares as at 30 November 2021 and 31 May 2021. There are no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 30 November 2021 and 30 November 2020.

**15. Subsequent events**

On 3 December 2021, the Company's 33.33%-owned associated company, Ultra Infinity Pte. Ltd. ("**UIPL**"), together with CEL Development Pte. Ltd. ("**CEL**") and Sing-Haiyi Crystal Pte. Ltd. ("**SHCPL**"), have successfully made an offer for the enbloc acquisition of the development known as Peace Centre / Peace Mansion by way of private treaty at a price of S\$650 million (the "**Project**"). On 14 December 2021, CEL, SHCPL and UIPL (collectively, the "**JV Partners**") incorporated two joint venture companies, Sophia Residential Pte. Ltd. and Sophia Commercial Pte. Ltd. (collectively, the "**JV Companies**", and each, a "**JV Company**"), to jointly undertake the Project. Each JV Company has an initial issued and paid-up share capital of S\$10.00. CEL, SHCPL and UIPL each contributed and hold 40%, 30% and 30% respectively in the share capital of each JV Company.

**SLB Development Ltd. and its Subsidiaries**  
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**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 2021 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**

**1H2022 vs 1H2021**

The Group reported \$39.9 million in revenue for the six months ended 30 November 2021 (“**1H2022**”), an increase of \$20.9 million or 109.5% compared to \$19.0 million registered in the corresponding period ended 30 November 2020 (“**1H2021**”). The increase in revenue was mainly due to increase in revenue recognised from INSPACE as more units were sold during 1H2022 and as the development project’s construction progressed; offset by a decrease in revenue recognised from Mactaggart Foodlink as the project had obtained TOP in March 2021.

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

Other operating income increased by \$1.4 million or 62.2% from \$2.2 million in 1H2021 to \$3.6 million in 1H2022, mainly due to rental income of \$1.8 million from the development property, Thye Hong Centre which was acquired in December 2020.

Sales and marketing expenses increased by \$1.4 million or 130.2% from \$1.1 million in 1H2021 to \$2.5 million in 1H2022 mainly due to the higher sales commission amortised to profit or loss in 1H2022 as more units sold for INSPACE and the Group’s development project’s construction progressed.

Finance costs increased by \$0.7 million or 65.0% from \$1.1 million in 1H2021 to \$1.8 million in 1H2022 mainly due to an increase in interest expenses on bank loan taken for Thye Hong Centre which was acquired in December 2020.

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

The Group's tax expense increased by \$0.5 million or 56.5% from \$0.8 million in 1H2021 to \$1.3 million in 1H2022. The increase in income tax expense was mainly due to an increase in profits recognised in 1H2022 from the development projects.

As a result of the above, the Group registered a net profit attributable to owners of the Company of \$12.0 million in 1H2022, an increase of \$6.5 million or 116.8% from \$5.5 million in 1H2021.



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

Non-current assets

Investment in joint ventures and associates increased by \$9.4 million from net liabilities of \$2.3 million as at 31 May 2021 (resulting from S\$10.2 million as presented under non-current assets less \$12.5 million as presented under non-current liabilities) to net assets of \$7.1 million as at 30 November 2021 (resulting from \$14.7 million as presented under non-current assets less \$7.6 million as presented under non-current liabilities) mainly due to share of profits of joint ventures and associates of \$9.6 million in 1H2022; offset by disposal of investment in a joint venture of \$0.5 million in 1H2022.

Other investments increased by \$1.3 million or 8.7% from \$14.1 million as at 31 May 2021 to \$15.4 million as at 30 November 2021 mainly due to the Group's additional investment in equity instruments of \$3.3 million; offset by capital return from our investment in equity instruments of \$1.9 million and redemption of redeemable preference shares of \$0.4 million upon disposal of our investment in a joint venture.

Deferred tax assets decreased by \$0.7 million or 100.0% from \$0.7 million as at 31 May 2021 due to reversal of temporary timing difference recognised from INSPACE.

Current assets

Development properties decreased by \$46.3 million or 25.6% from \$180.9 million as at 31 May 2021 to \$134.6 million as at 30 November 2021 mainly due to increase in sale of development units of the Group's on-going projects, INSPACE.

Contract assets increased by \$26.0 million or 132.0% from \$19.8 million as at 31 May 2021 to \$45.8 million as at 30 November 2021 mainly due to increase in contract assets from INSPACE as more units sold during 1H2022.

Trade receivables increased by \$8.7 million from \$1.5 million as at 31 May 2021 to \$10.2 million as at 30 November 2021 mainly due to progress billings on the development units sold for INSPACE.

Capitalised contract costs increased by \$2.6 million or 190.5% from \$1.4 million as at 31 May 2021 to \$4.0 million as at 30 November 2021 mainly due to increase in sales commission capitalised from the sale of development units at INSPACE during 1H2022.

Amounts due from joint ventures and associates increased by \$3.6 million or 2.6% from \$142.7 million as at 31 May 2021 to \$146.3 million as at 30 November 2021 mainly due to additional loans to joint ventures and associates of \$2.1 million in 1H2022 and accumulation of interest receivables from loans to associates of \$1.6 million.

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

Trade and other payables and accruals increased by \$3.3 million or 28.3% from \$11.6 million as at 31 May 2021 to \$14.9 million as at 30 November 2021 mainly due to increases in (i) accrued sales commission of \$3.2 million for INSPACE as more units sold; (ii) rental deposits received from tenants of Thye Hong Centre of \$0.2 million; and (iii) option deposits of \$1.2 million received from purchasers of INSPACE; offset by a decrease in GST payable of \$1.0 million.

Current loans and borrowings decreased by \$15.0 million or 22.1% from \$68.0 million as at 31 May 2021 to \$53.0 million as at 30 November 2021 mainly due to repayment of bank loans for Mactaggart Foodlink and INSPACE.

Provision for taxation decreased by \$2.0 million or 48.3% from \$4.2 million as at 31 May 2021 to \$2.2 million as at 30 November 2021 mainly due to income tax paid of \$2.4 million.

Non-current liabilities

Non-current loans and borrowings increased by \$5.0 million or 5.5% from \$90.1 million as at 31 May 2021 to \$95.1 million as at 30 November 2021 mainly due to drawdown of bank loan of \$5.0 million in 1H2022.

**C. Cash Flow Statements**

Overall, cash and cash equivalents increased by \$0.6 million from \$40.2 million as at 31 May 2021 to \$40.8 million as at 30 November 2021, due to net cash flows from operating activities of \$15.5 million; offset by net cash used in investing activities of \$2.4 million and financing activities of \$12.5 million.

Net cash flows from operating activities of \$15.5 million in 1H2022 was mainly due to operating cash flows before changes in working capital of \$8.4 million, net working capital inflows of \$9.5 million and income tax paid of \$2.4 million.

Net cash used in investing activities of \$2.4 million in 1H2022 was mainly due to loans to associates of \$2.1 million and other investments of \$3.3 million; offset by (i) capital return from investment in equity instruments of \$1.9 million; (ii) redemption of redeemable preference shares of \$0.4 million and sale proceed of \$0.6 million from disposal of investment in a joint venture.

Net cash used in financing activities of \$12.5 million in 1H2022 was mainly due to (i) repayment of bank loans of \$15.0 million, (ii) interest paid of \$1.5 million, and (iii) dividend paid on ordinary shares of \$0.9 million; offset by drawdown of bank loan of \$5.0 million.

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

No forecast or prospect statement has previously been disclosed.

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

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

On 3 January 2022, The Ministry of Trade and Industry (MTI) announced that Singapore's economy grew by 5.9 per cent on a year-on-year basis for the fourth quarter of 2021, moderating from the 7.1 per cent growth in the previous quarter<sup>1</sup>.

On a quarter-on-quarter seasonally-adjusted basis, the Singapore economy expanded by 2.6 per cent in the fourth quarter of 2021, faster than the 1.2 per cent growth in the preceding quarter. For the whole of 2021, the economy grew by 7.2 per cent, rebounding from the 5.4 per cent contraction in 2020.

According to real estate statistics released by the Urban Redevelopment Authority ("URA"), the private residential property price index increased by 1.1 per cent in 3Q2021, compared to the 0.8 per cent increase in 2Q2021. In 3Q2021, developers launched 2,149 uncompleted private residential units for sale, compared with the 2,356 units in 2Q2021. While sales figure in 3Q2021 showed that developers had sold 3,550 private residential units compared to 2,966 units sold in 2Q2021<sup>2</sup>.

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

On 3 December 2021, the Group's 33.33%-owned associated company, Ultra Infinity Pte. Ltd ("UIPL") together with CEL Development Pte. Ltd. ("CEL") and Sing-Haiyi Crystal Pte. Ltd. ("SHCPL") successfully made an offer for the enbloc acquisition of Peace Centre / Peace Mansion by way of a private treaty at a price of \$650 million. Following the acquisition, CEL, SHCPL and UIPL have incorporated two joint venture companies, Sophia Residential Pte. Ltd. and Sophia Commercial Pte. Ltd. to jointly undertake the Project. UIPL will hold a 30% stake in the share capital of each JV Company.

Earlier, during the year under review, the Group acquired an effective interest of 5% stake in the RMIT Bourke Street Centre via a 50-50 joint venture with independent property investment company, Futuro Trust. In December 2020, the Group also completed the acquisition of Thye Hong Centre at 2 Leng Kee Road at a purchase price of S\$112.5 million.

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

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<sup>1</sup>Ministry of Trade and Industry Singapore, 3 January 2022 – Singapore's GDP Grew by 5.9 Per Cent in the Fourth Quarter of 2021 and by 7.2 Per Cent in 2021

<sup>2</sup> Urban Redevelopment Authority, 22 October 2021 – Release of 3<sup>rd</sup> Quarter 2021 real estate statistics

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

**5. Dividend**

**a. Current Financial Period Reported On**

**Any dividend recommended for the current financial period reported on?**

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 2021 as to retain funds for working capital requirements of the Group and to allow the Group to capitalise on potential investments opportunities.

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

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

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

The aggregate value of all interested person transactions during the 1H2022 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 <sup>(1)</sup>	-	-	31,244	6,249
<u>Interest expenses to holding company</u>				
Lian Beng Group Ltd	258	258	-	-

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

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

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

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

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

During the 1H2022 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
THC (LM) Pte Ltd	Singapore	30/9/2021	\$10	Investment holding	100%
Smooth Capital Pte Ltd	Singapore	29/12/2021	\$10	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 2022.

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

**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 2021 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Ong Eng Keong  
Executive Director and Chief Executive Officer  
**14 January 2022**