
**UNAUDITED FULL YEAR FINANCIAL STATEMENTS & DIVIDEND
ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MAY 2018**

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This announcement has not been examined or approved by the 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. (the "Company" and together with its subsidiaries, the "Group") was incorporated in Singapore on 17 October 2017 under the Companies Act (Chapter 50) of Singapore as a private company limited by shares under the name of "LBD Holding Pte. Ltd.". On 13 March 2018, the Company changed its name to "Lian Beng Development Holding Pte. Ltd." and subsequently to "SLB Development Pte. Ltd." on 15 March 2018. The Company was converted into public company limited by shares and its name was changed to "SLB Development Ltd." on 23 March 2018.

The Group was listed on the Catalist Board of the SGX-ST on 20 April 2018. The Group was formed pursuant to a restructuring agreement dated 23 March 2018 between the Company and its holding company, Lian Beng Group Ltd (the "Restructuring Exercise"). Please refer to the Offer Document dated 11 April 2018 (the "Offer Document") for further details on the Restructuring Exercise.

For the purposes of this announcement, the Group's results for the financial year ended 31 May 2018 ("FY2018") and comparative results for the financial year ended 31 May 2017 ("FY2017") have been prepared using the pooling of interest method, and the consolidated financial statements are presented as if the combination has occurred since the beginning of the earliest period presented. There are no comparative figures for the Company as at the end of the corresponding period of the immediately preceding financial year as the Company was incorporated on 17 October 2017.

UNAUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2018

PART 1 - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group		
	FY2018 S\$'000	FY2017 S\$'000	% Increase /(Decrease)
Revenue	-	87,631	(100.0%)
Cost of sales	-	(72,700)	(100.0%)
Gross profit	-	14,931	(100.0%)
Other operating income	1,122	900	24.7%
Sales and marketing expenses	(3,803)	(1,860)	n.m.
Administrative expenses	(2,871)	(258)	n.m.
Other operating expenses	(372)	(534)	(30.3%)
Finance costs	(612)	(791)	(22.6%)
Share of results of joint ventures and associates	1,400	8,187	(82.9%)
	(5,136)	20,575	n.m.
Fair value gain/(loss) on investment property	7,041	(930)	n.m.
Profit before taxation	1,905	19,645	(90.3%)
Taxation	638	(361)	n.m.
Profit for the year, net of taxation	2,543	19,284	(86.8%)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation	185	(249)	n.m.
Other comprehensive income for the year, net of tax	185	(249)	n.m.
Total comprehensive income for the year	2,728	19,035	(85.7%)
Profit attributable to:			
Owners of the Company	3,872	15,847	(75.6%)
Non-controlling interests	(1,329)	3,437	n.m.
	2,543	19,284	(86.8%)
Total comprehensive income attributable to:			
Owners of the Company	4,057	15,598	(74.0%)
Non-controlling interests	(1,329)	3,437	n.m.
	2,728	19,035	(85.7%)

n.m. means not meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

	The Group		
	FY2018 S\$'000	FY2017 S\$'000	% Increase /(Decrease)
Interest income	164	715	(77.1%)
Rental income from investment property	312	185	68.6%
Sale deposits forfeited	157	-	n.m.
Depreciation of property, plant and equipment	(22)	(5)	n.m.
Fair value gain/(loss) on derivative financial instrument	358	(449)	n.m.
Fair value gain/(loss) on investment property	7,041	(930)	n.m.
Interest expenses	(612)	(791)	(22.6%)
Foreign exchange gain	130	-	n.m.
Adjustment for overprovision of current income tax in respect of previous year	-	1,288	(100.0%)
Listing expenses	(1,233)	-	n.m.

n.m. means not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company
	As at 31-May-18 S\$'000	As at 31-May-17 S\$'000	As at 31-May-18 S\$'000
<u>Non-current assets</u>			
Property, plant and equipment	293	4	284
Investment property	-	31,050	-
Investment in joint ventures and associates	17,498	39,455	4,076
Investment in subsidiaries	-	-	23,822
Deferred tax assets	1,139	533	-
	18,930	71,042	28,182
<u>Current assets</u>			
Development properties	243,568	120,745	-
Trade receivables	20,353	10,766	-
Other receivables and deposits	6,226	59	-
Prepayments	16	-	16
Amounts due from a related company	-	10	-
Amounts due from subsidiaries	-	-	87,962
Amounts due from holding company	-	35,717	-
Amounts due from joint ventures and associates	119,653	51,885	50,574
Cash and cash equivalents	51,102	26,284	21,685
	440,918	245,466	160,237
<u>Current liabilities</u>			
Trade and other payables	128,325	36,747	-
Accruals	3,755	2,178	432
Amounts due to related companies	10,715	17,986	285
Amounts due to subsidiaries	-	-	9,800
Amounts due to joint ventures and associates	12,850	18,805	-
Amounts due to holding company	33,895	60,124	33,895
Bank loans	82,138	10,000	-
Amounts due to non-controlling interests	12,762	9,776	-
Provision for taxation	2	2,182	-
	284,442	157,798	44,412
Net current assets	156,476	87,668	115,825
<u>Non-current liabilities</u>			
Bank loans	35,490	96,724	-
	35,490	96,724	-
Net assets	139,916	61,986	144,007
<u>Equity attributable to equity holders of the Company</u>			
Share capital	146,216	33,649	146,216
Merger reserve	(30,288)	(31,288)	-
Translation reserve	118	(67)	-
Retained earnings	25,227	59,720	(2,209)
	141,273	62,014	144,007
Non-controlling interests	(1,357)	(28)	-
Total equity	139,916	61,986	144,007

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 May 2018		As at 31 May 2017	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
82,138	-	10,000	-

Amount repayable after one year

As at 31 May 2018		As at 31 May 2017	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
35,490	-	96,724	-

Details of any collateral

As at 31 May 2018, the Group's borrowings of S\$117.6 million (31 May 2017: S\$106.7 million) are secured by (i) the Group's development properties; (ii) corporate guarantees from the holding company in the ratio of the shareholdings held by the Group in the respective subsidiaries; and (iii) the assignment of rights, titles and benefits with respect to the investment property and development properties.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group	
	FY2018	FY2017
	S\$'000	S\$'000
<u>Cash flows from operating activities</u>		
Profit before taxation	1,905	19,645
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	22	5
Fair value (gain)/loss on investment property	(7,041)	930
Fair value (gain)/loss on derivative financial instrument	(358)	449
Interest income	(164)	(715)
Interest expense	612	791
Share of results of associates and joint ventures	(1,400)	(8,187)
Operating cash flows before changes in working capital	(6,424)	12,918
<u>Changes in working capital:-</u>		
Development properties	(81,657)	3,894
Trade receivables	(9,587)	(8,040)
Other receivables and deposits	(6,167)	(51)
Prepayments	(16)	-
Trade payables, other payables and accruals	93,467	2,995
Balances with related companies	(2,523)	(118)
	(6,483)	(1,320)
Cash flows (used in)/from operations	(12,907)	11,598
Interest paid and capitalised in development properties	(3,066)	(1,035)
Income tax paid	(2,148)	(4)
Net cash flows (used in)/from operating activities	(18,121)	10,559
<u>Cash flows from investing activities</u>		
Interest received	210	230
Dividend income from associates	1,273	35,456
Dividend income from joint ventures	18,160	40,750
Purchase of property, plant and equipment	(41)	-
Purchase of investment properties	(9)	(31,980)
Loans to associates	(78,662)	(10,887)
Repayment by/(loans to) joint ventures	10,894	(549)
Investment in associates	(2,440)	-
Repayment of loan due from the non-controlling interests of a subsidiary	-	1,108
Net cash flows (used in)/from investing activities	(50,615)	34,128

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

	The Group	
	FY2018	FY2017
	S\$'000	S\$'000
<u>Cash flows from financing activities</u>		
Interest paid	(612)	(664)
Proceeds from bank loans	72,138	29,233
Repayment of bank loans	(61,234)	-
Dividend paid on ordinary shares to the then shareholder of subsidiaries	(38,365)	(59,870)
Dividend paid to non-controlling interests of subsidiaries	-	(3,150)
Capital contribution by non-controlling interests of a subsidiary	2,986	-
Gross proceeds from the IPO	54,740	-
Listing expenses paid	(3,406)	-
Repayment of loans due to related companies	(5,008)	(565)
Loans from/(repayment of loans due to) associates	7,255	(14,985)
Repayment of loans due to joint ventures	(13,210)	(12,400)
Loans from holding company	78,270	26,589
Net cash flows from/(used in) financing activities	93,554	(35,812)
Net increase in cash and cash equivalents	24,818	8,875
Cash and cash equivalents at beginning of the year	26,284	17,409
Cash and cash equivalents at end of the year	51,102	26,284
Breakdown of cash and cash equivalents at end of the year:		
Cash at bank and on hand	51,102	25,384
Fixed deposits	-	900
Total	51,102	26,284

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Attributable to owner of the Company				Non-controlling interests	Total equity
	Share capital	Merger reserve	Translation reserves	Retained earnings		
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
<u>GROUP</u>						
Balance as at 1 June 2017	33,649	(31,288)	(67)	59,720	(28)	61,986
Profit for the year	-	-	-	3,872	(1,329)	2,543
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	185	-	-	185
Other comprehensive income for the year, net of tax	-	-	185	-	-	185
Total comprehensive income for the year	-	-	185	3,872	(1,329)	2,728
<u>Contributions by and distributions to owners</u>						
Issuance of new shares pursuant to the Restructuring Exercise	60,000	-	-	-	-	60,000
Issuance of new shares pursuant to the IPO	54,740	-	-	-	-	54,740
Listing expenses	(2,173)	-	-	-	-	(2,173)
Capital contribution	-	1,000	-	-	-	1,000
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-
Dividends on ordinary shares paid to the then shareholders of subsidiaries	-	-	-	(38,365)	-	(38,365)
Total transactions with owners in their capacity as owners	112,567	1,000	-	(38,365)	-	75,202
Balance as at 31 May 2018	146,216	(30,288)	118	25,227	(1,357)	139,916
Balance as at 1 June 2016	33,649	(31,788)	182	103,743	(315)	105,471
Profit for the year	-	-	-	15,847	3,437	19,284
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(249)	-	-	(249)
Other comprehensive income for the year, net of tax	-	-	(249)	-	-	(249)
Total comprehensive income for the year	-	-	(249)	15,847	3,437	19,035
<u>Contributions by and distributions to owners</u>						
Capital contribution	-	500	-	-	-	500
Dividends paid to non-controlling interests of a subsidiaries	-	-	-	-	(3,150)	(3,150)
Dividends on ordinary shares paid to the then shareholders of subsidiaries	-	-	-	(59,870)	-	(59,870)
Total transactions with owners in their capacity as owners	-	500	-	(59,870)	(3,150)	(62,520)
Balance as at 31 May 2017	33,649	(31,288)	(67)	59,720	(28)	61,986

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year (cont'd)

	Company		
	Share capital	Retained earnings	Total equity
<u>Company</u>	S\$ '000	S\$ '000	S\$ '000
Balance as at date of incorporation, 17 October 2017	- ⁽¹⁾	-	-
Loss for the year	-	(2,209)	(2,209)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(2,209)	(2,209)
<u>Contributions by and distributions to owners</u>			
Issuance of new shares pursuant to the Restructuring Exercise	93,649	-	93,649
Issuance of new shares pursuant to the IPO	54,740	-	54,740
Listing expenses	(2,173)	-	(2,173)
Balance as at 31 May 2018	146,216	(2,209)	144,007

(1) Less than S\$1,000

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares (excluding treasury shares)	Share Capital (S\$'000)
Issued and paid-up share capital as at date of incorporation on 17 October 2017	10	- ⁽¹⁾
Issuance of new shares pursuant to the Restructuring Exercise (Refer to Note (1))	93,648,446	93,649
Issued and paid-up share capital immediately after the Restructuring Exercise before the Share Split	93,648,456	93,649
Issued and paid-up share capital after the Restructuring Exercise and the Share Split (Refer to Note (2))	675,000,000	93,649
Issuance of new shares pursuant to the IPO	238,000,000	54,740
Listing expenses	-	(2,173)
As at 31 May 2018	913,000,000	146,216

(1) Less than S\$1,000

Notes:

- (1) The allotment and issuance of 93,648,446 ordinary shares of the Company pursuant to the Restructuring Exercise as described in the Offer Document (including the allotment and issuance of 60,000,000 ordinary shares of the Company pursuant to the capitalisation of loans and advances extended by the then shareholder to the Company of S\$60,000,000).
- (2) Pursuant to the Company's resolution passed on 23 March 2018, the then shareholder approved the subdivision of 93,648,456 shares in the issued and paid-up share capital of the Company into 675,000,000 ordinary shares.

There are no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 31 May 2018. There are no comparative figures for the Company as at the end of the corresponding period of the immediately preceding financial year as the Company was incorporated on 17 October 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares

As at 31 May 2018
913,000,000

There are no treasury share as at 31 May 2018. The Company was incorporated on 17 October 2017, hence there are no comparative figures for the Company as at the end of the immediately preceding financial year.

1(d)(iv) A statement showing all sales, transfer, disposals, cancellations and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as there are no treasury shares held by the Company as at 31 May 2018.

1(d)(v) A statement showing all sales, transfer, disposals, cancellations and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as there are no subsidiary holdings held by the Company as at 31 May 2018.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

The figures have not been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of these financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted the new/revised Singapore Financial Reporting Standards ("FRS") and interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 June 2017. Changes to the Group's accounting policies have been made as required, in accordance with transitional provisions in respective FRS and INT FRS. The adoption of new/revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies or any significant impact on the Group's financial statements.

Standards effective for financial periods beginning 1 June 2018

The Group will adopt the Singapore Financial Reporting Standards International (SFRS(I)) on 1 June 2018. In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group will also concurrently apply SFRS(I) 15 *Revenue from Contracts with Customers*.

SFRS(I) 15 will supersede the current revenue recognition requirements including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate and the Accompanying Note on Application of INT FRS 115 in Singapore*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transaction Involving Advertising Services*.

The Group currently recognises revenue from industrial development properties based on the Completion of Contracts method upon the transfer of significant risk and rewards of ownership of the goods to the customer, i.e. upon TOP and handing over the property units to the purchasers. Accordingly, no revenue was recognised during the current financial year for the current industrial development project, T-Space @Tampines. Under SFRS(I) 15, the performance obligation for the sale of industrial development properties are satisfied over time as the Group is restricted contractually from directing the property for another use as they are being developed and has an enforceable right to payment for performance completed to date.

Arising from the adoption of SFRS(I) 15, the Group expects the revenue and cost of units sold to be recognised over time in line with the progress of construction works which commenced in the financial year ended 31 May 2016.

The Group paid commissions to property agents on the sale of development properties and such commissions are currently recognised as an expense when incurred. Under SFRS(I) 15, such commissions are capitalised as incremental costs to obtain a contract with a customer and will be amortised to profit or loss as the related revenue are recognised.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share attributable to equity holders of the Group (cents)	FY2018	FY2017
(a) Based on the weighted average number of ordinary shares in issue	0.55	2.35
(b) On a fully diluted basis	0.55	2.35

For comparative and illustrative purposes, the issued and paid up share capital of the Company of 675,000,000 shares (after Restructuring Exercise and Share Split) is assumed to have occurred since the beginning of the earliest period presented. The weighted average number of ordinary shares in issue for FY2018 is 701,734,247 (FY2017: 675,000,000).

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	Group		Company
	As at 31-May-18	As at 31-May-17	As at 31-May-18
Net asset value per ordinary share (cents)	15.47	18.08 ⁽¹⁾	15.77
Number of issued shares excluding treasury shares	913,000,000	675,000,000 ⁽¹⁾	913,000,000

(1) For comparative and illustrative purposes, the net assets of the Group as at 31 May 2017 and the issued and paid up share capital of the Company has been adjusted for the effect of the Restructuring Exercise and Share Split, assuming these events have occurred since the beginning of the earliest period presented.

8. **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

For FY2018 and FY2017, the Group derived its revenue primarily from the development and sale of industrial properties. The Group's revenue from development and sale of industrial property is recognised using the completed contract method, when the significant risk and rewards of ownership of the property have been transferred to purchasers. The Group's revenue in FY2017 amounted to S\$87.6 million resulting from the completion and handing over of the development property at Mandai Foodlink to the purchasers in April 2017. In FY2018, the Group did not record any revenue from the sale of development property as none of the development projects were completed and handed over to the purchasers. Our industrial property development project, T-Space @ Tampines had obtained its TOP in June 2018.

The Group's cost of sales for FY2018 and FY2017 were primarily associated with the development and sale of industrial properties. Up to the date of completion of an industrial property development project, the costs directly attributable to the acquisition and construction of the development of industrial properties are capitalised, and will be recognised as cost of sales based on the completed contract method. The cost of sales of S\$72.7 million was recognised in FY2017 upon Mandai Foodlink obtaining its TOP and hand over to purchasers in FY2017. In FY2018, the Group did not record any cost of sales from the sale of development property as none of the development projects were completed and handed over to the purchasers.

The Group's gross profits of S\$14.9 million in FY2017 was mainly due to the recognition of profit upon completion of the industrial development project, Mandai Foodlink, based on completed contract method. The Group did not record any gross profit in FY2018 as none of the development projects were completed and handed over to the purchasers.

Other operating income increased by S\$0.2 million or 24.7% from S\$0.9 million in FY2017 to S\$1.1 million in FY2018 mainly due to (i) an increase in rental income of S\$0.1 million from the development property, Mactaggart Foodlink at 20 Mactaggart Road and (ii) fair value gain on derivative financial instrument which amounted to S\$0.4 million, partially offset by a decrease in interest income of S\$0.6 million.

Sales and marketing expenses increased by S\$1.9 million from S\$1.9 million in FY2017 to S\$3.8 million in FY2018 mainly due to the increase in marketing expenses incurred for the sale of industrial property development, T-Space @ Tampines.

Administrative expenses increased by S\$2.6 million from S\$0.3 million in FY2017 to S\$2.9 million in FY2018 mainly due to increases in (i) staff costs of S\$1.1 million arising from the transfer of employees from the property development business segment of the holding company and (ii) listing expenses of S\$1.2 million.

Other operating expenses decreased by S\$0.1 million or 30.3% from S\$0.5 million in FY2017 to S\$0.4 million in FY2018 mainly due to decrease in fair value loss on derivative financial instrument of S\$0.4 million, partially offset by an increase in maintenance cost of S\$0.3 million for Mactaggart Foodlink.

Finance costs decreased by S\$0.2 million or 22.6% from S\$0.8 million in FY2017 to S\$0.6 million in FY2018 due to decrease in interest on loans from associates of S\$0.3 million, offset by an increase in interest on loans from the holding company of S\$0.1 million.

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

A. Comprehensive Income Statements (Cont'd)

Share of results of joint ventures and associates decreased by S\$6.8 million or 82.9% from S\$8.2 million in FY2017 to S\$1.4 million in FY2018 mainly due to decreases in (i) share of profits of joint venture of S\$3.6 million from the completion of the residential development project, Spottiswoode Suites in June 2017 and (ii) share of profits of associates of S\$3.2 million from the completion of the mixed-use development project, KAP & KAP Residences in FY2017.

The Group recognised a fair value gain on investment property of S\$7.0 million from Mactaggart Foodlink in FY2018 upon reclassification of Mactaggart Foodlink from investment property to development property in October 2017.

The Group's tax expense decreased by S\$1.0 million from tax expense of S\$0.4 million in FY2017 to a tax credit of S\$0.6 million in FY2018. The tax expense in FY2017 was mainly due to income tax expense of S\$2.2 million on profits recognised from Mandai Foodlink, offset by an overprovision of income tax expense of S\$1.3 million and deferred tax assets of S\$0.5 million. The tax credit of S\$0.6 million in FY2018 was mainly due to further deferred tax assets recognised.

As a result of the above, the Group registered a decrease in net profit attributable to owners of the Company by S\$11.9 million or 75.6% from S\$15.8 million in FY2017 to S\$3.9 million in FY2018.

B. Financial Position Statements

Non-current assets

Property, plant and equipment increased by S\$0.3 million from S\$4,000 as at 31 May 2017 to S\$0.3 million as at 31 May 2018 mainly due to the purchase of motor vehicles from a related company in FY2018.

Investment property decreased by S\$31.1 million as at 31 May 2018 due to reclassification of Mactaggart Foodlink to development property upon obtaining the provisional planning permission in October 2017.

Investment in joint ventures and associates decreased by S\$22.0 million or 55.7% from S\$39.5 million as at 31 May 2017 to S\$17.5 million as at 31 May 2018 mainly due to (i) dividend income received from the joint ventures and associates in FY2018.

Current assets

Development properties increased by S\$122.9 million from S\$120.7 million as at 31 May 2017 to S\$243.6 million as at 31 May 2018 mainly due to (i) increase in development expenditure of S\$71.9 million for industrial development project, T-Space @ Tampines; (ii) acquisition costs of S\$12.2 million for industrial development project, 50 Lorong 21 Geylang and (iii) reclassification of an amount of S\$38.1 million, being fair value of Mactaggart Foodlink, from investment property to development property upon obtaining its provisional planning permission in October 2017.

Trade receivables increased by S\$9.6 million or 89.0% from S\$10.8 million as at 31 May 2017 to S\$20.4 million as at 31 May 2018 mainly due to increase in trade receivables from T-Space @ Tampines.

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

B. Financial Position Statements (Cont'd)

Current assets (cont'd)

Other receivables and deposits increased by S\$6.2 million from S\$59,000 as at 31 May 2017 to S\$6.2 million as at 31 May 2018 mainly due to deposits of S\$6.1 million paid to vendors upon exercising the option to purchase of Pei-Fu Industrial Building at 24 New Industrial Road.

Amounts due from holding company decreased by S\$35.7 million as at 31 May 2018 due to full settlement prior to the Restructuring Exercise.

Amounts due from joint ventures and associates increased by S\$67.8 million from S\$51.9 million as at 31 May 2017 to S\$119.7 million as at 31 May 2018 mainly due to an increase in loans to associates of S\$78.7 million for as part of the equity financing on the acquisition of development properties, namely Riverfront Residences, Affinity @ Serangoon and Lorong 24 Geylang jointly through the associates, offset by a decrease in loans to joint ventures of S\$10.9 million.

Current liabilities

Trade and other payables increased by S\$91.6 million from S\$36.7 million as at 31 May 2017 to S\$128.3 million as at 31 May 2018 mainly due to increase in progress billings to customers for industrial development project, T-Space @ Tampines.

Accruals increased by S\$1.6 million or 72.4% from S\$2.2 million as at 31 May 2017 to S\$3.8 million as at 31 May 2018 mainly due to increase in accrued sales commission for industrial development project, T-Space @ Tampines.

Amounts due to related companies decreased by S\$7.3 million or 40.4% from S\$18.0 million as at 31 May 2017 to S\$10.7 million as at 31 May 2018 mainly due to repayment of amounts due to related companies in FY2018.

Amounts due to joint ventures and associates decreased by S\$5.9 million or 31.7% from S\$18.8 million as at 31 May 2017 to S\$12.9 million as at 31 May 2018 mainly due to increase in loans from associates of S\$7.3 million, offset by repayment of loans to joint ventures of S\$13.2 million.

Amounts due to holding company decreased by S\$26.2 million or 43.6% from S\$60.1 million as at 31 May 2017 to S\$33.9 million as at 31 May 2018 mainly due to increase in loans from holding company of S\$33.8 million, offset by an amount of S\$60.0 million, being shareholder's loan capitalised pursuant to the Restructuring Exercise.

Current portion of bank loans increased by S\$72.1 million from S\$10.0 million as at 31 May 2017 to S\$82.1 million as at 31 May 2018 mainly due to current portion of interest-bearing land and construction loans of S\$81.8 million for industrial development project, T-Space @ Tampines being due for repayment in September 2018.

Non-current liabilities

Non-current bank loans decreased by S\$61.2 million or 63.3% from S\$96.7 million as at 31 May 2017 to S\$35.5 million as at 31 May 2018 mainly due to reclassification of current portion of land and construction loans for industrial development project, T-Space @ Tampines, offset by an increase in bank loans drawn down to finance the acquisition of the industrial property at 50 Lorong 21 Geylang.

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

C. Cash Flow Statements

Overall, cash and cash equivalents increased by S\$24.8 million from S\$26.3 million as at 31 May 2017 to S\$51.1 million as at 31 May 2018, due to net cash from financing activities of S\$93.5 million; offset by the net cash used in operating activities and investing activities of S\$18.1 million and S\$50.6 million respectively.

Net cash used in operating activities of S\$18.1 million in FY2018 was mainly due to operating cash outflows before changes in working capital of S\$6.4 million and net working capital outflow of S\$11.7 million after payment of income tax and interest charges.

Net cash used in investing activities of S\$50.6 million in FY2018 was mainly due to (i) dividend income received from associates and joint ventures of S\$19.4 million and (ii) repayment of loans from joint ventures of S\$10.9 million; partially offset by investments and loans injected to the associates of S\$81.1 million.

Net cash from financing activities of S\$93.5 million in FY2018 was mainly due to (i) net proceeds of S\$51.3 million from the IPO; (ii) additional bank loans of S\$72.1 million drawn down to finance the acquisition of 50 Lorong 21 Geylang and development expenditure for industrial development project, T-Space @ Tampines; and (iii) loans of S\$78.3 million from holding company, partially offset by (a) repayment of bank loans of S\$61.2 million for Mandai Foodlink and T-Space @ Tampines; (b) dividend of S\$38.4 million paid to the then shareholders of subsidiaries; and (c) repayment of loans to related company of S\$5.0 million and joint ventures of S\$13.2 million.

9. 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.

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

Based on the news release published by Ministry of Trade and Industry Singapore on 13 July 2018, Singapore economy grew by 3.8% on a year-on-year basis in the second quarter of 2018 ("2Q2018"), moderating from the 4.3% growth in the previous quarter. According to the flash estimate of the price index for private residential property for 2Q2018 released by Urban Redevelopment Authority on 2 July 2018, the private property index increased by 4.9 points or 3.4% in 2Q2018 compared to 3.9% increase in the previous quarter. With the various existing property cooling measures, the Group expects prices in the residential property market to remain moderate in year 2018.

The Group's current industrial development project, T-Space @ Tampines which the Group hold 51% equity interest, has obtained its TOP in June 2018 and sold 93.6% of its development units as at 30 June 2018. The Group's pipeline industrial development project, Mactaggart Foodlink, was launched for sale in May 2018 and sold 60.7% of its development units as at 30 June 2018. Two of the Group's pipeline residential properties projects, namely Affinity @ Serangoon and Riverfront Residences which the Group hold 20% equity interests, were launched for sale in June 2018 and July 2018 respectively.

The current property market conditions remain challenging and the Group will continue to monitor the market closely and take appropriate action when necessary. The Group is cautious when seeking opportunities to replenish its land bank. The Group will continue to explore business opportunities in the region through acquisition, joint venture and/or strategic alliances that will complement its property development business.

11. Dividend

a. Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None.

b. Corresponding Period of the Immediately Preceding Financial Year.

None.

c. Date payable.

Not Applicable.

d. Books closure date.

Not Applicable.

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

No dividend has been declared or recommended for the financial year ended 31 May 2018.

13. **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.**

In connection with the IPO, the Group had obtained a general mandate from shareholders for the Interested Person Transactions ("IPTs") disclosed in the Offer Document dated 11 April 2018.

The aggregate value of all interested person transactions during the FY2018 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 S\$'000	Based on issuer's effective interest pursuant to Catalyst Rule 909(1) S\$'000	Total value of the transaction S\$'000	Based on issuer's effective interest pursuant to Catalyst Rule 909(1) S\$'000
<i>Construction services by related companies</i>				
Lian Beng Construction (1988) Pte Ltd ⁽¹⁾	-	-	68,298	34,829
L.S. Construction Pte Ltd ⁽¹⁾	-	-	1,999	400
Millennium International Builders Pte Ltd ⁽¹⁾	-	-	6,520	3,260
<i>Purchase of motor vehicle from a related company</i>				
Lian Beng Realty Pte Ltd ⁽¹⁾	270	270	-	-
<i>Interest expenses to holding company</i>				
Lian Beng Group Ltd	112	112	-	-

Notes:

- (1) Lian Beng Construction (1988) Pte Ltd, L.S. Construction Pte Ltd, Millennium International Builders Pte Ltd and Lian Beng Realty Pte Ltd are wholly-owned subsidiaries of the Company's controlling shareholder, Lian Beng Group Ltd.

14. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) 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 7.7) under Rule 720(1).

15. Use of Proceeds

The Company raised gross proceeds from the Invitation of approximately S\$54.7 million (the "Gross Proceeds"). As at the date of this announcement, the Gross Proceeds have been utilised as follows:

Purpose of the IPO Proceeds	Amount allocated S\$'000	Amount utilised as at the date of this announcement S\$'000	Balance as at the date of this announcement S\$'000
Acquisition of new land sites and buildings for development, redevelopment and overseas expansion of its business	18,000	3,108	14,892
Funding of existing property development projects in the pipeline and other general working capital	18,377	13,268	5,109
Repayment of bridging loan	15,000	15,000	-
Payment of listing expenses	3,363	3,363	-
Total	54,740	34,739	20,001

The above utilisation of Gross Proceeds is in line with the intended use of proceeds as set out in the Offer Document dated 11 April 2018.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

a. By Business Segments

The Group's operations are pre-dominantly focused on Singapore and its turnover and contribution to profit from operations are substantively derived from the sale of development properties. The Group's development properties have similar characteristics and exhibit similar long-term financial performance. Therefore, the Group comprises only one business segment.

b. By Geographical Segments

The Group's combined results are mainly generated in Singapore. Similarly, its assets and liabilities are mainly located in Singapore. Accordingly, analyses of revenue and assets of the Group by geographical distribution have not been presented.

17. 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 8.

18. A breakdown of sales.

	Group		Increase / (Decrease) %
	31-May-18 \$'000	31-May-17 \$'000	
Sales reported for first half year	-	-	-
Operating profit after tax and before deducting NCI reported for first half year	7,356	7,631	(3.6%)
Sales reported for second half year	-	87,631	(100.0%)
Operating profit/(loss) after tax and before deducting NCI reported for second half year	(4,813)	11,653	n.m.

19. 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	-	-
Preference Shares	-	-
Total	-	-

20. 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(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ong Eng Keong, Matthew	36	Son of Ong Pang Aik, Nephew of Ong Lay Huan and Ong Lay Koon	Executive Director and Chief Executive Officer of the Company	N.A

Note:

Ong Lay Koon is the Non-Executive Non-Independent Chairman of the Company.

Ong Pang Aik and Ong Lay Huan are deemed controlling shareholders. Ong Pang Aik, Ong Lay Huan and Ong Lay Koon are siblings.

BY ORDER OF THE BOARD

Ong Eng Keong

Executive Director and Chief Executive Officer

26 July 2018