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## UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2018

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Following the adoption of the new Singapore Financial Reporting Standards International ("**SFRS(I)**") on 1 June 2018, in particular SFRS(I) 15, SLB Development Ltd. (the "**Company**") and together with its subsidiaries, the "**Group**") has restated its comparative financial figures. Please refer to Section 5 of this announcement for more details on the new standards.

For ease of comparison,

1. the statement of comprehensive income of the Group for the first quarter ended 31 August 2018, together with a comparative statement for the corresponding period of the immediately preceding financial year before adoption of SFRS(I) 15; and
2. the statement of comprehensive income of the Group for the first quarter ended 31 August 2018, together with a comparative statement for the corresponding period of the immediately preceding financial year after adoption of SFRS(I) 15

was presented in Section 1(a)(i) of this announcement.

**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2018 (“1Q2019”)**

**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.

	Group				
	Before adoption of SFRS(I)15*		After adoption of SFRS(I)15		
	First quarter ended		First quarter ended		Increase / (Decrease)#
	31.08.2018	31.08.2017	31.08.2018	31.08.2017	%
	S\$'000	S\$'000	S\$'000	S\$'000	
<b>Revenue</b>	220,656	-	22,985	34,619	(33.61)
Cost of sales	(180,327)	-	(17,470)	(28,416)	(38.52)
<b>Gross profit</b>	40,329	-	5,515	6,203	(11.09)
Other operating income	165	755	165	755	(78.15)
Sales and marketing expenses	(3,336)	(334)	(1,996)	(960)	>100.00
Administrative expenses	(1,281)	(58)	(1,281)	(58)	>100.00
Other operating expenses	(261)	(184)	(261)	(184)	41.85
Finance costs	(531)	(165)	(531)	(165)	>100.00
Share of results of joint ventures and associates	(2,450)	1,262	(2,450)	1,262	n.m.
<b>Profit/(loss) before taxation</b>	32,635	1,276	(839)	6,853	n.m.
Taxation	(6,233)	(4)	(543)	(899)	(39.60)
<b>Profit/(loss) for the period, net of taxation</b>	26,402	1,272	(1,382)	5,954	n.m.
<b>Other comprehensive income:</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation (loss)/gain	(452)	62	(452)	62	n.m.
<b>Other comprehensive income for the period, net of tax</b>	(452)	62	(452)	62	n.m.
<b>Total comprehensive income for the period</b>	25,950	1,334	(1,834)	6,016	n.m.
<b>Profit/(loss) attributable to:</b>					
Owners of the Company	11,377	1,261	(2,792)	3,649	n.m.
Non-controlling interests	15,025	11	1,410	2,305	(38.83)
	26,402	1,272	(1,382)	5,954	n.m.
<b>Total comprehensive income attributable to:</b>					
Owners of the Company	10,925	1,323	(3,244)	3,711	n.m.
Non-controlling interests	15,025	11	1,410	2,305	(38.83)
	25,950	1,334	(1,834)	6,016	n.m.

n.m. means not meaningful

\* Prepared based on Singapore Financial Reporting Standards before adoption of SFRS(I) 15.

# Comparison of figures after adoption of SFRS(I) 15.

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.

	Group		
	After adoption of SFRS(I)15		Increase / (Decrease) %
	First quarter ended		
	31.08.2018 S\$'000	31.08.2017 S\$'000	
Interest income	5	(Restated) 121	(95.87)
Rental income from development property/investment property	22	101	(78.22)
Depreciation of plant and equipment	(19)	(1)	>100.00
Fair value gain on derivative financial liability	91	449	(79.73)
Interest expense	(531)	(165)	>100.00
Foreign exchange (loss)/gain	(167)	66	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.

	Group			Company	
	As at	As at	As at	As at	As at
	31.08.2018	31.05.2018	01.06.2017	31.08.2018	31.05.2018
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Non-current assets</u></b>		(Restated)	(Restated)		
Plant and equipment	344	293	4	336	284
Investment property	-	-	31,050	-	-
Investment in subsidiaries	-	-	-	23,822	23,822
Investment in joint ventures and associates	12,596	17,498	39,455	4,076	4,076
	<b>12,940</b>	<b>17,791</b>	<b>70,509</b>	<b>28,234</b>	<b>28,182</b>
<b><u>Current assets</u></b>					
Development properties	67,436	79,168	67,327	-	-
Contract assets	682	77,588	26,873	-	-
Trade receivables	26,131	20,354	10,766	-	-
Other receivables and deposits	10,050	6,226	59	3	-
Prepayments	148	16	-	28	16
Capitalised contract costs	1,018	179	1,405	-	-
Amounts due from a related company	-	-	10	-	-
Amounts due from joint ventures and associates	120,582	119,653	51,885	50,964	50,574
Amounts due from subsidiaries	-	-	-	83,542	87,962
Amounts due from holding company	-	-	35,717	-	-
Amounts due from non-controlling interests	1,868	-	-	1,868	-
Cash and cash equivalents	56,783	51,102	26,284	27,331	21,685
	<b>284,698</b>	<b>354,286</b>	<b>220,326</b>	<b>163,736</b>	<b>160,237</b>
<b><u>Current liabilities</u></b>					
Trade and other payables	12,028	5,198	3,499	-	-
Accruals	4,429	5,273	2,480	982	432
Contract liabilities	11,714	1,502	-	-	-
Amounts due to related companies	7,958	10,715	17,986	296	285
Amounts due to joint ventures and associates	14,000	12,850	18,805	1,150	-
Amounts due to subsidiaries	-	-	-	9,800	9,800
Amounts due to holding company	250	112	60,124	250	112
Amounts due to non-controlling interests	7,283	12,762	9,776	-	-
Bank loans	450	82,138	10,000	-	-
Provision for taxation	5,096	4,553	2,975	-	-
	<b>63,208</b>	<b>135,103</b>	<b>125,645</b>	<b>12,478</b>	<b>10,629</b>
<b>Net current assets</b>	<b>221,490</b>	<b>219,183</b>	<b>94,681</b>	<b>151,258</b>	<b>149,608</b>
<b><u>Non-current liabilities</u></b>					
Amounts due to holding company	33,783	33,783	-	33,783	33,783
Bank loans	35,340	35,490	96,724	-	-
	<b>69,123</b>	<b>69,273</b>	<b>96,724</b>	<b>33,783</b>	<b>33,783</b>
<b>Net assets</b>	<b>165,307</b>	<b>167,701</b>	<b>68,466</b>	<b>145,709</b>	<b>144,007</b>

**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.**

<i>Cont'd</i>	Group			Company	
	As at 31.08.2018	As at 31.05.2018	As at 01.06.2017	As at 31.08.2018	As at 31.05.2018
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Equity attributable to owners of the Company</u></b>		(Restated)	(Restated)		
Share capital	146,216	146,216	33,649	146,216	146,216
Merger reserve	(30,288)	(30,288)	(31,288)	-	-
Foreign currency translation reserve	(334)	118	(67)	-	-
Retained earnings/(accumulated losses)	36,605	39,397	63,025	(507)	(2,209)
	<b>152,199</b>	<b>155,443</b>	<b>65,319</b>	<b>145,709</b>	<b>144,007</b>
Non-controlling interests	13,108	12,258	3,147	-	-
<b>Total equity</b>	<b>165,307</b>	<b>167,701</b>	<b>68,466</b>	<b>145,709</b>	<b>144,007</b>

The Company was incorporated on 17 October 2017. Hence, there is no balance sheet as at 1 June 2017.

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

Amount repayable in one year or less, or on demand

As at 31.08.2018		As at 31.05.2018	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
450	-	82,138	-

Amount repayable after one year

As at 31.08.2018		As at 31.05.2018	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
35,340	-	35,490	-

Details of any collateral

As at 31 August 2018, the Group's borrowings of S\$35.8 million (31 May 2018: S\$117.6 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 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.

	Group	
	After adoption of SFRS(I) 15	
	First quarter ended	
	31.08.2018 S\$'000	31.08.2017 S\$'000
		(Restated)
<b><u>Cash flows from operating activities</u></b>		
(Loss)/profit before taxation	(839)	6,853
<u>Adjustments for:-</u>		
Depreciation of plant and equipment	19	1
Foreign exchange (loss)/gain	167	(66)
Fair value gain on derivative financial liability	(91)	(449)
Interest income	(5)	(121)
Interest expense	531	165
Share of results of joint ventures and associates	2,450	(1,262)
<b>Operating cash flows before changes in working capital</b>	<b>2,232</b>	<b>5,121</b>
<b><u>Changes in working capital:-</u></b>		
Development properties	12,187	2,252
Trade receivables	(5,777)	(695)
Contract assets	76,906	(21,850)
Contract liabilities	10,212	-
Other receivables and deposits	(3,824)	(933)
Prepayments	(132)	-
Capitalised contract costs	(839)	130
Trade payables, other payables and accruals	6,011	(1,893)
Balances with related companies	(2,757)	13,736
	<b>91,987</b>	<b>(9,253)</b>
Cash flows from/(used in) operations	<b>94,219</b>	<b>(4,132)</b>
Interest paid and capitalised in development properties	(455)	(610)
<b>Net cash flows from/(used in) operating activities</b>	<b>93,764</b>	<b>(4,742)</b>
<b><u>Cash flows from investing activities</u></b>		
Interest received	5	15
Dividend income from associates	-	1,273
Dividend income from joint ventures	2,000	17,710
Purchase of plant and equipment	(70)	-
Loans to associates	(1,030)	(8,613)
Loans to joint ventures	-	(605)
<b>Net cash flows from investing activities</b>	<b>905</b>	<b>9,780</b>

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)

	<b>Group</b>	
	<b>After adoption of SFRS(I) 15</b>	
	<b>First quarter ended</b>	
	<b>31.08.2018 S\$'000</b>	<b>31.08.2017 S\$'000</b>
		(Restated)
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(393)	(165)
Proceeds from bank loans	-	4,908
Repayment of bank loans	(81,838)	(8,000)
Dividend paid on ordinary shares to the then shareholder of subsidiaries	-	(1,273)
Dividend paid to non-controlling interests of subsidiaries	(560)	-
Repayment of loans due to non-controlling interests of a subsidiary	(5,479)	-
Loans to non-controlling interests of a subsidiary	(1,868)	-
Repayment of loans due to related companies	-	(2)
Repayment of loans due to associates	-	(644)
Loans from/(Repayment of loans due to) joint ventures	1,150	(13,710)
Loans from holding company	-	6,804
<b>Net cash flows used in financing activities</b>	<b>(88,988)</b>	<b>(12,082)</b>
Net increase/(decrease) in cash and cash equivalents	<b>5,681</b>	<b>(7,044)</b>
Cash and cash equivalents at beginning of the period	<b>51,102</b>	<b>26,284</b>
<b>Cash and cash equivalents at end of the period</b>	<b>56,783</b>	<b>19,240</b>
<b>Breakdown of cash and cash equivalents at end of the period:</b>		
Cash at bank and on hand	37,783	9,240
Fixed deposits	19,000	10,000
<b>Total</b>	<b>56,783</b>	<b>19,240</b>

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 owners 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
<b>GROUP</b>						
<b>Balance at 1 June 2018</b>	146,216	(30,288)	118	25,227	(1,357)	139,916
Effects of adoption of SFRS(I)15	-	-	-	14,170	13,615	27,785
At 1 June 2018, restated	146,216	(30,288)	118	39,397	12,258	167,701
(Loss)/profit for the period, net of taxation	-	-	-	(2,792)	1,410	(1,382)
<u>Other comprehensive income</u>						
Foreign currency translation loss	-	-	(452)	-	-	(452)
Other comprehensive income for the period, net of taxation	-	-	(452)	-	-	(452)
Total comprehensive income for the period	-	-	(452)	(2,792)	1,410	(1,834)
<u>Contribution by and distribution to owners</u>						
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	(560)	(560)
Total transactions with owners in their capacity as owners	-	-	-	-	(560)	(560)
<b>Balance at 31 August 2018</b>	<b>146,216</b>	<b>(30,288)</b>	<b>(334)</b>	<b>36,605</b>	<b>13,108</b>	<b>165,307</b>
<b>Balance at 1 June 2017</b>	33,649	(31,288)	(67)	59,720	(28)	61,986
Effects of adoption of SFRS(I)15	-	-	-	3,305	3,175	6,480
At 1 June 2017, restated	33,649	(31,288)	(67)	63,025	3,147	68,466
Profit for the period, net of taxation	-	-	-	3,649	2,305	5,954
<u>Other comprehensive income</u>						
Foreign currency translation gain	-	-	62	-	-	62
Other comprehensive income for the period, net of taxation	-	-	62	-	-	62
Total comprehensive income for the period	-	-	62	3,649	2,305	6,016
<u>Contribution by and distribution to owners</u>						
Dividends on ordinary shares paid to the then shareholders of subsidiaries	-	-	-	(1,273)	-	(1,273)
Total transactions with owners in their capacity as owners	-	-	-	(1,273)	-	(1,273)
<b>Balance at 31 August 2017</b>	<b>33,649</b>	<b>(31,288)</b>	<b>(5)</b>	<b>65,401</b>	<b>5,452</b>	<b>73,209</b>



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)

	Share capital	Accumulated losses	Total equity
<b><u>Company</u></b>	<b>S\$ '000</b>	<b>S\$ '000</b>	<b>S\$ '000</b>
<b>Balance at 1 June 2018</b>	<b>146,216</b>	<b>(2,209)</b>	<b>144,007</b>
Profit for the period, net of taxation	-	1,702	1,702
Other comprehensive income for the period, net of taxation	-	-	-
Total comprehensive income for the period	-	1,702	1,702
<b>Balance at 31 August 2018</b>	<b>146,216</b>	<b>(507)</b>	<b>145,709</b>

The Company was incorporated on 17 October 2017. Hence, there is no comparative statement for the corresponding period of the immediate preceding financial year presented.

**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.**

Issued and fully paid ordinary shares as at 31 August 2018 and 31 May 2018

	Number of Shares	S\$'000
	913,000,000	146,216

There are no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 31 August 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

	<b>As at 31.08.2018</b>	<b>As at 31.05.2018</b>
	913,000,000	913,000,000

There are no treasury shares held by the Company as at 31 August 2018 and 31 May 2018.

**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 August 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 August 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.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those adopted in the most recently audited financial statements for the financial year ended 31 May 2018, except that the Group has adopted Singapore Financial Reporting Standards (International) ("**SFRS(I)**") on 1 June 2018 and all new and revised standards which are effective for annual financial periods beginning on 1 June 2018.

**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 has adopted the Singapore Financial Reporting Standards International ("**SFRS(I)**") that are effective for annual periods beginning on or after 1 June 2018 and issued its first set of financial information prepared under SFRS(I) from the first quarter ended 31 August 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 has also concurrently applied SFRS(I) 15 *Revenue from Contracts with Customers* and SFRS(I) 9 *Financial Instruments*. There is no material impact on the financial statements in adopting SFRS(I) and applying specific transition requirement under SFRS(I) 1 and SFRS(I) 9, except for the effects of the adoption of SFRS(I)15, which are discussed below.

SFRS(I) 15 Revenue from Contracts with Customers

(a) Sale of development properties – timing of revenue recognition

Prior to 1 June 2018, the Group 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. With the adoption of 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. Revenue and cost of units sold is now recognised over time in line with the progress of construction works.

(b) Commission paid to property agents on the sale of development properties

The Group paid commissions to property agents on the sale of development properties and such commissions are currently recognised as an expense when incurred. With the adoption of SFRS(I) 15, such commissions are capitalised as incremental costs to obtain a contract with a customer and will be expensed to profit or loss in accordance with revenue recognition using percentage of completion method.

The Group has applied the changes in accounting policies retrospectively to each reporting period/year presented, using the full retrospective approach. The Group also applied practical expedients for completed contracts where completed projects that begin and end within the same year or are completed contracts at 1 June 2017 are not restated.

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.**

SFRS(I) 15 Revenue from Contracts with Customers (Cont'd)

The Group's industrial property development project, T-Space @ Tampines has obtained its TOP in June 2018. Based on the Completion of Contracts method adopted previously, no revenue was recognised from T-Space @ Tampines for the development units sold prior to 1 June 2018. With the adoption of SFRS(I) 15, the revenue and cost of units sold from T-Space @ Tampines will be recognised over time in line with the progress of construction works. The Group has applied the changes in accounting policy in recognising the revenue and costs of sales for its T-Space project retrospectively and the financial effects of these retrospective adjustments arising from adopting SFRS(I) 15 on the Group's financial statements for first quarter ended 31 August 2018 and 31 August 2017 are as follows:

*Consolidated Income Statements*

	Group					
	First quarter ended					
	31.08.2018			31.08.2017		
	Before adoption of SFRS(I) 15* S\$ '000	Effects of adoption of SFRS(I) 15 S\$ '000	Currently reported S\$ '000	Before adoption of SFRS(I) 15* S\$ '000	Effects of adoption of SFRS(I) 15 S\$ '000	Restated S\$ '000
		Increase / (decrease)		Increase / (decrease)		
<b>Revenue</b>	<b>220,656</b>	<b>(197,671)</b>	<b>22,985</b>	-	<b>34,619</b>	<b>34,619</b>
Cost of sales	(180,327)	(162,857)	(17,470)	-	28,416	(28,416)
Gross profits	40,329	(34,814)	5,515	-	6,203	6,203
Sales and marketing expenses	(3,336)	(1,340)	(1,996)	(334)	626	(960)
Profit/(loss) before taxation	32,635	(33,474)	(839)	1,276	5,577	6,853
Taxation	(6,233)	(5,690)	(543)	(4)	895	(899)
<b>Profit/(loss) for the period, net of taxation</b>	<b>26,402</b>	<b>(27,784)</b>	<b>(1,382)</b>	<b>1,272</b>	<b>4,682</b>	<b>5,954</b>
<b>Profit/(loss) attributable to:</b>						
Owners of the Company	11,377	(14,169)	(2,792)	1,261	2,388	3,649
Non-controlling interests	15,025	(13,615)	1,410	11	2,294	2,305
	<b>26,402</b>	<b>(27,784)</b>	<b>(1,382)</b>	<b>1,272</b>	<b>4,682</b>	<b>5,954</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	10,925	(14,169)	(3,244)	1,323	2,388	3,711
Non-controlling interests	15,025	(13,615)	1,410	11	2,294	2,305
	<b>25,950</b>	<b>(27,784)</b>	<b>(1,834)</b>	<b>1,334</b>	<b>4,682</b>	<b>6,016</b>
Basic earnings per share (cents)	<b>1.25</b>	<b>(1.56)</b>	<b>(0.31)</b>	<b>0.19</b>	<b>0.35</b>	<b>0.54</b>

\* Prepared based on Singapore Financial Reporting Standards before adoption of SFRS(I) 15.

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.

SFRS(I) 15 Revenue from Contracts with Customers (Cont'd)

*Statement of Financial Position*

	Group					
	As at 31.05.2018			As at 01.06.2017		
	Before adoption of SFRS(I) 15* S\$ '000	Effects of adoption of SFRS(I) 15 S\$ '000	Restated S\$ '000	Before adoption of SFRS(I) 15* S\$ '000	Effects of adoption of SFRS(I) 15 S\$ '000	Restated S\$ '000
		Increase / (decrease)			Increase / (decrease)	
<b><u>Non-current assets</u></b>						
Deferred tax assets	1,139	(1,139)	-	533	(533)	-
<b><u>Current assets</u></b>						
Development properties	243,568	(164,400)	79,168	120,745	(53,418)	67,327
Contract assets	-	77,588	77,588	-	26,873	26,873
Capitalised contract costs	-	179	179	-	1,405	1,405
<b><u>Current liabilities</u></b>						
Trade and other payables	128,325	(123,127)	5,198	36,747	(33,248)	3,499
Accruals	3,755	1,518	5,273	2,178	302	2,480
Contract liabilities	-	1,502	1,502	-	-	-
Provision for taxation	2	4,551	4,553	2,182	793	2,975
<b>Net current assets</b>	<b>190,259</b>	<b>28,924</b>	<b>219,183</b>	<b>87,668</b>	<b>7,013</b>	<b>94,681</b>
<b>Net assets</b>	<b>139,916</b>	<b>27,785</b>	<b>167,701</b>	<b>61,986</b>	<b>6,480</b>	<b>68,466</b>
Retained earnings	25,227	14,170	39,397	59,720	3,305	63,025
Non-controlling interests	(1,357)	13,615	12,258	(28)	3,175	3,147
<b>Total equity</b>	<b>139,916</b>	<b>27,785</b>	<b>167,701</b>	<b>61,986</b>	<b>6,480</b>	<b>68,466</b>
<b>Net assets value per share (cents)</b>	<b>15.47</b>	<b>1.56</b>	<b>17.03</b>	<b>18.08<sup>(1)</sup></b>	<b>0.49</b>	<b>18.57<sup>(1)</sup></b>

(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 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) and Share Split, assuming these events have occurred since the beginning of the earliest period presented.

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.**

	Group	
	First quarter ended	
	31.08.2018	31.08.2017
Earnings per ordinary share ("EPS") attributable to equity holders of the Group		(Restated)
(a) Based on the weighted average number of ordinary shares in issue (cents)	(0.31)	0.54
(b) On a fully diluted basis (cents)	(0.31)	0.54
Group's (loss)/profit for the period attributable to Owners of the Company used in the computation of basic and diluted EPS	S\$'000	S\$'000 (Restated)
	(2,792)	3,649
	('000)	('000)
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	913,000	675,000 <sup>(1)</sup>

- (1) 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.

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	
	31.08.2018	31.05.2018	31.08.2018	31.05.2018
Net asset value per ordinary share (cents)	16.67	(Restated) 17.03	15.96	15.77
Number of issued shares excluding treasury shares ('000)	913,000	913,000	913,000	913,000

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**

Total revenue achieved from units sold under T-Space @ Tampines was S\$220.7 million as at 31 August 2018. Based on the Completion of Contracts method of revenue recognition, the Group would have recognized revenue of S\$220.7 million for the first quarter ended 31 August 2018 ("1Q2019") and net profits attributable to owners of the Company is S\$10.9 million. Due to the adoption of SFRS(I)15, the Group is now required to recognize the revenue over time in line with progress of construction works and applied the changes retrospectively to each reporting period/years presented.

As a result of the above, the Group reported S\$23.0 million revenue for 1Q2019, a decrease of S\$11.6 million or 33.61% compared to S\$34.6 million registered in the corresponding period ended 31 August 2017 ("1Q2018"). The revenue recorded for both 1Q2019 and 1Q2018 were derived from the development and sale of industrial property, T-Space @ Tampines. The decrease was mainly due to lower percentage of construction works completed in 1Q2019 as compared to 1Q2018. T-Space @ Tampines has obtained its TOP in June 2018.

The Group's cost of sales decreased by S\$10.9 million or 38.52% from S\$28.4 million in 1Q2018 to S\$17.5 million in 1Q2019. The cost of sales was primarily associated with the progressive construction costs recognised for the development and sale of industrial property, T-Space @ Tampines. The decrease was mainly due to lower percentage of construction works completed in 1Q2019 as compared to 1Q2018.

The Group's gross profits decreased by S\$0.7 million or 11.09% from S\$6.2 million in 1Q2018 to S\$5.5 million in 1Q2019 mainly due to lower revenue recognised in 1Q2019.

Other operating income decreased by S\$0.6 million or 78.15% from S\$0.8 million in 1Q2018 to S\$0.2 million in 1Q2019 mainly due to decreases in (i) fair value gain on derivative financial liability of approximately S\$0.4 million; (ii) interest income from associates of S\$0.1 million; (iii) rental income from Mactaggart Foodlink of S\$0.1 million and (iv) absence of foreign exchange gain of S\$0.1 million.

Sales and marketing expenses increased by S\$1.0 million from S\$1.0 million in 1Q2018 to S\$2.0 million in 1Q2019 mainly due to the increase in marketing expenses and sales commission incurred for the sale of industrial property development, T-Space @ Tampines.

Administrative expenses increased by S\$1.2 million from approximately S\$0.1 million in 1Q2018 to S\$1.3 million in 1Q2019 mainly due to staff costs arising from the transfer of employees from the property development business segment of the holding company.

Other operating expenses increased by approximately S\$0.1 million or 41.85% from S\$0.2 million in 1Q2018 to S\$0.3 million in 1Q2019 mainly due to foreign exchange loss.

Finance costs increased by S\$0.3 million from S\$0.2 million in 1Q2018 to S\$0.5 million in 1Q2019 due to increases in interest charged on loans from holding company of S\$0.2 million and interest on bank loans of S\$0.1 million.

Share of results of joint ventures and associates decreased by S\$3.7 million from share of profits of S\$1.3 million in 1Q2018 to share of loss of S\$2.5 million in 1Q2019 mainly due to (i) decrease in share of profits from joint venture of S\$1.3 million as a result of the completion of the residential development project, Spottiswoode Suites in June 2017 and (ii) share of loss from associates of S\$2.4 million mainly due to marketing and showflat costs incurred for new projects launched (Affinity @ Serangoon and Riverfront Residences) while revenue has yet to be recognised.

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)**

The Group's tax expense decreased by S\$0.4 million or 39.60% from S\$0.9 million in 1Q2018 to S\$0.5 million in 1Q2019. The Group's tax expense was mainly due to income tax expense on profits recognised from T-Space @ Tampines. The decrease in income tax expense was mainly due to decrease in profits recognised in 1Q2019 from T-Space @ Tampines.

As a result of the above, the Group registered a net loss attributable to owners of the Company of S\$2.8 million in 1Q2019, a decrease in profits by S\$6.4 million from S\$3.6 million in 1Q2018.

**B. Financial Position Statements**

Non-current assets

Investment in joint ventures and associates decreased by S\$4.9 million or 28.01% from S\$17.5 million as at 31 May 2018 to S\$12.6 million as at 31 August 2018 mainly due to dividend income received from the joint ventures of S\$2.0 million in 1Q2019 and share of losses of joint ventures and associates of S\$2.4 million in 1Q2019.

Current assets

Development properties decreased by S\$11.7 million from S\$79.2 million as at 31 May 2018 to S\$67.4 million as at 31 August 2018 mainly due to recognition of development cost in income statement as a result of sales of development units from T-Space @ Tampines.

Contract assets decreased by S\$76.9 million from S\$77.6 million as at 31 May 2018 to S\$0.7 million as at 31 August 2018 mainly due to progress billings on sales of development units for T-Space @ Tampines.

Trade receivables increased by S\$5.8 million or 28.4% from S\$20.3 million as at 31 May 2018 to S\$26.1 million as at 31 August 2018 mainly due to increase in trade receivables of S\$13.6 million from T-Space @ Tampines; offset by decreases in trade receivables of (i) S\$7.0 million from Mandai Foodlink and (ii) S\$0.8 million from Mactaggart Foodlink.

Other receivables and deposits increased by S\$3.8 million from S\$6.2 million as at 31 May 2018 to S\$10.1 million as at 31 August 2018 mainly due to a further deposit of S\$3.8 million paid for the purchase of Pei-Fu Industrial Building at 24 New Industrial Road upon vendors obtaining the Sale Order from the Strata Titles Board approving the collective sale of Pei-Fu Industrial Building at 24 New Industrial Road.

Capitalised contract costs increased by S\$0.8 million from S\$0.2 million as at 31 May 2018 to S\$1.0 million as at 31 August 2018 mainly due to increase in sales commission paid for the sale of development units at Mactaggart Foodlink.

Amounts due from joint ventures and associates increased by S\$0.9 million from S\$119.7 million as at 31 May 2018 to S\$120.6 million as at 31 August 2018 mainly due to an increase in loans to associates as part of the equity financing on the development expenditure for the development properties, namely Riverfront Residences and Lorong 24 Geylang held jointly through the associates.

Amounts due from non-controlling interests increased by S\$1.9 million mainly due to payment on behalf of non-controlling interests. The amount was fully settled subsequent to 31 August 2018.



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 liabilities

Trade and other payables and accruals increased by S\$6.0 million from S\$10.5 million as at 31 May 2018 to S\$16.5 million as at 31 August 2018 mainly due to increases in (i) GST payable of S\$4.9 million and (ii) trade creditors and accruals of S\$3.2 million mainly due to increase in sale commission payable for T-Space @ Tampines and Mactaggart Foodlink; offset by decrease in deposits received from purchasers upon signing the option to purchase for the sales of development units at Mactaggart Foodlink amounting to S\$2.1 million.

Contract liabilities increased by S\$10.2 million from S\$1.5 million as at 31 May 2018 to S\$11.7 million as at 31 August 2018 mainly due to increase in deposits from purchasers upon exercise the sales and purchase agreement for the sales of development units from Mactaggart Foodlink.

Amounts due to related companies decreased by S\$2.7 million or 25.73% from S\$10.7 million as at 31 May 2018 to S\$8.0 million as at 31 August 2018 mainly due to repayment of amounts due to related companies in 1Q2019.

Amounts due to joint ventures and associates increased by S\$1.2 million or 8.9% from S\$12.9 million as at 31 May 2018 to S\$14.0 million as at 31 August 2018 mainly due to increase in loans from joint venture of S\$1.2 million.

Amounts due to non-controlling interests decreased by S\$5.5 million or 42.9% from S\$12.8 million as at 31 May 2018 to S\$7.3 million as at 31 August 2018 mainly due to repayment of loans to non-controlling interests in 1Q2019.

Current portion of bank loans decreased by S\$81.7 million from S\$82.1 million as at 31 May 2018 to approximately S\$0.5 million as at 31 August 2018 mainly due to repayment of interest-bearing land and construction loans of S\$81.8 million for industrial development project, T-Space @ Tampines.

Non-current liabilities

Non-current bank loans decreased by S\$0.2 million or 0.4% from S\$35.5 million as at 31 May 2018 to S\$35.3 million as at 31 August 2018 mainly due to reclassification of current portion of land and construction loans for industrial development project, Mactaggart Foodlink.

**C. Cash Flow Statements**

Overall, cash and cash equivalents increased by S\$5.7 million from S\$51.1 million as at 31 May 2018 to S\$56.8 million as at 31 August 2018, due to net cash flows from operating activities of S\$93.8 million and investing activities of S\$0.9 million; offset by net cash used in financing activities S\$89.0 million respectively.

Net cash flows from operating activities of S\$93.8 million in 1Q2019 was mainly due to operating cash flows before changes in working capital of S\$2.2 million and net working capital inflows of S\$91.6 million after payment of interest charges.

Net cash flows from investing activities of S\$0.9 million in 1Q2019 was mainly due to dividend income received from joint ventures of S\$2.0 million; partially offset by loans to associates of S\$1.0 million.

Net cash used in financing activities of S\$89.0 million in 1Q2019 was mainly due to (i) repayment of bank loans of S\$81.8 million for T-Space @ Tampines and (ii) repayment of loans to non-controlling interests of S\$5.5 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.**

According to the news release published by Ministry of Trade and Industry Singapore on 13 August 2018, GDP growth forecast for 2018 is maintained at “2.5 to 3.5 per cent”. The Singapore economy grew by 3.9% on a year-on-year basis in the second quarter of 2018 (“2Q2018”), easing from the 4.5% growth in the previous quarter. With the various property cooling measures implemented, the Group expects the residential property market to remain challenging.

The Group will continue to monitor the property market closely and take appropriate action when necessary. The Group is cautious when seeking opportunities to replenish its land bank and 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?**

No.

**b. Corresponding Period of the Immediately Preceding Financial Year.**

No.

**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 period ended 31 August 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.**

The Group had sought renewal of the general mandate from shareholders for the Interested Person Transactions ("IPTs") in the Annual General Meeting held on 25 September 2018.

The aggregate value of all interested person transactions during the 1Q2019 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)
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Construction services by related companies</i>				
Lian Beng Construction (1988) Pte Ltd <sup>(1)</sup>	-	-	2,901	1,480
L.S. Construction Pte Ltd <sup>(1)</sup>	-	-	865	173
<i>Interest expenses to holding company</i>				
Lian Beng Group Ltd	250	250	-	-

Notes:

- (1) Lian Beng Construction (1988) Pte Ltd and L.S. Construction 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:

<b>Purpose of the IPO Proceeds</b>	<b>Amount allocated S\$'000</b>	<b>Amount utilised as at the date of this announcement S\$'000</b>	<b>Balance as at the date of this announcement S\$'000</b>
Acquisition of new land sites and buildings for development, redevelopment and overseas expansion of its business	18,000	5,053	12,947
Funding of existing property development projects in the pipeline and other general working capital	18,377	14,108	4,269
Repayment of bridging loan	15,000	15,000	-
Payment of listing expenses	3,363	3,363	-
<b>Total</b>	<b>54,740</b>	<b>37,524</b>	<b>17,216</b>

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.

## 16. 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 first quarter period ended 31 August 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Ong Lay Koon  
Non-independent Non-Executive Chairman  
12 October 2018

Ong Eng Keong  
Executive Director and Chief Executive Officer