

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION

SPB DEVELOPMENT BERHAD
(Registration No.: 202201037256 (1482953-X))
(Incorporated in Malaysia)

**PRO FORMA STATEMENTS OF
FINANCIAL POSITION AS AT 31 DECEMBER 2023**

GRANT THORNTON MALAYSIA PLT
CHARTERED ACCOUNTANTS
Member Firm of Grant Thornton International Ltd.

14. **REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION (Cont'd)**



**REPORTING ACCOUNTANTS' REPORT ON THE
COMPILATION OF PRO FORMA
STATEMENTS OF FINANCIAL POSITION**
(Prepared for inclusion in the Prospectus)

Date: 18 September 2024

The Board of Directors
SPB Development Berhad
No. 16 & 17, Plaza Seri Kubu
Jalan Tan Chay Yan
75300 Melaka

Dear Sirs,

**SPB DEVELOPMENT BERHAD ("COMPANY" OR "SPB DEVELOPMENT")
REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL
POSITION AS AT 31 DECEMBER 2023**

We have completed our assurance engagement to report on the compilation of Pro Forma Statements of Financial Position of SPB Development Berhad and its combining entities (collectively known as the "**Group**" or "**SPB Group**") as at 31 December 2023 together with the notes and assumptions thereto (as set out in Appendix A for which we have stamped for the purpose of identification), compiled and prepared by the Directors of the Company for inclusion in the prospectus of the Company ("**Prospectus**") in connection with the initial public offering and the listing of and quotation for the entire issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad (collectively referred to as "**IPO and Listing**").

The application criteria on the basis of which the Directors have compiled the Pro Forma Statements of Financial Position are described in the notes to the Pro Forma Statements of Financial Position. The Pro Forma Statements of Financial Position is prepared accordance with the requirements of Chapter 9 of the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia ("**Prospectus Guidelines**") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Statements of Financial Position as at 31 December 2023 have been compiled by the Directors of the Company to illustrate the effects of the IPO and Listing on the financial position of the Group had the IPO and Listing have been implemented and completed on 31 December 2023. As part of this process, information about the Group's Combined Statement of Financial Position has been extracted by the Directors of the Company from the Group's audited combined financial statements for the financial year ended 31 December 2023, on which was reported by us to the Directors of SPB Group on 18 September 2024 without any modification.

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14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION (Cont'd)



Directors' Responsibility for the Pro Forma Statements of Financial Position

The Directors of the Company are responsible for compiling the Pro Forma Statements of Financial Position as at 31 December 2023 on the basis set out in the notes to the Pro Forma Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

Our Independence and Quality Control

We are independent in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("**By-Laws**") and the International Ethics Standards Board of Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("**IESBA Code**"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our firm applies *International Standard on Quality Management ("ISQM") 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, about whether the Pro Forma Statements of Financial Position have been properly compiled, in all material respect, by the Directors on the basis set out in the notes to the Pro Forma Statements of Financial Position.

We conducted our engagement in accordance with *International Standard on Assurance Engagements ("ISAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus"*, issued by International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Statements of Financial Position on the basis set out in the notes to the Pro Forma Statements of Financial Position.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the Pro Forma Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Statements of Financial Position.

The purpose of the Pro Forma Statements of Financial Position included in the Prospectus is solely to illustrate the impact as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at that date would have been as presented.

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION (Cont'd)



Reporting Accountants' Responsibilities (cont'd)

A reasonable assurance engagement to report on whether the Pro Forma Statements of Financial Position have been compiled, in all material respects, on the basis set out in the notes to the Pro Forma Statements of Financial Position, involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions enumerated in the notes thereto, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Statements of Financial Position have been compiled, in all material respects, on the basis set out in the notes to the Pro Forma Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

Other Matter

This letter has been prepared at your request for inclusion in the Prospectus in connection with the IPO and Listing. It is not intended to be used for any other purpose. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

A stylized signature of the Grant Thornton firm, written in a cursive script.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

A handwritten signature of Lee Sheau Wei, written in a cursive script.

LEE SHEAU WEI
(NO: 03539/12/2024 J)
CHARTERED ACCOUNTANT

Kuala Lumpur

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION (Cont'd)

SPB DEVELOPMENT BERHAD

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		At 31.12.2023* RM'000	Adjustments for Subsequent Events RM'000	After Subsequent Events RM'000	Adjustments for Acquisitions RM'000	Pro Forma I RM'000	Adjustments for Public Issue RM'000	Pro Forma II RM'000	Adjustments for Utilisation of Proceeds RM'000	Pro Forma III RM'000
ASSETS										
Non-current assets										
Property, plant and equipment		15,266	-	15,266	-	15,266	-	15,266	-	15,266
Investment properties	5.1	26,966	33,555	60,521	-	60,521	-	60,521	-	60,521
Inventories	5.2	190,944	23,941	214,885	-	214,885	-	214,885	-	214,885
Deferred tax assets		5,142	-	5,142	-	5,142	-	5,142	-	5,142
Total non-current assets		238,318		295,814		295,814		295,814		295,814
Current assets										
Inventories	5.2	75,206	-	75,206	-	75,206	-	75,206	-	75,206
Contract assets		102,536	-	102,536	-	102,536	-	102,536	-	102,536
Contract costs		1,364	-	1,364	-	1,364	-	1,364	-	1,364
Trade receivables		25,604	-	25,604	-	25,604	-	25,604	-	25,604
Other receivables	5.3	14,720	10,689	25,409	-	25,409	-	25,409	[•]	[•]
Amount due from related parties		29	-	29	-	29	-	29	-	29
Tax recoverable		590	-	590	-	590	-	590	-	590
Cash and short-term deposits	5.4	28,578	(26,185)	2,393	-	2,393	[•]	[•]	[•]	[•]
Total current assets		248,627		233,131		233,131		[•]		[•]
Total assets		486,945		528,945		528,945		[•]		[•]
EQUITY AND LIABILITIES										
EQUITY										
Equity attributable to owners of parent:-										
Share capital	5.5	1	-	1	397,336	397,337	[•]	[•]	[•]	[•]
Invested equity	5.6	32,050	-	32,050	(32,050)	-	-	-	-	-
Merger deficit	5.7	-	-	-	(365,286)	(365,286)	-	(365,286)	-	(365,286)
Retained earnings	5.8	339,158	-	339,158	-	339,158	-	339,158	[•]	[•]
Total equity		371,209		371,209		371,209		[•]		[•]

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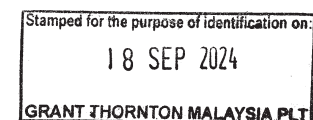
14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION (Cont'd)

SPB DEVELOPMENT BERHAD

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (CONT'D)

		At 31.12.2023* RM'000	Adjustments for Subsequent Events RM'000	After Subsequent Events RM'000	Adjustments for Acquisitions RM'000	Pro Forma I RM'000	Adjustments for Public Issue RM'000	Pro Forma II RM'000	Adjustments for Utilisation of Proceeds RM'000	Pro Forma III RM'000
EQUITY AND LIABILITIES (CONT'D)										
LIABILITIES										
Non-current liabilities										
Borrowings	5.9	13,265	42,000	55,265	-	55,265	-	55,265	-	55,265
Lease liabilities		250	-	250	-	250	-	250	-	250
Deferred tax liabilities		999	-	999	-	999	-	999	-	999
Total non-current liabilities		14,514		56,514		56,514		56,514		56,514
Current liabilities										
Contract liabilities		117	-	117	-	117	-	117	-	117
Trade payables		39,900	-	39,900	-	39,900	-	39,900	-	39,900
Other payables		11,072	-	11,072	-	11,072	-	11,072	-	11,072
Amount due to Director		7,458	-	7,458	-	7,458	-	7,458	-	7,458
Borrowings	5.9	36,211	-	36,211	-	36,211	-	36,211	-	36,211
Lease liabilities		397	-	397	-	397	-	397	-	397
Tax payable		6,067	-	6,067	-	6,067	-	6,067	-	6,067
Total current liabilities		101,222		101,222		101,222		101,222		101,222
Total liabilities		115,736		157,736		157,736		157,736		157,736
Total equity and liabilities		486,945		528,945		528,945		[•]		[•]
Issued ordinary share capital (Unit'000)	5.5	1	-	1	736,899	736,900	191,100	928,000	-	928,000
Net assets per share (RM)		371,209.00		371,209.00		0.50		[•]		[•]
Borrowings		50,123		92,123		92,123		92,123		92,123
Gearing ratio (times)		0.14		0.25		0.25		[•]		[•]

* Extracted from the Group's audited combined financial statements for the financial year ended 31 December 2023.



14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION (Cont'd)

Appendix A

SPB DEVELOPMENT BERHAD

NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

1. Introduction

The Pro Forma Statements of Financial Position of SPB Development Berhad (“**Company**” or “**SPB Development**”) and its combining entities (collectively referred to as “**Group**” or “**SPB Group**”) as at 31 December 2023 together with the notes thereon, for which the Board of Directors of the Company are solely responsible, have been prepared for illustrative purposes only for the purpose of inclusion in the Prospectus in connection with the IPO and Listing and should not be relied upon for any other purposes.

The applicable criteria in the preparation of the Pro Forma Statements of Financial Position are in accordance with Chapter 9 of the Prospectus Guidelines issued by the Securities Commission Malaysia and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Statements of Financial Position together with the related notes thereon, have been prepared solely to illustrate the impact of events and transactions set out in Note 3 to the Pro Forma Statements of Financial Position had the events occurred or transactions been undertaken on 31 December 2023. The Pro Forma Statements of Financial Position are not necessarily indicative of the financial positions that would have been attained had the Listing actually occurred at the respective dates, nor do they predict the Group’s financial position.

2. Basis of preparation

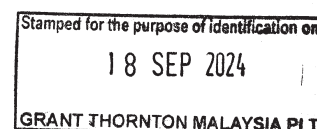
The Pro Forma Statements of Financial Position of the Group is prepared based on the audited combined financial statements of the Group for the financial year ended 31 December 2023, which was prepared in accordance with Malaysian Financial Reporting Standards (“**MFRS**”) and IFRS Accounting Standards (“**IFRS**”), and in a manner consistent with the format of the financial statements and accounting policies of the Group.

The combined financial statements used in the preparation of these Pro Forma Statements of Financial Position were not subject to any audit qualification or emphasis of matter.

Merger method of accounting

A business combination involving entities under common control occurs when all the combining entities or subsidiaries are ultimately controlled by the same party or parties, both before and after combination, and that such control is not transitory. Subsidiaries acquired which have met the criteria for pooling-of interests are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the business combination has been effected throughout the current and previous financial years. The assets combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the differences between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to merger reserves or merger deficit.

The identifiable assets and liabilities of all commonly controlled entities are accounted for at their historical costs.



14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION (Cont'd)
Appendix A
SPB DEVELOPMENT BERHAD
**NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONT'D)**
3. Listing scheme

In conjunction with, and as an integral part of the Listing, SPB Group has implemented and intends to undertake the following plans as part of the overall listing scheme: -

3.1 Acquisitions

SPB Development had on 8 August 2024 entered into 11 conditional share sale and purchase agreements to acquire the entire equity interest of the following entities to become its wholly-owned subsidiaries:

Company name	Purchase consideration (RM)	No. of Shares issued by SPB Development
Dayang Gemilang Sdn. Bhd. ("Dayang Gemilang")	26,452,397	49,058,600
Debunga Istimewa Sdn. Bhd.	1,021,622	1,894,700
Good Rate Holdings Sdn. Bhd.	3,917,719	7,265,800
Hektar Berlian Sdn. Bhd.	1,875,014	3,477,400
Jendela Hijau Sdn. Bhd.	108	200
Laman Exotika Sdn. Bhd.	89,854,121	166,643,400
Mantap Megajuta Sdn. Bhd.	7,457,837	13,831,300
Naluri Wijaya Sdn. Bhd.	108	200
Panglima Juara Sdn. Bhd.	6,546,212	12,140,600
Setara Hijau Sdn. Bhd.	108	200
Sri Pengkalan Binaan Sdn. Bhd. ("SPBSB")	260,210,695	482,586,600
Total	397,335,941	736,899,000

Subsidiaries held through SPBSB:

- Ekuiti Idaman Sdn. Bhd. ("Ekuiti Idaman")
- Modal Cergas Lestari Sdn. Bhd. ("Modal Cergas")
- Rentas Dinamik Sdn. Bhd.

The purchase consideration of SPB Group was arrived at on a "willing-buyer willing-seller basis", after taking into consideration the audited net assets/liabilities of respective entities as at 31 December 2023 of RM385,070,119.

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14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION (Cont'd)
Appendix A
SPB DEVELOPMENT BERHAD
**NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONT'D)**
3. Listing scheme (cont'd)

In conjunction with, and as an integral part of the Listing, SPB Group has implemented and intends to undertake the following plans as part of the overall listing scheme (cont'd): -

3.2 Initial public offering ("IPO")

SPB Development will undertake an initial public offering of 278,400,000 IPO Shares comprising the Public Issue of 191,100,000 Issue Shares and Offer for Sale of 87,300,000 Offer Shares, at [●] per share, as follows:

(a) Public Issue

A total of 191,100,000 new ordinary shares in SPB Development ("Issue Shares"), representing 20.59% of the enlarged issued share capital of SPB Development will be issued at an issue price of [●] per Issue Share to raise gross proceeds of [●]. The 191,100,000 Issue Shares will be allocated in the following manner:

- 18,560,000 Issue Shares, representing 2% of the enlarged issued share capital of SPB Development will be made available for application by the Malaysian Public through a balloting process, of which 50% is to be set aside for Bumiputera investors;
- 1,823,200 Issue Shares, representing 0.20% of the enlarged issued share capital of SPB Development will be made available for application by the eligible employees of the Group;
- 26,616,900 Issue Shares, representing 2.86% of the enlarged issued share capital of SPB Development will be made available for application by the other persons who have contributed to the success of the Group;
- 28,099,900 Issue Shares, representing 3.03% of the enlarged issued share capital of SPB Development will be made available by way of private placement to other institutional and selected investors; and
- 116,000,000 Issue Shares, representing 12.50% of the enlarged issued share capital of SPB Development will be made available by way of private placement to selected Bumiputera Investors approved by the Ministry of International Trade and Industry of Malaysia.

(b) Offer for Sale

An existing shareholder of the Company, namely Datuk Yap Pit Kian, ("Selling Shareholder") will undertake an offer for sale of 87,300,000 existing ordinary shares in SPB Development ("Offer Shares"), representing 9.41% of the enlarged issued share capital of SPB Development, at an offer price of [●] per Offer Share, by way of private placement to other institutional and selected investors.

The Offer for Sale does not have any impact on the Pro Forma Statements of Financial Position as at 31 December 2023.

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14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION (Cont'd)

Appendix A

SPB DEVELOPMENT BERHAD

NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (CONT'D)

3. Listing scheme (cont'd)

In conjunction with, and as an integral part of the Listing, SPB Group has implemented and intends to undertake the following plans as part of the overall listing scheme (cont'd): -

3.3 Listing

The admission of SPB Development to the Official List of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the listing and quotation of the entire enlarged issued share capital of [●], comprising 928,000,000 Shares, on the Main Market of Bursa Securities, after deducting the estimated listing expenses directly attributable to the Public Issue of [●].

4. Subsequent Events and Pro Forma Adjustments

4.1 Subsequent Events

- (a) On 16 June 2023, Modal Cergas had entered into a Sale and Purchase Agreement with a third party in relation to the acquisition of a piece of Penang land for a total consideration of RM1,376,622.10 ("**Penang Land 1**"). The transaction is completed on 15 January 2024 following the transfer of land title. The Group had paid a deposit of RM137,662 during the financial year 2023 (included in other receivables) and the remaining purchase consideration of RM1,238,960 has been fully repaid in January 2024.
- (b) On 16 June 2023, Dayang Gemilang had entered into a Sale and Purchase Agreement with a third party in relation to the acquisition of 23 pieces Penang lands for a total consideration of RM56,119,093.10 ("**Penang Land 2**"). The transaction is subsequently completed on 26 January 2024 following the transfer of land titles.

Dayang Gemilang has obtained a letter of offer from a local financial institution for a 10-year term loan of RM48.3 million in which Term Loan I of RM42 million is used to part finance the acquisition of Penang Land 2 and the Term Loan II of RM6.3 million is used to part finance the land conversion premium.

The Group had paid a deposit of RM5,611,909 during the financial year 2023 (included in other receivables) and the remaining purchase consideration of RM50,507,184 has been paid using internally generated fund of RM8,507,184 and the remaining RM42,000,000 financed through the Term Loan I.

Approximately RM22.5 million was classified as inventory as the Group plans to develop the land in near future, while the remaining of approximately RM33.6 million was capitalised as investment properties as the Group intends to hold the remaining vacant land for capital appreciation.

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Appendix A

SPB DEVELOPMENT BERHAD
**NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONT'D)**
4. Subsequent Events and Pro Forma Adjustments (cont'd)**4.1 Subsequent Events (cont'd)**

- (c) On 18 April 2024, Ekuiti Idaman had entered into a sale and purchase agreement with a third party in relation to the acquisition of 7 parcels of development lands located in Plentong, Johor for a total consideration of RM110,000,000. The Group had paid a deposit of RM11,000,000 via internally generated fund. As at the Latest Practicable Date ("LPD") of 31 August 2024, the transaction is yet to be completed.
- (d) On 18 April 2024, Ekuiti Idaman had entered into a joint venture agreement ("JVA") with Malaysia Pacific Corporation Berhad ("MP Corp"), Oriental Pearl City Properties Sdn. Bhd., Lakehill Resort Development Sdn. Bhd. ("Lakehill") and Taman Bandar Baru Masai Sdn. Bhd. ("TBBM") (collectively referred to as "MP Corp Group") whereby the parties agreed to develop all those lands comprising 12 block titles, located in Mukim Plentong, Daerah Johor Bahru, Negeri Johor measuring approximately 189.18 acres ("TBBM Lands") which are registered under TBBM's name on a joint venture basis.

Ekuiti Idaman is required to pay a consideration of RM181,294,966.60 to Lakehill over 10 years based on the manner of payment stated in the JVA, MP Corp Group will appoint Ekuti Idaman as developer for the TBBM Lands based on the terms and conditions in the JVA. The Group had paid a deposit of RM5,438,849 via internally generated funds. As at LPD, the transaction is yet to be completed.

4.2 Pro Forma I

Pro Forma I incorporates the effects of the Subsequent Events, and the Acquisitions of SPB Group as set out in Note 3.1 to the Pro Forma Statements of Financial Position.

4.3 Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I, and the Public Issue as set out in Note 3.2 to the Pro Forma Statements of Financial Position.

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**NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONT'D)**
4. Subsequent Events and Pro Forma Adjustments (cont'd)
4.4 Pro Forma III

Pro Forma III incorporates the effects of Pro Forma II and the utilisation of proceeds from the Public Issue. The proceeds from the Public Issue will be utilised as follows:-

Details of utilisation	Estimated timeframe for utilisation upon listing	RM'000
Acquisition of landbank and/or development expenditure [#]	Within 36 months	[•]
Working capital for future development projects [#]	Within 24 months	[•]
Purchase of construction material [#]	Within 24 months	[•]
Estimated listing expenses [*]	Within 3 months	[•]
Total estimated proceeds		[•]

[#] As at the LPD, SPB Group has not yet to enter into any contractual binding agreements. Accordingly, the proceeds earmarked for acquisition of landbank and/or development expenditure, working capital for future development projects and purchase of construction material are not reflected in the Pro Forma Statements of Financial Position and will remain in the cash and bank balances.

^{*} The total estimated listing expenses to be borne by the Company is estimated to be [•]. As of 31 December 2023, [•] has been incurred and recognised as prepayment. The estimated listing expenses of [•] which is assumed to be directly attributable to the Public Issue will be set-off against the equity and the remaining of [•] will be charged to the profit or loss account upon the completion of the IPO. The apportionment is disclosed in Notes 5.5 and 5.8 respectively.

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**NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONT'D)**
5. Effects on the Pro Forma Statements of Financial Position
5.1 Investment properties

RM'000

At 31 December 2023	26,966
Adjustments for Subsequent Events, as set out in Note 4.1 (b)	33,555
After Subsequent Events/ As per Pro Forma I, II and III	60,521

5.2 Inventories

	Current RM'000	Non-current RM'000	Total RM'000
At 31 December 2023	75,206	190,944	266,150
Adjustments for Subsequent Events, as set out in Note 4.1 (a) and (b)	-	23,941	23,941
After Subsequent Events/ As per Pro Forma I, II and III	75,206	214,885	290,091

5.3 Other receivables

RM'000

At 31 December 2023	14,720
Adjustments for Subsequent Events	10,689
After Subsequent Events/ As per Pro Forma I and II Pursuant to the Utilisation of Proceeds	25,409
As per Pro Forma III	[•]

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION (Cont'd)

Appendix A

SPB DEVELOPMENT BERHAD
**NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONT'D)**
5. Effects on the Pro Forma Statements of Financial Position (cont'd)
5.4 Cash and short-term deposits

	RM'000
At 31 December 2023	28,578
Adjustments for Subsequent Events as set out in Note 4.1 (a), (b), (c) and (d)	(26,185)
After Subsequent Events/ As per Pro Forma I Pursuant to the Public Issue	2,393 [•]
As per Pro Forma II Pursuant to the Utilisation of Proceeds	[•] [•]
As per Pro Forma III	[•]

5.5 Share capital

	Unit	RM'000
At 31 December 2023/ After Subsequent Events Pursuant to Acquisitions	1 736,899	1 397,336
As per Pro Forma I Pursuant to the Public Issue	736,900 191,100	397,337 [•]
As per Pro Forma II Pursuant to the Utilisation of Proceeds	928,000 -	[•] [•]
As per Pro Forma III	928,000	[•]

5.6 Invested equity

	RM'000
At 31 December 2023/ After Subsequent Events Pursuant to Acquisitions	32,050 (32,050)
As per Pro Forma I, II and III	-

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION (Cont'd)

Appendix A

SPB DEVELOPMENT BERHAD
**NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONT'D)**
5. Effects on the Pro Forma Statements of Financial Position (cont'd)
5.7 Merger deficit

	RM'000
At 31 December 2023/ After Subsequent Events	-
Pursuant to Acquisitions	365,286
	<u>365,286</u>
As per Pro Forma I, II and III	<u>365,286</u>

5.8 Retained earnings

	RM'000
At 31 December 2023/ After Subsequent Events/ As per Pro Forma I and II	339,158
Pursuant to the Utilisation of Proceeds	[●]
	<u>[●]</u>
As per Pro Forma III	<u>[●]</u>

5.9 Borrowings

	Current RM'000	Non-current RM'000	Total RM'000
At 31 December 2023	36,211	13,265	49,476
Adjustments for Subsequent Events	<u>-</u>	<u>42,000</u>	<u>42,000</u>
After Subsequent Events/ As per Pro Forma I, II and III	<u>36,211</u>	<u>55,265</u>	<u>91,476</u>

Stamped for the purpose of identification on:
18 SEP 2024
GRANT THORNTON MALAYSIA PLT