



SIM LIAN GROUP LIMITED

(Company Registration No. 200004760C)

Third Quarter Financial Statement and Dividend Announcement

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

- 1(a) 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.

	Note	Group					
		Third Quarter ended 31 March			9 Months ended 31 March		
		2016	2015	Change	2016	2015	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1	163,323	634,277	-74%	447,287	1,104,676	-60%
Other operating income	2	3,480	2,285	52%	7,769	6,840	14%
Contract costs		(138,080)	(513,024)	-73%	(346,100)	(851,253)	-59%
Raw materials and consumables		(3,550)	(3,623)	-2%	(11,378)	(11,322)	0%
Property operating expense		(793)	(1,628)	-51%	(2,728)	(4,201)	-35%
Employee benefits expense		(3,382)	(3,261)	4%	(9,025)	(9,344)	-3%
Depreciation expense		(626)	(527)	19%	(1,765)	(1,535)	15%
Change in fair value of derivative financial instruments		(176)	(843)	-79%	(566)	(843)	-33%
Change in fair value of investment properties		-	(2,969)	-100%	-	(2,969)	-100%
Foreign exchange gains (losses)		5,537	(3,516)	n/m	(2,191)	(8,799)	-75%
Other operating expenses	3	(3,830)	(2,444)	57%	(9,623)	(8,029)	20%
Profit from operations		21,903	104,727	-79%	71,680	213,221	-66%
Finance costs		(1,257)	(1,059)	19%	(3,476)	(4,119)	-16%
Share of results of joint ventures, net of tax		1,071	3,271	-67%	3,101	15,085	-79%
Profit before income tax		21,717	106,939	-80%	71,305	224,187	-68%
Less: income tax expense	4	(3,892)	(16,707)	-77%	(13,708)	(35,968)	-62%
Profit for the period		17,825	90,232	-80%	57,597	188,219	-69%
Other comprehensive loss :							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences arising from translation of foreign subsidiaries		556	(2,971)	n/m	1,035	(9,787)	n/m
Other comprehensive income (loss) for the period, net of tax		556	(2,971)	n/m	1,035	(9,787)	n/m
Total comprehensive income for the period		18,381	87,261	-79%	58,632	178,432	-67%
Profit attributable to:							
Owners of the Company		16,395	90,152	-82%	55,479	187,293	-70%
Non-controlling interests		1,430	80	n/m	2,118	926	129%
Profit for the period		17,825	90,232	-80%	57,597	188,219	-69%
Total comprehensive income attributable to:							
Owners of the Company		16,951	87,179	-81%	56,518	177,502	-68%
Non-controlling interests		1,430	82	n/m	2,114	930	127%
Total comprehensive income for the period		18,381	87,261	-79%	58,632	178,432	-67%

- 1(a) 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					
	Third Quarter ended 31 March		Change	9 Months ended 31 March		Change
	2016	2015		2016	2015	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Note 1: Revenue comprises the following:-						
Revenue from construction contracts	145,963	45,683	220%	320,920	168,601	90%
Revenue from property development	3,871	576,552	-99%	85,394	900,083	-91%
Revenue from property investment	6,861	5,302	29%	19,933	15,517	28%
Sales of goods and construction materials	4,613	4,809	-4%	14,700	14,671	0%
Leasing of mobile sanitation facilities and construction equipment	2,015	1,931	4%	6,340	5,804	9%
	163,323	634,277	-74%	447,287	1,104,676	-60%
Note 2: Other operating income comprises the following:-						
Rental income	639	103	520%	1,275	440	190%
Interest income	2,091	1,320	58%	5,029	4,471	12%
Gain on disposal of property, plant and equipment	78	138	-43%	95	166	-43%
Construction project management fee	-	-	n/m	-	39	-100%
Other sundry income	672	724	-7%	1,370	1,724	-21%
	3,480	2,285	52%	7,769	6,840	14%
Note 3: Other operating expenses include:-						
Bad trade and other receivables written off	1	18	-94%	101	5	n/m
Property expenses	924	753	23%	2,549	2,331	9%
Management fee	809	550	47%	2,275	1,683	35%
Marketing costs incurred for development properties	853	-	n/m	1,074	-	n/m
Reversal of allowance for doubtful trade receivables	-	(21)	-100%	(20)	(24)	-17%
Note 4: Income tax expense includes:-						
Under provision for tax in respect of prior periods	1,715	13	n/m	1,578	215	634%

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.

	Note	Group		Company	
		As at 31-03-2016	As at 30-06-2015	As at 31-03-2016	As at 30-06-2015
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets:					
Cash and cash equivalents	5	380,495	167,396	72,418	30,516
Trade and other receivables	6	153,136	302,055	321	209
Inventories		3,941	4,964	-	-
Development properties		581,033	567,311	-	-
Total current assets		1,118,605	1,041,726	72,739	30,725
Non-current assets:					
Subsidiaries		-	-	268,954	249,257
Joint ventures	7	242,248	268,156	-	-
Property, plant and equipment	8	27,639	21,572	-	-
Investment properties	9	338,961	305,090	-	-
Derivative financial instruments		244	823	-	-
Deferred tax assets		9,853	10,858	-	-
Total non-current assets		618,945	606,499	268,954	249,257
Total assets		1,737,550	1,648,225	341,693	279,982
LIABILITIES AND EQUITY					
Current liabilities:					
Bank loans		25,154	21,498	-	-
Trade and other payables	11	185,431	212,459	446	617
Provisions		79,665	81,460	-	-
Current portion of finance leases		136	160	-	-
Income tax payable	12	16,751	49,180	121	31
Total current liabilities		307,137	364,757	567	648
Non-current liabilities:					
Bank loans	10	270,269	107,533	-	-
Other payables		4,054	5,149	-	-
Finance leases		201	300	-	-
Deferred tax liabilities		-	-	1,673	1,403
Total non-current liabilities		274,524	112,982	1,673	1,403
Capital and reserves:					
Share capital		155,181	155,181	155,181	155,181
Retained earnings		1,002,670	1,020,420	184,272	122,750
Other components of equity		(7,748)	(8,787)	-	-
Equity attributable to owners of the Company		1,150,103	1,166,814	339,453	277,931
Non-controlling interests		5,786	3,672	-	-
Total equity		1,155,889	1,170,486	339,453	277,931
Total liabilities and equity		1,737,550	1,648,225	341,693	279,982

Notes

5. Included in the cash and cash equivalents of the Group is an amount of \$11,256,000 (30 June 2015: \$11,531,000) held under the Housing Developers' (Project Account) Rules, withdrawals from which are restricted to payments for expenditure incurred on the property development projects.

The increase in cash and cash equivalents is mainly due to an increase in fixed deposits and progress billings received from the Group's several projects. The increase is offset by dividends paid to shareholders of the Company.

6. The decrease in trade and other receivables is mainly due to receipt of progress billings for projects which obtained Temporary Occupation Permit ("TOP") during prior financial years.
7. The decrease in joint ventures is mainly due to dividends received from a joint venture.
8. The increase in property, plant and equipment is mainly due to a land parcel at Tampines Industrial Drive which will be developed for the Group's own use.
9. The increase in investment properties is mainly due to purchase of investment property in Victoria, Australia. Please refer to the Company's announcement dated 28 October 2015.
10. The increase in bank loan is mainly due to drawdown of bank loans for a development project and an investment property.
11. The decrease in trade and other payables is mainly due to progress billings received in advance in respect of units in project (which revenue and related expenses are accounted for using the completion of contract method) served with Notice of Vacant Possession being recognised as revenue in Statement of Profit or Loss and Other Comprehensive income for the nine months ended 31 March 2016.
12. The decrease in income tax payable is mainly due to tax paid during the nine months ended 31 March 2016.

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

Amount repayable in one year or less, or on demand

As at 31-03-2016		As at 30-06-2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
25,290	-	21,658	-

Amount repayable after one year

As at 31-03-2016		As at 30-06-2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
270,470	-	107,833	-

Details of any Collateral

The Group's borrowings are secured by the followings:-

- (i) legal mortgages on 10 (FY2015: 9) investment properties;
- (ii) legal mortgage on 1 development property;
- (iii) legal mortgage on 2 (FY2015: 2) leasehold properties;
- (iv) Assignment of rights, titles and interests of all agreements relating to 1 development property including sales and rental agreements; and
- (v) Undertaking provided by the company for 1 development property.

Finance leases are secured by certain plant and equipment of the Group with carrying amount of \$600,000 (FY2015: \$737,000).

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			
	Third Quarter ended 31 March		9 Months ended 31 March	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before income tax and share of results of joint ventures, net of tax	20,646	103,668	68,204	209,102
Adjustments for:				
Provisions charged to profit or loss	2,004	22,464	2,452	33,004
Change in fair value of investment properties	-	2,969	-	2,969
Reversal of allowance for doubtful trade receivables	-	(21)	(20)	(24)
Bad trade and non-trade receivables written off	1	18	101	18
Depreciation expense	626	527	1,765	1,535
Gain on disposal of property, plant and equipment	(78)	(138)	(95)	(166)
Change in fair value of derivative financial instruments	176	843	566	843
Interest expense	1,257	1,059	3,476	4,119
Interest income	(2,091)	(1,320)	(5,029)	(4,471)
Property, plant and equipment written-off	-	1	1	3
Operating profit before movement in working capital	22,541	130,070	71,421	246,932
Trade and other receivables	40,176	44,672	113,896	24,796
Deposit and advance payment for land purchase	-	(44,186)	-	(44,186)
Deposit for investment property	(14)	-	(3,697)	-
Inventories	494	348	1,023	(180)
Development properties	(21,093)	428,997	(13,641)	485,128
Provisions utilised	(1,054)	(2,800)	(4,224)	(6,887)
Trade and other payables	9,018	(305,236)	(26,199)	(462,843)
Cash generated from operations	50,068	251,865	138,579	242,760
Income tax paid	(16,567)	(16,869)	(43,163)	(38,958)
Interest paid	(2,270)	(835)	(4,425)	(4,350)
Interest received	1,227	714	2,684	2,515
Net cash from operating activities	32,458	234,875	93,675	201,967
Investing activities				
Purchase of property, plant and equipment	(972)	(2,122)	(8,614)	(3,618)
Additions to investment properties	(885)	(82,417)	(34,528)	(87,500)
Loans to joint ventures	(5,796)	(1,351)	(7,382)	(2,713)
Repayment of loan from a joint venture	-	-	36,375	-
Dividend received from a joint venture	9,000	-	39,000	-
Proceeds from disposal of property, plant and equipment	147	139	171	169
Net cash from (used in) investing activities	1,494	(85,751)	25,022	(93,662)

- 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		Group	
	Third Quarter ended 31 March		9 Months ended 31 March	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Financing activities				
Proceeds from bank loans	8,280	43,923	189,301	46,214
Repayment of bank loans	(15,579)	(93,585)	(21,079)	(174,625)
Dividends paid by the Company	-	-	(73,229)	(46,271)
Dividends paid to non-controlling interests of subsidiary	-	-	-	(823)
Repayment of finance lease liabilities	(39)	(50)	(123)	(126)
Net cash (used in) from financing activities	(7,338)	(49,712)	94,870	(175,631)
Increase (Decrease) in cash and cash equivalents	26,614	99,412	213,567	(67,326)
Cash and cash equivalents at beginning of the period	353,461	161,642	167,396	329,061
Effects of exchange rate changes on the balance of cash held in foreign currencies	420	(375)	(468)	(1,056)
Cash and cash equivalents at end of the period	380,495	260,679	380,495	260,679

Operating activities

The Group's net cash from operating activities for third quarter ended 31 March 2016 ("3QFY2016") was an inflow of \$32.5 million compared to an inflow of \$234.9 million for the third quarter ended 31 March 2015 ("3QFY2015").

Financing activities

The Group's cash used in financing activities was \$7.3 million in 3QFY2016 compared to \$49.7 million in 3QFY2015.

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 immediately preceding financial year.

	Other components of equity							
	Share Capital	Equity Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Retained Earnings	Attributable to Owners of the Company	Non - Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Group</u>								
Balance at 1/1/2015	155,181	(112)	2,405	(6,339)	877,196	1,028,331	3,633	1,031,964
Profit for the quarter	-	-	-	-	90,152	90,152	80	90,232
<i>Other comprehensive income</i>								
Foreign currency translation	-	-	-	(2,973)	-	(2,973)	2	(2,971)
Other comprehensive income for the quarter, net of tax	-	-	-	(2,973)	-	(2,973)	2	(2,971)
Total comprehensive income for the quarter	-	-	-	(2,973)	90,152	87,179	82	87,261
Balance at 31/3/2015	155,181	(112)	2,405	(9,312)	967,348	1,115,510	3,715	1,119,225
<u>Group</u>								
Balance at 1/1/2016	155,181	(112)	2,405	(10,597)	986,275	1,133,152	4,356	1,137,508
Profit for the quarter	-	-	-	-	16,395	16,395	1,430	17,825
<i>Other comprehensive income</i>								
Foreign currency translation	-	-	-	556	-	556	-	556
Other comprehensive income for the quarter, net of tax	-	-	-	556	-	556	-	556
Total comprehensive income for the quarter	-	-	-	556	16,395	16,951	1,430	18,381
Balance at 31/3/2016	155,181	(112)	2,405	(10,041)	1,002,670	1,150,103	5,786	1,155,889

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 immediately preceding financial year. (cont'd)

	Other components of equity							
	Share Capital	Equity Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Retained Earnings	Attributable to Owners of the Company	Non - Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group								
Balance at 1/7/2014	155,181	(112)	2,405	479	826,326	984,279	3,608	987,887
Profit for the 9 months	-	-	-	-	187,293	187,293	926	188,219
<i>Other comprehensive income</i>								
Foreign currency translation	-	-	-	(9,791)	-	(9,791)	4	(9,787)
Other comprehensive income for the 9 months, net of tax	-	-	-	(9,791)	-	(9,791)	4	(9,787)
Total comprehensive income for the 9 months	-	-	-	(9,791)	187,293	177,502	930	178,432
<i>Contributions by and distributions to owners</i>								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(823)	(823)
Dividends paid in cash	-	-	-	-	(46,271)	(46,271)	-	(46,271)
Total contributions by and distributions to owners	-	-	-	-	(46,271)	(46,271)	(823)	(47,094)
Balance at 31/3/2015	155,181	(112)	2,405	(9,312)	967,348	1,115,510	3,715	1,119,225
Group								
Balance at 1/7/2015	155,181	(112)	2,405	(11,080)	1,020,420	1,166,814	3,672	1,170,486
Profit for the 9 months	-	-	-	-	55,479	55,479	2,118	57,597
<i>Other comprehensive income</i>								
Foreign currency translation	-	-	-	1,039	-	1,039	(4)	1,035
Other comprehensive income for the 9 months, net of tax	-	-	-	1,039	-	1,039	(4)	1,035
Total comprehensive income for the 9 months	-	-	-	1,039	55,479	56,518	2,114	58,632
<i>Contributions by and distributions to owners</i>								
Dividends paid in cash	-	-	-	-	(73,229)	(73,229)	-	(73,229)
Total contributions by and distributions to owners	-	-	-	-	(73,229)	(73,229)	-	(73,229)
Balance at 31/3/2016	155,181	(112)	2,405	(10,041)	1,002,670	1,150,103	5,786	1,155,889

- 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 immediately preceding financial year. (cont'd)

	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
<u>Company</u>			
Balance at 1/1/2015	155,181	65,320	220,501
Profit for the quarter, representing total comprehensive income for the quarter	-	34,115	34,115
Balance at 31/3/2015	155,181	99,435	254,616
Balance at 1/1/2016	155,181	183,420	338,601
Profit for the quarter, representing total comprehensive income for the quarter	-	852	852
Balance at 31/3/2016	155,181	184,272	339,453

	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
<u>Company</u>			
Balance at 1/7/2014	155,181	73,218	228,399
Profit for the 9 months, representing total comprehensive income for the 9 months	-	72,488	72,488
<i>Contributions by and distributions to owners</i>			
Dividends paid in cash	-	(46,271)	(46,271)
Total contributions by and distributions to owners	-	(46,271)	(46,271)
Balance at 31/3/2015	155,181	99,435	254,616
Balance at 1/7/2015	155,181	122,750	277,931
Profit for the 9 months, representing total comprehensive income for the 9 months	-	134,751	134,751
<i>Contributions by and distributions to owners</i>			
Dividends paid in cash	-	(73,229)	(73,229)
Total contributions by and distributions to owners	-	(73,229)	(73,229)
Balance at 31/3/2016	155,181	184,272	339,453

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

During the quarter ended 31 March 2016, there were no changes in the Company's share capital.

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

	Group	
	As at	
	31-03-2016	30-06-2015
Total number of issued shares	1,005,890,466	1,005,890,466
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	1,005,890,466	1,005,890,466

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.**

Not applicable.

- 2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed.

- 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 preparation of the financial statements for the current reporting year as those of the audited financial statements for FY2015.

- 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.**

Not applicable.

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

- (a) Based on the weighted average number of ordinary shares on issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings).**

	Group			
	Third Quarter ended 31 March		9 Months ended 31 March	
	2016	2015	2016	2015
Group profit attributable to owners of the Company (\$'000)	16,395	90,152	55,479	187,293
Weighted average number of shares	1,005,890,466	1,005,890,466	1,005,890,466	1,005,890,466
Basic and diluted earnings per share (cents)	1.63	8.96	5.52	18.62

Earnings per share is calculated based on the net profit attributable to owners of the Company divided by the weighted average number of 1,005,890,466 (3QFY2015: 1,005,890,466) shares.

- 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 financial period reported on and (b) immediately preceding financial year.**

	Group		Company	
	31-03-2016	30-06-2015	31-03-2016	30-06-2015
Net asset value per ordinary share (\$)	1.14	1.16	0.34	0.28

Net asset value per share is calculated based on 1,005,890,466 ordinary shares in issue at the end of the current financial period (30 June 2015: 1,005,890,466).

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

Group Performance

The Group recorded a profit before income tax of \$21.7 million in 3QFY2016, 80% lower than the \$106.9 million recorded in 3QFY2015, with revenue of \$163.3 million for 3QFY2016 reflecting a 74% decrease from \$634.3 million in 3QFY2015. The decrease is mainly due to reduced contribution from the Group's development property which was completed in February 2015, whereby the revenue and related expenses are accounted for using completion of contract method. This was partially offset by higher revenue contribution from the construction division, mainly due to increase in percentage of work done in 3QFY2016 as compared to 3QFY2015.

The property development division contributed \$3.9 million to the Group's revenue in 3QFY2016, 99% lower than the \$576.6 million in 3QFY2015.

The construction division contributed \$146.0 million to the Group's revenue, an increase of 220% from the \$45.7 million in 3QFY2015.

The Group incurred contract costs of \$138.1 million, 73% lower than the \$513.0 million incurred in 3QFY2015. The decrease in contract costs is in tandem with the decrease in revenue.

The decrease in property operating expenses is mainly due to repairs and maintenance costs which was billed and recovered from the tenants of an investment property.

The Group recorded foreign exchange gain of \$5.5 million in 3QFY2016, mainly due to the revaluation of intercompany balances which are not denominated in the functional currency of the respective subsidiaries.

The decrease in share of results of joint ventures is mainly due to the absence of contribution by a development project undertaken by a joint venture which obtained Temporary Occupation Permit in May 2015.

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

The current announced results are in line with the prospect commentary previously disclosed in the financial statement announcement for financial period ended 31 December 2015.

- 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 statistics released by Urban Redevelopment Authority ("URA"), prices of private residential properties decreased by 0.7% in the first quarter of 2016, compared to the decline of 0.5% in the fourth quarter of 2015. The sales volume of 1,419 private residential units in the first quarter of 2016 is lower than the 1,603 units sold by developers in the fourth quarter of 2015.

Prices of office space decreased by 0.3% in the first quarter of 2016, compared to the decrease of 0.1% in the fourth quarter of 2015.

Rentals of retail space decreased by 1.9% in the first quarter of 2016, compared to the 1.3% decrease in the fourth quarter of 2015.

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. (cont'd)

In February 2016, the Group launched Wandervale Executive Condominium at Choa Chu Kang Avenue 3. The average price is S\$755 psf and approximately 66 per cent of the 534-unit development has been booked as at 11 May 2016 despite the challenging economic environment. Please refer to the Company's announcements dated 17 February 2016, 28 February 2016, 2 March 2016 and 19 April 2016.

With the property cooling and loan restriction measures still in effect since June 2013 and the expected global slow growth, the Group expects the operating environment for property market to continue to be challenging.

The Group remains committed to seeking strategic investment opportunities for its continued growth and is focused on building a stable base of recurring income to smoothen its fluctuating profits from property development division.

The Group expects to achieve a set of profitable operating results for FY2016. Following the adoption of INT FRS 115 with effect from 1 July 2010, the Group expects greater fluctuations in our future earnings as most of the Group's ongoing projects (including those of our 50:50 joint ventures) are being accounted for using the completion of contract method.

11 Dividend

(a) Current Financial Period

Any dividend declared for the current financial period reported on ?

None

Name of dividend Dividend Type Dividend Rate	(Tax Exempt 1 -Tier)
	Not applicable
	Not applicable
	Not applicable

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

Name of dividend Dividend Type Dividend Rate	(Tax Exempt 1 -Tier)
	Not applicable
	Not applicable
	Not applicable

(b) Date payable

Not applicable.

(c) 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 third quarter ended 31 March 2016.

13 Interested Person Transactions

Name of interested persons		Aggregate value of all interested person transactions for the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) \$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000
Sim Lian Development Pte Ltd ("SLD")	Interest payable by Sim Lian JV (BP) Pte. Ltd. ("ResiSPV") to SLD	172	-
Sim Lian JV (BP) Pte. Ltd. ("ResiSPV")	Interest payable by ResiSPV to Sim Lian Land Pte Ltd ("SLL")	344	-
Sim Lian JV (BP) Pte. Ltd. ("ResiSPV")	Proportionate shareholder loans by SLL to ResiSPV	175	-
Sim Lian JV (BP Retail) Pte. Ltd. ("RetailSPV")	Proportionate shareholder loans by SLL to RetailSPV	5,696 ⁽ⁱ⁾	-
Sim Lian Development Pte Ltd ("SLD")	Interest payable by Sim Lian JV (Vision) Pte. Ltd. ("VisionSPV") to SLD	263	-
Sim Lian JV (Vision) Pte. Ltd. ("VisionSPV")	Interest payable by VisionSPV to SLL	524	-
Sim Lian JV (Punggol Central) Pte. Ltd. ("SLJV")	Interest payable on inter-joint venture loans to VisionSPV	227	-
Sim Lian Land Pte Ltd	Sale of Motor Vehicle to Ms. Kuik Sin Leng	147	-
Sim Lian Construction Co. (Pte.) Ltd. ("SLC")	Purchase of Motor Vehicle from Mr. Kuik Sin Pin	128	-
OrangeTee.Com Pte Ltd ("OTC")	Marketing commission and incentives	288	-
		7,964	-

Note (i) Under Rule 916 (3) of the SGX Listing Manual, this transaction is not required to comply with Rule 906.

ISSUED BY ORDER OF THE BOARD

Ang Lay Hua
Joint Company Secretary
13 May 2016



SIM LIAN GROUP LIMITED

(Company Registration No. 200004760C)

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, Kuik Sin Pin and Kuik Sing Beng, being two Directors of Sim Lian Group Limited (“the Company”) do hereby confirm, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the third quarter ended 31 March 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Kuik Sin Pin
Group Chief Executive Officer

Kuik Sing Beng
Executive Director

13 May 2016