



SIM LIAN GROUP LIMITED

(Company Registration No. 200004760C)

Second 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					
		Second Quarter ended 31 December		Change	Half Year ended 31 December		Change
		2015	2014		2015	2014	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1	194,327	91,376	113%	283,964	470,399	-40%
Other operating income	2	2,323	2,288	2%	4,289	4,555	-6%
Contract costs		(142,018)	(52,459)	171%	(208,020)	(338,229)	-38%
Raw materials and consumables		(4,050)	(3,542)	14%	(7,828)	(7,699)	2%
Property operating expense		(873)	(1,414)	-38%	(1,935)	(2,573)	-25%
Employee benefits expense		(2,474)	(3,103)	-20%	(5,643)	(6,083)	-7%
Depreciation expense		(566)	(505)	12%	(1,139)	(1,008)	13%
Change in fair value of derivative financial instruments		(81)	157	n/m	(390)	-	n/m
Foreign exchange gains (losses)		4,824	(3,210)	n/m	(7,728)	(5,283)	46%
Other operating expenses	3	(2,833)	(2,693)	5%	(5,793)	(5,585)	4%
Profit from operations		48,579	26,895	81%	49,777	108,494	-54%
Finance costs		(1,146)	(1,083)	6%	(2,219)	(3,060)	-27%
Share of results of joint ventures, net of tax		1,482	5,733	-74%	2,030	11,814	-83%
Profit before income tax		48,915	31,545	55%	49,588	117,248	-58%
Less: income tax expense	4	(7,881)	(5,843)	35%	(9,816)	(19,261)	-49%
Profit for the period		41,034	25,702	60%	39,772	97,987	-59%
Other comprehensive loss :							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences arising from translation of foreign subsidiaries		3,622	(2,569)	n/m	479	(6,816)	n/m
Other comprehensive income (loss) for the period, net of tax		3,622	(2,569)	n/m	479	(6,816)	n/m
Total comprehensive income for the period		44,656	23,133	93%	40,251	91,171	-56%
Profit attributable to:							
Owners of the Company		40,485	25,478	59%	39,084	97,141	-60%
Non-controlling interests		549	224	145%	688	846	-19%
Profit for the period		41,034	25,702	60%	39,772	97,987	-59%
Total comprehensive income attributable to:							
Owners of the Company		44,112	22,908	93%	39,567	90,323	-56%
Non-controlling interests		544	225	142%	684	848	-19%
Total comprehensive income for the period		44,656	23,133	93%	40,251	91,171	-56%

- 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					
	Second Quarter ended 31 December 2015 2014		Change	Half Year ended 31 December 2015 2014		Change
	S\$'000	S\$'000		S\$'000	S\$'000	
			%			%
Note 1: Revenue comprises the following:-						
Revenue from construction contracts	105,511	54,036	95%	174,957	122,918	42%
Revenue from property development	75,167	26,298	186%	81,523	323,531	-75%
Revenue from property investment	6,261	4,536	38%	13,072	10,215	28%
Sales of goods and construction materials	5,344	4,596	16%	10,087	9,862	2%
Leasing of mobile sanitation facilities and construction equipment	2,044	1,910	7%	4,325	3,873	12%
	194,327	91,376	113%	283,964	470,399	-40%
Note 2: Other operating income comprises the following:-						
Rental income	449	104	332%	636	337	89%
Interest income	1,516	1,528	-1%	2,938	3,151	-7%
Gain on disposal of property, plant and equipment	9	25	-64%	17	28	-39%
Construction project management fee	-	21	-100%	-	39	-100%
Forfeiture fee income	-	84	-100%	-	215	-100%
Other sundry income	349	526	-34%	698	785	-11%
	2,323	2,288	2%	4,289	4,555	-6%
Note 3: Other operating expenses include:-						
Bad trade and other receivables written off (recovered)	5	(13)	n/m	100	(13)	n/m
Property expenses	793	741	7%	1,625	1,578	3%
Management fee	738	551	34%	1,466	1,133	29%
Reversal of allowance for doubtful trade receivables						
Reversal of allowance for doubtful trade receivables	(20)	(4)	400%	(20)	(3)	567%
Note 4: Income tax expense includes:-						
Under(Over) provision for tax in respect of prior periods	117	52	125%	(137)	202	n/m

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 31-12-2015	As at 30-06-2015	As at 31-12-2015	As at 30-06-2015
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets:					
Cash and cash equivalents	5	353,461	167,396	71,894	30,516
Trade and other receivables	6	193,527	302,055	227	209
Inventories		4,435	4,964	-	-
Development properties		561,786	567,311	-	-
Total current assets		1,113,209	1,041,726	72,121	30,725
Non-current assets:					
Subsidiaries		-	-	268,478	249,257
Joint ventures	7	243,513	268,156	-	-
Property, plant and equipment	8	27,444	21,572	-	-
Investment properties	9	337,773	305,090	-	-
Derivative financial assets		423	823	-	-
Deferred tax assets		9,873	10,858	-	-
Total non-current assets		619,026	606,499	268,478	249,257
Total assets		1,732,235	1,648,225	340,599	279,982
LIABILITIES AND EQUITY					
Current liabilities:					
Bank loans	10	24,647	21,498	-	-
Trade and other payables	11	177,430	212,459	341	617
Provisions		78,689	81,460	-	-
Current portion of finance leases		142	160	-	-
Income tax payable	12	29,694	49,180	65	31
Total current liabilities		310,602	364,757	406	648
Non-current liabilities:					
Bank loans	10	279,851	107,533	-	-
Other payables		4,040	5,149	-	-
Finance leases		234	300	-	-
Deferred tax liabilities		-	-	1,592	1,403
Total non-current liabilities		284,125	112,982	1,592	1,403
Capital and reserves:					
Share capital		155,181	155,181	155,181	155,181
Retained earnings		986,275	1,020,420	183,420	122,750
Other components of equity		(8,304)	(8,787)	-	-
Equity attributable to owners of the Company		1,133,152	1,166,814	338,601	277,931
Non-controlling interests		4,356	3,672	-	-
Total equity		1,137,508	1,170,486	338,601	277,931
Total liabilities and equity		1,732,235	1,648,225	340,599	279,982

Note

5. Included in the cash and cash equivalents of the Group is an amount of \$7,582,000 (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 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 in second quarter ended 31 December 2015 ("2QFY2016").
12. The decrease in income tax payable is mainly due to tax paid during first half year ended 31 December 2015 ("1HFY2016").

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 31-12-2015		As at 30-06-2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
24,789	-	21,658	-

Amount repayable after one year

As at 31-12-2015		As at 30-06-2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
280,085	-	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 \$645,000 (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			
	Second Quarter ended 31 December		Half Year ended 31 December	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before income tax and share of results of joint ventures, net of tax	47,433	25,812	47,558	105,434
Adjustments for:				
Provisions charged to profit or loss	1,748	9,773	448	10,540
Reversal of allowance for doubtful trade receivables	(20)	(4)	(20)	(3)
Bad trade and non-trade receivables written off	5	-	100	-
Depreciation expense	566	505	1,139	1,008
Gain on disposal of property, plant and equipment	(9)	(25)	(17)	(28)
Change in fair value of derivative financial instruments	81	(157)	390	-
Interest expense	1,146	1,083	2,219	3,060
Interest income	(1,516)	(1,528)	(2,938)	(3,151)
Property, plant and equipment written-off	-	2	1	2
Operating profit before movement in working capital	49,434	35,461	48,880	116,862
Trade and other receivables	(2,571)	(98,689)	73,720	(19,876)
Deposit and advance payment for land purchase	-	17,245	-	-
Deposit for investment property	(3,683)	-	(3,683)	-
Inventories	396	(150)	529	(528)
Development properties	(5,580)	(111,568)	7,452	56,131
Provisions utilised	(1,165)	(2,230)	(3,170)	(4,087)
Trade and other payables	(23,257)	42,525	(35,217)	(157,607)
Cash generated from (used in) operations	13,574	(117,406)	88,511	(9,105)
Income tax paid	(15,936)	(16,419)	(26,596)	(22,089)
Interest paid	(1,074)	(1,835)	(2,155)	(3,515)
Interest received	658	1,060	1,457	1,801
Net cash (used in) from operating activities	(2,778)	(134,600)	61,217	(32,908)
Investing activities				
Purchase of property, plant and equipment	(664)	(85)	(7,642)	(1,496)
Additions to investment properties	(33,616)	(4,179)	(33,643)	(5,083)
Loans to joint ventures	(1,076)	(839)	(1,586)	(1,362)
Repayment of loan from a joint venture	-	-	36,375	-
Dividend received from a joint venture	30,000	-	30,000	-
Proceeds from disposal of property, plant and equipment	10	25	24	30
Net cash (used in) from investing activities	(5,346)	(5,078)	23,528	(7,911)

- 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	
	Second Quarter ended 31 December		Half Year ended 31 December	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Financing activities				
Proceeds from bank loans	179,940	678	181,021	2,291
Repayment of bank loans	(5,162)	(32,497)	(5,500)	(81,040)
Dividends paid by the Company	(73,229)	(46,271)	(73,229)	(46,271)
Dividends paid to non-controlling interests of subsidiary	-	(823)	-	(823)
Repayment of finance lease liabilities	(39)	(38)	(84)	(76)
Net cash from (used in) financing activities	101,510	(78,951)	102,208	(125,919)
Increase (Decrease) in cash and cash equivalents	93,386	(218,629)	186,953	(166,738)
Cash and cash equivalents at beginning of the period	259,330	380,840	167,396	329,061
Effects of exchange rate changes on the balance of cash held in foreign currencies	745	(569)	(888)	(681)
Cash and cash equivalents at end of the period	353,461	161,642	353,461	161,642

Operating activities

The Group's net cash from operating activities for second quarter ended 31 December 2015 ("2QFY2016") was an outflow of \$2.8 million compared to an outflow of \$134.6 million for the second quarter ended 31 December 2014 ("2QFY2015").

Financing activities

The Group's cash from financing activities was \$101.5 million in 2QFY2016 compared with cash used in financing activities of \$79.0 million in 2QFY2015. This was mainly due to drawdown of bank loans for a development project and an investment property, offset by dividends paid by the Company.

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
Group								
Balance at 1/10/2014	155,181	(112)	2,405	(3,769)	897,989	1,051,694	4,231	1,055,925
Profit for the quarter	-	-	-	-	25,478	25,478	224	25,702
<i>Other comprehensive income</i>								
Foreign currency translation	-	-	-	(2,570)	-	(2,570)	1	(2,569)
Other comprehensive income for the quarter, net of tax	-	-	-	(2,570)	-	(2,570)	1	(2,569)
Total comprehensive income for the quarter	-	-	-	(2,570)	25,478	22,908	225	23,133
<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 31/12/2014	155,181	(112)	2,405	(6,339)	877,196	1,028,331	3,633	1,031,964
Group								
Balance at 1/10/2015	155,181	(112)	2,405	(14,224)	1,019,019	1,162,269	3,812	1,166,081
Profit for the quarter	-	-	-	-	40,485	40,485	549	41,034
<i>Other comprehensive income</i>								
Foreign currency translation	-	-	-	3,627	-	3,627	(5)	3,622
Other comprehensive income for the quarter, net of tax	-	-	-	3,627	-	3,627	(5)	3,622
Total comprehensive income for the quarter	-	-	-	3,627	40,485	44,112	544	44,656
<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 31/12/2015	155,181	(112)	2,405	(10,597)	986,275	1,133,152	4,356	1,137,508

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 half year	-	-	-	-	97,141	97,141	846	97,987
<i>Other comprehensive income</i>								
Foreign currency translation	-	-	-	(6,818)	-	(6,818)	2	(6,816)
Other comprehensive income for the half year, net of tax	-	-	-	(6,818)	-	(6,818)	2	(6,816)
Total comprehensive income for the half year	-	-	-	(6,818)	97,141	90,323	848	91,171
<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 31/12/2014	155,181	(112)	2,405	(6,339)	877,196	1,028,331	3,633	1,031,964
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 half year	-	-	-	-	39,084	39,084	688	39,772
<i>Other comprehensive income</i>								
Foreign currency translation	-	-	-	483	-	483	(4)	479
Other comprehensive income for the half year, net of tax	-	-	-	483	-	483	(4)	479
Total comprehensive income for the half year	-	-	-	483	39,084	39,567	684	40,251
<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 31/12/2015	155,181	(112)	2,405	(10,597)	986,275	1,133,152	4,356	1,137,508

- 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 1/10/2014	155,181	98,276	253,457
Profit for the quarter, representing total comprehensive income for the quarter	-	13,315	13,315
<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 31/12/2014	155,181	65,320	220,501
Balance at 1/10/2015	155,181	123,029	278,210
Profit for the quarter, representing total comprehensive income for the quarter	-	133,620	133,620
<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 31/12/2015	155,181	183,420	338,601

	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 half year, representing total comprehensive income for the half year	-	38,373	38,373
<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 31/12/2014	155,181	65,320	220,501
Balance at 1/7/2015	155,181	122,750	277,931
Profit for the half year, representing total comprehensive income for the half year	-	133,899	133,899
<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 31/12/2015	155,181	183,420	338,601

- 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 December 2015, 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	
	31-12-2015	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			
	Second Quarter ended 31 December		Half Year ended 31 December	
	2015	2014	2015	2014
Group profit attributable to owners of the Company (\$'000)	40,485	25,478	39,084	97,141
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)	4.02	2.53	3.89	9.66

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 (2QFY2015: 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	
	31-12-2015	30-06-2015	31-12-2015	30-06-2015
Net asset value per ordinary share (S\$)	1.13	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) seasonal 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 \$48.9 million in 2QFY2016, 55% higher than the \$31.5 million recorded in 2QFY2015, with revenue of \$194.3 million for 2QFY2016 reflecting a 113% increase from \$91.4 million in 2QFY2015.

The property development division contributed \$75.2 million to the Group's revenue in 2QFY2016, 186% higher than \$26.3 million in 2QFY2015. The increase is mainly due to completion of phase 1 of a development property in Malaysia.

The construction division contributed \$105.5 million to the Group's revenue, an increase of 95% from \$54.0 million in 2QFY2015. The higher revenue contribution is mainly due to the construction division doing more third party contracts in 2QFY2016 and increase in percentage of work done as compared to 2QFY2015.

The Group incurred contract costs of \$142.0 million, 171% higher than the \$52.5 million incurred in 2QFY2015. The increase in contract costs is in tandem with the increase in revenue.

The Group recorded foreign exchange gain of \$4.8 million in 2QFY2016, 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 the first quarter ended 30 September 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 0.5% in the fourth quarter of 2015, compared to the decline of 1.3% in the third quarter of 2015. For the whole of 2015, prices have fallen 3.7% compared with the 4.0% decrease in 2014. The sales volume of 1,603 private residential units in the fourth quarter of 2015 is lower than the 2,410 units sold by developers in the third quarter of 2015. For the whole of 2015, developers sold 7,440 units, compared with 7,316 units in 2014.

Prices of office space decreased by 0.1% in the fourth quarter of 2015, same as the decrease in the previous quarter. For the whole of 2015, prices of office space had decreased by 0.1% compared with increase of 4.5% in 2014.

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)

Rentals of retail space decreased by 1.3% in the fourth quarter of 2015, compared to the 2.0% decrease in the third quarter of 2015. For the whole of 2015, rentals of retail space has declined by 4.1%, compared with the increase of 0.9% in 2014.

With the past rounds of property cooling measures and the loan restrictions measures announced by Monetary Authority of Singapore in June 2013, 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. In December 2015, the Group completed the acquisition of a brand new convenience based neighbourhood shopping centre in Victoria, Australia, for A\$30.2 million. The Group also announced the proposed acquisition of two investment grade retail properties, Woolworths Shopping Centre and Masters Home Improvement Everton Park located at Queensland, Australia for A\$70.2 million.

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	(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	(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 second quarter ended 31 December 2015.

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	173	-
Sim Lian JV (BP) Pte. Ltd. ("ResiSPV")	Interest payable by ResiSPV to SLL	345	-
Sim Lian JV (BP Retail) Pte. Ltd. ("RetailSPV")	Proportionate shareholder loans by SLL to RetailSPV	1,001 ⁽ⁱ⁾	-
Sim Lian Development Pte Ltd ("SLD")	Interest payable by Sim Lian JV (Vision) Pte. Ltd. ("VisionSPV") to SLD	264	-
Sim Lian JV (Vision) Pte. Ltd. ("VisionSPV")	Interest payable by VisionSPV to SLL	528	-
Sim Lian JV (Punggol Central) Pte. Ltd. ("SLJV")	Interest payable on inter-joint venture loans to VisionSPV	387	-
		2,698	-

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
12 February 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 second quarter ended 31 December 2015 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

12 February 2016