



# SIM LIAN GROUP LIMITED

(Company Registration No. 200004760C)

## First 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                            |               |        |
|-----------------------------------------------------------------------|------|----------------------------------|---------------|--------|
|                                                                       |      | First Quarter ended 30 September |               | Change |
|                                                                       |      | 2014                             | 2013          |        |
|                                                                       |      | S\$'000                          | S\$'000       | %      |
| <b>Revenue</b>                                                        | 1    | 379,023                          | 151,165       | 151%   |
| Other operating income                                                | 2    | 2,267                            | 1,849         | 23%    |
| Contract costs                                                        |      | (285,770)                        | (111,520)     | 156%   |
| Raw materials and consumables                                         |      | (4,157)                          | (4,043)       | 3%     |
| Property operating expense                                            |      | (1,159)                          | -             | n/m    |
| Employee benefits expense                                             |      | (2,980)                          | (2,759)       | 8%     |
| Depreciation expense                                                  |      | (503)                            | (482)         | 4%     |
| Change in fair value of derivative financial instruments              |      | (157)                            | -             | n/m    |
| Foreign exchange losses                                               |      | (2,073)                          | (2,695)       | -23%   |
| Other operating expenses                                              | 3    | (2,892)                          | (1,599)       | 81%    |
| Profit from operations                                                |      | 81,599                           | 29,916        | 173%   |
| Finance costs                                                         |      | (1,977)                          | (70)          | n/m    |
| Share of results of joint ventures, net of tax                        |      | 6,081                            | 3,168         | 92%    |
| <b>Profit before income tax</b>                                       |      | 85,703                           | 33,014        | 160%   |
| Less: income tax expense                                              | 4    | (13,418)                         | (5,277)       | 154%   |
| <b>Profit for the period</b>                                          |      | <b>72,285</b>                    | <b>27,737</b> | 161%   |
| Other comprehensive income:                                           |      |                                  |               |        |
| <b>Item that may be reclassified subsequently to profit or loss:</b>  |      |                                  |               |        |
| Exchange differences arising from translation of foreign subsidiaries |      | (4,247)                          | 42            | n/m    |
| <b>Other comprehensive income for the period, net of tax</b>          |      | <b>(4,247)</b>                   | <b>42</b>     | n/m    |
| <b>Total comprehensive income for the period</b>                      |      | <b>68,038</b>                    | <b>27,779</b> | 145%   |
| Profit attributable to:                                               |      |                                  |               |        |
| Owners of the Company                                                 |      | 71,663                           | 27,677        | 159%   |
| Non-controlling interests                                             |      | 622                              | 60            | n/m    |
| <b>Profit for the period</b>                                          |      | <b>72,285</b>                    | <b>27,737</b> | 161%   |
| Total comprehensive income attributable to:                           |      |                                  |               |        |
| Owners of the Company                                                 |      | 67,415                           | 27,719        | 143%   |
| Non-controlling interests                                             |      | 623                              | 60            | n/m    |
| <b>Total comprehensive income for the period</b>                      |      | <b>68,038</b>                    | <b>27,779</b> | 145%   |

- 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                            |         |        |
|--------------------------------------------------------------------|------|----------------------------------|---------|--------|
|                                                                    |      | First Quarter ended 30 September |         | Change |
|                                                                    |      | 2014                             | 2013    |        |
|                                                                    |      | S\$'000                          | S\$'000 | %      |
| <b>Note 1:</b><br>Revenue comprises the following:-                |      |                                  |         |        |
| Revenue from construction contracts                                |      | 68,882                           | 36,821  | 87%    |
| Revenue from property development                                  |      | 297,233                          | 107,145 | 177%   |
| Revenue from property investment                                   |      | 5,679                            | 202     | n/m    |
| Sales of goods and construction materials                          |      | 5,266                            | 5,200   | 1%     |
| Leasing of mobile sanitation facilities and construction equipment |      | 1,963                            | 1,797   | 9%     |
|                                                                    |      | 379,023                          | 151,165 | 151%   |
| <b>Note 2:</b><br>Other operating income comprises the following:- |      |                                  |         |        |
| Rental income                                                      |      | 233                              | 174     | 34%    |
| Interest income                                                    |      | 1,623                            | 858     | 89%    |
| Gain on disposal of property, plant and equipment                  |      | 3                                | 240     | -99%   |
| Construction project management fee                                |      | 18                               | 375     | -95%   |
| Other sundry income                                                |      | 390                              | 202     | 93%    |
|                                                                    |      | 2,267                            | 1,849   | 23%    |
| <b>Note 3:</b><br>Other operating expenses include:-               |      |                                  |         |        |
| Bad trade and other receivables written off                        |      | -                                | 64      | -100%  |
| Property expenses                                                  |      | 837                              | 552     | 52%    |
| Management fee                                                     |      | 582                              | -       | n/m    |
| Allowance (Reversal of allowance) for doubtful trade receivables   |      | 1                                | (3)     | n/m    |
| <b>Note 4:</b><br>Income tax expense includes:-                    |      |                                  |         |        |
| (Under) Over provision for tax in respect of prior periods         |      | (150)                            | 285     | n/m    |

n/m : 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.**

|                                              | Note | Group               |                     | Company             |                     |
|----------------------------------------------|------|---------------------|---------------------|---------------------|---------------------|
|                                              |      | As at<br>30-09-2014 | As at<br>30-06-2014 | As at<br>30-09-2014 | As at<br>30-06-2014 |
|                                              |      | S\$'000             | S\$'000             | S\$'000             | S\$'000             |
| <b>ASSETS</b>                                |      |                     |                     |                     |                     |
| <b>Current assets:</b>                       |      |                     |                     |                     |                     |
| Cash and cash equivalents                    | 4    | 380,840             | 329,061             | 46,007              | 133,127             |
| Trade and other receivables                  | 5    | 292,373             | 353,054             | 25,230              | 235                 |
| Inventories                                  |      | 4,927               | 4,549               | -                   | -                   |
| Development properties                       | 6    | 704,249             | 869,951             | -                   | -                   |
| Total current assets                         |      | 1,382,389           | 1,556,615           | 71,237              | 133,362             |
| <b>Non-current assets:</b>                   |      |                     |                     |                     |                     |
| Subsidiaries                                 |      | -                   | -                   | 184,362             | 183,754             |
| Joint ventures                               |      | 219,666             | 212,632             | -                   | -                   |
| Property, plant and equipment                |      | 19,817              | 18,978              | -                   | -                   |
| Investment properties                        | 7    | 229,858             | 241,025             | -                   | -                   |
| Total non-current assets                     |      | 469,341             | 472,635             | 184,362             | 183,754             |
| <b>Total assets</b>                          |      | <b>1,851,730</b>    | <b>2,029,250</b>    | <b>255,599</b>      | <b>317,116</b>      |
| <b>LIABILITIES AND EQUITY</b>                |      |                     |                     |                     |                     |
| <b>Current liabilities:</b>                  |      |                     |                     |                     |                     |
| Bank loans                                   | 8    | 147,474             | 196,599             | -                   | -                   |
| Trade and other payables                     | 9    | 444,798             | 643,620             | 775                 | 87,602              |
| Provisions                                   |      | 73,372              | 74,461              | -                   | -                   |
| Derivative financial instruments             |      | 157                 | -                   | 157                 | -                   |
| Current portion of finance leases            |      | 130                 | 148                 | -                   | -                   |
| Income tax payable                           | 10   | 50,053              | 43,815              | 86                  | 86                  |
| Total current liabilities                    |      | 715,984             | 958,643             | 1,018               | 87,688              |
| <b>Non-current liabilities:</b>              |      |                     |                     |                     |                     |
| Bank loans                                   | 8    | 71,270              | 74,676              | -                   | -                   |
| Other payables                               |      | 5,669               | 6,993               | -                   | -                   |
| Finance leases                               |      | 133                 | 153                 | -                   | -                   |
| Deferred tax liabilities                     | 10   | 2,749               | 898                 | 1,124               | 1,029               |
| Total non-current liabilities                |      | 79,821              | 82,720              | 1,124               | 1,029               |
| <b>Capital and reserves:</b>                 |      |                     |                     |                     |                     |
| Share capital                                |      | 155,181             | 155,181             | 155,181             | 155,181             |
| Retained earnings                            |      | 897,989             | 826,326             | 98,276              | 73,218              |
| Other components of equity                   |      | (1,476)             | 2,772               | -                   | -                   |
| Equity attributable to owners of the Company |      | 1,051,694           | 984,279             | 253,457             | 228,399             |
| Non-controlling interests                    |      | 4,231               | 3,608               | -                   | -                   |
| Total equity                                 |      | 1,055,925           | 987,887             | 253,457             | 228,399             |
| <b>Total liabilities and equity</b>          |      | <b>1,851,730</b>    | <b>2,029,250</b>    | <b>255,599</b>      | <b>317,116</b>      |

## Note

4. Included in the cash and cash equivalents of the Group is an amount of \$21,932,000 (30 June 2014: \$22,858,000) 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 progress billings collected for various projects, partially offset by repayment of bank loans and tender deposit and advance payment for land parcel at Choa Chu Kang Drive for executive condominium housing development. Please refer to the Company's announcements dated 4 September 2014 and 9 September 2014 for more details.

5. The decrease in trade and other receivables is mainly due to the receipt of progress billings for a project which obtained Temporary Occupation Permit in June 2014.
6. The decrease in development properties is mainly due to development costs incurred for units in a completed development project which revenue and related expenses are accounted for using the completion of contract method. Such development costs of units served with Notice of Vacant Possession ("NVP") were recognised as contract costs in Statement of Profit or Loss and Other Comprehensive Income in first quarter ended 30 September 2014 ("1QFY2015").
7. The decrease in investment properties is mainly due to the impact of the depreciation of Australian dollars against Singapore dollars on the Group's investment properties in Australia.
8. The net decrease in bank loans is mainly due to repayment of loans undertaken for several projects.
9. The decrease in trade and other payables is mainly due to progress billings received in advance for a project which revenue and related expenses are accounted for using the completion of contract method. Such progress billings received in advance in respect of units served with NVP were recognised as revenue in Statement of Profit or Loss and Other Comprehensive Income in 1QFY2015.
10. The increase in income tax payable is mainly due to provision for income tax for a completed development project, the revenue and related expenses of which are accounted for using the completion of contract method. This is partially offset by tax paid during 1QFY2015. The increase in deferred tax liabilities is mainly due to the recognition of income tax for on-going projects which are taxed upon completion.

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

**Amount repayable in one year or less, or on demand**

| As at 30-09-2014 |           | As at 30-06-2014 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| S\$'000          | S\$'000   | S\$'000          | S\$'000   |
| 147,604          | -         | 196,747          | -         |

**Amount repayable after one year**

| As at 30-09-2014 |           | As at 30-06-2014 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| S\$'000          | S\$'000   | S\$'000          | S\$'000   |
| 71,403           | -         | 74,829           | -         |

**Details of any Collateral**

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

- (i) Legal mortgages on 1 (FY2014: 4 ) development property;
- (ii) Legal mortgage on 6 (FY2014: 6) investment properties;
- (iii) Legal mortgage on 2 (FY2014: Nil) leasehold properties;
- (iv) Assignment of rights, titles and interests of all agreements relating to the 1 (FY2014: 4) development property including sales and rental agreements; and
- (v) Undertakings provided by the Company.

Finance leases are secured by certain plant and equipment of the Group with carrying amount of \$365,000 (FY2014: \$408,000).

**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                            |                 |
|-----------------------------------------------------------------------------|----------------------------------|-----------------|
|                                                                             | First Quarter ended 30 September |                 |
|                                                                             | 2014                             | 2013            |
|                                                                             | S\$'000                          | S\$'000         |
| <b>Operating activities</b>                                                 |                                  |                 |
| Profit before income tax and share of results of joint ventures, net of tax | 79,622                           | 29,846          |
| Adjustments for:                                                            |                                  |                 |
| Provisions charged to profit or loss                                        | 767                              | 1,779           |
| Allowance (Reversal of allowance) for doubtful trade receivables            | 1                                | (3)             |
| Bad trade and other receivables written off                                 | -                                | 64              |
| Depreciation expense                                                        | 503                              | 482             |
| Gain on disposal of property, plant and equipment                           | (3)                              | (240)           |
| Change in fair value of derivative financial instruments                    | 157                              | -               |
| Interest expense                                                            | 1,977                            | 70              |
| Interest income                                                             | (1,623)                          | (858)           |
| Operating profit before movement in working capital                         | 81,401                           | 31,140          |
| Trade and other receivables                                                 | 78,813                           | 15,238          |
| Deposit and advance payment for land purchase                               | (17,245)                         | -               |
| Inventories                                                                 | (378)                            | (325)           |
| Development properties                                                      | 167,699                          | (13,281)        |
| Provisions utilised                                                         | (1,857)                          | (840)           |
| Trade and other payables                                                    | (200,132)                        | 38,650          |
| Cash generated from operations                                              | 108,301                          | 70,582          |
| Income tax paid                                                             | (5,670)                          | (2,568)         |
| Interest paid                                                               | (1,680)                          | (1,521)         |
| Interest received                                                           | 741                              | 653             |
| <b>Net cash from operating activities</b>                                   | <b>101,692</b>                   | <b>67,146</b>   |
| <b>Investing activities</b>                                                 |                                  |                 |
| Purchase of property, plant and equipment                                   | (1,411)                          | (612)           |
| Additions to investment properties                                          | (904)                            | (82,428)        |
| Investment in joint ventures                                                | -                                | (868)           |
| Loans to joint ventures                                                     | (523)                            | (364)           |
| Proceeds from disposal of property, plant and equipment                     | 5                                | 240             |
| <b>Net cash used in investing activities</b>                                | <b>(2,833)</b>                   | <b>(84,032)</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.

|                                                                                           | Group                               |                |
|-------------------------------------------------------------------------------------------|-------------------------------------|----------------|
|                                                                                           | First Quarter ended 30<br>September |                |
|                                                                                           | 2014                                | 2013           |
|                                                                                           | S\$'000                             | S\$'000        |
| <b>Financing activities</b>                                                               |                                     |                |
| Proceeds from bank loans                                                                  | 1,613                               | 46,835         |
| Repayment of bank loans                                                                   | (48,543)                            | (38,234)       |
| Repayment of finance lease liabilities                                                    | (38)                                | (40)           |
| <b>Net cash (used in) from financing activities</b>                                       | <b>(46,968)</b>                     | <b>8,561</b>   |
| <b>Increase (Decrease) in cash and cash equivalents</b>                                   | <b>51,891</b>                       | <b>(8,325)</b> |
| <b>Cash and cash equivalents at beginning of the period</b>                               | <b>329,061</b>                      | <b>343,056</b> |
| <b>Effects of exchange rate changes on the balance of cash held in foreign currencies</b> | <b>(112)</b>                        | <b>-</b>       |
| <b>Cash and cash equivalents at end of the period</b>                                     | <b>380,840</b>                      | <b>334,731</b> |

### Operating activities

The Group's net cash from operating activities for 1QFY2015 was an inflow of \$101.7 million compared with \$67.1 million for the first quarter ended 30 September 2013 ("1QFY2014").

### Financing activities

The Group's cash used in financing activities was \$47.0 million in 1QFY2015 compared with \$8.6 million cash from financing activities in 1QFY2014. This net cash outflow is mainly due to the repayment of bank loans using proceeds from progress billings of the Group's several projects.

- 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 1/7/2013                                    | 155,181                    | (70)           | 2,405                     | 217                                  | 701,617           | 859,350                               | 3,177                       | 862,527          |
| Profit for the quarter                                 | -                          | -              | -                         | -                                    | 27,677            | 27,677                                | 60                          | 27,737           |
| <i>Other comprehensive income</i>                      |                            |                |                           |                                      |                   |                                       |                             |                  |
| Foreign currency translation                           | -                          | -              | -                         | 42                                   | -                 | 42                                    | -                           | 42               |
| Other comprehensive income for the quarter, net of tax | -                          | -              | -                         | 42                                   | -                 | 42                                    | -                           | 42               |
| Total comprehensive income for the quarter             | -                          | -              | -                         | 42                                   | 27,677            | 27,719                                | 60                          | 27,779           |
| <b>Balance at 30/9/2013</b>                            | <b>155,181</b>             | <b>(70)</b>    | <b>2,405</b>              | <b>259</b>                           | <b>729,294</b>    | <b>887,069</b>                        | <b>3,237</b>                | <b>890,306</b>   |
| Balance at 1/7/2014                                    | 155,181                    | (112)          | 2,405                     | 479                                  | 826,326           | 984,279                               | 3,608                       | 987,887          |
| Profit for the quarter                                 | -                          | -              | -                         | -                                    | 71,663            | 71,663                                | 622                         | 72,285           |
| <i>Other comprehensive income</i>                      |                            |                |                           |                                      |                   |                                       |                             |                  |
| Foreign currency translation                           | -                          | -              | -                         | (4,248)                              | -                 | (4,248)                               | 1                           | (4,247)          |
| Other comprehensive income for the quarter, net of tax | -                          | -              | -                         | (4,248)                              | -                 | (4,248)                               | 1                           | (4,247)          |
| Total comprehensive income for the quarter             | -                          | -              | -                         | (4,248)                              | 71,663            | 67,415                                | 623                         | 68,038           |
| <b>Balance at 30/9/2014</b>                            | <b>155,181</b>             | <b>(112)</b>   | <b>2,405</b>              | <b>(3,769)</b>                       | <b>897,989</b>    | <b>1,051,694</b>                      | <b>4,231</b>                | <b>1,055,925</b> |

|                                                                                    | Share<br>Capital<br>S\$'000 | Retained<br>Earnings<br>S\$'000 | Total Equity<br>S\$'000 |
|------------------------------------------------------------------------------------|-----------------------------|---------------------------------|-------------------------|
| <u>Company</u>                                                                     |                             |                                 |                         |
| Balance at 1/7/2013                                                                | 155,181                     | 50,938                          | 206,119                 |
| Profit for the quarter, representing<br>total comprehensive income for the quarter | -                           | 323                             | 323                     |
| <b>Balance at 30/9/2013</b>                                                        | <b>155,181</b>              | <b>51,261</b>                   | <b>206,442</b>          |
| Balance at 1/7/2014                                                                | 155,181                     | 73,218                          | 228,399                 |
| Profit for the quarter, representing<br>total comprehensive income for the quarter | -                           | 25,058                          | 25,058                  |
| <b>Balance at 30/6/2014</b>                                                        | <b>155,181</b>              | <b>98,276</b>                   | <b>253,457</b>          |

- 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 30 September 2014, 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                |                      |
|                                                                | 30-09-2014           | 30-06-2014           |
| Total number of issued shares                                  | 1,005,890,466        | 1,005,890,466        |
| Less: Treasury shares                                          | -                    | -                    |
| <b>Total number of issued shares excluding treasury shares</b> | <b>1,005,890,466</b> | <b>1,005,890,466</b> |

- 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 financial year ended 30 June 2014.

- 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                            |               |
|-------------------------------------------------------------|----------------------------------|---------------|
|                                                             | First Quarter ended 30 September |               |
|                                                             | 2014                             | 2013          |
| Group profit attributable to owners of the Company (\$'000) | 71,663                           | 27,677        |
| Weighted average number of shares                           | 1,005,890,466                    | 1,005,890,466 |
| Basic and diluted earnings per share (cents)                | 7.1                              | 2.8           |

Earnings per share is calculated based on the net profit attributable to owners of the Company divided by the weighted average number of shares of 1,005,890,466 (1QFY2014: 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    |            |
|-------------------------------------------|------------|------------|------------|------------|
|                                           | 30-09-2014 | 30-06-2014 | 30-09-2014 | 30-06-2014 |
| Net asset value per ordinary share (\$\$) | 1.05       | 0.98       | 0.25       | 0.23       |

Net asset value per share is calculated based on 1,005,890,466 (30 June 2014: 1,005,890,466) ordinary shares in issue at the end of the financial period.

- 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 \$85.7 million in 1QFY2015, 160% higher than the \$33.0 million recorded in 1QFY2014, with revenue of \$379.0 million for 1QFY2015 reflecting a 151% increase from \$151.2 million in 1QFY2014.

The property development division contributed \$297.2 million to the Group's revenue in 1QFY2015, compared to \$107.1 million in 1QFY2014. The increase is mainly due to revenue contribution from the Group's several projects.

The construction division contributed \$68.9 million to the Group's revenue, an increase of 87% from the \$36.8 million in 1QFY2014. The higher revenue contribution is mainly due to increase in percentage of work done.

The Group incurred contract costs of \$285.8 million, 156% higher than the \$111.5 million incurred in 1QFY2014. The increase in contract costs is in tandem with the increase in revenue.

The Group incurred higher finance costs of \$2.0 million compared to \$70,000 in 1QFY2014, mainly due to the interests on bank loans undertaken for the purchase of investment properties located in Australia. The purchase completion of office building in 50 Margaret Street, Sydney was in September 2013. The purchase completion of four of the 5 investment grade neighbourhood shopping centres in Australia was in April 2014 and that of the shopping centre at Rothwell, Queensland took place in June 2014.

- 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 year ended 30 June 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.**

According to statistics released by Urban Redevelopment Authority ("URA"), prices of private residential properties decreased by 0.7% in third quarter of 2014, following the 1.0% decline in the second quarter of 2014. The sales volume of 1,531 private residential units in the third quarter of 2014 was significantly lower than the 2,665 units sold by developers in the second quarter of 2014.

Prices of office space increased by 1.6% in third quarter of 2014 after remaining unchanged in the second quarter of 2014.

Meanwhile, rentals of retail space increased by 0.1% in the third quarter of 2014, following the 0.6% increase in the second quarter of 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)**

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 private residential 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 FY2015. Following the adoption of INT FRS 115 with effect from 1 July 2010, the Group expects greater fluctuations in our future earnings as some of our ongoing projects 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**

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

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

**None**

|                  | (Tax Exempt 1 -Tier) |
|------------------|----------------------|
| Name of dividend | Not applicable       |
| Dividend Type    | Not applicable       |
| Dividend Rate    | 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 first quarter ended 30 September 2014.

## 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 JV (Punggol Central) Pte. Ltd. ("SLJV") | Proportionate shareholder loans by Sim Lian Land Pte Ltd ("SLL") & its subsidiaries | 223 (i)                                                                                                                                                                                                                     | -                                                                                                                                                                    |
| Sim Lian Development Pte Ltd ("SLD")             | Interest payable by SLJV to SLD                                                     | 146                                                                                                                                                                                                                         | -                                                                                                                                                                    |
| Sim Lian JV (Punggol Central) Pte. Ltd. ("SLJV") | Interest payable by SLJV to SLL & its subsidiaries                                  | 293                                                                                                                                                                                                                         | -                                                                                                                                                                    |
| Sim Lian Development Pte Ltd ("SLD")             | Interest payable by Sim Lian JV (BP) Pte. Ltd. ("ResiSPV") to SLD                   | 128                                                                                                                                                                                                                         | -                                                                                                                                                                    |
| Sim Lian JV (BP) Pte. Ltd. ("ResiSPV")           | Interest payable by ResiSPV to SLL                                                  | 257                                                                                                                                                                                                                         | -                                                                                                                                                                    |
| Sim Lian JV (BP Retail) Pte. Ltd. ("RetailSPV")  | Proportionate shareholder loans by SLL to 50% joint venture (RetailSPV)             | 300 (i)                                                                                                                                                                                                                     | -                                                                                                                                                                    |
| Sim Lian Development Pte Ltd ("SLD")             | Interest payable by VisionSPV to SLD                                                | 198                                                                                                                                                                                                                         | -                                                                                                                                                                    |
| Sim Lian JV (Vision) Pte. Ltd. ("VisionSPV")     | Interest payable by VisionSPV to SLL                                                | 396                                                                                                                                                                                                                         | -                                                                                                                                                                    |
| Sim Lian JV (Punggol Central) Pte. Ltd. ("SLJV") | Interest payable on inter-joint venture loans to VisionSPV                          | 109                                                                                                                                                                                                                         | -                                                                                                                                                                    |
| The Babbitt Trading Pte. Ltd. ("TBT")            | Rental income receivable from TBT                                                   | 175 (ii)                                                                                                                                                                                                                    | -                                                                                                                                                                    |
|                                                  |                                                                                     | <b>2,225</b>                                                                                                                                                                                                                | <b>-</b>                                                                                                                                                             |

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

Note (ii) Under Rule 916 (1) of the SGX Listing Manual, this transaction is not required to comply with Rule 906.

ISSUED BY ORDER OF THE BOARD

Ang Lay Hua  
Company Secretary  
10 November 2014



## **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 Sin Leng, 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 first quarter ended 30 September 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors

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**Kuik Sin Pin**  
Group Chief Executive Officer

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**Kuik Sin Leng**  
Executive Director

10 November 2014