



SOILBUILD
CONSTRUCTION GROUP LTD.
SOILBUILD CONSTRUCTION GROUP LTD.
(Co Reg No. 201301440Z)

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

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UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

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

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Second Quarter Ended 30 June			Change %	Half Year Ended 30 June			Change %
	2015 S\$'000	2014 S\$'000			2015 S\$'000	2014 S\$'000		
Revenue	81,627	67,720		21	152,046	155,068		(2)
Cost of sales	(72,611)	(59,542)		22	(135,708)	(140,564)		(3)
Gross profit	9,016	8,178		10	16,338	14,504		13
Other income	334	292		14	902	613		47
Other gains/(losses), net	22	(2)		NM	170	3		NM
Expenses								
Administrative	(2,557)	(2,152)		19	(5,054)	(4,127)		22
Marketing	(4)	-		NM	(6)	(8)		(25)
Finance	-	-		-	-	-		-
Other operating	(206)	(151)		36	(376)	(306)		23
Share of profit/(loss) (net of tax) of joint ventures	6	(21)		(129)	24	221		(89)
Profit before income tax	6,611	6,144		8	11,998	10,900		10
Income tax expense	(1,086)	(907)		20	(2,042)	(1,795)		14
Net profit	5,525	5,237		5	9,956	9,105		9
Other comprehensive income, net of tax	(18)	1		NM	12	1		NM
Total comprehensive income	5,507	5,238		5	9,968	9,106		9
Net profit and total comprehensive income attributable to:								
Equity holders of the Company	5,507	5,238		5	9,968	9,106		9

NM : Not meaningful

Notes to the consolidated statement of comprehensive income

	Second Quarter Ended 30 June		Half Year Ended 30 June	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
(I) Other income				
Interest income	72	77	155	147
Service income	44	46	88	84
Rental income	75	80	162	162
Others (including wages credit and grants received)	143	89	497	220
	334	292	902	613

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

Notes to the consolidated statement of comprehensive income (continued)

	Second Quarter Ended		Half Year Ended	
	30 June		30 June	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
(II) Other gains/(losses), net				
Gain on disposal of property, plant and equipment, net	-	-	148	5
Foreign exchange gain/(loss)	22	(2)	22	(2)
	<u>22</u>	<u>(2)</u>	<u>170</u>	<u>3</u>
(III) Profit before income tax is arrived at after (charging)/crediting:				
Amortisation of intangible assets	(12)	(5)	(24)	(10)
Depreciation of property, plant and equipment	(634)	(515)	(1,238)	(969)
Gain on disposal of property, plant and equipment, net	-	-	148	5
	<u>-</u>	<u>-</u>	<u>148</u>	<u>5</u>
(IV) Income tax expense				
Tax expense attributable to profit is made up of :				
Profit from current financial period:				
- current income tax	(1,086)	(907)	(2,042)	(1,802)
- deferred income tax	-	-	-	-
	<u>(1,086)</u>	<u>(907)</u>	<u>(2,042)</u>	<u>(1,802)</u>
Over/(under)-provision in prior financial period:				
- current income tax	-	-	-	(127)
- deferred income tax	-	-	-	134
	<u>(1,086)</u>	<u>(907)</u>	<u>(2,042)</u>	<u>(1,795)</u>

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

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.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30/06/2015 S\$'000	31/12/2014 S\$'000	30/06/2015 S\$'000	31/12/2014 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	39,036	51,247	17,850	28,073
Trade and other receivables	95,706	72,395	26,525	22,936
Other current assets	2,649	1,250	95	18
	137,391	124,892	44,470	51,027
Non-current assets				
Trade and other receivables	22,295	16,800	-	-
Other non-current assets	10,000	10,000	-	-
Investments in subsidiaries	-	-	19,770	19,770
Investment in joint ventures	2,740	2,716	-	-
Property, plant and equipment	15,263	13,664	-	-
Intangible assets	161	179	-	-
	50,459	43,359	19,770	19,770
Total assets	187,850	168,251	64,240	70,797
LIABILITIES				
Current liabilities				
Trade and other payables	97,347	78,761	972	1,619
Current income tax liabilities	3,373	3,167	-	41
Provision for other liabilities	1,486	1,392	-	-
	102,206	83,320	972	1,660
Non-current liabilities				
Deferred income tax liabilities	462	462	-	-
Total liabilities	102,668	83,782	972	1,660
NET ASSETS	85,182	84,469	63,268	69,137
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	58,047	57,490	58,047	57,490
Capital reserve	(1,070)	(1,070)	-	-
Currency translation reserve	9	(3)	-	-
Performance share plan reserve	590	408	590	408
Retained profits	27,606	27,644	4,631	11,239
TOTAL EQUITY	85,182	84,469	63,268	69,137

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

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.

Total assets increased by S\$19.6 million from S\$168.3 million as at 31 December 2014 to S\$187.9 million as at 30 June 2015, which arose mainly from:

(1) Increase in current and non-current trade and other receivables of S\$28.8 million mainly due to increase of construction contracts and progress billings receivable for construction projects.

(2) Increase in property, plant and equipment of S\$1.6 million due to purchases of fixed assets amounting to S\$3.0 million, partially offset by depreciation of S\$1.2 million.

The increase in total assets was partially offset by the decrease in cash and cash equivalents of S\$12.2 million during the period under review, as explained in the Consolidated Statement of Cash Flows.

Total liabilities increased from S\$83.8 million as at 31 December 2014 to S\$102.7 million as at 30 June 2015 which was mainly due to the increase in trade and other payables of S\$18.6 million. The increase in trade and other payables was attributable to the increase in sub-contractors claims and increase in payable for purchases of construction materials during the period under review.

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

Amount repayable in one year or less, or on demand

Not applicable as there were no borrowings and debt securities as at 30 June 2015 and 31 December 2014.

Details of any collaterals

Not applicable as there were no borrowings and debt securities as at 30 June 2015 and 31 December 2014.

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Second Quarter Ended 30 June		Half Year Ended 30 June	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Cash flows from operating activities				
Net profit	5,525	5,237	9,956	9,105
Adjustments for:				
- Amortisation and depreciation	646	520	1,262	979
- Share-based compensation expense	361	-	739	-
- Interest income	(72)	(77)	(155)	(147)
- Income tax expense	1,086	907	2,042	1,795
- Gain on disposal of property, plant and equipment, net	-	-	(148)	(5)
- Share of (profit)/loss of joint ventures	(6)	21	(24)	(221)
Operating cash flows before working capital changes	7,540	6,608	13,672	11,506
Changes in working capital				
- Trade and other receivables	(22,313)	(551)	(28,806)	1,565
- Other current assets	(294)	65	(1,399)	1,696
- Other non-current assets	-	(10,000)	-	(10,000)
- Trade and other payables	15,393	(4,425)	18,586	(16,146)
- Provision for other liabilities	(18)	557	94	191
Cash generated from/(used in) operations	308	(7,746)	2,147	(11,188)
Income tax paid	(1,627)	(1,720)	(1,836)	(1,784)
Net cash (used in) / provided by operating activities	(1,319)	(9,466)	311	(12,972)
Cash flows from investing activities				
Purchases of property, plant and equipment	(676)	(721)	(2,987)	(2,596)
Purchases of intangible assets	(6)	-	(6)	-
Proceeds from sale of property, plant and equipment	-	-	298	5
Dividend received from a joint venture	-	-	-	646
Interest received	72	77	155	147
Net cash used in investing activities	(610)	(644)	(2,540)	(1,798)
Cash flows from financing activities				
Dividends paid to equity holders of the Company	(9,994)	(6,640)	(9,994)	(6,640)
Net cash used in financing activities	(9,994)	(6,640)	(9,994)	(6,640)
Net decrease in cash and cash equivalents	(11,923)	(16,750)	(12,223)	(21,410)
Cash and cash equivalents at beginning of financial period	50,977	71,296	51,247	75,956
Effects of currency translation on cash and cash equivalents	(18)	1	12	1
Cash and cash equivalents at end of financial period	39,036	54,547	39,036	54,547
For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:				
Cash at bank and on hand	39,036	54,547	39,036	54,547

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

Operating Activities

For the second quarter ended 30 June 2015 ("2QFY2015"), the net cash outflow from operating activities amounted to S\$1.3 million as compared to net cash outflow of S\$9.5 million in the comparative quarter. The lower cash outflow from operating activities in 2QFY2015 was mainly attributable to the changes in working capital for trade and other receivables which has increased by S\$22.3 million and trade and other payables which has increased by S\$15.4 million. The increase in trade and other receivables was mainly due to the increase in construction contracts and progress billing receivables from construction projects.

For half year ended 30 June 2015 ("1HFY2015"), the net cash inflow from operating activities amounted to S\$0.3 million as compared to the net cash outflow of S\$13.0 million in the comparative period. The net cash inflow from operating activities in 1HFY2015 was mainly due to operating cash inflow before working capital changes of S\$13.7 million, adjusted by the increase in trade and other receivables by S\$28.8 million and increased in trade and other payables by S\$18.6 million. The increase in trade and other receivables was mainly due to the increase in construction contracts and progress billing receivables from construction projects, while the increase of trade and other payable was due to the increase in sub-contractors claims as well as the increase in payables for purchases of construction materials.

Investing Activities

For 2QFY2015, cash outflow from investing activities of S\$0.6 million was mainly attributable to the purchases of property, plant and equipment.

For 1HFY2015, the cash outflow from investing activities of S\$2.5 million was mainly attributable to the purchases of property, plant and equipment amounting to S\$3.0 million, partially offset by proceeds from sale of property, plant and equipment which amounted to S\$0.3 million and interest received of S\$0.2 million.

Financing Activities

For 2QFY2015 and 1HFY2015, the cash outflow from financing activities was due to payment of FY2014 final and special dividends of S\$10.0 million during the period under review.

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

- 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.

STATEMENTS OF CHANGES IN EQUITY

Group	Share Capital S\$'000	Capital Reserve S\$'000	Currency Translation Reserve S\$'000	Performance Share Plan Reserve S\$'000	Retained Profits S\$'000	Equity attributable to the owners of the Company S\$'000
Balance as at 1 January 2015	57,490	(1,070)	(3)	408	27,644	84,469
Share-based compensation expenses	-	-	-	378	-	378
Total comprehensive income for the period	-	-	30	-	4,431	4,461
Balance as at 31 March 2015	57,490	(1,070)	27	786	32,075	89,308
Share-based compensation expenses	-	-	-	361	-	361
Issuance of new shares pursuant to the Soilbuild Construction Performance Share Plan ¹	557	-	-	(557)	-	-
Dividends relating to 2014 paid	-	-	-	-	(9,994)	(9,994)
Total comprehensive income for the period	-	-	(18)	-	5,525	5,507
Balance as at 30 June 2015	58,047	(1,070)	9	590	27,606	85,182
Balance as at 1 January 2014	57,490	(1,070)	(1)	-	16,717	73,136
Total comprehensive income for the period	-	-	-	-	3,868	3,868
Balance as at 31 March 2014	57,490	(1,070)	(1)	-	20,585	77,004
Dividends relating to 2013 paid	-	-	-	-	(6,640)	(6,640)
Total comprehensive income for the period	-	-	1	-	5,237	5,238
Balance as at 30 June 2014	57,490	(1,070)	-	-	19,182	75,602

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

Company	Share Capital S\$'000	Performance Share Plan Reserve S\$'000	Retained Profits S\$'000	Equity attributable to the owners of the Company S\$'000
Balance as at 1 January 2015	57,490	408	11,239	69,137
Share-based compensation expenses	-	378	-	378
Total comprehensive loss for the period	-	-	(766)	(766)
Balance as at 31 March 2015	57,490	786	10,473	68,749
Share-based compensation expenses	-	361	-	361
Issuance of new shares pursuant to the Soilbuild Construction Performance Share Plan ¹	557	(557)	-	-
Dividends relating to 2014 paid	-	-	(9,994)	(9,994)
Total comprehensive income for the period	-	-	4,152	4,152
Balance as at 30 June 2015	58,047	590	4,631	63,268
Balance as at 1 January 2014	57,490	-	9,588	67,078
Total comprehensive loss for the period	-	-	(690)	(690)
Balance as at 31 March 2014	57,490	-	8,898	66,388
Dividends relating to 2013 paid	-	-	(6,640)	(6,640)
Total comprehensive income for the period	-	-	2,747	2,747
Balance as at 30 June 2014	57,490	-	5,005	62,495

Note:

¹

On 10 April 2015, the Company allotted and issued an aggregate of 2,265,000 new ordinary shares in the capital of the Company pursuant to the vesting of the share awards under the Soilbuild Construction Performance Share Plan.

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

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.

On 10 April 2015, the Company allotted and issued an aggregate of 2,265,000 new ordinary shares in the capital of the Company pursuant to the vesting of the share awards under the Soilbuild Construction Performance Share Plan. As a result of which, the total number of issued shares increased from 664,000,000 to 666,265,000.

Grant of share awards (the "Awards") pursuant to the Soilbuild Construction Performance Shares Plan (the "PSP")

As at 30 June 2015, the outstanding share awards under the PSP amounted up to 10,180,952 (31 March 2015 : 12,445,952) shares. The movement of the outstanding share awards during the period under review was as follows:

	<u>No. of Share Awards (up to)</u>
As at 1 January 2015	6,269,000
Less : Share awards lapsed on 16 February 2015	(605,048)
Add : Granted on 31 March 2015	6,782,000
As at 31 March 2015	12,445,952
Less : Released and vested on 10 April 2015	(2,265,000)
As at 30 June 2015	<u>10,180,952</u>

As a result of the above, the issued and paid up capital of Company increased from S\$57.5 million as at 31 December 2014 to S\$58.0 million as at 30 June 2015.

The Company did not have any outstanding options, convertibles or treasury shares as at 30 June 2015.

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

The number of issued share of the Company as at 30 June 2015 comprised 666,265,000 ordinary shares (31 December 2014 : 664,000,000 ordinary shares).

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

There were no treasury shares as at 30 June 2015.

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

The figures have not been audited or reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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.

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those for the audited financial statements as at 31 December 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.

The Group has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual period beginning on or after 1 January 2015. The adoption of these new or revised FRS and INT FRS did not result in any substantial changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

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 dividend :-

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

Earnings per share (EPS)	Group			
	Second Quarter Ended 30 June		Half Year Ended 30 June	
	2015	2014	2015	2014
(a) Based on the weighted average number of ordinary shares in issue (cents per share)	0.83	0.79	1.50	1.37
- Weighted average number of ordinary shares ('000)	666,041	664,000	665,026	664,000
(b) On a fully diluted basis (cents per share)	0.82	0.79	1.48	1.37
- Adjusted weighted average number of ordinary shares ('000)	675,121	664,000	672,428	664,000

- (a) Basic EPS is calculated based on the net profit attributable to equity holders of the Company set out in 1(a) above divided by the weighted average number of ordinary shares in issue during the financial period.
- (b) Diluted EPS is calculated based on the assumption that the share awards granted pursuant to the Soilbuild Construction Performance Share Plan have been vested on the grant date.

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) preceding financial year.**

	Group		Company	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Net asset value per ordinary share is computed based on the total number of issued shares as at the end of the respective financial period / year				
Net asset value per ordinary share (cents)	12.79	12.72	9.50	10.41
Total number of shares in issue ('000)	666,265	664,000	666,265	664,000

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

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, cost, 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.

(a) **2QFY2015 vs 2QFY2014**

For 2QFY2015, the Group achieved a net profit of S\$5.5 million compared to net profit of S\$5.2 million reported in the comparative quarter.

Revenue & Gross Profit

For the period under review, the Group's revenue increased by 20.5% from S\$67.7 million in 2QFY2014 to S\$81.6 million in 2QFY2015, while the gross profit increased by 10.2% from S\$8.2 million in 2QFY2014 to S\$9.0 million in 2QFY2015.

The major revenue contributors in 2QFY2015 were:

- Xin Ming Hua project (industrial development at Tuas Crescent);
- Jalan Lam Huat project (multiple-user general industrial development at 60 Jalan Lam Huat);
- Ang Mo Kio HDB project (public housing development at Ang Mo Kio Avenue 3/Street 51);
- Soo Kee project (industrial building at Changi Business Park Vista);
- Yishun HDB project (public housing development at Yishun Avenue 4/Yishun Ring Road); and
- Pepperl + Fuchs Project (global distribution center at Pioneer Turn).

Gross profit margin decreased from 12.1% in 2QFY2014 to 11.0% in 2QFY2015. The higher gross profit margin in 2QFY2014 was mainly due to revenue recognised on variation orders for various projects.

Other Income

Other income increased by S\$0.04 million mainly due to the increase in other income from rendering of procurement and maintenance services.

Other gains, net

Other gains of S\$0.02 million in 2QFY2015 were attributable to foreign exchange gains.

Administrative Expenses

Administrative expenses increased by S\$0.4 million from S\$2.2 million in 2QFY2014 to S\$2.6 million in 2QFY2015 mainly due to the increase in staff salaries and share-based compensation expenses.

Finance Expenses

There were no finance expenses in 2QFY2015 and 2QFY2014.

Other Operating Expenses

The increase in other operating expenses in 2QFY2014 was mainly due to increase in depreciation charges.

Share of Profit of Joint Ventures

The Group recognised a gain of approximately S\$6,000 in the share of profit of its joint ventures in 2QFY2015 as compared to a loss of approximately S\$21,000 in the comparative period.

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

Half year ended 30 June 2015 ("1HFY2015") vs Half year ended 30 June 2014 ("1HFY2014")

For 1HFY2015, the Group achieved a net profit of S\$20.9 million compared to net profit of S\$24.0 million reported in the comparative year.

Revenue & Gross Profit

For the period under review, the Group's revenue declined marginally by 1.9% from S\$155.1 million in 1HFY2014 to S\$152.0 million in 1HFY2015, while the gross profit increased by 12.6% from S\$14.5 million in 1HFY2014 to S\$16.3 million in 1HFY2015.

In line with the revenue for 2QFY2015, the major revenue contributors in 1HFY2015 were:

- Xin Ming Hua project (industrial development at Tuas Crescent);
- Jalan Lam Huat project (multiple-user general industrial development at 60 Jalan Lam Huat);
- Ang Mo Kio HDB project (public housing development at Ang Mo Kio Avenue 3/Street 51);
- Soo Kee project (industrial building at Changi Business Park Vista);
- Yishun HDB project (public housing development at Yishun Avenue 4/Yishun Ring Road); and
- Pepperl + Fuchs Project (global distribution center at Pioneer Turn).

The gross profit margin increased from 9.4% in 1HFY2014 to 10.7% in 1HFY2015 mainly due to revenue recognised for projects that generated higher profit margins.

Other Income

Other income increased by S\$0.3 million mainly due to the receipt of grants under the Productivity Innovation Project Scheme as well as the wages credit during 1HFY2015.

Other gains

Other gains increased by S\$0.2 million in 1HFY2015 mainly due to a gain on disposal of property, plant and equipment as well as the foreign exchange gains.

Administrative Expenses

Administrative expenses increased by S\$1.0 million from S\$4.1 million in 1HFY2014 to S\$5.1 million in 1HFY2015 which was mainly due to the increase in staff salaries and share-based compensation expenses.

Finance Expenses

There were no finance expenses in 1HFY2015 and 1HFY2014.

Other Operating Expenses

Other operating expenses increased by approximately S\$70,000 during 1HFY2015. The increase in other operating expenses in 1HFY2015 was due to the increase in depreciation charges.

Share of Profit of Joint Ventures

The Group recognised approximately S\$24,000 in share of profit of its joint ventures in 1HFY2015 as compared to a gain of S\$0.2 million in 1HFY2014. The decrease in the share of profit of Joint Ventures was mainly due to the completion of the projects undertaken by the Joint Ventures.

Income tax expense

After adjusting for the Group's share of profits of joint ventures, which is reported net of tax, the Group's effective tax rate for the 1HFY2015 is 17.1%, which is about the Singapore statutory corporate tax rate of 17%.

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

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

There is no material deviation in the actual results for the 2QFY2015 from what was previously discussed under paragraph 10 of the announcement of the Company's financial statements for the financial period ended 31 March 2015.

10 A commentary at the date of announcement of the significant trends and 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.

Based on the advance estimates released by the Ministry of Trade and Industry Singapore on 14 July 2015, the Singapore economy grew by 1.7% on a year-on-year basis in the second quarter of 2015, compared to 2.8% in the preceding quarter. The construction sector grew by 2.7% on a year-on-year basis in the second quarter of 2015, compared to the 2.1% growth recorded in the preceding quarter. The growth in the construction sector was supported mainly by public sector construction activities.

Subsequent to the results announcement for the previous quarter ended 31 March 2015 on 24 April 2015, the Group secured its maiden construction contract to build a 24-storey condominium in Yangon, Myanmar which worth US\$50.4 million or approximately S\$68.5 million. The award of this contract signifies the Group's progress in its regionalization strategy. To further establish and grow its business presence in Myanmar, the Group incorporated its second wholly-owned subsidiary in Myanmar during the period under review. This subsidiary will be principally engaged in the provision of construction services for the local market.

The Group's order book as at 30 June 2015 amounted to S\$748.6 million which the Group expects to complete substantially in the next 24 months.

11 Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Any dividend declared for the current financial period reported on?

Yes.

Name of dividend	Interim (One-tier)
Dividend type	Cash
Dividend amount per share	S\$0.005
Tax rate	Tax-exempt

(b) Corresponding period of the immediately preceding financial year

Name of dividend	Interim (One-tier)
Dividend type	Cash
Dividend amount per share	S\$0.005
Tax rate	Tax-exempt

(c) The date the dividend is payable

24 August 2015

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Book and Register of Members of the Company will be closed on 18 August 2015 for the purpose of determining members' entitlements to the interim (tax exempt one-tier) dividend of 0.50 Singapore cents per share for the financial year ending 31 December 2015 ("Interim Dividend").

Duly completed registrable transfers in respect of Ordinary Shares in the capital of the Company ("Shares") received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) of 80 Robinson Road #02-00, Singapore 068898, up to 5.00 p.m. on 17 August 2015 (the "Book Closure Date") will be registered to determine members' entitlement to the Interim Dividend.

Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 pm on the Book Closure Date will be entitled to the Interim Dividend. The Interim Dividend will be paid to the members on 24 August 2015.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

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13 Interested Persons Transactions

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Transactions during 2QFY2015		
<u>Soilbuild Group Holdings Ltd.</u> Rental of premises	-	181
Construction contract awarded during 2QFY2015 <u>Rose Hill Soilbuild Co., Ltd</u>	-	68,544

14 Use of IPO Proceeds

Pursuant to the IPO on 27 May 2013, the Company received net proceeds from the issue of the new shares of approximately S\$39.4 million after deducting the actual issue expenses of S\$2.6 million, as set out below. The utilisation of the IPO proceeds as at the date of this announcement is as follows:

Use of IPO proceeds	Amount Allocated S\$'000	Amount Used As At 30 June 2015 S\$'000	Amount Unused As At 30 June 2015 S\$'000
Investment in productivity improvements	Up to 10,000	10,000	-
Expansion of construction business to certain countries in Asia	Up to 5,000	892	4,108
Working capital purposes	24,400	24,400	-
	39,400	35,292	4,108

The Company will make periodic announcements on the use of the proceeds as and when the funds are materially disbursed. Pending the utilisation of the net proceeds as stated above, the unutilised amount may be placed in short-term deposits with banks and financial institutions or invested in money market instruments.

15 Confirmation pursuant to Rule 705(5) of the Listing Manual of SGX-ST

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited second quarter financial statements for the period ended 30 June 2015 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors,

Lim Chap Huat
Executive Chairman

Ho Toon Bah
Executive Director

31 July 2015