



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

<u>Item No</u>	<u>Description</u>	<u>No.</u>
1(a)	Consolidated Statement of Comprehensive Income	2
1(b)(i)	Statements of Financial Position	4
1(b)(ii)	Group's Borrowings and Debt Securities	5
1(c)	Consolidated Statement of Cash Flows	6
1(d)(i)	Statements of Changes in Equity	8
1(d)(ii)	Changes in Company's Issued Share Capital	10
1(d)(iii)	Total Number of Issued Shares	10
1(d)(iv)	Treasury Shares	10
2	Audit	10
3	Auditors' Report	10
4	Accounting Policies	10
5	Changes in the Accounting Policies	10
6	Earnings Per Ordinary Share	11
7	Net Asset Value Per Ordinary Share	11
8	Review of Group Performance	12
9	Variance from Prospects Statement	14
10	Prospects	14
11 - 12	Dividends	14
13	Interested Persons Transactions	15
14	Use of IPO Proceeds	15
15	Undertakings from all its directors and executive officers under Rule 720(1)	15
16	Confirmation pursuant to Rule 705(5) of the Listing Manual of SGX-ST	15

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			Half Year Ended 30 June		
	2016	2015	Change %	2016	2015	Change %
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	105,315	81,627	29.0	207,823	152,046	36.7
Cost of sales	(100,524)	(72,611)	38.4	(195,727)	(135,708)	44.2
Gross profit	4,791	9,016	(46.9)	12,096	16,338	(26.0)
Other income	874	334	161.7	1,359	902	50.7
Other gains / (losses), net	74	22	236.4	(73)	170	(142.9)
Expenses						
Administrative	(2,551)	(2,557)	(0.2)	(4,983)	(5,054)	(1.4)
Marketing	(12)	(4)	200.0	(12)	(6)	100.0
Others	(496)	(206)	140.8	(951)	(376)	152.9
Share of profit of joint ventures	-	6	(100.0)	8	24	(66.7)
Profit before income tax	2,680	6,611	(59.5)	7,444	11,998	(38.0)
Income tax expense	(497)	(1,086)	(54.2)	(1,295)	(2,042)	(36.6)
Net profit	2,183	5,525	(60.5)	6,149	9,956	(38.2)
Other comprehensive income/(loss):						
Items that may be classified subsequently to profit or loss:						
Currency translation differences arising from consolidation	25	(18)	(238.9)	(30)	12	(350.0)
Total comprehensive income	2,208	5,507	(59.9)	6,119	9,968	(38.6)
Total comprehensive income attributable to:						
Equity holders of the Company	2,208	5,507	(59.9)	6,119	9,968	(38.6)

NM : Not meaningful

SOILBUILD CONSTRUCTION GROUP LTD.

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

Notes to the consolidated statement of comprehensive income

	Second Quarter Ended		Half Year Ended	
	30 June		30 June	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
(I) Other income				
Interest income	5	72	14	155
Service income	292	44	403	88
Rental income	44	75	104	162
Others (including wage credit and grants received)	533	143	838	497
	874	334	1,359	902
(II) Other gains / (losses), net				
(Loss) / gain on disposal of property, plant and equipment, net	(13)	-	(13)	148
Foreign exchange gain / (loss)	87	22	(60)	22
	74	22	(73)	170
(III) Profit before income tax is arrived at after (charging)/crediting:				
Amortisation of intangible assets	(18)	(12)	(35)	(24)
Depreciation of property, plant and equipment	(663)	(634)	(1,324)	(1,238)
Amortisation of land lease prepayment	(222)	-	(444)	-
(Loss) / gain on disposal of property, plant and equipment, net	(13)	-	(13)	148
(IV) Income tax expense				
Tax expense attributable to profit is made up of:				
Profit from current financial period:				
- current income tax	(480)	(1,086)	(1,278)	(2,042)
- deferred income tax	-	-	-	-
	(480)	(1,086)	(1,278)	(2,042)
Over/(under) provision in prior financial period:				
- current income tax	(17)	-	(17)	-
- deferred income tax	-	-	-	-
	(497)	(1,086)	(1,295)	(2,042)

SOILBUILD CONSTRUCTION GROUP LTD.

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

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	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	18,917	6,721	294	228
Trade and other receivables	104,574	136,976	43,110	53,488
Other current assets	1,832	1,277	3	14
	125,323	144,974	43,407	53,730
Non-current assets				
Trade and other receivables	16,667	11,135	-	-
Other non-current assets	10,000	10,000	-	-
Investments in subsidiaries	-	-	23,271	19,770
Investments in joint ventures	2,782	2,774	-	-
Property, plant and equipment	18,792	17,217	-	-
Intangible assets	211	224	-	-
Land lease prepayment	25,979	26,423	-	-
	74,431	67,773	23,271	19,770
Total assets	199,754	212,747	66,678	73,500
LIABILITIES				
Current liabilities				
Trade and other payables	108,099	117,506	2,741	1,433
Current income tax liabilities	2,472	2,432	-	125
Provision for other liabilities	1,145	1,351	61	-
	111,716	121,289	2,802	1,558
Non-current liabilities				
Deferred income tax liabilities	585	585	-	-
Total liabilities	112,301	121,874	2,802	1,558
NET ASSETS	87,453	90,873	63,876	71,942
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	58,795	58,047	58,795	58,047
Capital reserve	(1,070)	(1,070)	-	-
Currency translation reserve	21	51	-	-
Performance share plan reserve	719	964	719	964
Retained profits	28,988	32,881	4,362	12,931
TOTAL EQUITY	87,453	90,873	63,876	71,942

SOILBUILD CONSTRUCTION GROUP LTD.

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

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 decreased by S\$13.0 million from S\$212.7 million as at 31 December 2015 to S\$199.8 million as at 30 June 2016, mainly due to the decrease in current trade and other receivables of S\$32.4 million, which was partially offset by the increase in cash and cash equivalents of S\$12.2 million and increase in non-current trade and other receivables of S\$5.5 million.

The decrease in current trade and other receivables was due to decrease in construction contracts due from customers and collection of progress billing from customers.

The increase in cash and cash equivalents of S\$12.2 million was explained in the Consolidated Statement of Cash Flows.

The increase in non-current trade and other receivables of S\$5.5 million was mainly due to increase in retentions receivable from customers arising from the on-going construction contracts.

Total liabilities decreased from S\$121.9 million as at 31 December 2015 to S\$112.3 million as at 30 June 2016, mainly due to the decrease in trade and other payables of S\$9.4 million. The decrease in trade and other payables was due to payment to suppliers and sub-contractors.

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

Amount repayable in one year or less, or on demand (if any, Details of any collaterals)

Not applicable as there were no borrowings and debt securities as at 30 June 2016 and 31 December 2015.

Details of any collaterals

Not applicable as there were no borrowings and debt securities as at 30 June 2016 and 31 December 2015.

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

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	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Cash flows from operating activities				
Net profit	2,183	5,525	6,149	9,956
Adjustments for:				
- Amortisation of intangible assets	18	12	35	24
- Depreciation of property, plant and equipment	663	634	1,324	1,238
- Amortisation of land lease prepayment	222	-	444	-
- Share-based compensation expense	231	361	503	739
- Interest income	(5)	(72)	(14)	(155)
- Income tax expense	497	1,086	1,295	2,042
- Loss/(gain) on disposal of property, plant and equipment, net	13	-	13	(148)
- Share of profit of joint ventures	-	(6)	(8)	(24)
Operating cash flows before working capital changes	3,822	7,540	9,741	13,672
Changes in working capital				
- Trade and other receivables	3,349	(22,313)	26,870	(28,806)
- Other current assets	(381)	(294)	(555)	(1,399)
- Trade and other payables	12,090	15,393	(9,407)	18,586
- Provision for other liabilities	(107)	(18)	(206)	94
Cash generated from operations	18,773	308	26,443	2,147
Income tax paid	(625)	(1,627)	(1,255)	(1,836)
Net cash provided by / (used in) operating activities	18,148	(1,319)	25,188	311
Cash flows from investing activities				
Additions to property, plant and equipment	(1,969)	(676)	(2,930)	(2,987)
Additions to intangible assets	(13)	(6)	(22)	(6)
Proceeds from sale of property, plant and equipment	18	-	18	298
Interest received	5	72	14	155
Net cash used in investing activities	(1,959)	(610)	(2,920)	(2,540)
Cash flows from financing activities				
Dividends paid to equity holders of the Company	(10,042)	(9,994)	(10,042)	(9,994)
Net cash used in financing activities	(10,042)	(9,994)	(10,042)	(9,994)
Net increase/(decrease) in cash and cash equivalents	6,147	(11,923)	12,226	(12,223)
Cash and cash equivalents at beginning of financial period	12,749	50,977	6,721	51,247
Effects of currency translation on cash and cash equivalents	21	(18)	(30)	12
Cash and cash equivalents at end of financial period	18,917	39,036	18,917	39,036
For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:				
Cash at bank and on hand	18,917	39,036	18,917	39,036

Operating Activities

For the second quarter ended 30 June 2016 ("2QFY2016"), the net cash inflow from operating activities amounted to S\$18.1 million as compared to net cash outflow of S\$1.3 million in the comparative quarter. The increase in cash inflow from operating activities in 2QFY2016 was mainly attributed to increase in trade and other payables as well as collection from customers during the period under review.

For the half year ended 30 June 2016 ("1HFY2016"), the net cash inflow from operating activities amounted to S\$25.2 million as compared to net cash inflow of S\$0.3 million in the comparative period. The increase in cash inflow from operating activities in 1HFY2016 was mainly due to collection of progress billings rendered to customers, which was partially offset by higher payment to suppliers and sub-contractors.

Investing Activities

For 2QFY2016, cash outflow from investing activities of S\$1.9 million as compared to S\$0.6 million in the comparative quarter was mainly attributable to the purchase of plant and equipment as well as construction cost incurred for the Group's integrated construction and precast hub located at Airport Road capitalised during the quarter under review.

For 1HFY2016, cash outflow from investing activities of S\$2.9 million as compared to S\$2.5 million in comparative period mainly due to the reasons as explained above and lower proceeds from sale of property, plant and equipment.

Financing Activities

For 2QFY2016 and 1HFY2016, the cash outflow from financing activities was due to payment of dividend of S\$10.0 million.

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

- 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	Attributable to equity holders of the Company					Total Equity S\$'000
	Share Capital S\$'000	Capital Reserve S\$'000	Currency Translation Reserve S\$'000	Performance Share Plan Reserve S\$'000	Retained Profits S\$'000	
Balance as at 1 January 2016	58,047	(1,070)	51	964	32,881	90,873
Profit for the period	-	-	-	-	3,966	3,966
Other comprehensive loss for the period	-	-	(55)	-	-	(55)
Total comprehensive income for the period	-	-	(55)	-	3,966	3,911
Share-based compensation expenses	-	-	-	272	-	272
Dividend paid	-	-	-	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-	272	-	272
Balance as at 31 March 2016	58,047	(1,070)	(4)	1,236	36,847	95,056
Profit for the period	-	-	-	-	2,183	2,183
Other comprehensive loss for the period	-	-	25	-	-	25
Total comprehensive income for the period	-	-	25	-	2,183	2,208
Share-based compensation expenses	-	-	-	231	-	231
Issuance of shares pursuant to the performance share plan	748	-	-	(748)	-	-
Dividend paid	-	-	-	-	(10,042)	(10,042)
Total transactions with owners, recognised directly in equity	748	-	-	(517)	(10,042)	(9,811)
Balance as at 30 June 2016	58,795	(1,070)	21	719	28,988	87,453
Balance as at 1 January 2015	57,490	(1,070)	(3)	408	27,644	84,469
Profit for the period	-	-	-	-	4,431	4,431
Other comprehensive income for the period	-	-	30	-	-	30
Total comprehensive income for the period	-	-	30	-	4,431	4,461
Share-based compensation expenses	-	-	-	378	-	378
Total transactions with owners, recognised directly in equity	-	-	-	378	-	378
Balance as at 31 March 2015	57,490	(1,070)	27	786	32,075	89,308
Profit for the period	-	-	-	-	5,525	5,525
Other comprehensive loss for the period	-	-	(18)	-	-	(18)
Total comprehensive income for the period	-	-	(18)	-	5,525	5,507
Share-based compensation expenses	-	-	-	361	-	361
Issuance of shares pursuant to the performance share plan	557	-	-	(557)	-	-
Dividend paid	-	-	-	-	(9,994)	(9,994)
Total transactions with owners, recognised directly in equity	557	-	-	(196)	(9,994)	(9,633)
Balance as at 30 June 2015	58,047	(1,070)	9	590	27,606	85,182

Company	Attributable to equity holders of the Company			
	Performance			Total Equity S\$'000
	Share Capital S\$'000	Share Plan Reserve S\$'000	Retained Profits S\$'000	
Balance as at 1 January 2016	58,047	964	12,931	71,942
Loss for the period	-	-	(501)	(501)
Other comprehensive loss for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(501)	(501)
Share-based compensation expenses	-	272	-	272
Total transactions with owners, recognised directly in equity	-	272	-	272
Balance as at 31 March 2016	58,047	1,236	12,430	71,713
Profit for the period	-	-	1,974	1,974
Other comprehensive loss for the period	-	-	-	-
Total comprehensive income for the period	-	-	1,974	1,974
Share-based compensation expenses	-	231	-	231
Issuance of shares pursuant to the performance share plan	748	(748)	-	-
Dividend paid	-	-	(10,042)	(10,042)
Total transactions with owners, recognised directly in equity	748	(517)	(10,042)	(9,811)
Balance as at 30 June 2016	58,795	719	4,362	63,876
Balance as at 1 January 2015	57,490	408	11,239	69,137
Loss for the period	-	-	(766)	(766)
Other comprehensive loss for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(766)	(766)
Share-based compensation expenses	-	378	-	378
Total transactions with owners, recognised directly in equity	-	378	-	378
Balance as at 31 March 2015	57,490	786	10,473	68,749
Profit for the period	-	-	4,152	4,152
Other comprehensive loss for the period	-	-	-	-
Total comprehensive income for the period	-	-	4,152	4,152
Share-based compensation expenses	-	361	-	361
Issuance of shares pursuant to the performance share plan	557	(557)	-	-
Dividend paid	-	-	(9,994)	(9,994)
Total transactions with owners, recognised directly in equity	557	(196)	(9,994)	(9,633)
Balance as at 30 June 2015	58,047	590	4,631	63,268

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

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 20 April 2016, the Company allotted and issued an aggregate of 3,211,000 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 666,265,000 to 669,476,000.

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

As at 30 June 2016, the outstanding share awards under the PSP amounted up to 11,686,279 (31 December 2015 : 10,180,952) shares. The movement of the outstanding share awards during the period under review was as follows:

	No. of Share Awards (up to)
As at 1 January 2016	10,180,952
Less : Share awards lapsed on 24 February 2016	(2,979,673)
Add : Granted on 18 March 2016	7,696,000
As at 31 March 2016	14,897,279
Less : Released and vested on 20 April 2016	(3,211,000)
As at 30 June 2016	11,686,279

As a result of the above, the issued and paid up capital of Company increased from S\$58.0 million as at 31 December 2015 to S\$58.8 million as at 30 June 2016.

The Company did not have any outstanding options, convertibles or treasury shares as at 30 June 2016.

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 2016 comprised 669,476,000 ordinary shares (31 December 2015 : 666,265,000 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 2016.

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 2015.

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 2016. 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.

SOILBUILD CONSTRUCTION GROUP LTD.

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

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	
	2016	2015	2016	2015
(a) Based on the weighted average number of ordinary shares in issue (cents per share)	0.33	0.83	0.92	1.50
- Weighted average number of ordinary shares ('000)	668,798	666,041	667,525	665,026
(b) On a fully diluted basis (cents per share)	0.32	0.82	0.91	1.48
- Adjusted weighted average number of ordinary shares ('000)	680,352	675,121	677,260	672,428

(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.**

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	Group		Company	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
Net asset value per ordinary share (cents)	13.06	13.64	9.54	10.80
Total number of shares in issue ('000)	669,476	666,265	669,476	666,265

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) 2QFY2016 vs 2QFY2015

For 2QFY2016, the Group achieved a net profit of S\$2.2 million compared to net profit of S\$5.5 million reported in the comparative quarter.

Revenue & Gross Profit

For the quarter under review, the Group's revenue increased by 29.0% from S\$81.6 million in 2QFY2015 to S\$105.3 million in 2QFY2016, while gross profit decreased by 46.9% from S\$9.0 million in 2QFY2015 to S\$4.8 million in 2QFY2016.

The major revenue contributors in 2QFY2016 were:

- Jalan Lam Huat project (multiple-user general industrial development at 60 Jalan Lam Huat);
- Yishun HDB project (public housing development at Yishun Avenue 4/Yishun Ring Road);
- Sembawang HDB project (public housing development at Sembawang);
- Ang Mo Kio HDB project (public housing development at Ang Mo Kio Avenue 3/Street 51);
- Goodwood Grand Project (residential flat development at Balmoral Road); and
- Hospice project (development of hospice at Thomson Road).

Gross profit margin decreased from 11.0% in 2QFY2015 to 4.5% in 2QFY2016. The lower gross profit margin in 2QFY2016 was mainly due to (i) higher revenue recognised for projects where gross profit margins were relatively lower, in line with the progress of the on-going projects, and (ii) increase in construction cost for certain projects.

Other Income

Other income increased to S\$0.9 million mainly due to the increase in grants received for employment credit and BCA schemes, as well as increase in service income.

Other gains

Other gains (net) of S\$74,000 in 2QFY2016 were attributable to foreign exchange gains, which was partly offset by loss on disposal of property, plant and equipment.

Administrative Expenses

Administrative expenses remained marginally the same at S\$2.6 million in 2QFY2015 and in 2QFY2016.

Other Operating Expenses

The increase in other operating expenses in 2QFY2016 was mainly due to amortisation of land lease prepayment in 2QFY2016, which was nil in 2QFY2015.

Share of Profit of Joint Ventures

There were no profits / losses arising from the joint ventures in 2QFY2016 as compared to a gain of approximately S\$6,000 in the comparative quarter.

(b) **1HFY2016 vs 1HFY2015**

For 1HFY2016, the Group achieved a net profit of S\$6.1 million compared to net profit of S\$10.0 million reported in the comparative period.

Revenue & Gross Profit

For the period under review, the Group's revenue increased by 36.7% from S\$152.0 million in 1HFY2015 to S\$207.8 million in 1HFY2016, while the gross profit decreased by 26.0% from S\$16.3 million in 1HFY2015 to S\$12.1 million in 1HFY2016.

As in the explanation above for the increase in revenue for 2QFY2016, the major revenue contributors in 1HFY2016 were:

- Jalan Lam Huat project (multiple-user general industrial development at 60 Jalan Lam Huat);
- Yishun HDB project (public housing development at Yishun Avenue 4/Yishun Ring Road);
- Sembawang HDB project (public housing development at Sembawang);
- Ang Mo Kio HDB project (public housing development at Ang Mo Kio Avenue 3/Street 51);
- Goodwood Grand Project (residential flat development at Balmoral Road); and
- Hospice project (development of hospice at Thomson Road).

Gross profit margin decreased from 10.7% in 1HFY2015 to 5.8% in 1HFY2016. The lower gross profit margin in 1HFY2016 was mainly due to (i) higher revenue recognised for projects where gross profit margins were relatively lower, in line with the progress of the ongoing projects, and (ii) increase in construction cost for certain projects.

Other Income

Other income increased to S\$1.4 million mainly due to the increase in grants received for employment credit and BCA schemes, as well as the increase in service income.

Other losses

Other losses of S\$73,000 in 1HFY2016 were attributable to foreign exchange loss as well as the loss on disposal of property, plant and equipment.

Administrative Expenses

Administrative expenses decreased marginally from S\$5.1 million in 1HFY2015 to S\$5.0 million in 1HFY2016 mainly due to the decrease in various administrative expenses.

Other Operating Expenses

The increase in other operating expenses in 1HFY2016 was mainly due to amortisation of land lease prepayment, which was nil in 1HFY2015.

Share of Profit of Joint Ventures

The Group recognised a gain of approximately S\$8,000 in the share of profit of its joint ventures in 1HFY2016 as compared to a gain of approximately S\$24,000 in the comparative period.

Income tax expenses

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 1HFY2016 is 17.2%, which approximates the Singapore statutory corporate tax rate of 17%.

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 2QFY2016 from what was previously discussed under paragraph 10 of the announcement of the Company's financial statements for the financial period ended 31 March 2016.

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 advance estimates released by the Ministry of Trade and Industry Singapore on 14 July 2016, the Singapore economy grew by 2.2% on a year-on-year ("yoy") basis in the second quarter of 2016, marginally higher than the 2.1 per cent growth in the previous quarter. The construction sector grew by 2.7% on a yoy basis, easing from the 4.5% growth in the preceding quarter. The moderation in growth in the construction sector was due to a slowdown in private sector construction activities.

The Group noted the recent slowdown in the local market construction sector and will focus in executing the on-going construction contracts while looking out for new tender opportunities. For the Myanmar operations, the Group has secured 3 construction contracts to-date, totalling approximately US\$154.8 million. The Group will continue the business expansion in Myanmar and seek new contracts in the Myanmar market. The Group's order book as at 30 June 2016 amounted to S\$566.8 million which the Group expects to complete substantially in the next 24 months.

On 13 July 2016, the Company completed the Pro Rata and Non-renounceable Non-underwritten Preferential Offering of Warrants ("Preferential Offering") and issued 167,369,000 warrants. Pursuant to the Preferential Offering, the Company received gross proceeds of approximately S\$8.4 million.

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

26 August 2016

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of the Company will be closed on 22 August 2016 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 2016 ("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 19 August 2016 (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 26 August 2016.

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

Not applicable.

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 2QFY2016		
<u>Soilbuild Group Holdings Ltd. & its subsidiaries</u>		
Rental of premises	-	197
Renovation / maintenance / Procurement services rendered	-	200

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 2016 S\$'000	Amount Unused As At 30 June 2016 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	5,000	-
Working capital purposes	24,400	24,400	-
	39,400	39,400	-

As at 30 June 2016, the Company has fully utilised the net proceeds as stated above.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1).

16 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 2016 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

2 August 2016