



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

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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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	Third Quarter Ended			Nine Months Ended		
	30 September		Change	30 September		Change
	2016	2015		2016	2015	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	102,444	78,203	31.0	310,267	230,249	34.8
Cost of sales	(97,558)	(71,973)	35.5	(293,285)	(207,681)	41.2
Gross profit	4,886	6,230	(21.6)	16,982	22,568	(24.8)
Gross profit margin	4.8%	8.0%	(40.1)	5.5%	9.8%	(44.2)
Other income	535	263	103.4	1,894	1,165	62.6
Other (losses)/ gains, net	(167)	(168)	(0.6)	(240)	2	NM
Expenses						
Administrative	(1,972)	(2,415)	(18.3)	(6,955)	(7,469)	(6.9)
Marketing	(4)	(63)	(93.7)	(16)	(69)	(76.8)
Finance	(14)	-	NM	(14)	-	NM
Others	(511)	(209)	144.5	(1,462)	(585)	149.9
Share of profit of joint ventures	7	2	250.0	15	26	(42.3)
Profit before income tax	2,760	3,640	(24.2)	10,204	15,638	(34.7)
Income tax expense	(514)	(613)	(16.2)	(1,809)	(2,655)	(31.9)
Net profit	2,246	3,027	(25.8)	8,395	12,983	(35.3)
Other comprehensive income/(loss):						
Items that may be classified subsequently to profit or loss:						
Currency translation differences arising from consolidation	(79)	41	(292.7)	(109)	53	(305.7)
Total comprehensive income	2,167	3,068	(29.4)	8,286	13,036	(36.4)
Total comprehensive income attributable to:						
Equity holders of the Company	2,167	3,068	(29.4)	8,286	13,036	(36.4)

NM : Not meaningful

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Notes to the consolidated statement of comprehensive income

	Third Quarter Ended		Nine Months Ended	
	30 September		30 September	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
(I) Other income				
Interest income	21	58	35	213
Service income	123	77	526	165
Rental income	308	67	412	229
Others (including wage credit and grants received)	83	61	921	558
	<u>535</u>	<u>263</u>	<u>1,894</u>	<u>1,165</u>
(II) Other (losses)/ gains, net				
(Loss)/gain on disposal of property, plant and equipment, net	(300)	(147)	(313)	1
Foreign exchange gains/ (losses)	133	(21)	73	1
	<u>(167)</u>	<u>(168)</u>	<u>(240)</u>	<u>2</u>
(III) Profit before income tax is arrived at after (charging)/crediting:				
Amortisation of intangible assets	(17)	(15)	(52)	(39)
Depreciation of property, plant and equipment	(613)	(681)	(1,937)	(1,919)
Amortisation of land lease prepayment	(222)	-	(666)	-
(Loss)/ gain on disposal of property, plant and equipment, net	<u>(300)</u>	<u>(147)</u>	<u>(313)</u>	<u>1</u>
(IV) Income tax expense				
Tax expense attributable to profit is made up of:				
Profit from current financial period:				
- current income tax	(514)	(613)	(1,792)	(2,655)
- deferred income tax	-	-	-	-
	<u>(514)</u>	<u>(613)</u>	<u>(1,792)</u>	<u>(2,655)</u>
Over/(under) provision in prior financial period:				
- current income tax	-	-	(17)	-
- deferred income tax	-	-	-	-
	<u>(514)</u>	<u>(613)</u>	<u>(1,809)</u>	<u>(2,655)</u>

SOILBUILD CONSTRUCTION GROUP LTD.

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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	
	30/9/2016	31/12/2015	30/9/2016	31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	23,318	6,721	5,170	228
Trade and other receivables	100,949	136,976	40,820	53,488
Other current assets	2,044	1,277	27	14
	126,311	144,974	46,017	53,730
Non-current assets				
Trade and other receivables	18,126	11,135	-	-
Other non-current assets	10,000	10,000	-	-
Investments in subsidiaries	-	-	23,270	19,770
Investments in joint ventures	2,783	2,774	-	-
Property, plant and equipment	19,319	17,217	-	-
Intangible assets	194	224	-	-
Land lease prepayment	25,757	26,423	-	-
	76,179	67,773	23,270	19,770
Total assets	202,490	212,747	69,287	73,500
LIABILITIES				
Current liabilities				
Trade and other payables	104,338	117,506	510	1,433
Current income tax liabilities	2,174	2,432	24	125
Provision for other liabilities	957	1,351	-	-
	107,469	121,289	534	1,558
Non-current liabilities				
Deferred income tax liabilities	585	585	-	-
Total liabilities	108,054	121,874	534	1,558
NET ASSETS	94,436	90,873	68,753	71,942
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	58,798	58,047	58,798	58,047
Capital reserve	(1,070)	(1,070)	-	-
Currency translation reserve	(58)	51	-	-
Performance share plan reserve	719	964	719	964
Warrant reserve	8,161	-	8,161	-
Retained profits	27,886	32,881	1,075	12,931
TOTAL EQUITY	94,436	90,873	68,753	71,942

SOILBUILD CONSTRUCTION GROUP LTD.

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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\$10.2 million from S\$212.7 million as at 31 December 2015 to S\$202.5 million as at 30 September 2016, mainly due to the decrease in current and non-current trade and other receivables of S\$29.0 million, which was partially offset by the increase in cash and cash equivalents of S\$16.6 million.

The decrease in current trade and other receivables of S\$36.0 million 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\$16.6 million is explained in the Consolidated Statement of Cash Flows.

The increase in non-current trade and other receivables of S\$7.0 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\$108.1 million as at 30 September 2016, mainly due to the decrease in trade and other payables of S\$13.2 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 September 2016 and 31 December 2015.

Details of any collaterals

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

SOILBUILD CONSTRUCTION GROUP LTD.

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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	Third Quarter Ended 30 September		Nine Months Ended 30 September	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Cash flows from operating activities				
Net profit	2,246	3,027	8,395	12,983
Adjustments for:				
- Amortisation of intangible assets	17	15	52	39
- Depreciation of property, plant and equipment	613	681	1,937	1,919
- Amortisation of land lease prepayment	222	-	666	-
- Share-based compensation expense	(1)	343	502	1,082
- Interest income	(21)	(58)	(35)	(213)
- Interest expense	14	-	14	-
- Income tax expense	514	613	1,809	2,655
- Loss/(gain) on disposal of property, plant and equipment, net	300	147	313	(1)
- Share of profit of joint ventures	(7)	(2)	(15)	(26)
Operating cash flows before working capital changes	3,897	4,766	13,638	18,438
Changes in working capital				
- Trade and other receivables	2,167	6,140	29,037	(22,666)
- Other current assets	(212)	1,330	(767)	(69)
- Trade and other payables	(3,760)	(5,856)	(13,167)	12,730
- Provision for other liabilities	(188)	(245)	(394)	(151)
Cash generated from operations	1,904	6,135	28,347	8,282
Income tax paid	(812)	(1,051)	(2,067)	(2,887)
Net cash provided by operating activities	1,092	5,084	26,280	5,395
Cash flows from investing activities				
Additions to property, plant and equipment	(2,295)	(2,702)	(5,225)	(5,689)
Additions to intangible assets	-	(95)	(22)	(101)
Additions of land lease prepayment	-	(23,570)	-	(23,570)
Proceeds from sale of property, plant and equipment	854	279	872	577
Profit distribution from a joint venture	6	-	6	-
Interest received	21	58	35	213
Net cash used in investing activities	(1,414)	(26,030)	(4,334)	(28,570)
Cash flows from financing activities				
Proceeds from issuance of shares	2	-	2	-
Proceeds from bank loans	7,800	-	7,800	-
Repayment of bank loans	(7,800)	-	(7,800)	-
Proceeds from preferential offering of warrants	8,368	-	8,368	-
Preferential offering of warrants expenses	(206)	-	(206)	-
Dividends paid to equity holders of the Company	(3,348)	(3,331)	(13,390)	(13,325)
Interest paid	(14)	-	(14)	-
Net cash provided by / (used in) financing activities	4,802	(3,331)	(5,240)	(13,325)
Net increase/(decrease) in cash and cash equivalents	4,480	(24,277)	16,706	(36,500)
Cash and cash equivalents at beginning of financial period	18,917	39,036	6,721	51,247
Effects of currency translation on cash and cash equivalents	(79)	38	(109)	50
Cash and cash equivalents at end of financial period	23,318	14,797	23,318	14,797

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

Cash at bank and on hand	23,318	14,797	23,318	14,797
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Operating Activities

For the third quarter ended 30 September 2016 ("3QFY2016"), the net cash inflow from operating activities amounted to S\$1.1 million as compared to net cash inflow of S\$5.1 million in the comparative quarter. The decrease in cash inflow from operating activities in 3QFY2016 was attributable to lower net profits and lower collection from customers as compared with payment made to suppliers and sub-contractors during the period under review.

For the 9 months ended 30 September 2016 ("9MFY2016"), the net cash inflow from operating activities amounted to S\$26.3 million as compared to net cash inflow of S\$5.4 million in the comparative period. The increase in cash inflow from operating activities in 9MFY2016 was mainly due to collection of progress billings rendered to customers, which was partially offset by higher payments made to suppliers and sub-contractors.

Investing Activities

For 3QFY2016, cash outflow from investing activities of S\$1.4 million as compared to S\$26.0 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 9MFY2016, cash outflow from investing activities of S\$4.3 million as compared to S\$28.6 million in comparative period was mainly due to the reasons as explained above.

Financing Activities

For 3QFY2016, the cash inflow of S\$4.8 million from financing activities was mainly due to the proceeds from the preferential offering of warrants which amounted to S\$8.4 million, partially offset by the payment of dividend during the quarter under review.

For 9MFY2016, the cash outflow of S\$5.2 million from financing activities was mainly due to the payment of dividends amounting to S\$13.4 million, partially offset by the proceeds from the preferential offering of warrants which amounted to S\$8.4 million during the period under review.

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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	Warrant Reserve 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
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 income 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
Profit for the period	-	-	-	-	-	2,246	2,246
Other comprehensive loss for the period	-	-	-	(79)	-	-	(79)
Total comprehensive income for the period	-	-	-	(79)	-	2,246	2,167
Share-based compensation expenses	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(3,348)	(3,348)
Issuance of warrants	-	8,368	-	-	-	-	8,368
Issuance of shares pursuant to exercise of warrants	3	(1)	-	-	-	-	2
Expenses for preferential offering of warrants	-	(206)	-	-	-	-	(206)
Total transactions with owners, recognised directly in equity	3	8,161	-	-	-	(3,348)	4,816
Balance as at 30 September 2016	58,798	8,161	(1,070)	(58)	719	27,886	94,436
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
Profit for the period	-	-	-	-	-	3,027	3,027
Other comprehensive income for the period	-	-	-	41	-	-	41
Total comprehensive income for the period	-	-	-	41	-	3,027	3,068
Share-based compensation expenses	-	-	-	-	343	-	343
Dividend paid	-	-	-	-	-	(3,331)	(3,331)
Total transactions with owners, recognised directly in equity	-	-	-	-	343	(3,331)	(2,988)
Balance as at 30 September 2015	58,047	-	(1,070)	50	933	27,302	85,262

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

Company	Attributable to equity holders of the Company				Total Equity S\$'000
	Share Capital S\$'000	Warrant Reserve S\$'000	Performance 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
Profit for the period	-	-	-	61	61
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	61	61
Share-based compensation expenses	-	-	-	-	-
Dividend paid	-	-	-	(3,348)	(3,348)
Issuance of warrants	-	8,368	-	-	8,368
Issuance of shares pursuant to exercise of warrants	3	(1)	-	-	2
Expenses for preferential offering of warrants	-	(206)	-	-	(206)
Total transactions with owners, recognised directly in equity	3	8,161	-	(3,348)	4,816
Balance as at 30 September 2016	58,798	8,161	719	1,075	68,753
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
Loss for the period	-	-	-	(332)	(332)
Other comprehensive loss for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(332)	(332)
Share-based compensation expenses	-	-	343	-	343
Dividend paid	-	-	-	(3,331)	(3,331)
Total transactions with owners, recognised directly in equity	-	-	343	(3,331)	(2,988)
Balance as at 30 September 2015	58,047	-	933	968	59,948

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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 13 July 2016, the Company allotted and issued an aggregate of 167,369,000 warrants in the capital of the Company. On 1 August 2016 and 15 August 2016, an aggregate of 12,500 warrants have been exercised. As a result, the total number of outstanding warrants is 167,356,500 as at 30 September 2016. Correspondingly, the Company issued an aggregate of 12,500 new ordinary shares in the capital of the Company pursuant to the exercise of warrants and the total number of issued shares increased from 669,476,000 to 669,488,500 as at 30 September 2016.

The movement of the outstanding warrants during the period under review was as follows:

	No. of Warrants
As at 1 July 2016	-
Allotted and issued	167,369,000
Warrants exercised during the period	(12,500)
As at 30 September 2016	167,356,500

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

As at 30 September 2016, the outstanding share awards under the PSP amounted up to 11,686,279 (30 June 2016 : up to 11,686,279) shares. There is no movement of the outstanding share awards during the period under review.

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 September 2016 comprised 669,488,500 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 are no treasury shares as at 30 September 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.

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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			
	Third Quarter Ended 30 September		Nine Months Ended 30 September	
	2016	2015	2016	2015
(a) Based on the weighted average number of ordinary shares in issue (cents per share) - Weighted average number of ordinary shares ('000)	0.34 669,484	0.45 666,265	1.26 668,185	1.95 665,441
(b) On a fully diluted basis (cents per share) - Adjusted weighted average number of ordinary shares ('000)	0.27 826,461	0.45 675,731	1.15 727,008	1.93 673,532

- (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 and warrants issued pursuant to the preferential offering have been exercised on the date of issue.

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	
	30/9/2016	31/12/2015	30/9/2016	31/12/2015
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				
Net asset value per ordinary share (cents)	14.11	13.64	10.27	10.80
Total number of shares in issue	669,488,500	666,265,000	669,488,500	666,265,000

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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) 3QFY2016 vs 3QFY2015

For 3QFY2016, the Group achieved a net profit of S\$2.2 million compared with a net profit of S\$3.0 million reported in the comparative quarter.

Revenue & Gross Profit

For the quarter under review, the Group reported a higher revenue of S\$102.4 million compared with S\$78.2 million reported in 3QFY2015, while gross profit is lower by 21.6% at S\$4.9 million.

The major revenue contributors in 3QFY2016 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 in 3QFY2016 was 4.8% in 3QFY2016 compared with 8.0% in 3QFY2015, which was mainly due to (i) higher revenue recognised during the quarter for HDB projects in Singapore 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. As the projects in Myanmar are still at the initial stage of construction, the gross profit contributions were not significant in 3QFY2016.

Other Income

Other income increased to S\$0.5 million mainly due to the increase in rental income, grants received for employment credit and BCA schemes, as well as increase in service income.

Other losses

Other losses (net) of approximately S\$0.2 million in 3QFY2016 were attributable to loss on disposal of property, plant and equipment, which was partially offset by foreign exchange gains.

Administrative Expenses

Administrative expenses decreased from S\$2.4 million in 3QFY2015 to S\$2.0 million in 3QFY2016 mainly due decrease in various administrative expenses, including directors' remuneration.

Other Operating Expenses

The increase in other operating expenses in 3QFY2016 was mainly due to the amortisation of land lease prepayment in 3QFY2016, which was absent in 3QFY2015.

Share of Profit of Joint Ventures

The increase in share of profit of joint ventures in 3QFY2016 was due mainly to contribution from a joint venture.

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

(b) **9MFY2016 vs 9MFY2015**

For 9MFY2016, the Group achieved a net profit of S\$8.4 million compared with a net profit of S\$13.0 million reported in the comparative period.

Revenue & Gross Profit

For the period under review, the Group reported a higher revenue of S\$310.3 million compared with S\$230.2 million reported in 9MFY2015, while gross profit is lower by 24.8% at S\$17.0 million.

Major revenue contributors in 9MFY2016 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).

In line with the construction progress, the Group has started to recognise revenue from construction projects in Myanmar as well as local civil work projects in 9MFY2016. The revenue recognised from Myanmar construction projects and the local civil work projects amounted to S\$7.3 million and S\$3.0 million, respectively in 9MFY2016.

Gross profit margin in 9MFY2016 was 5.5% in 9MFY2016 compared with 9.8% in 9MFY2015, mainly due to (i) higher revenue recognised for HDB projects in Singapore 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. As the construction projects in Myanmar were still at the initial stage of construction in 9MFY2016, gross profit contribution from these projects were not significant in 9MFY2016.

Other Income

Other income increased to S\$1.9 million mainly due to the increase in rental income, grants received for employment credit and BCA schemes, as well as the increase in service income.

Other losses

Other losses (net) of S\$0.2 million in 9MFY2016 were attributable to the loss on disposal of property, plant and equipment, which was partially offset by foreign exchange gains.

Administrative Expenses

Administrative expenses decreased from S\$7.5 million in 9MFY2015 to S\$7.0 million in 9MFY2016 mainly due in the decrease in various administrative expenses, including directors' remuneration.

Other Operating Expenses

The increase in other operating expenses in 9MFY2016 was mainly due to the amortisation of land lease prepayment, which was absent in 9MFY2015.

Share of Profit of Joint Ventures

The Group recognised a gain of approximately S\$15,000 in the share of profit of its joint ventures in 9MFY2016 as compared to a gain of approximately S\$26,000 in the comparative period.

Income tax expenses

After adjusting for the Group's share of profits of joint ventures, which was reported net of tax, the Group's effective tax rate for the 9MFY2016 is 17.8%, 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 3QFY2016 from what was previously discussed under paragraph 10 of the announcement of the Company's financial statements for the financial period ended 30 June 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 October 2016, the Singapore economy grew by 0.6% on a year-on-year ("yoy") basis in the third quarter of 2016, easing from the 2.0% growth in the previous quarter. Growth in the construction sector slowed marginally to 2.5% on a yoy basis, from 2.6 per cent in the previous quarter. On a quarter-on-quarter basis, the sector expanded at an annualised rate of 0.5%, moderating from the 1.1% expansion in the preceding quarter.

Tenders for the construction works in the local private sector is expected to remain competitive amid slowdown in the general market condition. Meanwhile, public sector construction contracts, including building and civil works, is expected to increase in near future. The Group will continue to focus on tendering for more local construction works in both the private and public sector.

The Group is committed to grow its construction business in Myanmar. While executing the existing projects in Myanmar which are expected to contribute more revenue and profit in near future, the Group will strive to secure more construction contract in the Myanmar market.

The Group's order book as at 30 September 2016 amounted to S\$470.6 million.

11 Dividend

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

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding period of the immediately preceding financial year

Not applicable.

(c) The date the dividend is payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommendeded, 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 3QFY2016		
<u>Soilbuild Group Holdings Ltd. & its subsidiaries</u>		
Rental of premises	-	196
Recharge of manpower cost for staff seconded to the Group for execution of construction projects	-	100

14 Use of Proceeds from Preferential Offering of Warrants

Pursuant to the preferential offering of warrants on 13 July 2016, the Company received net proceeds from the issue of the warrants of approximately S\$8.2 million after deducting the actual issue expenses of S\$0.2 million, as set out below. The utilisation of the proceeds as at the date of this announcement is as follows:

Use of proceeds from the preferential offering of warrants	Amount Allocated S\$'000	Amount Used As At 30 September 2016 S\$'000	Amount Unused As At 30 September 2016 S\$'000
Acquisition of plant and equipment for construction works in Myanmar	Up to 2,500	-	Up to 2,500
Working capital purposes	Up to 5,600	3,500	Up to 2,100
	8,100	3,500	4,600

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 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 third quarter financial statements for the period ended 30 September 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

8 November 2016