



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

**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 30 SEPTEMBER 2013**

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**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

**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 30 September			Change	Nine Months Ended 30 September		
	2013 S\$'000	2012 S\$'000	%		2013 S\$'000	2012 S\$'000	%
<b>Revenue</b>	84,536	58,572	44	<b>220,526</b>	<b>121,652</b>	81	
Cost of sales	(75,089)	(51,029)	47	(198,497)	(105,778)	88	
<b>Gross profit</b>	<b>9,447</b>	<b>7,543</b>	25	<b>22,029</b>	<b>15,874</b>	39	
Other income	139	165	(16)	335	884	(62)	
Other gains - net	27	-	NM	27	-	NM	
<b>Expenses</b>							
Administrative	(2,178)	(954)	128	(6,007)	(2,997)	100	
Marketing	-	-	NM	(1)	-	NM	
Finance	(2)	(43)	(95)	(59)	(187)	(68)	
Other operating	(125)	(107)	17	(350)	(317)	10	
Share of profit (net of tax) of joint ventures	250	120	108	2,666	182	1,365	
<b>Profit before income tax</b>	<b>7,558</b>	<b>6,724</b>	12	<b>18,640</b>	<b>13,439</b>	39	
Income tax expense	(1,242)	(1,123)	11	(2,715)	(2,257)	20	
<b>Net profit</b>	<b>6,316</b>	<b>5,601</b>	13	<b>15,925</b>	<b>11,182</b>	42	
Other comprehensive income, net of tax	-	-	-	-	-	-	
<b>Total comprehensive income</b>	<b>6,316</b>	<b>5,601</b>	13	<b>15,925</b>	<b>11,182</b>	42	
<b>Net profit and total comprehensive income attributable to:</b>							
Equity holders of the Company	6,316	5,601	13	15,925	11,182	42	

NM : Not meaningful

**Notes to the consolidated statement of comprehensive income**

	Third Quarter Ended 30 September		Nine Months Ended 30 September	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
<b>(I) Other income</b>				
Income from sale of materials	21	19	21	111
Interest income	33	58	47	371
Service income	31	26	94	135
Rental income from investment property	15	10	35	29
Others	39	52	138	238
	<b>139</b>	<b>165</b>	<b>335</b>	<b>884</b>

**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

**Notes to the consolidated statement of comprehensive income (continued)**

	Third Quarter Ended 30 September		Nine Months Ended 30 September	
	2013	2012	2013	2012
	S\$'000	S\$'000	S\$'000	S\$'000
<b>(II) Profit before income tax is arrived at after (charging)/crediting:</b>				
Amortisation of intangible assets	(5)	(6)	(13)	(17)
Depreciation of property, plant and equipment	(343)	(232)	(850)	(704)
Gain on disposal of property, plant and equipment, net	21	-	21	-
Share issue expenses <sup>1</sup>	-	-	(889)	-
	<u>-</u>	<u>-</u>	<u>(889)</u>	<u>-</u>
<b>(III) Finance expense</b>				
Interest expenses				
- bank loans	(2)	(32)	(34)	(111)
- finance lease liabilities	-	(11)	(25)	(35)
- loans due to immediate holding company	-	-	-	(41)
	<u>(2)</u>	<u>(43)</u>	<u>(59)</u>	<u>(187)</u>
<b>(IV) Income tax expense</b>				
Tax expense attributable to profit is made up of :				
Profit from current financial period:				
- current income tax	(1,242)	(1,132)	(2,549)	(2,286)
- deferred income tax	-	9	(166)	29
	<u>(1,242)</u>	<u>(1,123)</u>	<u>(2,715)</u>	<u>(2,257)</u>

<sup>1</sup> Excluding share issue expenses of approximately S\$1.1 million which were charged to shareholders' equity.

**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

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 <sup>1</sup>
	30/9/2013 S\$'000	31/12/2012 S\$'000	30/9/2013 S\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	41,825	5,267	31,557
Trade and other receivables	46,396	47,773	11,703
Other current assets	3,499	852	20
	<u>91,720</u>	<u>53,892</u>	<u>43,280</u>
Investment property classified as held-for-sale	-	2,466	-
	<u>91,720</u>	<u>56,358</u>	<u>43,280</u>
<b>Non-current assets</b>			
Trade and other receivables	19,514	9,117	-
Investments in subsidiaries	-	-	17,270
Investment in joint ventures	2,699	1,220	-
Property, plant and equipment	9,314	4,724	-
Intangible assets	73	41	-
	<u>31,600</u>	<u>15,102</u>	<u>17,270</u>
<b>Total assets</b>	<b><u>123,320</u></b>	<b><u>71,460</u></b>	<b><u>60,550</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	53,408	48,974	1,600
Current income tax liabilities	3,238	3,934	-
Borrowings	-	1,242	-
Provision for other liabilities	984	962	-
	<u>57,630</u>	<u>55,112</u>	<u>1,600</u>
<b>Non-current liabilities</b>			
Borrowings	-	350	-
Deferred income tax liabilities	665	498	-
	<u>665</u>	<u>848</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>58,295</u></b>	<b><u>55,960</u></b>	<b><u>1,600</u></b>
<b>NET ASSETS</b>	<b><u>65,025</u></b>	<b><u>15,500</u></b>	<b><u>58,950</u></b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	57,490	15,500	57,490
Capital reserve	(1,070)	-	-
Retained profits	8,605	-	1,460
<b>TOTAL EQUITY</b>	<b><u>65,025</u></b>	<b><u>15,500</u></b>	<b><u>58,950</u></b>

<sup>1</sup> There is no comparative statement for the preceding financial period for the Company as it was incorporated on 14 January 2013 with a paid-up capital of S\$1.00 comprising one (1) ordinary share at the date of incorporation.

**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

**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\$51.9 million from S\$71.5 million as at 31 December 2012 to S\$123.3 million as at 30 September 2013, arising mainly from:

- increase in cash and cash equivalents of S\$36.6 million as explained in the Consolidated Statement of Cash Flows under item 1(c);
- increase in non-current trade and other receivables of S\$10.4 million due to the increase in retention held by customers which is in line with the progress of our construction projects;
- increase in property, plant and equipment of S\$4.6 million which was mainly due to purchases of equipment amounted to S\$5.4 million, partially offset by depreciation of S\$0.9 million; and
- increase in other current assets of S\$2.6 million which was mainly due to deposits paid for the purchases of equipment during the period under review,

and partially offset by decrease in investment property classified as held-for-sale of S\$2.5 million following the sale of the investment property during the period under review.

Total liabilities increased by S\$2.3 million from S\$56.0 million as at 31 December 2012 to S\$58.3 million as at 30 September 2013 mainly due to the increase in trade and other payables of S\$4.4 million, partially offset by a decrease in borrowings of S\$1.6 million and a decrease in current income tax liabilities of S\$0.7 million.

The increase in trade and other payables was mainly attributable to increase in amount due to customers on construction contracts which is due to timing differences in billings to customers.

The decrease in borrowings was due to the full repayment of the Group's bank loans and finance lease liabilities 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**

As at 30/09/13		As at 31/12/12	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	1,242	-

**Amount repayable after one year**

As at 30/09/13		As at 31/12/12	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	350	-

**Details of any collaterals**

- (i) The loan due to a financial institution, amounted to S\$1.3 million as at 31 December 2012 was secured by a corporate guarantee provided by Soilbuild Group Holdings Ltd. The loan has been fully repaid during the current financial period.
- (ii) Finance lease liabilities of S\$0.3 million as at 31 December 2012 were secured by certain plant and equipment of the Group's subsidiaries acquired under finance leases. The finance lease liabilities have been fully repaid during the current financial period.

**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

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	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
<b>Cash flows from operating activities</b>				
Net profit	6,316	5,601	15,925	11,182
Adjustments for:				
- Amortisation and depreciation	348	238	863	721
- Finance expense	2	43	59	187
- Interest income	(33)	(58)	(47)	(371)
- Income tax expense	1,242	1,123	2,715	2,257
- Share issue expenses	-	-	889	-
- Gain on disposal of property, plant and equipment	(21)	-	(21)	-
- Share of profit of joint ventures	(250)	(120)	(2,666)	(182)
<b>Operating cash flows before working capital changes</b>	<b>7,604</b>	<b>6,827</b>	<b>17,717</b>	<b>13,794</b>
Changes in working capital				
- Trade and other receivables	(18,168)	(235)	(9,020)	13,966
- Other current assets	(2,233)	(205)	(2,647)	(231)
- Trade and other payables	12,908	(1,768)	4,434	(14,622)
- Provision for other liabilities	(91)	105	22	310
<b>Cash generated from operations</b>	<b>20</b>	<b>4,724</b>	<b>10,506</b>	<b>13,217</b>
Income tax paid	(1,322)	(395)	(3,244)	(797)
<b>Net cash (used in)/provided by operating activities</b>	<b>(1,302)</b>	<b>4,329</b>	<b>7,262</b>	<b>12,420</b>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(4,502)	(30)	(5,445)	(401)
Purchases of intangible assets	-	-	(45)	(9)
Proceeds from sale of property, plant and equipment	25	28	26	28
Proceeds from sale of investment property	-	-	2,466	-
Dividends received from a joint venture	-	-	1,187	-
Repayment of loans by a joint venture	-	-	-	931
Interest received	33	58	47	371
Loans due from immediate holding company	-	-	-	(10,510)
<b>Net cash (used in)/provided by investing activities</b>	<b>(4,444)</b>	<b>56</b>	<b>(1,764)</b>	<b>(9,590)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of shares	-	-	42,000	-
Share issue expenses	-	-	(1,969)	-
Proceeds from bank loans	-	-	-	5,000
Repayment of bank loans	-	(5,255)	(1,338)	(6,753)
Proceeds from loans due to immediate holding company	-	-	-	14,618
Repayment of loans due to immediate holding company	-	-	-	(15,430)
Repayments of finance lease liabilities	-	(99)	(254)	(341)
Dividends paid to equity holders of the Company	(3,320)	-	(7,320)	-
Interest paid	(2)	(41)	(59)	(187)
<b>Net cash (used in)/provided by financing activities</b>	<b>(3,322)</b>	<b>(5,395)</b>	<b>31,060</b>	<b>(3,093)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(9,068)</b>	<b>(1,010)</b>	<b>36,558</b>	<b>(263)</b>
Cash and cash equivalents at beginning of financial period	50,893	4,591	5,267	3,844
<b>Cash and cash equivalents at end of financial period</b>	<b>41,825</b>	<b>3,581</b>	<b>41,825</b>	<b>3,581</b>

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

Cash at bank and on hand	<b>41,825</b>	<b>3,581</b>	<b>41,825</b>	<b>3,581</b>
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UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

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Operating Activities

The Group recorded a net cash outflow of S\$1.3 million in its operating activities in 3QFY2013 as compared to net cash generated of S\$4.3 million in the comparative quarter. The cash outflow from operating activities in 3QFY2013 was mainly attributable to timing differences in collections of trade and other receivables, deposits paid for purchase of cranes and income tax paid during the period under review.

The impact of the increase in trade and other receivables on the cashflow was partially offset by the increase in trade and other payables in 3QFY2013 which was in line with the increase in procurement activities.

For YTD 9 months ended 30 September 2013, the Group generated lower cash inflows of S\$7.3 million compared to S\$12.4 million in the corresponding period due mainly to the factors explained above.

Investing Activities

The Group recorded a net cash outflow in 3QFY2013 from investing activities which was attributable to the purchases of property, plant and equipment.

For the YTD 9 months ended 30 September 13, the Group's net cash outflow was due mainly to the purchases of property, plant and equipment which was partially offset by the proceeds from the sale of our investment property and dividends received from our joint venture in Solstice Development Pte. Ltd.

Financing Activities

The Group recorded a cash outflow from financing activities in 3QFY2013 as a result of dividend payment in 3QFY2013, while the negative cashflow from financing activities in 3QFY2012 was due mainly to the repayment of bank loans.

In comparison, the Group generated cash inflows of S\$31.1 million in YTD 9 months ended 30 September 2013 compared to a cash outflow of S\$3.1 million in YTD 9 months ended 30 September 2012 mainly due to net proceeds raised from the Group's IPO in May 2013, partially offset by interim dividend payments of S\$7.3 million and repayment of bank loans and hire purchase liabilities.

UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

- 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	Capital Reserve	Retained Profits	Equity attributable to the owners of the Company
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 January 2013</b>	<b>15,500</b>	-	-	<b>15,500</b>
Total comprehensive income for the period	-	-	3,728	3,728
<b>Balance as at 31 March 2013</b>	<b>15,500</b>	-	<b>3,728</b>	<b>19,228</b>
Share swap pursuant to the Restructuring Exercise	(15,500)	-	-	(15,500)
Issuance of shares pursuant to the Restructuring Exercise	16,570	(1,070)	-	15,500
Issuance of new shares pursuant to the IPO	42,000	-	-	42,000
Share issue expenses	(1,080)	-	-	(1,080)
Dividends relating to 2013 paid <sup>1</sup>	-	-	(4,000)	(4,000)
Total comprehensive income for the period	-	-	5,881	5,881
<b>Balance as at 30 June 2013</b>	<b>57,490</b>	<b>(1,070)</b>	<b>5,609</b>	<b>62,029</b>
Dividends	-	-	(3,320)	(3,320)
Total comprehensive income for the period	-	-	6,316	6,316
<b>Balance as at 30 September 2013</b>	<b>57,490</b>	<b>(1,070)</b>	<b>8,605</b>	<b>65,025</b>
<b>Balance as at 1 January 2012<sup>2</sup></b>	<b>15,500</b>	-	<b>19,942</b>	<b>35,442</b>
Total comprehensive income for the period <sup>2</sup>	-	-	1,425	1,425
<b>Balance as at 31 March 2012</b>	<b>15,500</b>	-	<b>21,367</b>	<b>36,867</b>
Total comprehensive income for the period <sup>2</sup>	-	-	4,156	4,156
<b>Balance as at 30 June 2012</b>	<b>15,500</b>	-	<b>25,523</b>	<b>41,023</b>
Total comprehensive income for the period	-	-	5,601	5,601
<b>Balance as at 30 September 2012</b>	<b>15,500</b>	-	<b>31,124</b>	<b>46,624</b>



**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

**1 (d)(i) STATEMENTS OF CHANGES IN EQUITY**

Company <sup>3</sup>	Share Capital	Capital Reserve	Retained Profits	Equity attributable to the owners of the Company
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at date of incorporation on 14 January 2013</b>	-	-	-	-
Total comprehensive loss for the period	-	-	(405)	(405)
<b>Balance as at 31 March 2013</b>	-	-	<b>(405)</b>	<b>(405)</b>
Issuance of shares pursuant to the Restructuring Exercise	16,570	-	-	16,570
Issuance of new shares pursuant to the IPO	42,000	-	-	42,000
Share issue expense	(1,080)	-	-	(1,080)
Total comprehensive income for the period	-	-	3,795	3,795
<b>Balance as at 30 June 2013</b>	<b>57,490</b>	-	<b>3,390</b>	<b>60,880</b>
Dividends	-	-	(3,320)	(3,320)
Total comprehensive income for the period	-	-	1,390	1,390
<b>Balance as at 30 September 2013</b>	<b>57,490</b>	-	<b>1,460</b>	<b>58,950</b>

**Note:**

<sup>1</sup> As disclosed in the Company's prospectus dated 17 May 2013, on 26 April 2013, our subsidiaries, Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd., paid an interim dividend of S\$4.0 million in aggregate to Soilbuild Group Holdings Ltd ("SBGH"). This is not reflected in the statement of changes in equity for the Company as the dividends were paid before the Restructuring Exercise as defined in Item 1d (ii).

<sup>2</sup> For illustrative and comparative purposes, the figures for FY2012 are computed assuming that the Group had been in existence as at 1 January 2012. For the purpose of presentation of the Group's comparative share capital, the share capital represents the aggregate of the paid-up capital of its subsidiaries.

<sup>3</sup> There is no comparative statement as Soilbuild Construction Group Ltd was incorporated on 14 January 2013. Issued and paid up capital as at the date of incorporation of Soilbuild Construction Group Ltd was S\$1.00 comprising of one ordinary share.

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**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

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- 1d (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.**

**Share Capital**

During 3QFY2013, no shares were issued or acquired by the Company. The share capital of the Company as at 30 September 2013 comprised 664,000,000 ordinary shares (30 September 2012 : nil ordinary shares as the Company was incorporated on 14 January 2013).

The Company did not have any outstanding options, convertibles or treasury shares as at 30 September 2013.

- 1d (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 share capital of the Company as at 30 September 2013 comprised 664,000,000 ordinary shares (31 December 2012 : nil ordinary shares as the Company was incorporated on 14 January 2013).

- 1d (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 September 2013.

- 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.**

**Group Restructuring**

Upon completion of the Restructuring Exercise, the Company held Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. as subsidiaries. The Company and its subsidiaries (the "Group") formed an independent construction group, distinct from the principal property development and investment activities of its immediate holding company, SBGH and its subsidiaries.

The acquisition of Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. by the Company has been accounted for as a capital reorganisation as the entities transferred were managed as a single business. Accordingly, the financial statements of the Group are presented as follows:

- (i) The statements of financial position of the Group as at 30 September 2013 and 31 December 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows of the Group for the third quarter ended 30 September 2013 and 30 September 2012, nine months ended 30 September 2013 and 30 September 2012, respectively, have been prepared as if the Company had been the holding company of the Group throughout the respective financial periods rather than from the date on which the reorganisation was completed.
- (ii) The assets and liabilities of Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. were brought into the Group's books based on their existing carrying value in the consolidated financial statements of SBGH. No adjustments were made to the carrying values of those assets and liabilities, as the financial statements of the Group, Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. have been prepared using consistent accounting policies.
- (iii) The share capital of the Group would reflect the share capital of the Company on the date which the reorganisation was completed and is measured based on the deemed cost of acquiring Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd., being the existing carrying values of the net assets acquired. The retained profits of the Group as at 31 December 2012 is the retained profits of Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd.. The resulting differences as at 31 December 2012 are recognised separately as a component of equity.
- (iv) All significant intra-group transactions and balances have been eliminated on combination.

**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

- 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 2013. 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.

- 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	
	2013	2012	2013	2012
(a) Based on the weighted average number of ordinary shares in issue (cents per share)	0.95	1.13	2.76	2.25
- Weighted average number of ordinary shares ('000)	664,000	496,000	576,294	496,000
(b) On a fully diluted basis (cents per share)	0.95	1.13	2.76	2.25
- Adjusted weighted average number of ordinary shares ('000)	664,000	496,000	576,294	496,000

(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. The weighted average number of shares has been adjusted for the Share Split as if the Share Split had occurred at the beginning of the respective periods.

(b) There are no ordinary shares with potential dilutive effects. Accordingly, there are no adjustments made for the weighted average number of shares.

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-**

- (a) current financial period reported on; and  
(b) preceding financial year.**

	Group		Company	
	30/9/2013	31/12/2012	30/9/2013	31/12/2012
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)	9.79	100.00	8.88	-
Total number of shares in issue <sup>1</sup>	664,000,000	15,500,000	664,000,000	-

<sup>1</sup> The number of shares in issue for the Group as at 31 December 2012 is reflected as the number of shares of the Group as at 6 May 2013 when the Restructuring Exercise was completed.

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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) **3QFY2013 vs 3QFY2012**

For 3QFY2013, the Group achieved a net profit of S\$6.3 million, which represented a growth of 13% over the S\$5.6 million reported in the comparative quarter.

Revenue & Gross Profit

For the period under review, the Group's revenue grew by 44% from S\$58.6 million in 3QFY2012 to S\$84.5 million in 3QFY2013. Gross profit also increased correspondingly from S\$7.5 million in 3QFY2012 to S\$9.4 million in 3QFY2013.

The increase was contributed mainly from revenue and gross profits recognised in line with the progress of the following construction projects :

- Lavender project (mixed use development at Lavender Street/Kallang Avenue);
- Tampines HDB project (public housing development at Tampines Central 7/Tampines Concourse);
- Changi Business Park Vista project (research and development building at Changi Business Park); and
- Mandai Connection project (ramp up industrial development at Mandai Link).

No revenue has been recognised in respect of these projects in the comparative quarter as construction activities on these projects have not commenced or were at preliminary stage.

The revenue growth was partially offset by lower revenue contributions in 3QFY2013 from the Northspring BizHub project (ramp up industrial development at Yishun Street 23) and Angullia Park project (condominium housing development at Angullia Park), as well as the absence in revenue contributions from projects which have been completed in the earlier periods.

Despite the higher revenue and gross profit, gross profit margin declined from 12.9% in 3QFY2012 to 11.2% in 3QFY2013. The lower gross profit margin in 3QFY2013 was attributable to the North Point Bizhub project (ramp up industrial development at Yishun Avenue 6) and the Toh Guan Road project (additions and alterations work to a part warehouse building, part office block with a basement carpark at Toh Guan Road) which contributed better margins and were completed in prior periods.

Other Income

Other income decreased from S\$0.17 million in 3QFY2012 to S\$0.14 million in 3QFY2013 mainly due to the absence of interest income derived from loans extended to the immediate holding company, which has ceased since 31 December 2012. The decrease in interest income from immediate holding company was partially offset by the increase in bank interest income.

Administrative Expenses

Administrative expenses increased significantly from S\$0.95 million in 3QFY2012 to S\$2.18 million in 3QFY2013 mainly due to:

- higher manpower expenses as manpower resources are strengthened to support the growth of the operations,
- increase in statutory and compliance expenses following the listing of the Company, and
- increase in recruitment expenses which is in-line with higher manpower expenses

Finance Expenses

Finance expenses reduced significantly from S\$0.04 million in 3QFY2012 to S\$2k in 3QFY2013 following the full repayment of the Group's borrowings and cessation of intercompany loans since 31 December 2012.

Other Operating Expenses

The increase in other operating expenses was resulted mainly from higher travelling expenses which was in line with the increased staff strength as well as the Group's expansion into Myanmar.

Share of Profit of Joint Ventures

The Group recognised S\$0.25 million in share of profit of its joint ventures in 3QFY2013 arising mainly from higher profits recognised by Forte Builder Pte. Ltd. in which the Group has equity interest. Forte Builder Pte. Ltd. is the main contractor for the Anguilla Park project and it has achieved significant progress in its stage of completion during the current financial period.

Income Tax Expense

After adjusting for the Group's share of profits of joint ventures, which are reported net of tax, the Group's tax expenses for the current and comparative periods are in line with the Singapore statutory corporate tax rate of 17%.

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**YTD 9 months ended 30 September 2013 vs YTD 9 months ended 30 September 2012**

For the nine months ended 30 September 2013, the Group recorded a net profit of S\$15.9 million which represented a growth of 42% from the net profit of S\$11.2 million recognised in the corresponding period.

**Revenue & Gross Profit**

The increase in net profit was driven principally by higher revenue and gross profit recognised in YTD 9 months ended 30 September 2013. The Group's revenue grew by 81% from S\$121.7 million in YTD 9 months ended 30 September 2012 to S\$220.5 million in YTD 9 months ended 30 September 2013. Gross profit also increased correspondingly from S\$15.9 million in YTD 9 months ended 30 September 2012 to S\$22.0 million in YTD 9 months ended 30 September 2013.

The increase was contributed mainly from maiden recognition of revenue and gross profits in respect of the Lavender project, Tampines HDB project, Changi Business Park Vista project and Mandai Connection project. Revenue from the Angullia Park project has also increased due to faster progress of the project in the YTD 9 months ended 30 September 2013 as compared to YTD 9 months ended 30 September 2012.

The revenue growth was partially offset by lower revenue contributions in 3QFY2013 from the Northspring BizHub project as well as the absence in revenue contributions from projects which have been completed in the earlier periods.

Despite the higher revenue and gross profit, gross profit margin declined from 13% in YTD 9 months ended 30 September 2012 to 10% in YTD 9 months ended 30 September 2013. The lower gross profit margin in YTD 9 months ended 30 September 2013 was mainly attributable to the West Park BizCentral project (light industrial development at Tanjong Kling), Toh Guan Road project and North Point Bizhub project, which contributed better margins and were completed in prior periods.

**Other Income**

Other income decreased from S\$0.9 million in the YTD 9 months ended 30 September 2012 to S\$0.3 million in the YTD 9 months ended 30 September 2013 mainly due to the absence of:

- interest income derived from loans extended to the immediate holding company, which has ceased since 31 December 2012; and
- income from renovation works carried out for certain purchasers of units in the North Point Bizhub project which the Group acted as the main contractor.

**Administrative expenses**

Administrative expenses for the YTD 9 months ended 30 September 2013 rose by S\$3.0 million when compared with the corresponding period, due to the factors as explained above for the increase in administrative expenses for 3QFY2013 as well as the one-off share issue expenses, higher depreciation and rental expenses incurred during the 9 months ended 30 September 2013 as compared to the 9 months ended 30 September 2012.

**Finance Expenses**

The decline in finance expenses from S\$0.19 million in the YTD 9 months ended 30 September 2012 to S\$59k in the YTD 9 months ended 30 September 2013 is attributable mainly to the full repayment of the Group's borrowings during the current period and cessation of intercompany loans since 31 December 2012.

**Other Operating Expenses**

Other operating expenses also increased by S\$33k from the corresponding period, resulted mainly from higher travelling expenses which is in line with the increased staff strength and the Group's expansion into Myanmar. The increase was partially offset by the decrease in depreciation charges on office equipment.

**Share of Profit of Joint Ventures**

The Group's share of profits of joint ventures increased significantly during the current period mainly due to its share of higher profits recognised by Solstice Development Pte. Ltd., in which the Group has equity interest, following the completion of its fully sold development project, Solstice Business Center. Share of profits in Forte Builder Pte. Ltd., also increased due to the significant progress of its project during the current financial period.

**Income Tax Expense**

After adjusting for the Group's share of profits of joint ventures, which are reported net of tax, the Group's tax expenses for the current and comparative periods are in line with the Singapore statutory corporate tax rate of 17%.

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**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

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

Not applicable.

**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 advanced estimates released by the Ministry of Trade and Industry Singapore on 14 October 2013, the Singapore economy grew by 5.1% on a year-on-year basis in the third quarter of 2013, compared to 4.2% in the preceding quarter. The construction sector grew by 3.6% on a year-on-year basis, compared to 6.9% in the preceding quarter. Backed by the continual growth in the Singapore economy and the pipeline of housing and infrastructure construction projects planned by the Government to meet the needs of the population, the Group is of the view that the outlook for the local construction industry will remain positive for the near future.

As at 30 September 2013, the Group's order books remained strong with approximately S\$422 million projects' value in aggregate on hand, which are expected to be completed substantially in the next 12 – 24 months. Leveraging on the Group's vast experience in the construction sector and its multi-property sector approach to construction projects with capability to execute business space and both public and private residential property construction projects, the Group has well positioned itself in the pursuit of new tender opportunities in the local market as well as in certain countries in Asia such as Myanmar and other South East Asian countries.

On the operation aspect, the Group will continue to focus on efforts to strengthen internal capabilities for project execution and delivery, as well as productivity improvements and cost efficiency.

**11 Dividend**

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

Any dividend declared for the current financial period reported on?

No.

**(b) Corresponding period of the immediately preceding financial year**

Not applicable.

**(d) The date the dividend is payable**

Not applicable.

**(e) Books closure date**

Not applicable.

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

Not applicable

**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013**
**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) <sup>(1)</sup>
	S\$'000	S\$'000
<u>Project management contracts awarded during 3Q2013</u> SB (Mandai) Investment Pte. Ltd.	-	542
SB (Westview) Investment Pte. Ltd.	-	336
SB (Northview) Investment Pte. Ltd.	-	286

Note:

(1) Value refers to the contract value or the value of variation orders, as the case may be, relating to interested person transactions conducted under the shareholders' mandate which was adopted by the Company on 9 May 2013.

**14 Use of IPO Proceeds**

Pursuant to the IPO, 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 S\$'000	Amount Unused S\$'000
Investment in productivity improvements	Up to 10,000	6,100	3,900
Expansion of construction business to certain countries in Asia	Up to 5,000	-	Up to 5,000
Working capital purposes	24,400	-	24,400
	39,400	6,100	33,400

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 financial results for the third quarter and nine months ended 30 September 2013 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 October 2013

*The initial public offering of the Company was sponsored by United Overseas Bank Limited (the "Issue Manager"). The Issue Manager assumes no responsibility for the contents of this Announcement.*