



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

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

<u>Item No</u>	<u>Description</u>	<u>Page 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 & 16	Segmental Information	15
17	Breakdown of Sales	16
18	Breakdown of Total Annual Dividend	16
19	Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder	16

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

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

	Fourth Quarter Ended 31 December			Change %	Financial Year Ended 31 December		
	2013 S\$'000	2012 S\$'000			2013 S\$'000	2012 S\$'000	Change %
<b>Revenue</b>	110,806	91,849	21	331,332	213,501	55	
Cost of sales	(101,273)	(79,649)	27	(299,770)	(185,427)	62	
<b>Gross profit</b>	<b>9,533</b>	<b>12,200</b>	(22)	<b>31,562</b>	<b>28,074</b>	12	
Other income	408	(103)	496	743	781	(5)	
Other gains, net	(1)	1,579	(100)	26	1,579	(98)	
<b>Expenses</b>							
Administrative	(1,198)	(1,511)	(21)	(7,205)	(4,508)	60	
Marketing	(12)	-	NM	(13)	-	NM	
Finance	-	(31)	(100)	(59)	(218)	(73)	
Other operating	(197)	(122)	61	(547)	(439)	25	
Share of profit (net of tax) of joint ventures	327	232	41	2,993	414	623	
<b>Profit before income tax</b>	<b>8,860</b>	<b>12,244</b>	(28)	<b>27,500</b>	<b>25,683</b>	7	
Income tax expense	(748)	(1,399)	(47)	(3,463)	(3,656)	(5)	
<b>Net profit</b>	<b>8,112</b>	<b>10,845</b>	(25)	<b>24,037</b>	<b>22,027</b>	9	
Other comprehensive income, net of tax	(1)	-	-	(1)	-	-	
<b>Total comprehensive income</b>	<b>8,111</b>	<b>10,845</b>	(25)	<b>24,036</b>	<b>22,027</b>	9	
<b>Net profit and total comprehensive income attributable to:</b>							
Equity holders of the Company	8,111	10,845	(25)	24,036	22,027	9	

NM : Not meaningful

Notes to the consolidated statement of comprehensive income

	Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
<b>(I) Other income</b>				
Income from sale of materials	37	79	58	190
Interest income	36	(214) <sup>1</sup>	83	157
Service income	84	11	178	146
Rental income	68	10	103	39
Others	183	11	321	249
	<b>408</b>	<b>(103)</b>	<b>743</b>	<b>781</b>

<sup>1</sup> Negative balance is due to a reversal of interest income recognised in prior quarter amounting to S\$0.3 million during the fourth quarter ended 31 December 2012.

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Notes to the consolidated statement of comprehensive income (continued)

	Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
<b>(II) Other gains, net</b>				
Fair value gain on investment property	-	1,621	-	1,621
(Loss)/gain on disposal of property, plant and equipment	-	(42)	21	(42)
Foreign exchange (loss)/gain	(1)	-	5	-
	<u>(1)</u>	<u>1,579</u>	<u>26</u>	<u>1,579</u>
<b>(III) Profit before income tax is arrived at after (charging)/crediting:</b>				
Amortisation of intangible assets	(5)	(3)	(18)	(20)
Depreciation of property, plant and equipment	(410)	(249)	(1,260)	(953)
Write back of/(allowance for) impairment loss on trade receivables, net	79	(12)	79	(23)
Bad debts written off	(89)	-	(89)	-
(Loss)/gain on disposal of property, plant and equipment, net	-	(42)	21	(42)
Share issue expenses <sup>1</sup>	-	(629)	(889)	(629)
	<u>-</u>	<u>(629)</u>	<u>(889)</u>	<u>(629)</u>
<b>(IV) Finance expenses</b>				
Interest expenses				
- Bank loans	-	(17)	(34)	(128)
- Finance lease liabilities	-	(10)	(25)	(45)
- Borrowings from immediate holding company	-	-	-	(41)
- Others	-	(4)	-	(4)
	<u>-</u>	<u>(31)</u>	<u>(59)</u>	<u>(218)</u>
<b>(V) Income tax expense</b>				
Tax expense attributable to profit is made up of :				
Profit from current financial period/year:				
- current income tax	(731)	(1,465)	(3,280)	(3,751)
- deferred income tax	7	147	(159)	176
	<u>(724)</u>	<u>(1,318)</u>	<u>(3,439)</u>	<u>(3,575)</u>
Over/(under) provision in prior financial period/year:				
- current income tax	172	(85)	172	(85)
- deferred income tax	(196)	4	(196)	4
	<u>(748)</u>	<u>(1,399)</u>	<u>(3,463)</u>	<u>(3,656)</u>

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

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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>
	31/12/2013 S\$'000	31/12/2012 S\$'000	31/12/2013 S\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	75,956	5,267	30,927
Trade and other receivables	55,890	47,773	20,707
Other current assets	2,752	852	17
	<u>134,598</u>	<u>53,892</u>	<u>51,651</u>
Investment property classified as held-for-sale	-	2,466	-
	<u>134,598</u>	<u>56,358</u>	<u>51,651</u>
<b>Non-current assets</b>			
Trade and other receivables	12,459	9,117	-
Investments in subsidiaries	-	-	17,270
Investment in joint ventures	3,026	1,220	-
Property, plant and equipment	11,377	4,724	-
Intangible assets	74	41	-
	<u>26,936</u>	<u>15,102</u>	<u>17,270</u>
<b>Total assets</b>	<b><u>161,534</u></b>	<b><u>71,460</u></b>	<b><u>68,921</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	83,168	48,974	1,833
Current income tax liabilities	3,376	3,934	10
Borrowings	-	1,242	-
Provision for other liabilities	1,001	962	-
	<u>87,545</u>	<u>55,112</u>	<u>1,843</u>
<b>Non-current liabilities</b>			
Borrowings	-	350	-
Deferred income tax liabilities	853	498	-
	<u>853</u>	<u>848</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>88,398</u></b>	<b><u>55,960</u></b>	<b><u>1,843</u></b>
<b>NET ASSETS</b>	<b><u>73,136</u></b>	<b><u>15,500</u></b>	<b><u>67,078</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)	-	-
Currency translation reserve	(1)	-	-
Retained profits	16,717	-	9,588
<b>TOTAL EQUITY</b>	<b><u>73,136</u></b>	<b><u>15,500</u></b>	<b><u>67,078</u></b>

<sup>1</sup> There is no comparative statement for the preceding financial year 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 FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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\$90.1 million from S\$71.5 million as at 31 December 2012 to S\$161.5 million as at 31 December 2013, arising mainly from:

- (1) Increase in cash and cash equivalents of S\$70.7 million as explained in the Consolidated Statement of Cash Flows.
- (2) Increase in current trade and other receivables of S\$8.1 million mainly due to the increase in progress billings for a construction project as the project progresses.
- (3) Increase in other current assets of S\$1.9 million mainly due to S\$1.8 million of deposits placed for the purchases of cranes as at 31 December 2013.
- (4) Increase in non-current trade and other receivables of S\$3.3 million mainly due to the increase in retention receivable held by customers as the projects progress.
- (5) Increase in investment in joint ventures of S\$1.8 million due to share of profit of joint ventures recognised during the financial year ended 31 December 2013 ("FY2013").
- (6) Increase in property, plant and equipment of S\$6.7 million mainly due to the purchases of fixed assets amounting to S\$7.9 million, partially offset by depreciation of S\$1.3 million.

The increase in total assets was partially offset by decrease in investment property classified as held-for-sale of S\$2.5 million due to the sale of our investment property at Jalan Lokam during FY2013.

Total liabilities increased from S\$56.0 million as at 31 December 2012 to S\$88.4 million as at 31 December 2013 mainly due to the increase in trade and other payables of S\$34.2 million, partially offset by a decrease in borrowings of S\$1.6 million.

The increase in trade and other payables of S\$34.2 million is mainly attributable to higher volume of purchasing activities during FY2013 and the accrual of sub-contractor progress claims in December 2013.

The decrease in total borrowings of S\$1.6 million is due to the full repayment of the Group's term loans and hire purchase liabilities during FY2013.

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

Amount repayable in one year or less, or on demand

As at 31 December 2013		As at 31 December 2012	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	1,242	-

Amount repayable after one year

As at 31 December 2013		As at 31 December 2012	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	350	-

**Details of any collaterals**

- (1) The loan due to a financial institution, amounting to S\$1.2 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 year.
- (2) Finance lease liabilities of S\$0.4 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 year.

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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

	Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
<b>Cash flows from operating activities</b>				
Net profit	8,112	10,845	24,037	22,027
Adjustments for:				
- Amortisation and depreciation	415	252	1,278	973
- Fair value gain on investment property	-	(1,621)	-	(1,621)
- Finance expense	-	31	59	218
- Interest income	(36)	214	(83)	(157)
- Income tax expense	748	1,399	3,463	3,656
- Share issue expenses	-	629	889	629
- Loss/(gain) on disposal of property, plant and equipment	-	42	(21)	42
- Share of profit of joint ventures	(327)	(232)	(2,993)	(414)
<b>Operating cash flows before working capital changes</b>	<b>8,912</b>	<b>11,559</b>	<b>26,629</b>	<b>25,353</b>
Changes in working capital				
- Trade and other receivables	(2,439)	(14,160)	(11,459)	(194)
- Other current assets	747	(324)	(1,900)	(555)
- Trade and other payables	29,760	1,352	34,194	(13,270)
- Provision for other liabilities	17	(350)	39	(40)
<b>Cash generated from/(used in) operations</b>	<b>36,997</b>	<b>(1,923)</b>	<b>47,503</b>	<b>11,294</b>
Income tax paid	(422)	(115)	(3,666)	(912)
<b>Net cash provided by/(used in) operating activities</b>	<b>36,575</b>	<b>(2,038)</b>	<b>43,837</b>	<b>10,382</b>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(2,473)	(215)	(7,918)	(616)
Purchases of intangible assets	(6)	(6)	(51)	(15)
Proceeds from sale of property, plant and equipment	-	19	26	47
Proceeds from sale of investment property	-	-	2,466	-
Proceeds from sale of intangible assets	-	47	-	47
Dividends received from a joint venture	-	-	1,187	-
Repayment of loans by a joint venture	-	-	-	931
Interest received	36	(214)	83	157
Loans due from immediate holding company	-	3,539	-	(6,971)
<b>Net cash (used in)/provided by investing activities</b>	<b>(2,443)</b>	<b>3,170</b>	<b>(4,207)</b>	<b>(6,420)</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	-	(257)	(1,338)	(7,010)
Proceeds from loans due to immediate holding company	-	1,944	-	16,562
Repayment of loans due to immediate holding company	-	(1,000)	-	(16,430)
Repayments of finance lease liabilities	-	(100)	(254)	(441)
Dividends paid to equity holders of the Company	-	-	(7,320)	-
Interest paid	-	(33)	(59)	(220)
<b>Net cash provided by/(used in) financing activities</b>	<b>-</b>	<b>554</b>	<b>31,060</b>	<b>(2,539)</b>
<b>Net increase in cash and cash equivalents</b>	<b>34,132</b>	<b>1,686</b>	<b>70,690</b>	<b>1,423</b>
Cash and cash equivalents at beginning of financial period/year	41,825	3,581	5,267	3,844
Effects of currency translation on cash and cash equivalents	(1)	-	(1)	-
<b>Cash and cash equivalents at end of financial period/year</b>	<b>75,956</b>	<b>5,267</b>	<b>75,956</b>	<b>5,267</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>75,956</b>	<b>5,267</b>	<b>75,956</b>	<b>5,267</b>
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UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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Operating Activities

For the fourth quarter ended 31 December 2013 ("4QFY2013"), the net cash inflow from operating activities amounted to S\$36.6 million as compared to net cash outflow of S\$2.0 million in the comparative quarter. The significant cash inflow from operating activities in 4QFY2013 was mainly attributed to the changes in working capital for trade and other payables. Trade and other payables increased in 4QFY2013 as compared to fourth quarter ended 31 December 2012 ("4QFY2012") mainly due to higher volume of purchasing activities in FY2013 and the accrual of sub-contractor progress claims in December 2012.

For FY2013, the cash inflow from operating activities amounted to S\$43.8 million as compared to net cash inflow of S\$10.4 million in financial year ended 31 December 2012 ("FY2012"), due to the increase in trade and other payables as explained in the above.

Investing Activities

For 4QFY2013, cash outflow from investing activities was mainly attributed to the purchases of property, plant and equipment which amounted to S\$2.5 million.

For FY2013, the cash outflow from investing activities was mainly attributed to the purchases of property, plant and equipment amounted to S\$7.9 million which was partially offset by the proceeds from the sale of investment property at Jalan Lokam amounted to S\$2.5 million, as well as the dividends received from our joint venture - Solstice Development Pte. Ltd. which amounted to S\$1.2 million.

Financing Activities

For 4QFY2013, cash inflow from financing activities declined from S\$0.6 million in 4QFY2012 to S\$Nil in 4QFY2013. The decline is due to the absence of proceeds from loans from immediate holding company in 4QFY2013.

The Group generated cash inflows from financing activities of S\$31.1 million in FY2013 as compared to a cash outflow of S\$2.5 million in FY2012, due to net proceeds raised from the Group's IPO in May 2013, which was partially offset by interim dividends payments of S\$7.3 million in aggregate and repayment of bank loans and hire purchase liabilities.

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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	Currency Translation Reserve	Retained Profits	Equity attributable to the owners of the Company
	S\$'000	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 <sup>1</sup>	(15,500)	-	-	-	(15,500)
Issuance of shares pursuant to the Restructuring Exercise <sup>1</sup>	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>2</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 relating to 2013 paid	-	-	-	(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>
Total comprehensive income for the period	-	-	(1)	8,112	8,111
<b>Balance as at 31 December 2013</b>	<b>57,490</b>	<b>(1,070)</b>	<b>(1)</b>	<b>16,717</b>	<b>73,136</b>
<b>Balance as at 1 January 2012<sup>3</sup></b>	<b>15,500</b>	-	-	<b>19,942</b>	<b>35,442</b>
Total comprehensive income for the period <sup>3</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>3</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 <sup>3</sup>	-	-	-	5,601	5,601
<b>Balance as at 30 September 2012</b>	<b>15,500</b>	-	-	<b>31,124</b>	<b>46,624</b>
Total comprehensive income for the period <sup>3</sup>	-	-	-	10,845	10,845
Dividends relating to 2012 paid	-	-	-	(41,969)	(41,969)
<b>Balance as at 31 December 2012</b>	<b>15,500</b>	-	-	-	<b>15,500</b>

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Company <sup>4</sup>	Share Capital	Retained Profits	Equity attributable to the owners of the Company
	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 <sup>1</sup>	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>
Total comprehensive income for the period	-	8,128	8,128
<b>Balance as at 31 December 2013</b>	<b>57,490</b>	<b>9,588</b>	<b>67,078</b>

**Note:**

<sup>1</sup> Pursuant to a share transfer agreement entered into between the Company and Soilbuild Group Holdings Ltd. on 6 May 2013 ("Share Transfer Agreement"), the Company acquired the entire issued share capital of Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. for a consideration of approximately S\$16.6 million which was met by the allotment and issue of 15,499,999 new shares to Soilbuild Group Holdings Ltd. The consideration for the acquisition of the entire issued share capital of Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. was agreed based on the aggregate net asset value of Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. of approximately S\$16.6 million as of 30 April 2013. Such acquisition was completed on 6 May 2013.

<sup>2</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 the above.

<sup>3</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>4</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 FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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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.

**1. Share Capital**

During 4QFY2013, no shares were issued or acquired by the Company. The share capital of the Company as at 31 December 2013 comprised 664,000,000 ordinary shares (31 December 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 31 December 2013.

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

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 31 December 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 31 December 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 fourth quarter ended 31 December 2013 and 31 December 2012, full year ended 31 December 2013 and 31 December 2012 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 Restructuring Exercise 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 on the date which the Restructuring Exercise was completed is the retained profits of Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd.. The resulting differences as at the date which the Restructuring Exercise was completed are recognised separately as a component of equity.

(iv) All significant intra-group transactions and balances have been eliminated on combination.

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.

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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			
	Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
	2013	2012	2013	2012
(a) Based on the weighted average number of ordinary shares in issue (cents per share)	1.22	2.19	4.02	4.44
- Weighted average number of ordinary shares ('000)	664,000	496,000	598,462	496,000
(b) On a fully diluted basis (cents per share)	1.22	2.19	4.02	4.44
- Adjusted weighted average number of ordinary shares ('000)	664,000	496,000	598,462	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/year. The weighted average number of shares has been adjusted for the Share Split (as mentioned in the Prospectus of the Company), as if the Share Split had occurred at the beginning of the respective periods/years.
- (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	
	31/12/2013	31/12/2012	31/12/2013	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/year				
Net asset value per ordinary share (cents)	11.01	100.00	10.10	-
Total number of shares in issue <sup>1</sup> ('000)	664,000	15,500	664,000	-

<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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UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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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) **4QFY2013 vs 4QFY2012**

For 4QFY2013, the Group achieved a net profit of S\$8.1 million compared to net profit of S\$10.8 million reported in the comparative quarter.

Revenue & Gross Profit

For the period under review, the Group's revenue grew by 21% from S\$91.8 million in 4QFY2012 to S\$110.8 million in 4QFY2013, while the gross profit decreased from S\$12.2 million in 4QFY2012 to S\$9.5 million in 4QFY2013.

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

- Lavender project (mixed use development at Lavender Street/Kallang Avenue).
- Bukit Batok BizHub project (industrial development at Bukit Batok Street 23).
- Northview Bizhub BizHub project (industrial development at Yishun Avenue 9).
- Mandai Connection project (ramp-up industrial development at Mandai Link), and
- Changi Business Park Vista project (research and development building at Changi Business Park)

No revenue has been recognised in respect of the Bukit Batok BizHub, Northview Bizhub, Mandai Connection and Changi Business Park Vista 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 4QFY2013 from the Northspring BizHub project (ramp up industrial development at Yishun Street 23), as well as the absence in revenue contributions from projects which have been completed in the earlier periods.

Gross profit margin declined from 13.3% in 4QFY2012 to 8.6% in 4QFY2013. The higher gross profit margin in 4QFY2012 was attributable to the recording of profit recognised on variation orders for several projects completed in the prior periods. In addition, gross profit margin recognised for the Angullia Park project in 4QFY2013 declined as compared to the comparative period due to additional construction cost incurred for the project as a result of the extension of the construction period for additional works.

Other Income

Other income increased by S\$0.5 million mainly due to the increase in service income, rental income in 4QFY2013, as well as the effect of reversal of interest income in 4QFY2012 amounting to of S\$0.3 million which was recognised in the earlier part of FY2012.

Other gains

The decrease in other gains of S\$1.6 million is mainly due to the absence of fair value gain on the investment property at Jalan Lokam. This investment property had been disposed in FY2013.

Administrative Expenses

Administrative expenses decreased by S\$0.3 million from S\$1.5 million in 4QFY2012 to S\$1.2 million in 4QFY2013 mainly due to the absence of IPO expenses in 4QFY2013 which amounted to S\$0.6 million in 4QFY2012. The decrease in administrative expenses was partially offset by the increase in statutory and compliance expenses following the IPO of the Company as well as the increase in other administration expenses due to more business activities.

Finance Expenses

Finance expenses reduced from S\$0.03 million in 4QFY2012 to S\$Nil in 4QFY2013 following the full repayment of the Group's borrowings during FY2013.

Other Operating Expenses

The increase in other operating expenses in 4QFY2013 was due mainly to higher travelling expenses which was resulted from the Group's expansion of business to other Asian countries including Myanmar.

Share of Profit of Joint Ventures

The Group recognised S\$0.3 million in share of profit of its joint ventures in 4QFY2013, which was mainly contributed from Forte Builder Pte. Ltd., a joint venture in which the Group owns 50% equity interest.

Income Tax Expense

The lower income tax expenses for 4QFY2013 is due mainly to the utilisation of tax benefits available to the Group.

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**UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

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**Full year ended 31 December 2013 ("FY2013") vs full year ended 31 December 2012 ("FY2012")**

For the FY2013, the Group recorded a net profit of S\$24.0 million which represented a growth of 9% from the net profit of S\$22.0 million recognised in the corresponding year.

**Revenue & Gross Profit**

The increase in net profit was driven principally by higher revenue and gross profit recognised in FY2013.

The Group's revenue grew by 55% from S\$213.5 million in FY2012 to S\$331.3 million in FY2013. Gross profit also increased correspondingly from S\$28.1 million in FY2012 to S\$31.6 million in FY2013.

The increase in revenue mainly arose from higher revenue contributed by the Lavender project as the project progressed faster in FY2013 as compared to FY2012 and the maiden recognition of revenue in respect of the Changi Business Park Vista, Mandai Connection, Bukit Batok BizHub and Northview Bizhub projects.

The revenue growth were partially offset by lower revenue contributions in FY2013 from the Northspring BizHub as well as the absence in revenue contributions from projects which have been completed in the earlier year.

Despite the higher revenue, gross profit margin declined from 13% in FY2012 to 9.5% in FY2013. The higher gross profit margin in FY2012 was mainly attributable to the recognition of variation orders for the West Park BizCentral project (light industrial development at Tanjong Kling) following the finalisation of the project account with the customer and higher gross profit for a residential project in FY2012.

**Other Income**

Other income decreased by S\$38.0k in FY2013 as compared to FY2012 mainly due to the decrease in:

- income from the sale of scrap materials;
- interest income;

which were partially offset by the increase in service and rental income.

**Other gains**

Other gains in FY2012 mainly pertain to the fair value gain on investment property. The reason for the decrease in other gains is set out in the 4QFY2013 vs 4QFY2012 analysis above.

**Administrative expenses**

Administrative expenses for the FY2013 rose by S\$2.7 million when compared with the corresponding year mainly due to the increase in share issue expenses, directors' remuneration, professional fees, fixed asset expenses, rental expenses and staff payroll as a result of the increase in business activities.

**Finance Expenses**

The decline in finance expenses from S\$0.2 million in FY2012 to S\$59k in FY2013 is attributable mainly to the full repayment of the Group's borrowings in FY2013.

**Other Operating Expenses**

Other operating expenses increased by S\$108k during FY2013, mainly due to higher travelling expenses, which in turn was resulted from the Group's expansion of business to other Asian countries including Myanmar.

**Share of Profit of Joint Ventures**

The Group's share of profits of joint ventures increased significantly in FY2013 mainly due to its share of higher profits recognised by Solstice Development Pte. Ltd., following the completion of its fully sold development project, Solstice Business Center. Share of profits in Forte Builder Pte. Ltd., which is the main contractor for the Anguilla Park project, also increased due to the significant progress in its stage of completion in FY2013.

**Income Tax Expense**

After adjusting for the Group's share of profits of joint ventures, which are reported net of tax, the Group's effective tax rate for FY2013 and FY2012 of 14.1% and 14.5% respectively are lower than the Singapore statutory tax rate due to the reasons set out in the 4QFY2013 vs 4QFY2012 analysis above.

**UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

**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 the advance estimates released by the Ministry of Trade and Industry Singapore on 2 January 2014, the Singapore economy grew by 4.4% on a year-on-year basis in the fourth quarter of 2013, compared to 5.9% in the preceding quarter. The construction sector grew by 4.7% on a year-on-year basis, compared to 5.8% in the preceding quarter. The slowdown in construction sector was primarily due to a moderation in the growth of private sector construction activities.

Meanwhile, the Building & Construction Authority announced on 9 January 2014 that the construction demand for 2014 will remain strong. Driven by strong public housing demand and anticipated higher construction demand for institutional developments and major infrastructure projects (consist mainly of civil engineering construction works), the contracts for the built environment industry could reach between S\$31 billion and S\$38 billion in 2014. The private sector demand is expected to be moderate in 2014 as a result of the Government's multi-pronged approach to stabilize the property market. The total construction demand reached a historical high of S\$35.8 billion in 2013.

Moving forward, the Group will continue to leverage on its strength in construction capability to secure new contracts that will further strengthen the Group's market position in both the public and private sectors covering industrial and commercial projects, as well as residential projects that include the public housing projects under the HDB. Since the IPO of the Group in May 2013, the Group had secured four (4) industrial projects with contract value of approximately S\$118.8 million. The Group will continue to participate in various project tenders which the Group believes it is in a good position for the award. It is also part of the cumulative Group's strategies to venture into civil engineering works in the near future, to tap on the increasing demand for the infrastructure works.

On the Myanmar front, the Group has secured several contracts to provide professional consultancy and project management services for residential development. It will continue to seek new opportunities to further strengthen its presence there, whilst exploring similar opportunities in other South East Asian countries.

As at 31 December 2013, the Group's order books amounted to S\$323.0 million, which the Group expects to complete substantially in the next 12-24 months. Subsequent to 31 December 2013, the Group had secured 2 construction contracts amounting in aggregate to S\$83.4 million as announced separately on 2 January 2014 and 11 February 2014 respectively and 2 project management service agreements for 2 clients in Myanmar with total value of approximately S\$1.0 million.

On the operation aspects, the Group is expected to continue to face the challenge of rising construction and operating costs. The Group will continue to monitor its operating cost structure to ensure its profitability by enhancing construction productivity and efficiency.

**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:	Final (one tier)
Dividend Type:	Cash
Dividend Amount per share:	S\$0.005
Tax Rate:	Tax-exempt

Name of Dividend:	Special (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**

Please refer to item 18.

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

To be announced at a later date.

**(d) Books closure date**

To be announced at a later date.

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

Not applicable.

**UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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>Transactions during 4QFY2013</u>		
<u>Soilbuild Group Holdings Ltd.</u>		
Rental of office premises	-	672

**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 As At 31 December 2013 S\$'000	Amount Unused As At 31 December 2013 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	5,800	18,600
	39,400	11,900	27,500

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 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable as the Group has only one business segment.

**16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable as explained in paragraph 15 above.

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

17 A breakdown of sales

	The Group			
	Financial year ended 31 December 2013 S\$'000	Financial year ended 31 December 2012 S\$'000	Increase/(Decrease)	
			S\$'000	%
(a) Revenue reported for first half year	135,990	63,080	72,910	116%
(b) Operating profit after taxation reported for the first half year	9,609	5,581	4,028	72%
(c) Revenue reported for second half year	195,342	150,421	44,921	30%
(d) Operating profit after taxation reported for the second half year	14,428	16,446	(2,018)	(12%)

18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	Financial year ended 31 December 2013 S\$'000	Financial year ended 31 December 2012 S\$'000
Interim dividends*	7,320	41,969
Proposed final dividend**	3,320	-
Proposed special dividend**	3,320	-
<b>Total</b>	<b>13,960</b>	<b>41,969</b>

\*Interim dividends for the financial year ended 31 December 2012 represents interim dividends paid by Soil-Build (Pte.) Ltd of S\$2.43 per share for 15,000,000 shares, SB Procurement Pte. Ltd of S\$5.99 per share for 500,000 shares and SB Project Services Pte. Ltd of S\$2,504,000 per share for 1 share.

Interim dividends for the financial year ended 31 December 2013 represents an interim dividend amounted to S\$4.0 million paid to the shareholder prior to the IPO of the Company and an interim dividend amounted to approximately S\$3.3 million paid to the shareholders on 21 August 2013.

\*\*Represents the proposed ordinary dividend of S\$0.005 per share and special dividend of \$0.005 per share for 664,000,000 issued shares as at the date of this announcement. The payment of the proposed final and special dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

For and on behalf of the Board of Directors,

Lim Chap Huat  
Executive Chairman

Ho Toon Bah  
Executive Director

13 February 2014

*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.*