



**MEDIA STATEMENT**

**Soilbuild Construction delivers 1QFY2014 revenue growth of 28.0% to S\$87.3 million on strong construction activity for five key projects**

- Net profit rose by 4.0% to S\$3.9 million
- Robust order book of S\$356.3 million to date, expected to be completed substantially over next 12-24 months
- Cash and cash equivalents of S\$71.3 million with no borrowings

**Singapore, 30 April 2014** – Soilbuild Construction Group Ltd. (“The Group” or “Soilbuild”), a BCA A1-graded construction group with over 37 years of experience is pleased to announce that for the first quarter ended 31 March 2014 (“1QFY2014”), its revenue recorded a 28% year-on-year (“yoy”) increase to S\$87.3 million due to revenue recognition in line with the progress of five key construction projects. Net profit, despite being affected by additional construction costs for a particular project which was completed in early April 2014, also improved 4.0% yoy to S\$3.9 million.

<b>GROUP’S FINANCIAL HIGHLIGHTS</b>			
<b>S\$' million</b>	<b>1Q2014</b>	<b>1Q2013</b>	<b>Change (%)</b>
<b>Revenue</b>	87.4	68.1	28
<b>Gross Profit</b>	6.3	6.0	5
<b>Net profit</b>	3.9	3.7	4

“We are pleased to report revenue and profit growth despite the industry wide challenges faced by our sector. Our multi-disciplinary track record and exposure in residential, industrial and business parks construction for both public and private sectors continue to bolster our growth. In addition, we provide value-add to our clients with our extensive suite of construction services.

Going forward, we will remain focused in streamlining our business operations and exercise prudence in our cost management efforts in order to offset the rising labour costs and government regulations.”

**Mr Ho Toon Bah**  
**Executive Director of Soilbuild Construction Group**

## **Financial Review**

The Group's increase in revenue during the quarter reported was largely contributed by revenue recognized from five construction projects: Lavender, Ang Mo Kio HDB, Bukit Batok BizHub, Mandai Connection and Northview BizHub.

While the Group achieved an increase in revenue and gross profit, gross profit margin declined from 8.8% in 1QFY2013 to 7.2% in 1QFY2014. This is mainly due to additional construction costs incurred from extending the construction period of a project for additional works. The particular project had been completed in early April 2014.

Administrative expenses rose by S\$0.2 million to S\$2.0 million for 1QFY2014 as compared to the previous corresponding quarter following the increase in staff salaries, directors' remuneration, rental expense and professional fees.

As at 31 March 2014, the Group has cash and cash equivalents amounting to S\$71.3 million and no borrowings.

## **Outlook**

Based on the advanced estimates released by the Ministry of Trade and Industry Singapore on 14 April 2014, the Singapore economy grew by 5.1% on a yoy basis in the first quarter of 2014, compared to 5.5% in preceding quarter. The construction sector grew by 6.5% on a yoy basis, compared to 4.8% in the preceding quarter largely due to stronger expansion in public sector construction activities. The trend is substantially in line with the announcement by the Building and Construction Authority on 9 January 2014 that the construction demand for 2014 will remain strong.

Mr Ho added, "We will continue to leverage our construction expertise and network to seek out additional contract prospects. The Group's order book currently stands at S\$356.3 million, and we expect to complete a substantial part of this over the next 12-24 months.

In the meantime, the Group will continue to look for potential to further build our presence within Myanmar and other countries in South East Asia."

**The End**

*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 Media Statement.*

### **About Soilbuild Construction Group Ltd.:**

Soilbuild Construction is a general construction company with over 37 years of experience during which the Group has handled a wide range of projects, from residential buildings to conservation houses, schools, churches, industrial buildings and business parks. Soil-Build (Pte.) Ltd. (Soil-Build), a subsidiary of the Group, is graded A1 by Singapore's Building and Construction Authority, and has acted as the main contractor for projects which have won architectural and environmental awards over the years.

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