



MEDIA STATEMENT

Soilbuild Construction posts net profit of S\$4.0 million for 3QFY2014 while order book increased by 57.8% from a year ago

- Revenue declined by 26.4% to S\$62.2 million and gross profit margin remained stable at 10.6%
- Robust order book of S\$666.0 million to date, an increase of 57.8% when compared with order book as at 30 September 2013. The current order book is expected to be completed and recognised substantially over next 24 months

Singapore, 31 October 2014 – Soilbuild Construction Group Ltd. (“The Group” or “Soilbuild”), a BCA A1-graded construction group with over 38 years of experience, announced today that for the third quarter ended 30 September 2014 (“3QFY2014”), its revenue decreased by S\$22.3 million or 26.4% to S\$62.2 million. The net profit of the Group for 3QFY2014 decreased by S\$2.3 million or 36.3% to S\$4.0 million. The decline in revenue and net profit was due mainly to completion of major construction projects in 2014 while contributions from the newly secured construction projects in 2014 will commence in 4QFY2014.

Financial highlights	3Q2014	3Q2013	Change	9M2014	9M2013	Change
S\$'000			(%)			(%)
Revenue	62,213	84,536	(26.4)	217,281	220,526	(1.5)
Gross Profit	6,605	9,447	(30.1)	21,109	22,029	(4.2)
Net Profit	4,026	6,316	(36.3)	13,131	15,925	(17.5)
Gross Profit Margin	10.6%	11.2%	(0.6)	9.7	10.0	(0.3)

“The Group saw a decline in both revenue and net profit for the current quarter under review, which was due mainly to the cyclical operating effect where the Group completed certain construction projects in 2014 while revenue and profits from newly secured construction will only be recognised as the construction activities progress. The Group is pleased to have achieved a remarkable increase in its order book and we will continue to focus on strengthening internal capabilities to execute and deliver the current construction projects on-hand to our clients efficiently and profitably.”

Mr Ho Toon Bah

Executive Director of Soilbuild Construction Group

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.

Financial Review

The Group's main revenue contributors for 3QFY2014 were from five construction projects: Mandai Connection project, Bukit Batok HDB project, Xin Ming Hua project, Ang Mo Kio HDB project and Rigel project. The revenue contributed by Lavender project and Tampines HDB project had substantially reduced in 3QFY2014 due to the completion of these projects.

With the decrease in revenue for 3QFY2014, the Group's gross profit had also decreased by 30.1% from S\$9.4 million to S\$6.6 million while gross profit margin remained stable at 10.6% in the same quarter.

Administrative expenses decreased by S\$0.2 million to S\$2.0 million in 3QFY2014 attributable to the lower recruitment and computer equipment expenses.

Other income increased by S\$0.2 million to S\$0.3 million in 3QFY2014 due mainly to increase in rental income, interest income and service income.

Outlook

Based on the advance estimates released by the Ministry of Trade and Industry Singapore on 14 October 2014, the Singapore economy has grown 2.4% on a year-on-year ("yoy") basis in the third quarter of 2014, the same pace of growth as in the preceding quarter. The construction sector grew by 1.4% on a yoy basis, compared to 4.1% in the preceding quarter largely due to a slowdown in private sector construction activities.

On the operation aspect, following the award of the S\$47.6 million for the construction of a hospice at Thomson Road in 3QFY2014, the Group's order book was strengthened to S\$666.0 million to date and is expected to be completed and recognised substantially over next 24 months.

The End

About Soilbuild Construction Group Ltd.:

Soilbuild Construction is a general construction company with over 38 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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