



MEDIA STATEMENT

Soilbuild Construction posts net profit of S\$5.6 mil for 4QFY2015

- **S\$18.6 mil net profit for FY2015 full year**
- **Order book stood at S\$639.0 mil**
- **Proposes final dividend of 0.5 Singapore cent per share and special dividend of 1.0 Singapore cent per share, bringing total cash dividend for FY2015 to 2.0 Singapore cents per share**

Singapore, 24 February 2016 – Soilbuild Construction Group Ltd. (“The Group” or “Soilbuild”), a BCA A1-graded construction group with nearly 40 years of experience, today reported that it has achieved a net profit of S\$18.6 million for the full year ended 31 December 2015 (“FY2015”).

Financial highlights S\$'000	4Q2015	4Q2014	Change (%)	FY2015	FY2014	Change (%)
Revenue	98,021	67,968	44.2	328,270	285,249	15.1
Gross Profit	8,051	10,066	(20.0)	30,619	31,175	(1.8)
Net Profit	5,579	7,756	(28.1)	18,562	20,887	(11.1)
Gross Profit Margin	8.2%	14.8%	(6.6%)	9.3%	10.9%	(1.6%)

Financial Review

The Group saw an increase in revenue of 15.1% to S\$328.3 million in FY2015, contributed by progressive revenue recognised from various major construction projects including 2 Housing & Development Board’s construction projects and 3 industrial building projects.

Although there was an increase in revenue for FY2015, the Group’s gross profit decreased by 1.8% as a result of higher revenue recognised for projects that generated relatively lower profit margins, in line with the construction progress scheduled for the projects. The gross profit margin was 9.3% in FY2015 as compared with 10.9% in FY2014.

The Group’s net profit for FY2015 decreased by S\$2.3 million or 11.1% from the corresponding year mainly due to the lower gross profit recognised and an increase in administrative expenses of S\$1.2 million. The higher administrative expenses was attributable to an increase in employee remuneration that comprise staff salaries and share-based compensation expenses.

“The results for FY2015 was achieved amidst a challenging operating environment in the local market. We remain cautiously optimistic that the Group will remain profitable for the current financial year ending 31 December 2016 in view of the Group’s current order book on hand and the progressive execution of these construction projects.

The Group’s order book stood at S\$639.0 million to-date, with a well-balanced contract portfolio covering both private and public sectors. In particular, the Group’s progress in its foray into the local civil works sector as well as the construction business in Myanmar is noteworthy. In FY2015, the Group secured 2 civil works projects from the Land & Transport Authority, Singapore, and a construction project in Myanmar. The Group will strive to secure more of these projects in FY2016.

On the back of its stable financial position, the board of directors is pleased to recommend a final dividend of 0.5 Singapore cent per share and a special dividend of 1.0 Singapore cent per share to reward shareholders. This will bring the full year cash dividend for FY2015 to 2.0 Singapore cent per share.

Mr Ho Toon Bah
Executive Director of Soilbuild Construction Group

Outlook

Based on advance estimates released by the Ministry of Trade and Industry Singapore on 4 January 2016, the Singapore economy grew by 2.0% on a year-on-year (“yoy”) basis in the fourth quarter of 2015, compared to 1.8% in the preceding quarter. The construction sector grew by 2.2% on a yoy basis, compared to 1.1% in the preceding quarter. The growth in the construction sector was supported mainly by public sector construction activities.

According to the Building & Construction Authority’s announcement on 15 January 2016, the total construction demand or the value of construction contracts to be awarded in 2016 is projected to be between S\$27 billion to S\$34 billion, with about 65% of the projected demand to be driven by public sector demand, particularly the expected increase in civil engineering demand. The private sector construction demand is anticipated to slowdown in 2016 due to less favourable economic conditions and an increased supply of completed private housing projects and offices.

Supported by the strong order book secured on hand, the Group believes that it is well positioned despite the challenging market outlook. It will continue to leverage on its experience and sharpen its operation discipline to further strengthen its order book and execute its existing contracts efficiently.

The End

About Soilbuild Construction Group Ltd.:

Soilbuild Construction is a general construction company with nearly 40 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 under CW01 (General Building) and A2 under CW02 (Civil Engineering) 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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