



MEDIA STATEMENT

Soilbuild Construction posts net profit of S\$2.2 mil for 2QFY2016

- **Progresses with business expansion in Myanmar**
- **Order book stood at S\$566.8 mil to-date**
- **Announces an interim dividend of 0.5 Singapore cents per share**

Singapore, 2 August 2016 – Soilbuild Construction Group Ltd. (the “Group” or “Soilbuild”), today reported that it has achieved a net profit of S\$2.2 million for the second quarter ended 30 June 2016 (“2QFY2016”).

Financial Highlights S\$'000	2QFY2016	2QFY2015	Change (%)
Revenue	105,315	81,627	29.0
Gross Profit	4,791	9,016	(46.9)
Net Profit	2,183	5,525	(60.5)
Gross Profit Margin	4.5%	11.0%	(6.5)

Financial Review

The Group recorded higher revenue during 2QFY2016 with the progressive revenue recognition from its on-going projects, which included Jalan Lam Huat project (multiple-user general industrial development at 60 Jalan Lam Huat), Yishun HDB project (public housing development at Yishun 4/Yishun Ring Road), Sembawang HDB project (public housing development at Sembawang), Ang Mo Kio HDB project (public housing development at Ang Mo Kio Avenue 3/Street 51), Pepperl + Fuchs project (global distribution center at Pioneer Turn), Goodwood Grand project (residential flat development at Balmoral Road) and Hospice project (development of hospice at Thomson Road).

The lower gross profit for 2QFY2016 reflected the recognition of revenue from projects that generated relatively lower profit margins, as well as increase in construction cost for certain projects during the quarter following extension of the construction period for these projects. Correspondingly, the Group’s net profit for 2QFY2016 decreased by S\$3.3 million to S\$2.2 million.

“The results for 2QFY2016 was driven primarily by the progressive completion of our current construction projects. The recent slowdown in the local construction sector will inevitably exert significant challenges to the Group’s efforts to secure new contracts. Nevertheless, the Group will continue to sharpen its cost monitoring and project management to enhance its competitiveness.

The Group will also step up on its planned business expansion into the Myanmar construction industry. As announced previously, the Group has secured 3 construction contracts to-date, totalling approximately US\$154.8 million. The Group is executing these contracts as planned, with contributions from these contracts expected to be recognised for second half year.

The Board of Director is pleased to announce an interim dividend of 0.5 Singapore cents per share to reward shareholders.”

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 14 July 2016, the Singapore economy grew by 2.2% on a year-on-year (“yoy”) basis in the second quarter of 2016, marginally higher than the 2.1per cent growth in the previous quarter. The construction sector grew by 2.7% on a yoy basis in the second quarter, easing from the 4.5 per cent growth recorded in the previous quarter. The moderation in growth in the construction sector was largely due to a slowdown in private sector construction activities.

The Group’s order book as at 30 June 2016 amounted to S\$566.8 million, which the Group expects to recognise substantially over the next 24 months.

The End

About Soilbuild Construction Group Ltd.:

Soilbuild Construction is a leading builder with a long and successful track record of constructing a sterling award-winning portfolio of residential and business space properties. Since its inception in 1976, Soilbuild charts 40 years of success in offering a full spectrum of real estate services which includes Design and Build, Construction, Turnkey Construction, Project Management Consultancy, Procurement and Mechanical & Electrical Installation. Soil-Build (Pte.) Ltd., a subsidiary of the Group, is A1-graded under CW01 (General Building) and A2-graded under CW02 (Civil Engineering) by the 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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