



MEDIA STATEMENT

Soilbuild Construction posts net profit of S\$2.2 mil for 3QFY2016

- **Remained profitable for 3QFY2016**
- **Encouraging progress in business expansion in Myanmar and local civil works contracts**
- **Order book stood at S\$470.6 mil to-date**

Singapore, 8 November 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 third quarter ended 30 September 2016 (“3QFY2016”).

Financial Highlights S\$'000	3QFY2016	3QFY2015	Change (%)
Revenue	102,444	78,203	31.0
Gross Profit	4,886	6,230	(21.6)
Net Profit	2,246	3,027	(25.8)
Gross Profit Margin	4.8%	8.0%	(3.2)

Financial Review

The Group recorded higher revenue during 3QFY2016 due to the progressive revenue contributions from its on-going local building projects carried forward from previous quarters, 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), Goodwood Grand project (residential flat development at Balmoral Road) and Hospice project (development of hospice at Thomson Road), as well as its construction contracts in Myanmar and the local civil works contracts.

The Group’s lower gross profit for 3QFY2016 reflected the recognition of revenue from its HDB projects that generated lower profit margins, as well as increase in construction cost for certain projects following the extension of construction period of these projects. Correspondingly, the Group’s net profit for 3Q FY2016 is lower at S\$2.2 million compared to S\$3.0 million reported in 3QFY2015.

“While the Group recorded a stable results for 3QFY2016, the Group is encouraged by its business progress in Myanmar where the existing projects have begun to contribute both revenue and profit to the Group’s results. The Group expects that these projects would contribute more revenue and profit in the near future as they progress further. On the business prospect, the Group will strike to secure more construction contracts in the Myanmar market by capitalising on its strength and experience.

In addition, the execution of the Group’s local civil works contracts have also contributed its maiden revenue and profit to the Group during the period under review. The Group will remain focus in executing these projects efficiently and continue to look out for new tender opportunities in the local market.”

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 October 2016, the Singapore economy grew by 0.6% on a year-on-year (“yoy”) basis in the third quarter of 2016, easing from the 2.0% growth in the previous quarter. Growth in the construction sector slowed marginally to 2.5% on a yoy basis, from 2.6% in the previous quarter. On a quarter-on-quarter basis, the sector expanded at an annualised rate of 0.5%, moderating from the 1.1% expansion in the preceding quarter.

The Group’s order book stood at S\$470.6 million to-date, of 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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