



SOILBUILD CONSTRUCTION GROUP LTD.
(Co Reg No. 201301440Z)

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UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Fourth Quarter Ended			Financial Year Ended		
	31 December		Change	31 December		Change
	2016	2015		2016	2015	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	89,380	98,021	(8.8)	399,647	328,270	21.7
Cost of sales	(84,031)	(89,970)	(6.6)	(377,316)	(297,651)	26.8
Gross profit	5,349	8,051	(33.6)	22,331	30,619	(27.1)
Gross profit margin	6.0%	8.2%	(2.2)	5.6%	9.3%	(3.7)
Other income	490	371	32.1	2,384	1,536	55.2
Other gains/(losses), net	514	(181)	NM	274	(179)	NM
Expenses						
Administrative	(1,632)	(2,254)	(27.6)	(8,587)	(9,723)	(11.7)
Marketing	(23)	(10)	130.0	(39)	(79)	(50.6)
Finance	(19)	-	NM	(33)	-	NM
Others	(485)	(467)	3.9	(1,947)	(1,052)	85.1
Share of profit of joint ventures	12	32	(62.5)	27	58	(53.4)
Profit before income tax	4,206	5,542	(24.1)	14,410	21,180	(32.0)
Income tax (expense)/credit	(725)	37	NM	(2,534)	(2,618)	(3.2)
Net profit	3,481	5,579	(37.6)	11,876	18,562	(36.0)
Other comprehensive income:						
Items that may be classified subsequently to profit or loss:						
Currency translation differences arising from consolidation	174	1	NM	65	54	20.4
Total comprehensive income	3,655	5,580	(34.5)	11,941	18,616	(35.9)
Total comprehensive income attributable to:						
Equity holders of the Company	3,655	5,580	(34.5)	11,941	18,616	(35.9)

NM : Not meaningful

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Notes to the consolidated statement of comprehensive income

	Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
(I) Other income				
Income from sale of materials	131	33	131	33
Interest income	10	9	45	222
Service income	142	203	668	471
Rental income	62	60	474	289
Others (including wage credit and grants received)	145	66	1,066	521
	490	371	2,384	1,536
(II) Other gains/(losses), net				
Gain/(Loss) on disposal of property, plant and equipment, net	9	(120)	(304)	(119)
Foreign exchange gains/ (losses)	505	(61)	578	(60)
	514	(181)	274	(179)
(III) Profit before income tax is arrived at after (charging)/crediting:				
Amortization of intangible assets	(16)	(17)	(68)	(56)
Depreciation of property, plant and equipment	(622)	(678)	(2,559)	(2,597)
Amortization of land lease prepayment	(222)	(222)	(888)	(222)
Gain/(loss) on disposal of property, plant and equipment, net	9	(120)	(304)	(119)
(IV) Income tax (expense)/credit				
Tax (expense)/credit attributable to profit is made up of:				
Profit from current financial period/year:				
- current income tax	(140)	284	(1,932)	(2,372)
- deferred income tax	(655)	(78)	(655)	(79)
	(795)	206	(2,587)	(2,451)
Over/(under) provision in prior financial period/year:				
- current income tax	223	(123)	206	(123)
- deferred income tax	(153)	(46)	(153)	(44)
	(725)	37	(2,534)	(2,618)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	32,830	6,721	5,312	228
Trade and other receivables	103,427	136,976	42,094	53,488
Other current assets	2,175	1,277	6,512	14
	138,432	144,974	53,918	53,730
Non-current assets				
Trade and other receivables	14,918	11,135	-	-
Other non-current assets	10,000	10,000	-	-
Investments in subsidiaries	-	-	23,270	19,770
Investments in joint ventures	2,784	2,774	-	-
Property, plant and equipment	23,474	17,217	-	-
Intangible assets	179	224	-	-
Land lease prepayment	25,535	26,423	-	-
	76,890	67,773	23,270	19,770
Total assets	215,322	212,747	77,188	73,500
LIABILITIES				
Current liabilities				
Trade and other payables	112,702	117,506	378	1,433
Current income tax liabilities	2,016	2,432	145	125
Provision for other liabilities	1,119	1,351	-	-
	115,837	121,289	523	1,558
Non-current liabilities				
Deferred income tax liabilities	1,394	585	-	-
Total liabilities	117,231	121,874	523	1,558
NET ASSETS	98,091	90,873	76,665	71,942
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	58,798	58,047	58,798	58,047
Capital reserve	(1,070)	(1,070)	-	-
Currency translation reserve	116	51	-	-
Performance share plan reserve	719	964	719	964
Warrant reserve	8,161	-	8,161	-
Retained profits	31,367	32,881	8,987	12,931
TOTAL EQUITY	98,091	90,873	76,665	71,942

SOILBUILD CONSTRUCTION GROUP LTD.

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Total assets increased by S\$2.6 million from S\$212.7 million as at 31 December 2015 to S\$215.3 million as at 31 December 2016, mainly due to:

- (1) Increase in cash and cash equivalents of S\$26.1 million as explained in the Consolidated Statement of Cash Flows.
- (2) Increase in property, plant and equipment of S\$6.3 million arising from capitalisation of construction cost incurred for the Group's integrated construction and precast hub located at Airport Road.

which were partially offset by decrease in current trade and other receivables of S\$33.5 million attributable to the decrease in construction contracts due from customers and collection of progress billing from customers.

Total liabilities decreased from S\$121.9 million as at 31 December 2015 to S\$117.2 million as at 31 December 2016, mainly due to the decrease in trade and other payables of S\$4.8 million. The decrease in trade and other payables was due to timing difference in payment to suppliers and sub-contractors.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand (if any, Details of any collaterals)

Not applicable as there were no borrowings and debt securities as at 31 December 2016 and 31 December 2015.

Details of any collaterals

Not applicable as there were no borrowings and debt securities as at 31 December 2016 and 31 December 2015.

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS	Fourth Quarter Ended		Financial Year Ended	
	31 December		31 December	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net profit	3,481	5,579	11,876	18,562
Adjustments for:				
- Amortisation of intangible assets	16	17	68	56
- Depreciation of property, plant and equipment	622	678	2,559	2,597
- Amortisation of land lease prepayment	222	222	888	222
- Share-based compensation expense	1	31	503	1,113
- Interest income	(10)	(9)	(45)	(222)
- Interest expense	19	-	33	-
- Income tax expense	725	(37)	2,534	2,618
- Loss/(gain) on disposal of property, plant and equipment, net	(9)	120	304	119
- Share of profit of joint ventures	(12)	(32)	(27)	(58)
Operating cash flows before working capital changes	5,055	6,569	18,693	25,007
Changes in working capital				
- Trade and other receivables	729	(36,250)	29,766	(58,916)
- Other current assets	(131)	42	(898)	(27)
- Trade and other payables	8,363	26,015	(4,804)	38,745
- Provision for other liabilities	162	110	(232)	(41)
Cash generated from/(used in) operations	14,178	(3,514)	42,525	4,768
Income tax paid	(74)	(343)	(2,141)	(3,230)
Net cash provided by/(used in) operating activities	14,104	(3,857)	40,384	1,538
Cash flows from investing activities				
Additions to property, plant and equipment	(4,774)	(1,387)	(9,999)	(7,076)
Additions to intangible assets	(1)	-	(23)	(101)
Additions of land lease prepayment	-	(3,075)	-	(26,645)
Proceeds from sale of property, plant and equipment	6	233	878	810
Distribution from joint venture	11	-	17	-
Interest received	10	9	45	222
Net cash used in investing activities	(4,748)	(4,220)	(9,082)	(32,790)
Cash flows from financing activities				
Proceeds from issuance of shares	1	-	3	-
Proceeds from bank loans	5,000	-	12,800	-
Repayment of bank loans	(5,000)	-	(12,800)	-
Proceeds from preferential offering of warrants	-	-	8,368	-
Expenses relating to preferential offering of warrants	-	-	(206)	-
Dividends paid to equity holders of the Company	-	-	(13,390)	(13,325)
Interest paid	(19)	-	(33)	-
Net cash used in financing activities	(18)	-	(5,258)	(13,325)
Net increase/(decrease) in cash and cash equivalents	9,338	(8,077)	26,044	(44,577)
Cash and cash equivalents at beginning of financial period	23,318	14,797	6,721	51,247
Effects of currency translation on cash and cash equivalents	174	1	65	51
Cash and cash equivalents at end of financial period	32,830	6,721	32,830	6,721
For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:				
Cash at bank and on hand	32,830	6,721	32,830	6,721

Operating Activities

For the fourth quarter ended 31 December 2016 ("4QFY2016"), the net cash inflow from operating activities amounted to S\$14.1 million as compared to net cash outflow of S\$3.9 million in the comparative quarter. The cash inflow from operating activities in 4QFY2016 was attributable to net profits for the period, collection from customers as well as increase in payable to suppliers during the period under review.

For the 12 months ended 31 December 2016 ("12MFY2016"), the net cash inflow from operating activities amounted to S\$40.4 million as compared to net cash inflow of S\$1.5 million in the comparative year. The increase in cash inflow from operating activities in 12MFY2016 was mainly due to collection of progress billings rendered to customers, which was partially offset by higher payments made to suppliers and sub-contractors.

Investing Activities

For 4QFY2016, cash outflow from investing activities of S\$4.7 million as compared to S\$4.2 million in the comparative quarter was mainly attributable to the purchase of property, plant and equipment and construction cost incurred for the Group's integrated construction and precast hub located at Airport Road capitalised during the quarter under review.

For 12MFY2016, cash outflow from investing activities of S\$9.1 million as compared to S\$32.8 million in comparative period was mainly due to the reasons as explained above.

Financing Activities

For 4QFY2016, there were no significant net cashflow from financing activities.

For 12MFY2016, the cash outflow of S\$5.3 million from financing activities was mainly due to the payment of dividends amounting to S\$13.4 million, partially offset by the proceeds from the preferential offering of warrants which amounted to S\$8.2 million during the year under review.

- 1 (d)(i) A statement (for the issuer and group) showing either
 (i) all changes in equity or
 (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Attributable to equity holders of the Company						
	Share Capital S\$'000	Warrant Reserve S\$'000	Capital Reserve S\$'000	Currency Translation Reserve S\$'000	Performance Share Plan Reserve S\$'000	Retained Profits S\$'000	Total Equity S\$'000
Balance as at 1 January 2016	58,047	-	(1,070)	51	964	32,881	90,873
Profit for the period	-	-	-	-	-	3,966	3,966
Other comprehensive loss for the period	-	-	-	(55)	-	-	(55)
Total comprehensive income for the period	-	-	-	(55)	-	3,966	3,911
Share-based compensation expenses	-	-	-	-	272	-	272
Total transactions with owners, recognised directly in equity	-	-	-	-	272	-	272
Balance as at 31 March 2016	58,047	-	(1,070)	(4)	1,236	36,847	95,056
Profit for the period	-	-	-	-	-	2,183	2,183
Other comprehensive income for the period	-	-	-	25	-	-	25
Total comprehensive income for the period	-	-	-	25	-	2,183	2,208
Share-based compensation expenses	-	-	-	-	231	-	231
Issuance of shares pursuant to the performance share plan	748	-	-	-	(748)	-	-
Dividend paid	-	-	-	-	-	(10,042)	(10,042)
Total transactions with owners, recognised directly in equity	748	-	-	-	(517)	(10,042)	(9,811)
Balance as at 30 June 2016	58,795	-	(1,070)	21	719	28,988	87,453
Profit for the period	-	-	-	-	-	2,246	2,246
Other comprehensive loss for the period	-	-	-	(79)	-	-	(79)
Total comprehensive income for the period	-	-	-	(79)	-	2,246	2,167
Dividend paid	-	-	-	-	-	(3,348)	(3,348)
Issuance of warrants	-	8,368	-	-	-	-	8,368
Issuance of shares pursuant to exercise of warrants	3	(1)	-	-	-	-	2
Expenses for preferential offering of warrants	-	(206)	-	-	-	-	(206)
Total transactions with owners, recognised directly in equity	3	8,161	-	-	-	(3,348)	4,816
Balance as at 30 September 2016	58,798	8,161	(1,070)	(58)	719	27,886	94,436
Profit for the period	-	-	-	-	-	3,481	3,481
Other comprehensive income for the period	-	-	-	174	-	-	174
Total comprehensive income for the period	-	-	-	174	-	3,481	3,655
Issuance of shares pursuant to exercise of warrants*	-	-	-	-	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	-
Balance as at 31 December 2016	58,798	8,161	(1,070)	116	719	31,367	98,091
Balance as at 1 January 2015	57,490	-	(1,070)	(3)	408	27,644	84,469
Profit for the period	-	-	-	-	-	4,431	4,431
Other comprehensive income for the period	-	-	-	30	-	-	30
Total comprehensive income for the period	-	-	-	30	-	4,431	4,461
Share-based compensation expenses	-	-	-	-	378	-	378
Total transactions with owners, recognised directly in equity	-	-	-	-	378	-	378
Balance as at 31 March 2015	57,490	-	(1,070)	27	786	32,075	89,308
Profit for the period	-	-	-	-	-	5,525	5,525
Other comprehensive loss for the period	-	-	-	(18)	-	-	(18)
Total comprehensive income for the period	-	-	-	(18)	-	5,525	5,507
Share-based compensation expenses	-	-	-	-	361	-	361
Issuance of shares pursuant to the performance share plan	557	-	-	-	(557)	-	-
Dividend paid	-	-	-	-	-	(9,994)	(9,994)
Total transactions with owners, recognised directly in equity	557	-	-	-	(196)	(9,994)	(9,633)
Balance as at 30 June 2015	58,047	-	(1,070)	9	590	27,606	85,182
Profit for the period	-	-	-	-	-	3,027	3,027
Other comprehensive income for the period	-	-	-	41	-	-	41
Total comprehensive income for the period	-	-	-	41	-	3,027	3,068
Share-based compensation expenses	-	-	-	-	343	-	343
Dividend paid	-	-	-	-	-	(3,331)	(3,331)
Total transactions with owners, recognised directly in equity	-	-	-	-	343	(3,331)	(2,988)
Balance as at 30 September 2015	58,047	-	(1,070)	50	933	27,302	85,262
Profit for the period	-	-	-	-	-	5,579	5,579
Other comprehensive income for the period	-	-	-	1	-	-	1
Total comprehensive income for the period	-	-	-	1	-	5,579	5,580
Share-based compensation expenses	-	-	-	-	31	-	31
Total transactions with owners, recognised directly in equity	-	-	-	-	31	-	31
Balance as at 31 December 2015	58,047	-	(1,070)	51	964	32,881	90,873

Company	Attributable to equity holders of the Company				
	Share Capital S\$'000	Warrant Reserve S\$'000	Performance Share Plan Reserve S\$'000	Retained Profits S\$'000	Total Equity S\$'000
Balance as at 1 January 2016	58,047	-	964	12,931	71,942
Loss for the period	-	-	-	(501)	(501)
Other comprehensive loss for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(501)	(501)
Share-based compensation expenses	-	-	272	-	272
Total transactions with owners, recognised directly in equity	-	-	272	-	272
Balance as at 31 March 2016	58,047	-	1,236	12,430	71,713
Profit for the period	-	-	-	1,974	1,974
Other comprehensive loss for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,974	1,974
Share-based compensation expenses	-	-	231	-	231
Issuance of shares pursuant to the performance share plan	748	-	(748)	-	-
Dividend paid	-	-	-	(10,042)	(10,042)
Total transactions with owners, recognised directly in equity	748	-	(517)	(10,042)	(9,811)
Balance as at 30 June 2016	58,795	-	719	4,362	63,876
Profit for the period	-	-	-	61	61
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	61	61
Share-based compensation expenses	-	-	-	-	-
Dividend paid	-	-	-	(3,348)	(3,348)
Issuance of warrants	-	8,368	-	-	8,368
Issuance of shares pursuant to exercise of warrants	3	(1)	-	-	2
Expenses for preferential offering of warrants	-	(206)	-	-	(206)
Total transactions with owners, recognised directly in equity	3	8,161	-	(3,348)	4,816
Balance as at 30 September 2016	58,798	8,161	719	1,075	68,753
Profit for the period	-	-	-	7,912	7,912
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	7,912	7,912
Share-based compensation expenses	-	-	-	-	-
Issuance of shares pursuant to exercise of warrants*	-	-	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-	-	-
Balance as at 31 December 2016	58,798	8,161	719	8,987	76,665
Balance as at 1 January 2015	57,490	-	408	11,239	69,137
Loss for the period	-	-	-	(766)	(766)
Other comprehensive loss for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(766)	(766)
Share-based compensation expenses	-	-	378	-	378
Total transactions with owners, recognised directly in equity	-	-	378	-	378
Balance as at 31 March 2015	57,490	-	786	10,473	68,749
Profit for the period	-	-	-	4,152	4,152
Other comprehensive loss for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	4,152	4,152
Share-based compensation expenses	-	-	361	-	361
Issuance of shares pursuant to the performance share plan	557	-	(557)	-	-
Dividend paid	-	-	-	(9,994)	(9,994)
Total transactions with owners, recognised directly in equity	557	-	(196)	(9,994)	(9,633)
Balance as at 30 June 2015	58,047	-	590	4,631	63,268
Loss for the period	-	-	-	(332)	(332)
Other comprehensive loss for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(332)	(332)
Share-based compensation expenses	-	-	343	-	343
Dividend paid	-	-	-	(3,331)	(3,331)
Total transactions with owners, recognised directly in equity	-	-	343	(3,331)	(2,988)
Balance as at 30 September 2015	58,047	-	933	968	59,948
Profit for the period	-	-	-	11,963	11,963
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	11,963	11,963
Share-based compensation expenses	-	-	31	-	31
Issuance of shares pursuant to exercise of warrants	-	-	-	-	-
Total transactions with owners, recognised directly in equity	-	-	31	-	31
Balance as at 31 December 2015	58,047	-	964	12,931	71,942

* the amount arising from the issuance of shares pursuant to exercise of warrants during the fourth quarter ended 31 December 2016 is less than S\$1,000.

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

On 20 December 2016, an aggregate of 1,000 warrants have been exercised. As a result, the total number of outstanding warrants is 167,355,500 as at 31 December 2016. Correspondingly, the Company issued an aggregate of 1,000 new ordinary shares in the capital of the Company pursuant to the exercise of warrants and the total number of issued shares increased from 669,488,500 as at 1 October 2016 to 669,489,500 as at 31 December 2016.

The movement of the outstanding warrants during the period under review was as follows:

	No. of Warrants
As at 1 October 2016	167,356,500
Warrants exercised during the period	(1,000)
As at 31 December 2016	<u>167,355,500</u>

Grant of share awards (the "Awards") pursuant to the Soilbuild Construction Performance Shares Plan (the "PSP")

As at 31 December 2016, the outstanding share awards under the PSP amounted up to 11,686,279 (30 September 2016 : up to 11,686,279) shares. There is no movement of the outstanding share awards during the period under review.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The number of issued share of the Company as at 31 December 2016 comprised 669,489,500 ordinary shares (31 December 2015 : 666,265,000 ordinary shares).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There are no treasury shares as at 31 December 2016.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period/year as compared with those for the audited financial statements as at 31 December 2015.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual period beginning on or after 1 January 2016. The adoption of these new or revised FRS and INT FRS did not result in any substantial changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

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6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividend :-

- (a) Based on the weighted average number of ordinary shares in issue; and
 (b) On a fully diluted basis (detailing any adjustments made to the earnings).

Earnings per share (EPS)	Group			
	Forth Quarter Ended 31 December		Financial Year Ended 31 December	
	2016	2015	2016	2015
(a) Based on the weighted average number of ordinary shares in issue (cents per share)	0.52	0.84	1.78	2.79
- Weighted average number of ordinary shares ('000)	669,489	666,265	668,513	665,649
(b) On a fully diluted basis (cents per share)	0.49	0.82	1.71	2.75
- Adjusted weighted average number of ordinary shares ('000)	711,603	676,446	693,488	674,607

- (a) Basic EPS is calculated based on the net profit attributable to equity holders of the Company set out in 1(a) above divided by the weighted average number of ordinary shares in issue during the financial period/year.
- (b) For the purposes of calculating diluted earnings per share, the weighted average number of ordinary shares is adjusted to take into account the dilutive effect arising from the share awards granted pursuant to the Soilbuild Construction Performance Share Plan, and the warrants issued pursuant to the preferential offering, where shares would have been issued at a price lower than market value.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-

- (a) current financial period reported on; and
 (b) preceding financial year.

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net asset value per ordinary share is computed based on the total number of issued shares as at the end of the respective financial period/year				
Net asset value per ordinary share (cents)	14.65	13.64	11.45	10.80
Total number of shares in issue	669,489,500	666,265,000	669,489,500	666,265,000

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, cost, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a) **4QFY2016 vs 4QFY2015**

For 4QFY2016, the Group achieved a net profit of S\$3.5 million compared with a net profit of S\$5.6 million reported in the comparative quarter.

Revenue & Gross Profit

For the quarter under review, the Group reported a lowered revenue of S\$89.4 million compared with S\$98.0 million reported in 4QFY2015, while gross profit is lower by 33.6% at S\$5.3 million.

The major revenue contributors in 4QFY2016 were:

- Jalan Lam Huat project (multiple-user general industrial development at 60 Jalan Lam Huat);
- Yishun HDB project (public housing development at Yishun Avenue 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).

Other than the above, the Group recognised approximately S\$6.2 million revenue from the projects in Myanmar during 4QFY2016.

Gross profit margin in 4QFY2016 was 6.0% compared with 8.2% in 4QFY2015, which was mainly due to (i) higher revenue recognised during the quarter for HDB projects in Singapore where gross profit margins were relatively lower, in line with the progress of the on-going projects, and (ii) increase in construction cost for certain projects. The construction projects in Myanmar contributed gross profit of approximately S\$1.8 million in 4QFY2016 which represent a higher profit margin than those in the local market.

Other Income

Other income increased to S\$0.5 million mainly due to the increase in income from sales of materials as well as income generated from construction related services.

Other gains

Other gains (net) of approximately S\$0.5 million in 4QFY2016 were attributable to foreign exchange gains and gains on disposal of property, plant and equipment.

Administrative Expenses

Administrative expenses decreased to S\$1.6 million in 4QFY2016 from S\$2.3 million in 4QFY2015 mainly due decrease in various administrative expenses, including directors' remuneration and other payroll expenses.

Other Operating Expenses

There were no significant variance for the other operating expenses during the period under review compared to the comparative quarter.

Share of Profit of Joint Ventures

The increase in share of profit of joint ventures in 4QFY2016 was due mainly to contribution from a joint venture.

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(b) Full year ended 31 December 2016 ("FY2016") vs full year ended 31 December 2015 ("FY2015")

For FY2016, the Group achieved a net profit of S\$11.9 million compared with a net profit of S\$18.6 million reported in the comparative year.

Revenue & Gross Profit

For the year under review, the Group reported a higher revenue of S\$399.6 million compared with S\$328.3 million reported in FY2015, while gross profit is lower by 27.1% at S\$22.3 million.

Major revenue contributors in FY2016 were:

- Jalan Lam Huat project (multiple-user general industrial development at 60 Jalan Lam Huat);
- Yishun HDB project (public housing development at Yishun Avenue 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).

Other than the above, the Group recognised approximately S\$11.4 million revenue from the projects in Myanmar during FY2016 as compared with S\$1.3 million, which represent a significant increase of approximately 776.9%.

Gross profit margin in FY2016 was 5.6% in FY2016 compared with 9.3% in FY2015, mainly due to (i) higher revenue recognised for HDB projects in Singapore where gross profit margins were relatively lower, in line with the progress of the on-going projects, and (ii) increase in construction cost for certain projects. The construction projects in Myanmar contributed a gross profit of approximately S\$2.1 million during in FY2016 which represent a higher profit margin than those in the local market.

Other Income

Other income increased to S\$2.4 million mainly due to the increase in rental income, grants received for employment credit and BCA schemes, as well as the increase in service income.

Other gains

Other gains (net) of S\$0.3 million in FY2016 were attributable to foreign exchange gains, which was partially offset by loss on disposal of property, plant and equipment.

Administrative Expenses

Administrative expenses decreased from S\$9.7 million in FY2015 to S\$8.6 million in FY2016 mainly due in the decrease in various administrative expenses, including directors' remuneration and other payroll expenses.

Other Operating Expenses

The increase in other operating expenses in FY2016 was mainly due to the amortisation of land lease prepayment.

Share of Profit of Joint Ventures

The Group recognised a gain of approximately S\$27,000 in the share of profit of its joint ventures in FY2016 as compared to a gain of approximately S\$58,000 in the comparative year.

Income tax expenses

After adjusting for the Group's share of profits of joint ventures, which was reported net of tax, the Group's effective tax rate for the FY2016 is 17.6%, which is between the Singapore and Myanmar statutory corporate tax rate of 17% and 25% respectively.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There is no material deviation in the actual results for the 4QFY2016 from what was previously discussed under paragraph 10 of the announcement of the Company's financial statements for the financial period ended 30 September 2016.

10 A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Based on advance estimates released by the Ministry of Trade and Industry Singapore on 3 January 2017, the Singapore economy grew by 1.8% on a year-on-year ("yoy") basis in the fourth quarter of 2016, faster than 1.2% growth in the previous quarter. However, growth in the construction sector contracted by 2.8% on a yoy basis during the quarter under review due to the decline in private sector construction activities.

The Group expects the tenders in the local market will continue to be challenging as a result of the slowdown in the general market condition and will focus more on productivity to enhance its competitiveness.

The Group is pleased to note active construction progresses of its projects in Myanmar. These overseas projects are expected to continue generating more revenue and profit to the Group in the financial year ending 31 December 2017.

The Group's order book as at 31 December 2016 amounted to S\$385.7 million.

11 Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Any dividend declared for the current financial period reported on?

Yes.

Name of dividend:	Final (One-tier)
Dividend type:	Cash
Dividend amount per share:	S\$0.005
Tax rate:	Tax-exempt

Name of dividend	Special (One-tier)
Dividend type	Cash
Dividend amount per share	S\$0.0075
Tax rate	Tax-exempt

(b) Corresponding period of the immediately preceding financial year

Please refer to item 19.

(c) The date the dividend is payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 Interested Persons Transactions

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Transactions during 4QFY2016 <u>Soilbuild Group Holdings Ltd. & its subsidiaries</u> Rental of premises	-	196

14 Use of Proceeds from Preferential Offering of Warrants

Pursuant to the preferential offering of warrants on 13 July 2016, the Company received net proceeds from the issue of the warrants of approximately S\$8.2 million after deducting the actual issue expenses of S\$0.2 million, as set out below. The utilisation of the proceeds as at the date of this announcement is as follows:

Use of proceeds from the preferential offering of warrants	Amount Allocated S\$'000	Amount Used As At 31 December 2016 S\$'000	Amount Unused As At 31 December 2016 S\$'000
Acquisition of plant and equipment for construction works in Myanmar	Up to 2,500	-	Up to 2,500
Working capital purposes	Up to 5,700	3,500	Up to 2,200
	8,200	3,500	4,700

The Company will make periodic announcements on the use of the proceeds as and when the funds are materially disbursed. Pending the utilisation of the net proceeds as stated above, the unutilised amount may be placed in short-term deposits with banks and financial institutions or invested in money market instruments.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1).

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- 16 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	Singapore S\$'000	Myanmar S\$'000	Elimination S\$'000	Group S\$'000
Year ended 31 December 2016				
Revenue				
External customers	388,262	11,385	-	399,647
Inter-segment revenue	-	-	-	-
Total revenue	388,262	11,385	-	399,647
Result				
Segment result before interest	12,304	2,061	-	14,365
Interest income				45
Profit before tax				14,410
Tax				(2,534)
Profit after tax				11,876
Segment results include:				
- Depreciation of property, plant and equipment	2,535	24	-	2,559
- Amortisation of intangible assets	68	-	-	68
- Amortisation of land lease prepayment	888	-	-	888
- Share of profit of joint ventures	27	-	-	27
Segment assets	206,636	9,578	(892)	215,322
Segment assets includes:				
Investment in joint ventures	2,784	-	-	2,784
Additions to:				
- Property, plant and equipment	9,642	357	-	9,999
- Intangible assets	23	-	-	23
- Land lease prepayment	-	-	-	-
Segment liabilities	(114,363)	(7,472)	4,604	(117,231)
Year ended 31 December 2015				
Revenue				
External customers	327,206	1,064	-	328,270
Inter-segment revenue	-	192	(192)	-
Total revenue	327,206	1,256	(192)	328,270
Result				
Segment result before interest	20,499	459	-	20,958
Interest income				222
Profit before tax				21,180
Tax				(2,618)
Profit after tax				18,562
Segment results include:				
- Depreciation of property, plant and equipment	2,590	7	-	2,597
- Amortisation of intangible assets	56	-	-	56
- Amortisation of land lease prepayment	222	-	-	222
- Share of profit of joint ventures	58	-	-	58
Segment assets	212,015	1,506	(774)	212,747
Segment assets includes:				
Investment in joint ventures	2,774	-	-	2,774
Additions to:				
- Property, plant and equipment	7,058	18	-	7,076
- Intangible assets	101	-	-	101
- Land lease prepayment	26,645	-	-	26,645
Segment liabilities	(121,728)	(1,084)	938	(121,874)

- 17 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable as there are no material changes in contributions to turnover and earnings by the business or geographical segments.

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18 A breakdown of sales

	The Group			
	Financial year ended 31/12/2016	Financial year ended 31/12/2015	Increase/(Decrease)	
	\$'000	\$'000	\$'000	%
(a) Sales reported for first half year	207,823	152,046	55,777	37%
(b) Operating profit after taxation reported for the first half year	6,149	9,956	(3,807)	-38%
(c) Sales reported for second half year	191,824	176,224	15,600	9%
(d) Operating profit after taxation reported for the second half year	5,727	8,606	(2,879)	-33%

19 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	Financial year ended 31 December 2016 (\$'000)	Financial year ended 31 December 2015 (\$'000)
Interim dividends	3,348	3,331
Proposed final dividend*	3,347	3,331
Proposed special dividend*	5,021	6,663
Total	11,716	13,325

* Represents the proposed ordinary dividend of \$0.005 per share and special dividend of \$0.0075 per share for 669,494,500 issued shares as at the date of this announcement. The payment of the proposed final and special dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

For and on behalf of the Board of Directors,

Lim Chap Huat
Executive Chairman

Ho Toon Bah
Executive Director

22 February 2017