



MEDIA STATEMENT

Soilbuild Construction posts net profit of S\$3.5 mil for 4QFY2016

- **S\$11.9 mil net profit for FY2016 full year**
- **Order book stood at S\$385.7 mil**
- **Proposes final dividend of 0.5 Singapore cent per share and special dividend of 0.75 Singapore cent per share, which bring total cash dividend for FY2016 to 1.75 Singapore cent per share**

Singapore, 22 February 2017 – Soilbuild Construction Group Ltd. (“The Group” or “Soilbuild”), today reported that it has achieved a net profit of S\$3.5 million for the fourth quarter ended 31 December 2016 (“4QFY2016”).

| Financial Highlights S\$’000 | 4QFY2016 | 4QFY2015 | Change (%) | FY2016 | FY2015 | Change (%) |
|---|-----------------|-----------------|-----------------------------|---------------|---------------|-----------------------------|
| Revenue | 89,380 | 98,021 | (8.8) | 399,647 | 328,270 | 21.7 |
| Gross Profit | 5,349 | 8,051 | (33.6) | 22,331 | 30,619 | (27.1) |
| Net Profit | 3,481 | 5,579 | (37.6) | 11,876 | 18,562 | (36.0) |
| Gross Profit Margin | 6.0% | 8.2% | (2.2%) | 5.6% | 9.3% | (3.7%) |

Financial Review

The Group recorded higher revenue during FY2016 contributed by the progressive revenue contributions from its on-going local building projects, which included Jalan Lam Huat project (multiple-user general industrial development), Yishun HDB project (public housing development), Sembawang HDB project (public housing development), Ang Mo Kio HDB project (public housing development), Goodwood Grand project (residential flat development) and Hospice project (development of hospice), as well as progressive revenue contribution from its construction contracts in Myanmar and the local civil works contracts. During FY2016, the revenue from construction contracts in Myanmar increased to S\$11.4 million from S\$1.3 million as reported in FY2015.

The Group’s lower gross profit for FY2016 reflected the recognition of revenue from its HDB projects that generated relatively lower profit margins, and the increase in construction cost for certain projects following the extension of construction period of these projects. Correspondingly, the Group’s net profit for FY2016 is lower at S\$11.9 million compared to S\$18.6 million reported in FY2015.

“The local market remains challenging amid a slow property market and economic uncertainty. Nevertheless, the Group will continue to focus on productivity to enhance its competitiveness and will continue to put effort in cost management.

For the Group’s business in Myanmar, the Group is pleased to note active construction progresses of its projects in Myanmar. We expect these overseas projects to continue generating more revenue and profit to the Group in the current financial year ending 31 December 2017. We continue to see healthy pipeline of tenders in the Myanmar market and we believe we are well placed to compete for such tenders.

The Group’s order book stood at S\$385.7 million to-date, which comprise projects from the local market (47%) and projects in Myanmar (53%).

The board of directors is pleased to recommend a final dividend of 0.5 Singapore cent per share and a special dividend of 0.75 Singapore cent per share to reward shareholders. This will bring the full year cash dividend for FY2016 to 1.75 Singapore cent per share.”

Mr Ho Toon Bah

Executive Director of Soilbuild Construction Group

Market Outlook

The construction sector contracted by 2.8 per cent on a year-on-year basis in the fourth quarter of 2016, according to the advance estimates released by the Ministry of Trade and Industry Singapore on 3 January 2017. The contraction was largely due to the decline in private sector construction activities.

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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