



## MEDIA STATEMENT

### **Soilbuild Construction posts net profit of S\$0.6 mil for 2QFY2017**

- **Decline in revenue with major projects in Singapore nearing completion**
- **Continued efforts to grow Myanmar operations**
- **Steps up investment in construction technologies**
- **Order book stood at S\$521.4 mil**

**Singapore, 31 July 2017** – Soilbuild Construction Group Ltd. (“The Group” or “Soilbuild”), today reported that it has achieved a net profit of S\$0.6 million for the second quarter ended 30 June 2017 (“2QFY2017”).

<b>Financial Highlights S\$'000</b>	<b>2QFY2017</b>	<b>2QFY2016</b>	<b>Change (%)</b>
Revenue	48,311	105,315	(54.1)
Gross Profit	2,593	4,791	(45.9)
Net Profit	649	2,183	(70.3)
Gross Profit Margin	5.4%	4.5%	0.9

#### **Financial Review**

The Group recorded a lower revenue during 2QFY2017 mainly due to decrease in revenue contributions from its major Singapore projects carried forward from FY2016 which have either been completed or have been progressing towards completion during the period under review. Meanwhile, newly secured projects in Singapore, namely Bedok Food City Project and 164 Kallang Way Project are expected to commence revenue contribution to the Group only in the second half of FY2017. For the Group’s operation in Myanmar, the Group recognised S\$5.3 million revenue during 2QFY2017, which represented an increase of approximately S\$5.0 million compared to comparative quarter in FY2016.

Despite lower revenue for the Group in 2QFY2017, the Group recorded a higher gross profit margin of 5.4%, driven by relatively higher project margins achieved in Myanmar coupled with cost savings from active project management efforts achieved in Singapore.

“The demand for construction activities in the local market has remained slow. Nevertheless, this was buffered by an increase in the Group’s construction activities in Myanmar as continued efforts to grow the Myanmar operations bear fruits. We expect increased contribution from the operations in Myanmar

in tandem with the construction progress, and will continue to participate in more tenders in Myanmar to lift our order book.

In addition to the construction of its integrated construction precast hub, the Group furthered its investments into construction technologies as it entered into a joint venture to establish a Concrete Prefabricated Prefinished Volumetric Construction (“PPVC”) System and acquired an industrial land in Singapore for PPVC finishing facilities. The Group believes that the investments into automated precast and PPVC technologies, both of which are game changing technologies for the local industry, would sharpen the Group’s competitiveness and growth potential.

The Group’s order book stood at S\$521.4 million as at 30 June 2017, of which S\$336.8 million comprise order book from local construction projects while S\$184.6 million comprise order book from Myanmar projects.”

**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 2017, the Singapore economy grew by 2.5% on a year-on-year (“yoy”) basis in the second quarter of 2017, the same pace of growth as in the previous quarter. The construction sector contracted by 5.6% on a yoy basis, following the 6.1% decline in the previous quarter, which was resulted from the weakness in both private and public 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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