



MEDIA STATEMENT

Soilbuild Construction posts net loss of S\$3.2 mil for 4QFY2017

- Decline in revenue due to new projects at early construction stage
- Focus on securing new projects in Myanmar market
- Order book stood at S\$451.9 mil to-date

Singapore, 26 February 2018 – Soilbuild Construction Group Ltd. (“The Group” or “Soilbuild”), today reported a net loss of S\$3.2 million for the fourth quarter ended 31 December 2017 (“4QFY2017”).

Financial	4QFY2017	4QFY2016	Change (%)	FY2017	FY2016	Change (%)
Revenue	39,263	89,380	(56.1)	200,769	399,647	(49.8)
Gross (Loss)/Profit	(2,482)	5,349	(146.4)	(194)	22,331	(100.9)
Net (Loss)/Profit	(3,183)	3,481	(191.4)	(6,306)	11,876	(153.1)
Gross (Loss)/Profit Margin	(6.3)%	6.0%	(12.3)	(0.1)%	5.6%	(5.7)

Financial Review

The Group recorded lower revenue during 4QFY2017 and FY2017 mainly due to decrease in revenue contributions from its major projects in Singapore which have either been completed in FY2016 / FY2017 or have been progressing towards completion during the period under review. Meanwhile, revenue contributed by newly secured projects in Singapore, namely Bedok Food City Project, 164 and 171 Kallang Way Projects in 4QFY2017 were not significant as they are still at their initial construction phase. Meanwhile, the Group’s revenue from construction projects in Myanmar has increased by 62.9% and 86.0% respectively in 4QFY2017 and FY2017 when compared with prior period/year.

Due to the lower revenue recognised in 4QFY2017 and FY2017 respectively, coupled with the increase in construction costs for certain projects arising from cost overruns and extended construction period, the Group reported a net loss of S\$3.2 million in 4QFY2017 and a net loss of S\$6.3 million in FY2017 compared to the previous period.

“The continued decline in the local construction sector has put further pressure on the highly competitive tenders for new projects, meanwhile, our Myanmar business has continued to show good

momentum. The Group will focus on productivity to enhance its competitiveness and will participate in more tenders in Myanmar going forward.

The Group's investment in the integrated construction precast hub is progressing on schedule and we expect the hub to be operational in the second half of 2018. We believe the integrated construction precast hub would provide more business opportunities for the Group."

Mr Ho Toon Bah

Executive Director of Soilbuild Construction Group

Outlook

The Singapore's construction sector continued to contract by 5.0 per cent on a year-on-year basis in 4QFY2017, extending the contraction in the industry from 9.3 per cent as reported in 3QFY2017. The negative growth of Singapore's construction industry was largely due to the decline in the private sector construction activities.

The Group's order book as at 31 December 2017 amounted to S\$451.9 million, of which S\$276.0 million comprise order book from local construction projects, while S\$175.9 million comprise order book from Myanmar construction projects.

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. and SB Procurement Pte. Ltd., both are subsidiaries of the Group, are A1-graded under CW01 (General Building) by the Singapore's Building and Construction Authority ("BCA"), and have acted as the main contractors for projects which have won architectural and environmental awards over the years. Soil-Build (Pte.) Ltd. is also A2-graded under CW02 (Civil Engineering) by the BCA.

For media queries, please contact:

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