



MEDIA STATEMENT

Soilbuild Construction posts net profit of S\$132k for 1QFY2018

- Decline in revenue as new projects in early construction stage
- Better project margin for 1QFY2018 due to quality incentives
- Order book stood at S\$399.9 mil to-date

Singapore, 26 April 2018 – Soilbuild Construction Group Ltd. (“The Group” or “Soilbuild”) today reported a net profit of S\$132k for the first quarter ended 31 March 2018 (“1QFY2018”).

Financial Highlights S\$'000	1QFY2018	1QFY2017	Change (%)
Revenue	39,716	66,591	(40.4)
Gross Profit	2,509	2,663	(5.8)
Net Profit	132	370	(64.3)
Gross Profit Margin	6.3%	4.0%	2.3%

Financial Review

The Group recorded a lower revenue during 1QFY2018 mainly due to completion of major projects in Singapore, while on-going projects are only expected to contribute higher revenue when they progress to more advanced stages of construction activities in forthcoming periods. These projects includes 68 Residence Project and Rosehill Residence Project in Yangon, Myanmar, and Bedok Food City Project, 164 and 171 Kallang Way Projects in Singapore.

In line with the lower revenue recognised in 1QFY2018, the Group’s gross profit is lower at S\$2.5 million. However, the gross profit margin for 1QFY2018 is higher at 6.3%, contributed by additional contract revenue granted by a client for better construction quality performance of the Group. The Group reported a lower net profit for 1QFY2018 due mainly to the increase in foreign exchange losses and the increase in depreciation charge on property, plant and equipment and amortisation charges on land lease prepayments.

“The continued weakness in the local construction sector in 2018 has resulted in competitive bids for tenders of new projects in both private sector and public sector. The Group will keep focusing on its

productivity on existing projects, as well as active participation in tenders for new projects in Singapore and Myanmar markets. The Group is pleased to have achieved commendable quality grades for two projects and will target to ensure continual delivery of construction works with quality.”

Mr Ho Toon Bah
Executive Director of Soilbuild Construction Group

Outlook

For the first quarter of 2018, the local construction sector contracted by 4.4 per cent on a year-on-year basis, extending the 5.0 per cent decline in the previous quarter. The contraction was largely due to the decline in both private sector and public sector construction activities.

The Group’s order book stood at S\$399.9 million as at 31 March 2018, which comprise S\$236.8 million from local construction projects and S\$163.1 million 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.

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