



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

UNAUDITED SECOND HALF AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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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

	Second Half Ended			Change	Financial Year Ended		
	31 December		%		31 December		Change
	2020	2019			2020	2019	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Revenue	79,737	126,899	(37.2)	148,937	236,764	(37.1)	
Cost of sales	(88,855)	(127,561)	(30.3)	(173,215)	(231,643)	(25.2)	
Gross (loss)/profit	(9,118)	(662)	1,277.3	(24,278)	5,121	NM	
Gross (loss)/profit margin	-11.4%	-0.5%		-16.3%	2.2%		
Other income	5,417	2,128	154.6	10,580	3,766	180.9	
Other gain/(losses), net	127	(795)	NM	(623)	(1,015)	(38.6)	
Expenses							
Administrative	(2,978)	(4,253)	(30.0)	(6,492)	(8,697)	(25.4)	
Marketing	(6)	(6)	-	(10)	(19)	(47.4)	
Finance	(970)	(1,014)	(4.3)	(1,916)	(1,905)	0.6	
Others	(4,067)	(2,949)	37.9	(6,780)	(5,675)	19.5	
Share of profit of joint ventures	12	8	50.0	6	11	(45.5)	
Loss before income tax	(11,583)	(7,543)	53.6	(29,513)	(8,413)	250.8	
Income tax credit/(expense)	851	228	273.2	844	(727)	NM	
Net loss	(10,732)	(7,315)	46.7	(28,669)	(9,140)	213.7	
Other comprehensive loss:							
Items that may be classified subsequently to profit or loss:							
Currency translation differences arising from consolidation	(666)	126	NM	(249)	(12)	1,975.0	
Total comprehensive loss	(11,398)	(7,189)	58.5	(28,918)	(9,152)	216.0	
Loss attributable to:							
Equity holders of the Company	(10,732)	(7,315)	46.7	(28,669)	(9,140)	213.7	
	(10,732)	(7,315)	46.7	(28,669)	(9,140)	213.7	
Total comprehensive loss attributable to:							
Equity holders of the Company	(11,398)	(7,189)	58.5	(28,918)	(9,152)	216.0	
	(11,398)	(7,189)	58.5	(28,918)	(9,152)	216.0	

NM : Not meaningful

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Notes to the consolidated statement of comprehensive income

	Second Half Ended 31 December		Financial Year Ended 31 December	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
(I) Other income				
Interest income	17	22	23	35
Service income	80	187	300	371
Rental income	1,582	1,551	3,495	2,837
Government grants (including Job Support Scheme and levy rebates)	3,217	5	6,168	32
Others	521	363	594	491
	5,417	2,128	10,580	3,766
(II) Other losses, net				
Loss on disposal of property, plant and equipment, net	(82)	(65)	(56)	(66)
Fair value gain/(loss) on derivative financial instrument	397	(350)	(313)	(350)
Foreign exchange losses	(188)	(380)	(254)	(599)
	127	(795)	(623)	(1,015)
(III) Loss before income tax is arrived at after (charging)/crediting:				
Amortisation of intangible assets	(103)	(138)	(214)	(202)
Depreciation of property, plant and equipment	(5,297)	(4,482)	(9,820)	(7,960)
Impairment loss on land lease prepayments	(1,262)	-	(1,262)	-
Property, plant and equipment written off	(135)	27	(135)	(5)
Loss on disposal of property, plant and equipment, net	(82)	(65)	(56)	(66)
(IV) Income tax expense				
Tax expense attributable to loss is made up of:				
Loss from current financial period/year:				
- current income tax	(212)	18	(195)	(937)
- deferred income tax	1,195	156	1,195	156
	983	174	1,000	(781)
Over/(under) provision in prior financial period/year:				
- current income tax	60	(69)	36	(69)
- deferred income tax	(192)	123	(192)	123
	851	228	844	(727)

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	
	31/12/2020 S\$'000	31/12/2019 S\$'000	31/12/2020 S\$'000	31/12/2019 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	21,818	24,154	90	6,928
Trade and other receivables	62,300	95,400	2,491	2,114
Other current assets	2,326	2,567	5	5
Inventory	7,615	1,827	-	-
	94,059	123,948	2,586	9,047
Non-current assets				
Trade and other receivables	10,556	10,312	25,132	27,231
Investments in subsidiaries	-	-	77,870	68,470
Investments in joint ventures	15	40	-	-
Property, plant and equipment	141,006	133,210	-	-
Intangible assets	331	518	-	-
Deferred income tax assets	2,089	1,106	-	-
	153,997	145,186	103,002	95,701
Total assets	248,056	269,134	105,588	104,748
LIABILITIES				
Current liabilities				
Trade and other payables	95,591	104,091	21,138	24,919
Borrowings	29,016	28,735	590	-
Current income tax liabilities	920	1,006	10	33
Provision for other liabilities	4,936	1,206	-	-
	130,463	135,038	21,738	24,952
Non-current liabilities				
Trade and other payables	8,431	7,111	-	-
Borrowings	55,670	44,888	4,410	-
Derivative financial instruments	663	350	-	-
	64,764	52,349	4,410	-
Total liabilities	195,227	187,387	26,148	24,952
NET ASSETS	52,829	81,747	79,440	79,796
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	71,553	71,553	71,553	71,553
Capital reserve	(1,070)	(1,070)	-	-
Currency translation reserve	(410)	(161)	-	-
Warrant reserve	8,128	8,128	8,128	8,128
(Accumulated losses)/ Retained profits	(25,372)	3,297	(241)	115
	52,829	81,747	79,440	79,796
Non-controlling interest	-	-	-	-
TOTAL EQUITY	52,829	81,747	79,440	79,796

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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 decreased by S\$21.0 million from S\$269.1 million as at 31 December 2019 to S\$248.1 million as at 31 December 2020, mainly due to (i) decrease in trade and other receivables of S\$32.9 million as a result of lower progress billings rendered to customers arising from closure of construction sites due to Covid-19 pandemic, and (ii) decrease in cash and cash equivalents of S\$2.3 million which was explained in the Consolidated Statement of Cash Flow.

The decrease in total assets was partially offset by increase in property, plant and equipment of S\$7.8 million. This was mainly due to purchase of plant and equipment, as well as capitalisation of construction cost incurred for the expansion of the Group's precast and prefabrication factory in Pontian, Malaysia.

Total liabilities increased by S\$7.8 million from S\$187.4 million as at 31 December 2019 to S\$195.2 million as at 31 December 2020, mainly due to (i) the increase in bank borrowings drawdown for working capital purposes and (ii) increase in provision for other liabilities due to accruals for foreseeable loss for projects. However, the increase in total liabilities was partially offset by decrease in trade and other payables of S\$7.2 million due to lower construction activities during the year.

As at 31 December 2020, the Group's current liabilities, amounting to S\$130.5 million, exceeded its current assets, amounting to S\$94.1 million by S\$36.4 million. The negative working capital position was mainly due to the significant operating losses for the current financial years, timing difference arising from the capital investment by the Group in recent years (i.e. investment in the Group's Integrated Construction and Precast Hub (ICPH) project, 2 factories in Tuas South Link, and the acquisition and expansion of manufacturing plants in Malaysia). The Group has since secured additional long term bank borrowings amounting to (i) S\$11.2 million during the financial year ended 31 December 2020, (ii) S\$5.0 million in January 2021, as well as an interest free substantial shareholder's loan from Mr Lim Chap Huat, amounting up to S\$10.0 million in February 2021, for corporate and working capital purposes. With the continual support from the banks and substantial shareholder, the Group believes that it will be able to strengthen its balance sheet position and capital structure.

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

	As at 31 December 2020	As at 31 December 2019
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
- Secured	4,302	4,740
- Unsecured	24,714	23,995
Amount repayable after one year		
- Secured	50,572	44,463
- Unsecured	5,098	425

The Group's total borrowings of S\$84.7 million comprise (i) a term loan of S\$47.6 million, (ii) Property loan of S\$5.8 million, (iii) Temporary bridging loan of S\$5.0 million, (iv) Hire purchase loans of S\$2.2 million, (v) short term bank loans of S\$23.7 million and (vi) lease liabilities of S\$0.4 million for the purposes as more explained in the above.

Details of any collaterals

The Group's term loan amounting to S\$47.6 million and Property loan of S\$5.8 million as at 31 December 2020 are secured by first legal mortgages executed over the Group's ICPH and 2 properties at Tuas South Link, Singapore.

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

	Second Half Ended		Financial Year Ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net loss	(10,732)	(7,315)	(28,669)	(9,140)
Adjustments for:				
- Amortisation of intangible assets	103	138	214	202
- Depreciation of property, plant and equipment	5,297	4,482	9,820	7,960
- Impairment loss on land lease prepayments	1,262	-	1,262	-
- Interest income	(17)	(22)	(23)	(35)
- Interest expense	970	1,014	1,916	1,905
- Income tax expense	(851)	(228)	(844)	727
- Loss on disposal of property, plant and equipment	82	65	56	66
- Property, plant and equipment written off	135	(27)	135	5
- Fair value (gain)/loss on derivatives financial instruments	(396)	350	313	350
- Share of profit of joint ventures	(12)	(8)	(6)	(11)
Operating cash flows before working capital changes	(4,159)	(1,551)	(15,826)	2,029
Changes in working capital:				
- Trade and other receivables	3,711	(14,094)	34,276	(27,757)
- Other current assets	1,378	(351)	241	(1,180)
- Inventory	(3,805)	(1,329)	(5,788)	(1,827)
- Trade and other payables	13,211	18,841	(8,643)	22,468
- Provision for other liabilities	1,295	(387)	3,730	(284)
Cash generated from/(used in) operations	11,631	1,129	7,990	(6,551)
Income tax paid	(220)	(154)	(220)	(424)
Net cash generated from/(used in) operating activities	11,411	975	7,770	(6,975)
Cash flows from investing activities				
Additions to property, plant and equipment	(8,768)	(5,049)	(17,075)	(9,285)
Additions of intangible assets	(1)	(295)	(28)	(390)
Proceeds from disposal of property, plant and equipment	157	113	184	280
Government grant on property, plant and equipment received	-	4,683	-	4,683
Distribution received from a joint venture	15	15	15	21
Dividend received from a joint venture	15	-	15	-
Interest received	17	22	23	35
Net cash used in investing activities	(8,565)	(511)	(16,866)	(4,656)
Cash flows from financing activities				
Proceeds from preferential offering of shares	-	12,282	-	12,282
Expenses relating to preferential offering of shares	-	(326)	-	(326)
Proceeds from bank loans	10,951	5,450	35,434	21,037
Repayment of bank loans	(10,492)	(8,950)	(26,304)	(10,302)
Principal repayment of lease liabilities	(165)	(199)	(323)	(313)
Interest paid	(967)	(1,020)	(1,872)	(1,850)
Net cash (used in)/provided by financing activities	(673)	7,237	6,935	20,528
Net increase/(decrease) in cash and cash equivalents	2,173	7,701	(2,161)	8,897
Cash and cash equivalents at beginning of financial period/year	20,358	16,312	24,154	15,252
Effects of currency translation on cash and cash equivalents	(713)	141	(175)	5
Cash and cash equivalents at end of financial period/year	21,818	24,154	21,818	24,154
For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:				
Cash at bank and on hand	21,818	24,154	21,818	24,154

Operating Activities

For the second half ended 31 December 2020 ("2HFY2020"), the net cash inflow from operating activities amounted to S\$11.4 million as compared to net cash inflow of S\$1.0 million in the comparative period. The cash inflow from operating activities in 2HFY2020 was mainly attributable to the increase in payables to suppliers and subcontractors, partially offset by increase in inventory during the period.

For the financial year ended 31 December 2020 ("12MFY2020"), the net cash inflow from operating activities amounted to S\$7.8 million as compared to net cash outflow of S\$7.0 million in the comparative year. The cash inflow from operating activities in 12MFY2020 was mainly attributable to the collections from customers.

Investing Activities

For 2HFY2020, cash outflow from investing activities amounted to S\$8.6 million as compared to S\$0.5 million in the comparative period. The cash outflow in 2HFY2020 was mainly attributable to the purchase of plant and equipment and construction cost incurred for the Group's expansion of its factory in Pontian, Johor, Malaysia capitalised during the period under review.

For 12MFY2020, cash outflow from investing activities was S\$16.9 million as compared to S\$4.7 million in the comparative year. The cash outflow in 12MFY2020 was mainly attributable to the purchase of plant and equipment and construction cost incurred for the Group's expansion of its factory in Pontian, Johor, Malaysia capitalised during the year.

Financing Activities

For 2HFY2020, cash outflow from financing activities amounted to S\$0.7 million as compared to cash inflow of S\$7.2 million in the comparative period. The cash outflow in 2HFY2020 was mainly attributable to the interest payment.

For 12MFY2020, cash inflow from financing activities was S\$6.9 million as compared to S\$20.5 million in the comparative year. The cash inflow in 12MFY2020 was due to drawdown of additional bank borrowings to finance the Group's operation, partially offset by interest payment during the year.

- 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 2020	71,553	8,128	(1,070)	(161)	-	3,297	81,747
Loss for the year	-	-	-	-	-	(28,669)	(28,669)
Other comprehensive loss for the year	-	-	-	(249)	-	-	(249)
Total comprehensive loss for the year	-	-	-	(249)	-	(28,669)	(28,918)
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	-
Balance as at 31 December 2020	71,553	8,128	(1,070)	(410)	-	(25,372)	52,829
Balance as at 1 January 2019	59,597	8,128	(1,070)	(149)	-	12,437	78,943
Loss for the year	-	-	-	-	-	(9,140)	(9,140)
Other comprehensive loss for the year	-	-	-	(12)	-	-	(12)
Total comprehensive loss for the year	-	-	-	(12)	-	(9,140)	(9,152)
Issuance of shares pursuant to the Preferential Offering of Rights Shares	11,956	-	-	-	-	-	11,956
Total transactions with owners, recognised directly in equity	11,956	-	-	-	-	-	11,956
Balance as at 31 December 2019	71,553	8,128	(1,070)	(161)	-	3,297	81,747

Company	Attributable to equity holders of the Company				
	Share Capital S\$'000	Warrant Reserve S\$'000	Share Plan Reserve S\$'000	Performance Retained Profits S\$'000	Total Equity S\$'000
Balance as at 1 January 2020	71,553	8,128	-	115	79,796
Loss for the year	-	-	-	(356)	(356)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(356)	(356)
Total transactions with owners, recognised directly in equity	-	-	-	-	-
Balance as at 31 December 2020	71,553	8,128	-	(241)	79,440
Balance as at 1 January 2019	59,597	8,128	-	562	68,287
Loss for the year	-	-	-	(447)	(447)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(447)	(447)
Issuance of shares pursuant to the Preferential Offering of Rights Shares	11,956	-	-	-	11,956
Total transactions with owners, recognised directly in equity	11,956	-	-	-	11,956
Balance as at 31 December 2019	71,553	8,128	-	115	79,796

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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.

During the financial year ended 31 December 2020 ("FY2020"), there are no issuance of new ordinary shares and no warrants being exercised. The total outstanding issued ordinary shares and warrants as at 31 December 2020 are as follows:

Issued Ordinary Shares

The movement of issued ordinary shares of the Company during the period under review was as follows:

	No. of Shares issued
As at 1 January 2020	841,235,625
Add : Allotment and issuance of new ordinary shares	-
As at 31 December 2020	841,235,625

Warrants

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

	No. of Warrants		
	2016 Warrants	2019 Warrants	Total
As at 1 January 2020	168,847,995	168,247,125	337,095,120
Add : Allotment issuance of warrants	-	-	-
As at 31 December 2020	168,847,995	168,247,125	337,095,120

The Company did not have any outstanding options, convertibles or treasury shares as at 31 December 2020.

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 shares of the Company as at 31 December 2020 comprised 841,235,625 ordinary shares (31 December 2019: 841,235,625 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 2020.

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.

The accounting policies and methods of computation applied in the financial statements for the current reporting period/year are consistent with those stated in the audited financial statements for the financial year ended 31 December 2019 except in the current financial year, the Group and the Company has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 January 2020. The adoption of these new and revised standards did not have any effect on the financial performance or position of the Group and the Company.

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.

Please refer to item 4 above.

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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			
	Second Half Ended 31 December		Financial Year Ended 31 December	
	2020	2019	2020	2019
(a) Based on the weighted average number of ordinary shares in issue (cents per share)	(1.28)	(0.87)	(3.41)	(1.23)
- Weighted average number of ordinary shares ('000)	841,236	841,236	841,236	744,897
(b) On a fully diluted basis (cents per share)	(1.28)	(0.87)	(3.41)	(1.23)
- Adjusted weighted average number of ordinary shares ('000)	841,236	841,236	841,236	744,897

- (a) Basic EPS is calculated based on the net loss 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 Soil build 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	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
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)	6.28	9.72	9.44	9.49
Total number of shares in issue	841,235,625	841,235,625	841,235,625	841,235,625

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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) **2HFY2020 vs 2HFY2019**

For 2HFY2020, the Group reported a net loss of approximately S\$10.7 million compared to net loss of approximately S\$7.3 million reported in the comparative period.

Revenue & Gross Loss

For the period under review, the Group's revenue decreased by 37.2% from S\$126.9 million in 2HFY2019 to S\$79.7 million in 2HFY2020. The lower revenue reported for 2HFY2020 was due to decrease in construction activities as a result of suspension of all its construction and precast activities in Singapore during the Singapore Covid-19 Circuit Breaker period ("CB") and slow resumption of construction works at site and precast manufacturing activities in the post-CB period.

Major revenue contributors in 2HFY2020 were:

- Yishun HDB project (public housing development at Yishun);
- Bedok Food City project (construction of a high rise multi-user food factory at Bedok North Avenue 4);
- Tai Seng project (construction of a multi-user general industrial factory development at Tai Seng Avenue);
- Rosehill Residence project (erection of a 24-storey residential development in Yangon);
- Tuas Bay Close project (construction of a multi-user general industrial development at Tuas Bay Close); and
- Corporation Drive project (construction of a multi-user general industrial factory development at Jurong West Planning).

In 2HFY2020, the Precast and Prefabrication division contributed approximately S\$6.2 million to the Group's revenue on sales of its products.

The Group reported a gross loss of S\$9.1 million in 2HFY2020 compared to gross loss of S\$0.7 million in 2HFY2019. The gross profit loss for 2HFY2020 was (11.4%) compared to gross loss margin for 2HFY2019 of (0.5%).

Other Income

Other income increased by approximately S\$3.3 million mainly due to government grants such as job support scheme and levy rebates provided by Singapore Government.

Other Losses

Other gains (net) of approximately S\$127,000 in 2HFY2020 were mainly attributable to fair value gain on derivative financial instruments of approximately S\$397,000, which was partially offset by foreign exchange loss of approximately S\$188,000 and loss on disposal of property, plant and equipment.

Administrative Expenses

Administrative expenses decreased from S\$4.3 million in 2HFY2019 to S\$3.0 million in 2HFY2020 mainly due to the decrease in various administrative expenses including property taxes on the buildings of the Group as well as staff remuneration, director's remuneration and directors' fee. In view of the challenges in operating environment caused by Covid-19 pandemic, the Directors have voluntary lowered their entitlement of salaries and fees for 2HFY2020.

Finance Expenses

The decrease in finance expenses in 2HFY2020 was mainly due to lower interest rates on bank borrowings during the period.

Other Operating Expenses

The increase in other operating expenses in 2HY2020 was mainly due to impairment loss on land lease prepayment amounting to S\$1.3 million, which was partially offset by decrease in various expenses that included upkeep of premises during the period under review.

Share of Profit of Joint Ventures

The Group recognised a gain of approximately S\$12,000 in the share of profit of its joint ventures in 2HFY2020 as compared to a gain of approximately S\$8,000 in the comparative period.

Income tax expenses

The Group reported income tax credit of approximately S\$851,000 in 2HFY2020 mainly due to recognition of certain deferred tax assets that are expected to be realised in near future.

Net loss after tax

With the impact of the above, the Group reported a net loss after tax of approximately S\$10.7 million in 2HFY2020.

(b) **12MFY2020 vs 12MFY2019**

For 12MFY2012, the Group reported a net loss of approximately S\$28.7 million compared to net loss of approximately S\$9.1 million reported in the comparative period.

Revenue & Gross Loss

For the period under review, the Group's revenue decreased by 37.1% from S\$236.8 million in 12MFY2019 to S\$148.9 million in 12MFY2020. The decrease in revenue is attributable to decrease in construction activities during 12MFY2020 as a result of suspension of all its construction and precast activities in Singapore during the Singapore Covid-19 Circuit Breaker period ("CB") and slow resumption of construction works at site and precast manufacturing activities in the post-CB period.

Major revenue contributors in 12MFY2020 were:

- Yishun HDB project (public housing development at Yishun);
- Bedok Food City project (construction of a high rise multi-user food factory at Bedok North Avenue 4);
- Tai Seng project (construction of a multi-user general industrial factory development at Tai Seng Avenue);
- Rosehill Residence project (erection of a 24-storey residential development in Yangon);
- Tuas Bay Close project (construction of a multi-user general industrial development at Tuas Bay Close);
- Corporation Drive project (construction of a multi-user general industrial factory development at Jurong West Planning); and
- 68 Residence project (construction and completion of a 26 1/2 storey serviced apartment / condominium in Yangon).

In 12MFY2020, the Precast and Prefabrication division contributed approximately S\$8.5 million to the Group's revenue.

The Group reported a gross loss of S\$24.3 million in 12MFY2020 compared to gross profit of S\$5.1 million in 12MFY2019. The gross loss margin for 12MFY2020 was (16.3%) while the gross profit margin was 2.2% in 12MFY2019.

The gross loss of S\$24.3 million in 12MFY2020 was mainly due to (i) operating losses arising from the suspension of activities at sites/factories due to Covid-19 pandemic, (ii) provision for losses on certain projects in Singapore due to extended construction period where the Group may not be entitled to prolongation costs and (iii) additional construction costs for certain projects.

Other Income

Other income increased by approximately S\$6.8 million mainly due to (i) government grants such as job support scheme and levy rebates provided by Singapore Government, and (ii) increase in rental income in 12MFY2020.

Other Losses

Other losses (net) of approximately S\$0.6 million in 12MFY2020 were mainly attributable to foreign exchange loss of approximately S\$254,000 and fair value loss on derivative financial instruments of approximately S\$313,000.

Administrative Expenses

Administrative expenses decreased from S\$8.7 million in 12MFY2019 to S\$6.5 million in 12MFY2020 mainly due in the decrease in various administrative expenses including property taxes on the buildings of the Group as well as staff remuneration, director's remuneration and directors' fee. In view of the challenges in operating environment caused by Covid-19 pandemic, the Directors have voluntary lowered their entitlement of salaries and fees for 12MFY2020.

Finance Expenses

The finance expenses in 12MFY2020 comprised mainly interest on bank borrowings incurred during the period under review.

Other Operating Expenses

The increase in other operating expenses in 12MFY2020 was mainly due to impairment loss on land lease prepayment amounting to S\$1.3 million, which was partially offset by decrease in various expenses that included upkeep of motor vehicles and upkeep of premises during the period under review.

Share of Profit of Joint Ventures

The Group recognised a gain of approximately S\$6,000 in the share of profit of its joint ventures in 12MFY2020 as compared to a gain of approximately S\$11,000 in the comparative period.

Income tax expenses

The Group reported income tax credit of approximately S\$844,000 in 12MFY2020 mainly due to recognition of certain deferred tax assets that are expected to be realised in near future.

Net loss after tax

With the impact of the above, the Group reported a net loss after tax of approximately S\$28.7 million in 12MFY2020.

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

Save for the explanation in paragraph 8, there is no material deviation in the actual results for 2HFY2020 and 12MFY2020 from what was previously discussed under paragraph 10 of the announcement of the Company's financial statements for the financial period ended 30 June 2020.

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 the advance estimates by the Ministry of Trade and Industry Singapore and its press release on 4 January 2021, the Singapore economy contracted by 3.8% on a year-on-year ("yoy") basis in the fourth quarter of 2020, an improvement from 5.6% contraction recorded in the third quarter of 2020. The construction sector shrank by 28.5% (on a yoy basis) in the fourth quarter 2020. The sector recorded a 46.2% contraction in the third quarter 2020 on account of the slow resumption of construction activities.

During the period under review, the Group has resumed construction activities at all its construction sites in Singapore. However, the progress of construction works was constrained by (i) the safety measures that we have put in place for our operations and (ii) shortage of manpower to execute the work at sites. For the Group's precast and prefabrication business, we had restarted our manufacturing and production activities at factories in Singapore and Malaysia in order to meet delivery schedules that we have committed to our customers. While the revenue recognised from our construction activities remained lower than those in the past, revenue recognised from the precast and prefabrication business increased to S\$6.2 million for the current period under review. The Group's precast and prefabrication business secured 4 new supply and delivery contracts worth approximately S\$10.1 million during the period. The Group expects the industry will continue to face challenges in near term, however, we will continue to seek growth in this business, in tandem with the Government push towards adoption of DfMA technologies in the industry.

As we have announced on 1 February 2021, the military of Myanmar seized power in Myanmar and declared a one-year state of emergency. Although there are no restrictions on the construction activities at our sites in Myanmar, we have lowered our manpower resources working at the construction sites as a precautionary measure in consideration of the uncertainties. We will continue to assess the situation and will adjust our progress at sites correspondingly.

The Group's order book as at 31 December 2020 amounted to S\$515.4 million, which comprise S\$470.4 million (of which, S\$420.2 million* from local projects and S\$50.2 million from Myanmar projects) of construction projects, and S\$45.0 million of precast and prefabrication supply contracts from external parties.

* comprise precast and prefabrication components with contract value worth approximately S\$12.7 million to be supplied and the Group's precast and prefabrication division.

11 Dividend

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

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding period of the immediately preceding financial year

No dividend was declared and paid in the corresponding period/year.

(c) The date the dividend is payable

Not applicable

(d) Books closure date

Not applicable

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

There is no dividend recommended for the financial year ended 31 December 2020 as the Group reported net loss.

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 2HFY2020		
<u>Soilbuild Group Holdings Ltd. & its subsidiaries</u>		
Office rental	-	118

14 Use of Proceeds from Preferential Offering of Rights Shares

Pursuant to the preferential offering of Rights Shares on 29 July 2019, the Company received net proceeds from the issue of the shares of approximately S\$12.0

Use of proceeds from the preferential offering of Rights Shares	Amount Allocated S\$'000	Amount Used As At 31 December 2020 S\$'000	Amount Unused As At 31 December 2020 S\$'000
- To fund the expansion of the Pontian Factory	10,000	10,000	-
- To fund the acquisition of plant and machinery by the Group's Precast	1,956	1,956	-
	11,956	11,956	-

As at 31 December 2020, the Company has fully utilised the net proceeds as stated above.

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

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

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.

	Construction	Singapore	Others	Myanmar	Malaysia	Others	Elimination	Group
	S\$'000	Precast	S\$'000	Construction	Precast	S\$'000	S\$'000	S\$'000
		S\$'000		S\$'000	S\$'000			
Year ended 31 December 2020								
Revenue								
External customers	120,452	6,661	-	21,824	-	-	-	148,937
Inter-segment revenue	1,491	1,874	-	-	-	4,469	(7,834)	-
Total revenue	121,943	8,535	-	21,824	-	4,469	(7,834)	148,937
Result								
Segment result before interest	(18,382)	(6,333)	(508)	(1,007)	(1,508)	(1,919)	204	(29,536)
Interest income								23
Loss before tax								(29,513)
Tax								844
Loss after tax								(28,669)
Segment results include:								
- Depreciation of property, plant and equipment	5,282	2,047	-	283	61	2,147	-	9,820
- Amortisation of intangible assets	106	108	-	-	-	-	-	214
- Share of profit of joint ventures	6	-	-	-	-	-	-	6
Segment assets	147,563	33,780	144	24,603	1,298	40,619	49	248,056
Segment assets includes:								
Investment in joint ventures	15	-	-	-	-	-	-	15
Additions to:								
- Property, plant and equipment	2,708	196	-	1	-	16,338	-	19,243
- Intangible assets	-	28	-	-	-	-	-	28
Segment liabilities	(158,843)	(5,732)	(5,160)	(17,250)	(3)	(8,226)	(13)	(195,227)

	Construction	Singapore	Others	Myanmar	Malaysia	Others	Elimination	Group
	S\$'000	Precast	S\$'000	Construction	Precast	S\$'000	S\$'000	S\$'000
		S\$'000		S\$'000	S\$'000			
Year ended 31 December 2019								
Revenue								
External customers	197,515	863	-	38,386	-	-	-	236,764
Inter-segment revenue	5,593	3,369	-	-	-	403	(9,365)	-
Total revenue	203,108	4,232	-	38,386	-	403	(9,365)	236,764
Result								
Segment result before interest	730	(4,310)	(665)	1,780	(117)	(2,183)	24	(8,448)
Interest income								35
Loss before tax								(8,413)
Tax								(727)
Loss after tax								(9,140)
Segment results include:								
- Depreciation of property, plant and equipment	6,177	339	-	302	60	1,078	4	7,960
- Amortisation of intangible assets	119	84	-	-	-	-	-	203
- Share of profit of joint ventures	11	-	-	-	-	-	-	11
Segment assets	162,753	32,345	6,963	40,685	2,645	23,675	68	269,134
Segment assets includes:								
Investment in joint ventures	40	-	-	-	-	-	-	40
Additions to:								
- Property, plant and equipment	5,274	516	-	80	-	4,576	-	10,446
- Intangible assets	101	289	-	-	-	-	-	390
Segment liabilities	(162,496)	(5,378)	(277)	(16,255)	(5)	(2,943)	(33)	(187,387)

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.

UNAUDITED SECOND HALF AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18 A breakdown of sales

	The Group			
	Financial year ended 31/12/2020 \$'000	Financial year ended 31/12/2019 \$'000	Increase/(Decrease)	
			\$'000	%
(a) Sales reported for first half year	69,200	109,865	(40,665)	-37%
(b) Operating loss after taxation reported for the first half year	(17,937)	(1,825)	16,112	883%
(c) Sales reported for second half year	79,737	126,899	(47,162)	-37%
(d) Operating loss after taxation reported for the second half year	(10,732)	(7,315)	3,417	47%

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 2020 (\$'000)	Financial year ended 31 December 2019 (\$'000)
Interim dividends	-	-
Proposed final dividend	-	-
Proposed special dividend	-	-
Total	-	-

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

Lim Cheng Hwa
Non-Executive Director

24 February 2021