



SOILBUILD CONSTRUCTION GROUP LTD.
(Incorporated in Singapore. Registration Number: 201301440Z)
AND ITS SUBSIDIARIES

**CONDENSED INTERIM FINANCIAL
STATEMENTS**

For the six months and full year ended 31 December 2021

SOILBUILD CONSTRUCTION GROUP LTD.
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and full year ended 31 December 2021

Contents

	Page
Condensed interim consolidated statement of profit or loss and other comprehensive income	1
Condensed interim statements of financial position	2
Condensed interim statements of changes in equity	3
Condensed interim consolidated statement of cash flows	5
Notes to the condensed interim consolidated financial statements	6
Other information required by Listing Rule Appendix 7.2	21

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the six months and full year ended 31 December 2021

	Note	<u>The Group</u>			<u>The Group</u>		
		Second Half Ended 31 December		Change %	Financial Year Ended 31 December		Change %
		2021 \$'000	2020 \$'000		2021 \$'000	2020 \$'000	
Revenue	4	128,862	79,737	61.6	258,280	148,937	73.4
Cost of sales		(128,057)	(88,855)	44.1	(253,426)	(173,215)	46.3
Gross profit/(loss)		805	(9,118)	NM	4,854	(24,278)	NM
Other income		2,814	5,417	(48.1)	6,099	10,580	(42.4)
Other gains/(losses) - net		715	127	463.0	962	(623)	NM
Allowance for expected credit losses on financial assets		(1,565)	-	NM	(1,565)	-	NM
Expenses							
- Administrative		(3,703)	(2,978)	24.3	(7,311)	(6,492)	12.6
- Marketing		-	(6)	NM	(9)	(10)	(10.0)
- Finance		(891)	(970)	(8.1)	(1,899)	(1,916)	(0.9)
- Others		(1,625)	(4,067)	(60.0)	(4,393)	(6,780)	(35.2)
Share of (loss)/profit of joint ventures		(2)	12	NM	-	6	NM
Loss before income tax	6	(3,452)	(11,583)	(70.2)	(3,262)	(29,513)	(88.9)
Income tax credit	7	633	851	(25.6)	635	844	(24.8)
Net loss		(2,819)	(10,732)	(73.7)	(2,627)	(28,669)	(90.8)
Other comprehensive loss:							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation		55	(666)	NM	97	(249)	NM
Total comprehensive loss		(2,764)	(11,398)	(75.8)	(2,530)	(28,918)	(91.3)
Loss attributable to:							
Equity holders of the Company		(2,819)	(10,732)	(73.7)	(2,627)	(28,669)	(90.8)
		(2,819)	(10,732)	(73.7)	(2,627)	(28,669)	(90.8)
Total comprehensive loss attributable to:							
Equity holders of the Company		(2,764)	(11,398)	(75.8)	(2,530)	(28,918)	(91.3)
		(2,764)	(11,398)	(75.8)	(2,530)	(28,918)	(91.3)
Loss per share attributable to equity holders of the Company (cents per share)							
- Basic	8	(0.34)	(1.28)		(0.31)	(3.41)	
- Diluted	8	(0.34)	(1.28)		(0.31)	(3.41)	

NM: Not meaningful

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group		Company	
		31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		16,991	21,818	157	90
Trade and other receivables		63,295	62,300	1,823	2,491
Inventories		9,182	7,615	-	-
Other current assets		3,655	2,326	4	5
		93,123	94,059	1,984	2,586
Non-current assets					
Trade and other receivables		16,244	10,556	33,859	25,132
Investments in subsidiaries		-	-	91,970	77,870
Investments in joint ventures		13	15	-	-
Property, plant and equipment	10	130,368	141,006	-	-
Intangible assets		155	331	-	-
Deferred income tax assets		2,689	2,089	-	-
		149,469	153,997	125,829	103,002
Total assets		242,592	248,056	127,813	105,588
LIABILITIES					
Current liabilities					
Trade and other payables		83,988	95,591	29,573	21,138
Current income tax liabilities		562	920	-	10
Borrowings	11	34,528	29,016	2,234	590
Provision for other liabilities		4,418	4,936	-	-
Derivative financial instruments		-	663	-	-
		123,496	131,126	31,807	21,738
Non-current liabilities					
Trade and other payables		7,214	8,431	-	-
Borrowings	11	61,451	55,670	17,162	4,410
Deferred income tax liabilities		132	-	-	-
		68,797	64,101	17,162	4,410
Total liabilities		192,293	195,227	48,969	26,148
NET ASSETS		50,299	52,829	78,844	79,440
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	12	71,553	71,553	71,553	71,553
Capital reserve		(1,070)	(1,070)	-	-
Currency translation reserve		(313)	(410)	-	-
Warrant reserve	13	-	8,128	-	8,128
(Accumulated losses)/retained profits		(19,871)	(25,372)	7,291	(241)
TOTAL EQUITY		50,299	52,829	78,844	79,440

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the six months and full year ended 31 December 2021

The Group	Note	← Attributable to equity holders of the Company (Accumulated losses)/ Retained profits →					Total equity \$'000
		Share capital \$'000	Capital reserve \$'000	Currency translation reserve \$'000	Warrant reserve \$'000	Retained profits \$'000	
2021							
Balance as at 1 January 2021		71,553	(1,070)	(410)	8,128	(25,372)	52,829
Loss for the financial year		-	-	-	-	(2,627)	(2,627)
Other comprehensive income for the financial year		-	-	97	-	-	97
Total comprehensive income/(loss) for the financial year		-	-	97	-	(2,627)	(2,530)
Transfer of warrant reserve to retained profits	13	-	-	-	(8,128)	8,128	-
Balance as at 31 December 2021		71,553	(1,070)	(313)	-	(19,871)	50,299
2020							
Balance as at 1 January 2020		71,553	(1,070)	(161)	8,128	3,297	81,747
Loss for the financial year		-	-	-	-	(28,669)	(28,669)
Other comprehensive loss for the financial period		-	-	(249)	-	-	(249)
Total comprehensive loss for the financial period		-	-	(249)	-	(28,669)	(28,918)
Balance as at 31 December 2020		71,553	(1,070)	(410)	8,128	(25,372)	52,829

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the six months and full year ended 31 December 2021

The Company	Note	← Attributable to equity holders of the Company →			Total equity \$'000
		Share capital \$'000	Warrant reserve \$'000	Retained profits/ (accumulated losses) \$'000	
2021					
Balance as at 1 January 2021		71,553	8,128	(241)	79,440
Loss for the financial year		-	-	(596)	(596)
Total comprehensive loss for the financial year		-	-	(596)	(596)
Transfer of warrant reserve to retained profits	13	-	(8,128)	8,128	-
Balance as at 31 December 2021		71,553	-	7,291	78,844
2020					
Balance as at 1 January 2020		71,553	8,128	115	79,796
Loss for the financial year		-	-	(356)	(356)
Total comprehensive loss for the financial year		-	-	(356)	(356)
Balance as at 31 December 2020		71,553	8,128	(241)	79,440

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months and full year ended 31 December 2021

	The Group	
	Financial Year Ended	
	31 December	
Note	2021	2020
	\$'000	\$'000
Cash flows from operating activities		
Net loss	(2,627)	(28,669)
Adjustments for:		
- Amortisation of intangible assets	187	214
- Depreciation of property, plant and equipment	11,556	9,820
- (Reversal of impairment loss)/impairment loss on right-of-use assets	(1,262)	1,262
- Allowance for expected credit losses on financial assets	1,565	-
- Interest income	(5)	(23)
- Interest expense	1,899	1,916
- Income tax credit	(635)	(844)
- (Gain)/loss on disposal of property, plant and equipment	(13)	56
- Property, plant and equipment written off	10	135
- Fair value (gain)/loss on derivative financial instruments	(663)	313
- Share of profit of joint ventures	-	(6)
Operating cash flows before working capital changes	10,012	(15,826)
Changes in working capital:		
- Trade and other receivables	(8,248)	34,275
- Other current assets	(1,329)	241
- Inventories	(1,567)	(5,788)
- Trade and other payables	(12,872)	(8,644)
- Provision for other liabilities	(518)	3,730
Cash (used in)/generated from operations	(14,522)	7,988
Income tax paid	(190)	(220)
Net cash (used in)/provided by operating activities	(14,712)	7,768
Cash flows from investing activities		
Additions to property, plant and equipment	(4,371)	(17,075)
Additions of intangible assets	(11)	(27)
Proceeds from disposal of property, plant and equipment	769	184
Return of capital on dissolution of a joint venture	-	15
Government grant received	5,317	-
Dividend received from a joint venture	3	16
Interest received	5	23
Net cash provided by/(used in) investing activities	1,712	(16,864)
Cash flows from financing activities		
Proceeds from bank loans	41,566	35,434
Repayment of bank loans	(41,106)	(26,304)
Proceeds from shareholder's loan	10,000	-
Principal repayment of lease liabilities	(855)	(323)
Interest paid	(1,858)	(1,872)
Net cash provided by financing activities	7,747	6,935
Net decrease in cash and cash equivalents	(5,253)	(2,161)
Cash and cash equivalents at beginning of financial year	21,818	24,154
Effects of currency translation on cash and cash equivalents	426	(175)
Cash and cash equivalents at end of financial year	16,991	21,818

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months and full year ended 31 December 2021

1. Corporate information

Soilbuild Construction Group Ltd (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements for the six months and full year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company is that of investment holding.

The principal activities of the Group are:

- (a) building contractors;
- (b) manufacturing of construction materials and parts; and
- (c) project management.

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

Going concern

The Group incurred a loss of \$2,627,000 during the financial year ended 31 December 2021. In addition, the Group's current liabilities exceed its current assets by \$30,373,000 as at 31 December 2021.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months and full year ended 31 December 2021

2. Basis of preparation

Going concern (continued)

The condensed interim financial statements have been prepared on a going concern basis due to the following reasons:

- a) Based on the Group's cashflow forecast prepared by management and approved by the Board of Directors for the next twelve months, management believes that the Group will be able to pay its debts as and when they fall due. The current year's loss position is mainly due to adverse impact of COVID-19 pandemic resulting in loss in the Group's precast manufacturing operations. The Group is expected to meet cash flow requirements from its normal course of business through its existing and future order books. The Group has strong order books amounting to \$365,800,000 as at 31 December 2021, which it is expected to generate positive cash flows over the next twelve months.
- b) The Group has existing bank facilities which have yet to be utilised amounting to \$38,752,000 in which it can tap on for its funding requirements. In addition, the Group has existing banking relationships with a number of banks and will be able to obtain additional funding from the banks when required.

2.1 New and amended standards adopted by the Group

The accounting policies adopted by the Group in the preparation of the condensed interim consolidated financial statements are consistent with those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2020, except for the adoption of new and revised standards effective as of 1 January 2021.

Effective for annual periods beginning on or after 1 January 2021:

1 June 2020	Amendments to: - SFRS(I) 16 Leases (COVID-19-Related Rent Concessions)
1 January 2021	Amendments to: - SFRS(I) 9 Financial Instruments, SFRS(I) 1-39 Financial Instruments: Recognition and Measurement, SFRS(I) 7 Financial Instruments: Disclosures, SFRS(I) 4 Insurance Contracts and SFRS(I) 16 Leases (Interest Rate Benchmark Reform – Phase 2)

The amendments listed above did not have any significant impact on the condensed interim consolidated financial statements of the Group.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2021

2. Basis of preparation (continued)

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Construction contracts:

The Group has significant ongoing construction contracts for building works. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the building works. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method"). Management has to estimate these total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

Significant judgement is used to estimate these total construction contract costs that will affect the revenue and profit margins recognised from construction contracts. In making the judgement, the Group evaluates and places reliance on past experience, estimates from quantity surveyors and value of work performed as determined by the architects. In assessing the total construction contract costs, management has relied on information currently available as at 31 December 2021. Further resumption, prolongation and acceleration costs may be incurred if the COVID-19 situation persists beyond management's current expectations. Such cost estimation would be revised in the accounting periods where the changes in circumstances arise.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months and full year ended 31 December 2021

2. Basis of preparation (continued)

2.2 Use of judgements and estimates (continued)

If the estimated total construction cost of uncompleted contracts increase/decrease by 2% (2020: 2%) from management's estimates, the effects on the Group's net loss after tax (2020: net loss after tax) will be as follows:

	Increase/(Decrease)	
	12 months	12 months
	ended 2021	ended 2020
	\$'000	\$'000
Estimated total construction cost		
- increased by 2% (2020: 2%)	9,927	8,745
- decreased by 2% (2020: 2%)	(8,323)	(8,894)

Significant judgement is also used to estimate variations or claims recognised as contract revenue and provision for liquidated damages that will affect the revenue and profit margins recognised from construction contracts. In making the judgement, the Group evaluates and places reliance on past experience, contractual obligations, estimates from quantity surveyors and value of work performed as determined by the architects.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into three primary geographic areas namely Singapore, Myanmar and Malaysia. The Singapore geographic area is engaged both in construction and precast manufacturing business while Myanmar geographic area is engaged only in construction and Malaysia geographic area is engaged only in precast manufacturing business.

These operating segments are reported in a manner consistent with internal reporting provided to senior management who are responsible for allocating resources and assessing performance of the operating segments. Senior management comprises the Executive Chairman and Chief Executive Officers and are the Group's chief operating decision-makers.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2021

4.1 Reportable segments

The segment information provided to senior management for the reportable segments is as follows:

	Singapore			Myanmar		Malaysia	Others	Elimination	Total
	Construction	Precast	Others	Construction	Others	Precast	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group									
1 July 2021 to 31 December 2021									
Revenue									
External customers	108,292	9,656	-	10,914	-	-	-	-	128,862
Inter-segment revenue	2,539	6,638	-	-	-	9,309	-	(18,486)	-
	110,831	16,294	-	10,914	-	9,309	-	(18,486)	128,862
Result									
Segment result before interest	478	(1,889)	(391)	(215)	1,207	(2,965)	(14)	335	(3,454)
Interest income									2
Loss before income tax									(3,452)
Income tax credit									633
Net loss									(2,819)
Segment results include:									
- Depreciation of property, plant and equipment	2,590	1,216	-	136	31	2,282	-	-	6,255
- Reversal of impairment loss on right-of-use assets	-	-	-	-	(1,262)	-	-	-	(1,262)
- Amortisation of intangible assets	45	55	-	-	-	-	-	-	100
- Share of loss of joint ventures	(2)	-	-	-	-	-	-	-	(2)
Segment assets	143,137	32,820	190	23,629	2,579	40,215	22	-	242,592
Segment assets includes:									
Investment in joint ventures	13	-	-	-	-	-	-	-	13
Additions to:									
- Property, plant and equipment	1	129	-	-	-	623	-	-	753
- Intangible assets	-	-	-	-	-	-	-	-	-
Segment liabilities	(138,815)	(6,360)	(19,607)	(19,572)	(32)	(7,891)	(16)	-	(192,293)

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2021

4.1 Reportable segments (continued)

The segment information provided to senior management for the reportable segments is as follows: (continued)

	← Construction \$'000	Singapore Precast \$'000	Others \$'000	← Construction \$'000	Myanmar Others \$'000	Malaysia Precast \$'000	Others \$'000	Elimination \$'000	Total \$'000
<u>Group</u>									
1 July 2020 to 31 December 2020									
Revenue									
External customers	67,291	5,008	-	7,438	-	-	-	-	79,737
Inter-segment revenue	820	1,186	-	-	-	3,732	-	(5,738)	-
	<u>68,111</u>	<u>6,194</u>	<u>-</u>	<u>7,438</u>	<u>-</u>	<u>3,732</u>	<u>-</u>	<u>(5,738)</u>	<u>79,737</u>
Result									
Segment result before interest	(5,746)	(3,112)	(148)	(656)	(1,451)	(892)	179	226	(11,600)
Interest income									17
Loss before income tax									<u>(11,583)</u>
Income tax credit									851
Net loss									<u>(10,732)</u>
Segment results include:									
- Depreciation of property, plant and equipment	2,680	921	-	140	31	1,525	-	-	5,297
- Impairment loss on right-of-use assets	-	-	-	-	1,262	-	-	-	1,262
- Amortisation of intangible assets	49	54	-	-	-	-	-	-	103
- Share of profit of joint ventures	12	-	-	-	-	-	-	-	12
Segment assets	<u>147,563</u>	<u>33,780</u>	<u>144</u>	<u>24,603</u>	<u>1,298</u>	<u>40,619</u>	<u>49</u>	<u>-</u>	<u>248,056</u>
Segment assets includes:									
Investment in joint ventures	15	-	-	-	-	-	-	-	15
Additions to:									
- Property, plant and equipment	129	187	-	-	-	10,620	-	-	10,936
- Intangible assets	-	1	-	-	-	-	-	-	1
Segment liabilities	<u>(158,843)</u>	<u>(5,732)</u>	<u>(5,160)</u>	<u>(17,250)</u>	<u>(3)</u>	<u>(8,226)</u>	<u>(13)</u>	<u>-</u>	<u>(195,227)</u>

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2021

4.1 Reportable segments (continued)

The segment information provided to senior management for the reportable segments is as follows:

	Singapore			Myanmar		Malaysia	Others	Elimination	Total
	Construction \$'000	Precast \$'000	Others \$'000	Construction \$'000	Others \$'000	Precast \$'000	\$'000	\$'000	\$'000
Group									
1 January 2021 to 31 December 2021									
Revenue									
External customers	223,425	21,356	-	13,499	-	-	-	-	258,280
Inter-segment revenue	2,709	9,033	-	-	-	18,688	-	(30,430)	-
	<u>226,134</u>	<u>30,389</u>	<u>-</u>	<u>13,499</u>	<u>-</u>	<u>18,688</u>	<u>-</u>	<u>(30,430)</u>	<u>258,280</u>
Result									
Segment result before interest	5,121	(3,776)	(607)	(1,181)	1,146	(4,213)	(29)	272	(3,267)
Interest income									5
Loss before income tax									(3,262)
Income tax credit									635
Net loss									<u>(2,627)</u>
Segment results include:									
- Depreciation of property, plant and equipment	5,265	1,712	-	272	59	4,248	-	-	11,556
- Reversal of impairment loss on right-of-use assets	-	-	-	-	(1,262)	-	-	-	(1,262)
- Amortisation of intangible assets	91	96	-	-	-	-	-	-	187
- Share of loss of joint ventures	-	-	-	-	-	-	-	-	-
Segment assets	<u>143,137</u>	<u>32,820</u>	<u>190</u>	<u>23,629</u>	<u>2,579</u>	<u>40,215</u>	<u>22</u>	<u>-</u>	<u>242,592</u>
Segment assets includes:									
Investment in joint ventures	13	-	-	-	-	-	-	-	13
Additions to:									
- Property, plant and equipment	68	164	-	-	-	4,139	-	-	4,371
- Intangible assets	-	11	-	-	-	-	-	-	11
Segment liabilities	<u>(138,815)</u>	<u>(6,360)</u>	<u>(19,607)</u>	<u>(19,572)</u>	<u>(32)</u>	<u>(7,891)</u>	<u>(16)</u>	<u>-</u>	<u>(192,293)</u>

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2021

4.1 Reportable segments (continued)

The segment information provided to senior management for the reportable segments is as follows: (continued)

	← Construction \$'000	Singapore Precast \$'000	Others \$'000	← Construction \$'000	Myanmar Others \$'000	Malaysia Precast \$'000	Others \$'000	Elimination \$'000	Total \$'000
<u>Group</u>									
1 January 2020 to 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)	-
	<u>121,943</u>	<u>8,535</u>	<u>-</u>	<u>21,824</u>	<u>-</u>	<u>4,469</u>	<u>-</u>	<u>(7,834)</u>	<u>148,937</u>
Result									
Segment result before interest	(18,382)	(6,333)	(508)	(1,007)	(1,508)	(1,919)	204	(83)	(29,536)
Interest income									23
Loss before income tax									<u>(29,513)</u>
Income tax credit									844
Net loss									<u>(28,669)</u>
Segment results include:									
- Depreciation of property, plant and equipment	5,282	2,047	-	283	61	2,147	-	-	9,820
- Impairment of property, plant and equipment	-	-	-	-	1,262	-	-	-	1,262
- Amortisation of intangible assets	106	108	-	-	-	-	-	-	214
- Share of loss of joint ventures	6	-	-	-	-	-	-	-	6
Segment assets	<u>147,563</u>	<u>33,780</u>	<u>144</u>	<u>24,603</u>	<u>1,298</u>	<u>40,619</u>	<u>49</u>	<u>-</u>	<u>248,056</u>
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	-	27	-	-	-	-	-	-	27
Segment liabilities	<u>(158,843)</u>	<u>(5,732)</u>	<u>(5,160)</u>	<u>(17,250)</u>	<u>(3)</u>	<u>(8,226)</u>	<u>(13)</u>	<u>-</u>	<u>(195,227)</u>

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months and full year ended 31 December 2021

4.2 Disaggregation of revenue

	<u>Over time</u>		<u>At a point in time</u>		<u>Total</u>	
	Second Half Ended		Second Half Ended		Second Half Ended	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Construction						
- Singapore	107,652	67,837	-	-	107,652	67,837
- Myanmar	10,914	7,438	-	-	10,914	7,438
	118,566	75,275	-	-	118,566	75,275
Precast manufacturing						
- Singapore	-	-	9,656	5,008	9,656	5,008
	-	-	9,656	5,008	9,656	5,008
Others	640	6	-	(552)	640	(546)
Total	119,206	75,281	9,656	4,456	128,862	79,737

	<u>Over time</u>		<u>At a point in time</u>		<u>Total</u>	
	Financial Year Ended		Financial Year Ended		Financial Year Ended	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Construction						
- Singapore	222,785	120,403	-	-	222,785	120,403
- Myanmar	13,499	21,824	-	-	13,499	21,824
	236,284	142,227	-	-	236,284	142,227
Precast manufacturing						
- Singapore	-	-	21,356	6,637	21,356	6,637
	-	-	21,356	6,637	21,356	6,637
Others	640	49	-	24	640	73
Total	236,924	142,276	21,356	6,661	258,280	148,937

Revenue contribution from a single region is disclosed separately when it exceeds 10% of the Group's revenue respectively.

A breakdown of sales:

	← Group →		Increase/(Decrease)	
	Financial year ended 31 December 2021 \$'000	Financial year ended 31 December 2020 \$'000		
Sales reported for first half year	129,418	69,200	60,218	87%
Operating profit/(loss) after taxation reported for the first half year	192	(17,937)	18,129	NM
Sales reported for second half year	128,862	79,737	49,125	62%
Operating loss after taxation reported for the second half year	(2,819)	(10,732)	7,913	NM

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months and full year ended 31 December 2021

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020:

	<u>Group</u>		<u>Company</u>	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Financial assets				
Cash and bank balances and trade and other receivables (amortised cost)	59,656	62,427	36,082	27,713
	59,656	62,427	36,082	27,713
Financial liabilities				
Trade and other payables and borrowings (amortised cost)	173,998	183,773	47,705	26,138
	173,998	183,773	47,705	26,138

6. Loss before income tax

6.1 Significant items

	<u>Group</u>		<u>Group</u>	
	Second Half Ended 31 December 2021 \$'000	2020 \$'000	Financial Year Ended 31 December 2021 \$'000	2020 \$'000
Other Income				
Government grants (including Job Support Scheme and levy rebates)	703	3,217	1,817	6,168
Rental income	1,434	1,582	2,862	3,495
Service income	346	80	804	300
Interest income	2	17	5	23
Others	329	521	611	594
	2,814	5,417	6,099	10,580
Other gains/(losses) – net				
Fair value gain/(loss) on derivative financial instrument	242	396	663	(313)
(Loss)/gain on disposal of property, plant and equipment, net	(18)	(82)	13	(56)
Foreign exchange gain/(losses)	372	(187)	359	(254)
Others	119	-	(73)	-
	715	127	962	(623)
Expenses				
Depreciation of property, plant and equipment	(6,255)	(5,297)	(11,556)	(9,820)
Reversal of impairment loss/(Impairment loss) on right-of-use assets	1,262	(1,262)	1,262	(1,262)
Amortisation of intangible assets	(100)	(103)	(187)	(214)

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months and full year ended 31 December 2021

6.2 Related party transactions

In addition to the information shown elsewhere in the financial statements, the following significant transactions took place between the Group and related parties at terms agreed by the parties:

	<u>Group</u>	
	Financial Year Ended 31 December	
	2021	2020
	\$'000	\$'000
Revenue from construction contracts from related parties#	159,856	73,489
Revenue from rendering of project management services to related parties	-	73
Rental income charged to related parties#	311	319
Renovation/reinstatement services received/receivable from related parties#	29	10
Other service income received/receivable from related parties#	23	70
Share of common overheads paid/payable to related parties#	46	78
Share of common overheads received/receivable from related parties#	85	95

Related parties pertain to family members of a director and companies which are wholly-owned by a director of the Company.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax credit in the condensed interim consolidated statement of profit or loss are:

	<u>Group</u>		<u>Group</u>	
	Second Half Ended 31 December		Financial Year Ended 31 December	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Tax credit/(expense) attributable to loss is made up of:				
Loss from current financial year:				
- Current income tax	(52)	(212)	(50)	(195)
- Deferred income tax	605	1,195	605	1,195
	<u>553</u>	<u>983</u>	<u>555</u>	<u>1,000</u>
(Under)/over provision in prior financial years:				
- Current income tax	(149)	60	(149)	36
- Deferred income tax	229	(192)	229	(192)
	<u>633</u>	<u>851</u>	<u>635</u>	<u>844</u>

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months and full year ended 31 December 2021

8. Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Second Half Ended 31 December		Financial Year Ended 31 December	
	2021	2020	2021	2020
Net loss attributable to equity holders of the Company (\$'000)	(2,819)	(10,732)	(2,627)	(28,669)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	841,236	841,236	841,236	841,236
Basic loss per share (cents per share)	(0.34)	(1.28)	(0.31)	(3.41)

(b) Diluted loss per share

For the purpose of calculating diluted loss per share, net loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

The Company has no dilutive potential ordinary share during the financial period ended 31 December 2021 and 31 December 2020.

There are no dilutive effects for the Soilbuild Construction Performance Share Plan ("PSP") as there are no outstanding performance share awards granted during the financial period ended 31 December 2021 and 31 December 2020.

There are no dilutive effects for the warrants outstanding during the financial period ended 31 December 2021 and 31 December 2020 as the exercise price of the warrants exceed the average market price of the shares.

	Second Half Ended 31 December		Financial Year Ended 31 December	
	2021	2020	2021	2020
Net loss attributable to equity holders of the Company (\$'000)	(2,819)	(10,732)	(2,627)	(28,669)
Weighted average number of ordinary shares outstanding for diluted loss per share ('000)	841,236	841,236	841,236	841,236
Diluted loss per share (cents per share)	(0.34)	(1.28)	(0.31)	(3.41)

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months and full year ended 31 December 2021

9. Net asset value

	<u>Group</u>		<u>Company</u>	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Net asset value per ordinary share (cents)	<u>5.98</u>	6.28	<u>9.37</u>	9.44
Total number of shares in issue ('000)	<u>841,236</u>	841,236	<u>841,236</u>	841,236

10. Property, plant and equipment

During the full year ended 31 December 2021, the Group acquired assets (classified as plant and equipment and building within property, plant and equipment) amounting to S\$4,371,000 (31 December 2020: S\$17,075,000) and disposed of assets amounting to S\$756,000 (31 December 2020: S\$240,000).

11. Borrowings

	<u>Group</u>	
	31 December 2021 \$'000	31 December 2020 \$'000
Amount repayable in one year, or on demand		
- Secured	6,719	3,849
- Unsecured	<u>27,809</u>	25,167
Total	<u>34,528</u>	29,016
Amount repayable after one year		
- Secured	42,695	49,510
- Unsecured	<u>18,756</u>	6,160
Total	<u>61,451</u>	55,670

The Group's total borrowings of S\$96.0 million comprise (i) a term loan of S\$44.3 million, (ii) property loan of S\$5.1 million, (iii) temporary bridging loan of S\$9.4 million, (iv) hire purchase loans of S\$1.7 million, (v) short term bank loans of S\$24.3 million, (vi) lease liabilities of S\$1.2 million and (vii) shareholder's loan of S\$10.0 million.

Details of any collaterals

The Group's term loan amounting to S\$44.3 million and property loan of S\$5.1 million as at 31 December 2021 are secured by first legal mortgages executed over the Group's Integrated Construction and Precast Hub ("ICPH") and 2 properties at Tuas South Link, Singapore, which is classified as leasehold land and buildings within property, plant and equipment.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months and full year ended 31 December 2021

12. Share capital

	← Issued share capital →	
	No. of ordinary shares '000	Amount \$'000
<u>Group and Company</u>		
2021		
Beginning and end of financial year	841,236	71,553
2020		
Beginning and end of financial year	841,236	71,553

The Company did not have any outstanding options or treasury shares as at 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

13. Warrant reserve

	<u>Group and Company</u>	
	31 December 2021 \$'000	31 December 2020 \$'000
Beginning of financial year	8,128	8,128
Warrants expired	(8,128)	-
End of financial year	-	8,128

On 13 July 2016, the Company issued 167,369,000 warrants at S\$0.05 per warrant pursuant to its preferential offering of warrants ("2016 Warrants"). Each 2016 Warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.18 for each new ordinary share. On 22 July 2019, the Company allotted and issued 2,164,495 additional 2016 Warrants pursuant to an adjustment to the number of 2016 Warrants as a result of the 2019 Preferential Offering (as defined below).

On 29 July 2019, the Company issued 168,247,125 new ordinary shares with 168,247,125 free detachable warrants ("2019 Warrants") arising from the exercise of 168,247,125 rights issue at S\$0.073 ("2019 Preferential Offering"). Each 2019 Warrant carry the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.073 for each new ordinary share. There is no value attributable to the 2019 Warrants issued as the average market value of the warrants is S\$Nil at the date of issuance. Accordingly, the entire proceeds from the issuance of rights shares with warrants is accounted for under share capital.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months and full year ended 31 December 2021

13. Warrant reserve (continued)

On 13 July 2021, the rights to subscribe for new ordinary shares in the capital of the Company comprised in the 2016 Warrants have expired and the warrant reserve in relation to the 2016 Warrants amounting to S\$8,128,000 has been transferred to retained earnings.

There are 168,247,125 (2020: 337,095,120) warrants outstanding as at 31 December 2021. The warrants can be exercised at any time during the period commencing on and including the date of the issue of the warrants and expiring on the date falling five years from the date of issue of the warrants.

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

	<u>Group and Company</u>	
	31	31
	December	December
	2021	2020
	'000	'000
2019 Warrants		
Beginning and end of financial period/ year	<u>168,247</u>	<u>168,247</u>
2016 Warrants		
Beginning of financial year	168,848	168,848
Warrants expired	<u>(168,848)</u>	-
End of financial year	<u>-</u>	<u>168,848</u>

14. Subsequent events

There are no material subsequent events as at the date of these condensed interim financial statements.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Soilbuild Construction Group Ltd. and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months and full year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

(a) Condensed consolidated statement of profit or loss and other comprehensive income

Half year results: 2HFY2021 vs 2HFY2020

For 2HFY2021, the Group reported a net loss of approximately \$2.8 million compared to net loss of approximately \$10.7 million reported in comparative period.

Revenue & Gross Loss

For the period under review, the Group's revenue increased by 61.6% from \$79.7 million in 2HFY2020 to \$128.9 million in 2HFY2021. The higher revenue reported for 2HFY2021 was due to increase in construction and precast manufacturing activities following gradual recovery from the impact of COVID-19 in 2HFY2021.

Major revenue contributors in 2HFY2021 were:

- Yishun HDB project (public housing development at Yishun);
- Tai Seng project (construction of a multi-user general industrial factory development at Tai Seng Avenue);
- Corporation Drive project (construction of a multi-user general industrial factory development at Jurong West Planning);
- Pioneer Sector project (design and build of a warehouse at Pioneer Sector);
- Gambas project (construction of a multi-user general industrial factory development at Gambas Way); and
- Kallang Junction project (construction of a multi-user light industrial building at Kallang Junction)

In 2HFY2021, the precast division contributed approximately \$9.7 million to the Group's revenue on sales of its products.

Other income decreased by approximately S\$2.6 million mainly due to a decrease in government grants such as job support scheme and levy rebates provided by Singapore Government. Other operating expenses decreased by approximately S\$2.4 million mainly due to current year reversal of impairment loss of right-of-use assets of approximately S\$1.3 million recognised in prior year.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

2. Review of performance of the Group (continued)

**(a) Consolidated statement of profit or loss and other comprehensive income
(continued)**

Full year results: FY2021 vs FY2020

For FY2021, the Group reported a net loss of approximately S\$2.6 million compared to net loss of approximately S\$28.7 million reported in the comparative year.

Revenue & Gross Loss

For the period under review, the Group's revenue increased by 73.4% from S\$148.9 million in FY2020 to S\$258.3 million in FY2021. The higher revenue reported for FY2021 was due to increase in construction and precast manufacturing activities following gradual recovery from the impact of COVID-19 as well as start of construction activities for two new projects during the period.

Major revenue contributors in FY2021 were:

- Yishun HDB project (public housing development at Yishun);
- Tai Seng project (construction of a multi-user general industrial factory development at Tai Seng Avenue);
- Corporation Drive project (construction of a multi-user general industrial factory development at Jurong West Planning);
- Pioneer Sector project (design and build of a warehouse at Pioneer Sector);
- Gambas project (construction of a multi-user general industrial factory development at Gambas Way); and
- Kallang Junction project (construction of a multi-user light industrial building at Kallang Junction)

In FY2021, the Precast and Prefabrication division contributed approximately S\$21.4 million to the Group's revenue on sales of its products.

Correspondingly, the Group reported a gross profit of S\$4.9 million in FY2021 compared to gross loss of S\$24.3 million in FY2020. The gross profit margin for FY2021 was (1.9%) compared to gross loss margin for FY2020 of (16.3%).

Other Income

Other income decreased by approximately S\$4.5 million mainly due to a decrease in government grants such as job support scheme and levy rebates provided by Singapore Government.

Other Gains/(losses) – net

Other gains (net) of approximately S\$1.0 million in FY2021 were mainly attributable foreign exchange gain of approximately S\$359,000 and fair value gain on derivative financial instruments of approximately S\$663,000, partially offset by other items.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

2. Review of performance of the Group (continued)

(a) Consolidated statement of profit or loss and other comprehensive income (continued)

Allowance for expected credit losses on financial assets

Allowance for expected credit losses of approximately S\$1.6 million was due to impairment of the Group's trade receivables from its Myanmar operations

Administrative Expenses

Administrative expenses increased by approximately S\$0.8 million mainly due to increase in staff expenses and property tax.

Finance Expenses

Finance expenses for FY2021 amounted to approximately S\$1.9 million which is comparable to the finance expenses for FY2020.

Other Operating Expenses

Other operating expenses decreased by approximately S\$2.4 million mainly due to current year reversal of impairment loss of right-of-use assets of approximately S\$1.3 million made in prior year.

Income tax expenses

The Group reported income tax credit of approximately S\$635,000 in FY2021 as compared to income tax credit of approximately S\$844,000 in FY2020.

Net profit after tax

With the impact of the above, the Group reported a net loss after tax of approximately S\$2.6 million in FY2021.

(b) Consolidated statement of balance sheet

Total assets decreased by S\$5.5 million from S\$248.1 million as at 31 December 2020 to S\$242.6 million as at 31 December 2021, mainly due to (i) decrease in property, plant and equipment of S\$10.6 million mainly due to depreciation of property, plant and equipment, and (ii) decrease in cash and cash equivalents of S\$4.8 million which was explained in the Consolidated Statement of Cash Flow

The decrease in total assets was partially offset by (i) increase in trade and other receivables of S\$6.7 million as a result of higher progress billings rendered to customers arising from increase in construction activities, (ii) increase in inventories of S\$1.6 million due to increase in purchase of prefabrication materials, (iii) increase in other current assets of S\$1.3 million due to increase in prepayment and (iv) increase in deferred tax assets of S\$0.6 million.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

2. Review of performance of the Group (continued)

(b) Consolidated statement of balance sheet (continued)

Total liabilities decreased by S\$2.9 million from S\$195.2 million as at 31 December 2020 to S\$192.3 million as at 31 December 2021, mainly due to by (i) decrease in trade and other payables of S\$12.8 million due to payment to suppliers and sub-contractors, (ii) decrease in provision of other liabilities of S\$0.5 million due to utilisation of provision for foreseeable losses upon the progress of the loss-making projects and (iii) decrease in derivative financial instruments of \$0.7 million due to the fair value of the interest rate swaps as at year end. However the decrease in total liabilities was partially offset by the increase in bank borrowings and shareholder's loan drawdown for working capital purposes of S\$11.3 million.

As at 31 December 2021, the Group's current liabilities, amounting to S\$123.5 million, exceeded its current assets, amounting to S\$93.1 million by S\$30.4 million. The negative working capital position was mainly due to the significant operating losses in the prior financial year and 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 facilities amounting to S\$5.0 million in January 2021 and S\$25.0 million in November 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.

(c) Consolidated statement of cash flows

Operating Activities

For the year ended 31 December 2021 ("FY2021"), the net cash outflow from operating activities amounted to S\$14.7 million as compared to net cash inflow of S\$7.8 million in the comparative year. The cash outflow from operating activities in FY2021 was mainly attributable to the increase in receivables from customers and payments to suppliers and subcontractors.

Investing Activities

For FY2021, cash inflow from investing activities amounted to S\$1.7 million as compared to cash outflow of S\$16.9 million in the comparative year. The cash inflow in FY2021 was mainly attributable to the grant received of S\$5.3 million which was partially offset by 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 under review.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

2. Review of performance of the Group (continued)

(c) Consolidated statement of cash flows (continued)

Financing Activities

For FY2021, cash inflow from financing activities amounted to S\$7.7 million as compared to cash inflow of S\$6.9 million in the comparative year. The cash inflow in FY2021 was mainly attributable to the proceeds from bank borrowings and shareholder's loan, partially offset by repayment of bank borrowings, interest payments and repayment of lease liabilities.

3. 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 point 2 above, there is no material deviation in the actual results for FY2021 and FY2020 from what was previously discussed under paragraph 10 of the announcement of the Company's financial statements for the financial year ended 31 December 2020.

4. A commentary at the date of the 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 operating period and the next 12 months

Based on advance estimates by the Ministry of Trade and Industry Singapore and its press release on 3 January 2022, the Singapore economy grew by 5.9 per cent on a year-on-year basis in the fourth quarter of 2021, moderating from the 7.1 percent growth in the previous quarter. The construction sector expanded by 2.0 per cent on a year-on-year basis in the fourth quarter of 2021, slower than the 66.3 per cent growth in the preceding quarter. In absolute terms, the value-added of the sector remained 26.0 per cent below its pre-COVID (i.e., fourth quarter of 2019) level, as activity at construction worksites continued to be weighed down by labour shortages due to border restrictions on the entry of migrant workers. On a quarter-on-quarter seasonally-adjusted basis, the sector contracted by 4.4 per cent in the fourth quarter, a reversal from the 4.9 per cent growth in the previous quarter.

During the year under review, the Group's construction division secured the following new construction contracts:

- Construction contract worth S\$48.5 million to erect a 8-storey general industrial factory at Gambas Way; and
- Construction contract worth S\$14.8 million to erect a 7-storey multi-user light industrial building at Kallang Junction.

The Group has also picked up pace for its construction activities at all its construction sites in Singapore. However, the progress of construction works continued to be 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.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

4. A commentary at the date of the 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 operating period and the next 12 months (continued)

Manufacturing and production activities for the Group's precast and prefabrication business had picked up pace. Revenue recognised from the precast and prefabrication business increased to S\$21.4 million for the current year under review. The Group's precast and prefabrication business secured 12 new supply and delivery contracts worth approximately S\$35.0 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. From February 2021 to June 2021, as there are no restrictions on the construction activities at our sites in Myanmar, construction activities have continued, albeit at a slower overall construction pace. In July 2021, in view of the surging number of COVID-19 cases in Myanmar, long public holidays were announced by the Myanmar State Administration Council from 17 July 2021 to 15 August 2021 to effectively control the spread of COVID-19. The Company will continue to closely monitor the political and COVID-19 developments in Myanmar and will adjust our progress at the construction sites correspondingly.

The Group's order book as at 31 December 2021 amounted to S\$365.8 million, which comprise S\$309.2 million (of which, S\$266.2 million was contributed by local projects and S\$43.0 million was contributed by Myanmar projects) of construction projects, and S\$56.6 million of precast and prefabrication supply contracts from external parties.

5. Dividend information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No. There is no dividend recommended for the financial period ended 31 December 2021.

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

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

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

5. Dividend information (continued)

5c. Date Payable

Not applicable.

5d. Books Closure Date

Not applicable.

6. If no dividend has been declared/recommended, a statement to that effect and the reasons for the decision not to declared/recommend any dividend

No dividend has been declared/recommended for the period ended 31 December 2021 to preserve the Group's working capital.

7. Interested person 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)
	\$'000	\$'000
<u>Transactions during 2HFY2021</u>		
<u>Soilbuild Group Holdings Ltd. & its subsidiaries</u>		
Office rental	-	122
Award of construction contracts	-	-

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

9. 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) in the format as shown. If there is no such person, the issuer must make an appropriate negative statement.

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.

10. Confirmation pursuant to Rule 705(5) of the Listing Manual of SGX-ST

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months and full year ended 31 December 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lim Chap Huat
Executive Chairman

Lim Cheng Hwa
Non-Executive Director

Singapore

25 February 2022