



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

**CONDENSED INTERIM
CONSOLIDATED FINANCIAL
STATEMENTS**

For the six months ended 30 June 2022

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

**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**
For the six months ended 30 June 2022

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**SOILBUILD CONSTRUCTION GROUP LTD.
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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the six months ended 30 June 2022

	Note	The Group		Change %
		6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000	
Revenue	4	142,248	129,418	9.9
Cost of sales		(140,751)	(125,369)	12.3
Gross profit		1,497	4,049	(63.0)
Other income		3,229	3,285	(1.7)
Other (losses)/gains - net		(757)	247	NM
Expenses				
- Administrative		(4,337)	(3,608)	20.2
- Marketing		(4)	(9)	NM
- Finance		(810)	(1,008)	(19.6)
- Others		(2,488)	(2,768)	(10.1)
Share of profit of joint ventures		1	2	NM
(Loss)/profit before income tax	6	(3,669)	190	NM
Income tax (expense)/credit	7	(47)	2	NM
Net (loss)/profit		(3,716)	192	NM
Other comprehensive (loss)/income:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation		186	42	342.9
Total comprehensive (loss)/income		(3,530)	234	NM
(Loss)/profit attributable to:				
Equity holders of the Company		(3,716)	192	NM
		(3,716)	192	NM
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company		(3,530)	234	NM
		(3,530)	234	NM
(Loss)/earnings per share attributable to equity holders of the Company (cents per share)				
- Basic	8	(0.44)	0.02	
- Diluted	8	(0.44)	0.02	

NM: Not meaningful

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

**SOILBUILD CONSTRUCTION GROUP LTD.
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CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at 30 June 2022

	Note	Group		Company	
		30 June 2022 \$'000	31 December 2021 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		19,895	16,991	361	157
Trade and other receivables		86,896	63,295	2,762	1,823
Inventories		9,296	9,182	-	-
Other current assets		3,368	3,655	-	4
		119,455	93,123	3,123	1,984
Non-current assets					
Trade and other receivables		18,487	16,244	51,149	33,859
Other non-current assets		75	-	-	-
Investments in subsidiaries		-	-	91,970	91,970
Investments in joint ventures		13	13	-	-
Property, plant and equipment	10	125,473	130,368	-	-
Intangible assets	11	82	155	-	-
Deferred income tax assets		2,713	2,689	-	-
		146,843	149,469	143,119	125,829
Total assets		266,298	242,592	146,242	127,813
LIABILITIES					
Current liabilities					
Trade and other payables		109,286	83,988	49,352	29,573
Current income tax liabilities		-	562	-	-
Borrowings	12	70,324	34,528	2,459	2,234
Provision for other liabilities		3,463	4,418	-	-
		183,073	123,496	51,811	31,807
Non-current liabilities					
Trade and other payables		8,350	7,214	-	-
Borrowings	12	27,974	61,451	15,926	17,162
Deferred income tax liabilities		132	132	-	-
		36,456	68,797	15,926	17,162
Total liabilities		219,529	192,293	67,737	48,969
NET ASSETS		46,769	50,299	78,505	78,844
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	13	71,553	71,553	71,553	71,553
Capital reserve		(1,070)	(1,070)	-	-
Currency translation reserve		(127)	(313)	-	-
(Accumulated losses)/retained profits		(23,587)	(19,871)	6,952	7,291
TOTAL EQUITY		46,769	50,299	78,505	78,844

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

**SOILBUILD CONSTRUCTION GROUP LTD.
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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the six months ended 30 June 2022

The Group	← Attributable to equity holders of the Company →					Total equity \$'000
	Share capital \$'000	Capital reserve \$'000	Currency translation reserve \$'000	Warrant reserve \$'000	Accumulated losses \$'000	
2022						
Balance as at 1 January 2022	71,553	(1,070)	(313)	-	(19,871)	50,299
Loss for the financial period	-	-	-	-	(3,716)	(3,716)
Other comprehensive income for the financial period	-	-	186	-	-	186
Total comprehensive loss for the financial period	-	-	186	-	(3,716)	(3,530)
Balance as at 30 June 2022	71,553	(1,070)	(127)	-	(23,587)	46,769
2021						
Balance as at 1 January 2021	71,553	(1,070)	(410)	8,128	(25,372)	52,829
Loss for the financial period	-	-	-	-	192	192
Other comprehensive income for the financial period	-	-	42	-	-	42
Total comprehensive loss for the financial period	-	-	42	-	192	234
Balance as at 30 June 2021	71,553	(1,070)	(368)	8,128	(25,180)	53,063

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**SOILBUILD CONSTRUCTION GROUP LTD.
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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	← Attributable to equity holders of the Company →			
	Share capital \$'000	Warrant reserve \$'000	Retained profits/ (accumulated losses) \$'000	Total equity \$'000
The Company				
2021				
Balance as at 1 January 2022	71,553	-	7,291	78,844
Loss for the financial period	-	-	(339)	(339)
Total comprehensive loss for the financial period	-	-	(339)	(339)
Balance as at 30 June 2022	71,553	-	6,952	78,505
2021				
Balance as at 1 January 2021	71,553	8,128	(241)	79,440
Loss for the financial period	-	-	(210)	(210)
Total comprehensive loss for the financial period	-	-	(210)	(210)
Balance as at 30 June 2021	71,553	8,128	(451)	79,230

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**SOILBUILD CONSTRUCTION GROUP LTD.
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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	The Group	
	6 months ended 30 June 2022	6 months ended 30 June 2021
Note	\$'000	\$'000
Cash flows from operating activities		
Net (loss)/profit	(3,716)	192
Adjustments for:		
- Amortisation of intangible assets	73	87
- Depreciation of property, plant and equipment	6,227	5,301
- Interest income	(2)	(3)
- Interest expense	810	1,008
- Income tax expense/(credit)	47	(2)
- Loss/(gain) on disposal of property, plant and equipment	18	(31)
- Property, plant and equipment written off	-	9
- Fair value gain on derivative financial instruments	-	(421)
- Share of profit of joint ventures	(1)	(2)
Operating cash flows before working capital changes	<u>3,456</u>	<u>6,138</u>
Changes in working capital:		
- Trade and other receivables	(25,844)	(14,864)
- Other current assets	287	(260)
- Inventories	(114)	759
- Other non-current assets	(75)	-
- Trade and other payables	26,183	(3,389)
- Provision for other liabilities	(955)	(1,185)
Cash generated from/(used in) operations	<u>2,938</u>	<u>(12,801)</u>
Income tax paid	(408)	(48)
Net cash provided by/(used in) operating activities	<u>2,530</u>	<u>(12,849)</u>
Cash flows from investing activities		
Additions to property, plant and equipment	(1,925)	(3,618)
Additions of intangible assets	-	(11)
Proceeds from disposal of property, plant and equipment	152	205
Dividend received from a joint venture	-	3
Interest received	2	3
Net cash used in investing activities	<u>(1,771)</u>	<u>(3,418)</u>
Cash flows from financing activities		
Proceeds from bank loans	30,143	23,356
Repayment of bank loans	(27,522)	(19,437)
Proceeds from shareholder's loan	-	3,900
Principal repayment of lease liabilities	(450)	(270)
Interest paid	(738)	(965)
Net cash provided by financing activities	<u>1,433</u>	<u>6,584</u>
Net increase/(decrease) in cash and cash equivalents	<u>2,192</u>	<u>(9,683)</u>
Cash and cash equivalents at beginning of financial period	16,991	21,818
Effects of currency translation on cash and cash equivalents	712	358
Cash and cash equivalents at end of financial period	<u>19,895</u>	<u>12,493</u>

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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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 as at and for the six months ended 30 June 2022 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 ended 30 June 2022 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 31 December 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 \$3,716,000 during the financial period ended 30 June 2022. In addition, the Group's current liabilities exceed its current assets by \$63,618,000 as at 30 June 2022.

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 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 \$291,930,000 as at 30 June 2022, which it is expected to generate positive cash flows over the next twelve months.

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2. Basis of preparation (continued)

Going concern (continued)

- b) The net current liability position is mainly due to the expiry of a term loan amounting to \$41,600,000 within the next twelve months which resulted in the full amount of the term loan being classified as current. The Group has the option and is in the process of extending the term loan for three years under its arrangement with the bank.
- c) The Group has existing bank facilities which have yet to be utilised amounting to \$29,942,000 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

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

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 2021.

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.

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2. Basis of preparation (continued)

2.2 Use of judgements and estimates (continued)

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.

If the estimated total construction cost of uncompleted contracts increase/decrease by 2% (2021: 2%) from management's estimates, the effects on the Group's net loss after tax (2021: net profit after tax) will be as follows:

	Increase/(Decrease)	
	6 months	6 months
	ended 2022	ended 2021
	\$'000	\$'000
Estimated total construction cost		
- increased by 2% (2021: 2%)	10,889	(9,151)
- decreased by 2% (2021: 2%)	(10,105)	6,759

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, Group Chief Executive Officer and Group General Manager and are the Group's chief operating decision-maker.

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For the six months ended 30 June 2022

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 \$'000	Precast \$'000	Others \$'000	Construction \$'000	Precast \$'000	Others \$'000	\$'000	\$'000	\$'000
Group									
1 January 2022 to 30 June 2022									
Revenue									
External customers	123,704	16,417	-	2,127	-	-	-	-	142,248
Inter-segment revenue	883	8,181	-	-	-	14,767	-	(23,831)	-
	<u>124,587</u>	<u>24,598</u>	<u>-</u>	<u>2,127</u>	<u>-</u>	<u>14,767</u>	<u>-</u>	<u>(23,831)</u>	<u>142,248</u>
Result									
Segment result before interest	(2,145)	(86)	(347)	276	(56)	(1,565)	(3)	255	(3,671)
Interest income									<u>2</u>
Loss before income tax									(3,669)
Income tax expense									<u>(47)</u>
Net loss									<u>(3,716)</u>
Segment results include:									
- Depreciation of property, plant and equipment	2,399	1,266	-	125	29	2,408	-	-	6,227
- Amortisation of intangible assets	41	32	-	-	-	-	-	-	73
- Share of profit of joint ventures	1	-	-	-	-	-	-	-	1
Segment assets	<u>164,088</u>	<u>39,038</u>	<u>395</u>	<u>23,433</u>	<u>3,085</u>	<u>36,246</u>	<u>13</u>	<u>-</u>	<u>266,298</u>
Segment assets includes:									
Investment in joint ventures	13	-	-	-	-	-	-	-	13
Additions to:									
- Property, plant and equipment	-	1,102	-	-	469	354	-	-	1,925
- Intangible assets	-	-	-	-	-	-	-	-	-
Segment liabilities	<u>(162,687)</u>	<u>(12,893)</u>	<u>(18,590)</u>	<u>(19,973)</u>	<u>(5)</u>	<u>(5,373)</u>	<u>(8)</u>	<u>-</u>	<u>(219,529)</u>

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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 2021 to 30 June 2021									
Revenue									
External customers	115,133	11,700	-	2,585	-	-	-	-	129,418
Inter-segment revenue	170	2,395	-	-	-	9,379	-	(11,944)	-
	<u>115,303</u>	<u>14,095</u>	<u>-</u>	<u>2,585</u>	<u>-</u>	<u>9,379</u>	<u>-</u>	<u>(11,944)</u>	<u>129,418</u>
Result									
Segment result before interest	4,643	(1,887)	(216)	(966)	(61)	(1,248)	(15)	(63)	187
Interest income									3
Profit before income tax									<u>190</u>
Income tax expense									2
Net profit									<u>192</u>
Segment results include:									
- Depreciation of property, plant and equipment	2,675	496	-	136	28	1,966	-	-	5,301
- Amortisation of intangible assets	46	41	-	-	-	-	-	-	87
- Share of loss of joint ventures	2	-	-	-	-	-	-	-	2
Segment assets	<u>148,755</u>	<u>38,234</u>	<u>248</u>	<u>23,366</u>	<u>1,311</u>	<u>40,593</u>	<u>31</u>	<u>-</u>	<u>252,538</u>
Segment assets includes:									
Investment in joint ventures	15	-	-	-	-	-	-	-	15
Additions to:									
- Property, plant and equipment	67	35	-	-	-	3,516	-	-	3,618
- Intangible assets	-	11	-	-	-	-	-	-	11
Segment liabilities	<u>(154,803)</u>	<u>(7,590)</u>	<u>(14,043)</u>	<u>(16,817)</u>	<u>(26)</u>	<u>(6,185)</u>	<u>(11)</u>	<u>-</u>	<u>(199,475)</u>

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4.2 Disaggregation of revenue

	<u>Over time</u>		<u>At a point in time</u>		<u>Total</u>	
	6 months ended 30 June 2022	6 months ended 30 June 2021	6 months ended 30 June 2022	6 months ended 30 June 2021	6 months ended 30 June 2022	6 months ended 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Construction						
- Singapore	118,299	115,133	-	-	118,299	115,133
- Myanmar	2,127	2,585	-	-	2,127	2,585
	120,426	117,718	-	-	120,426	117,718
Precast manufacturing						
- Singapore	-	-	16,580	11,700	16,580	11,700
	-	-	16,580	11,700	16,580	11,700
Others	5,242	-	-	-	5,242	-
Total	125,668	117,718	16,580	11,700	142,248	129,418

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

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	<u>Group</u>		<u>Company</u>	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and bank balances and trade and other receivables (Amortised cost)	73,507	59,656	54,272	27,713
	73,507	59,656	54,272	27,713
Financial liabilities				
Trade and other payables and borrowings (Amortised cost)	206,289	173,998	67,737	26,138
	206,289	173,998	67,737	26,138

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6. (Loss)/profit before taxation

6.1 Significant items

	<u>Group</u>	
	6 months ended 30 June 2022	6 months ended 30 June 2021
	\$'000	\$'000
Other Income		
Government grants (including Job Support Scheme and levy rebates)	1,258	1,114
Rental income	1,366	1,428
Service income	255	458
Interest income	2	3
Others	348	282
	3,229	3,285
Other gains/(losses) – net		
Fair value gain on derivative financial instrument	-	421
(Loss)/gain on disposal of property, plant and equipment, net	(18)	31
Foreign exchange losses	(756)	(13)
Others	17	(192)
	(757)	247
Expenses		
Depreciation of property, plant and equipment	(6,227)	(5,301)
Amortisation of intangible assets	(73)	(87)

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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>	
	6 months ended 30 June 2022	6 months ended 30 June 2021
	\$'000	\$'000
Revenue from construction contracts from related parties#	96,076	68,788
Rental income charged to related parties#	166	145
Renovation/reinstatement services received/receivable from related parties#	8	6
Other service income received/receivable from related parties#	12	11
Share of common overheads paid/payable to related parties#	39	35
Share of common overheads received/receivable from related parties#	52	36
	52	36

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 expense in the condensed interim consolidated statement of profit or loss are:

	<u>Group</u>	
	6 months ended 30 June 2022	6 months ended 30 June 2021
	\$'000	\$'000
Tax (expense)/credit attributable to loss is made up of:		
Loss from current financial year:		
- Current income tax	5	2
	5	2
Over provision in prior financial years:		
- Current income tax	(52)	-
	(47)	2

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8. (Loss)/earnings per share

(a) Basic (loss)/earnings per share

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

	6 months ended 30 June 2022	6 months ended 30 June 2021
Net (loss)/profit attributable to equity holders of the Company (\$'000)	<u>(3,716)</u>	192
Weighted average number of ordinary shares outstanding for basic (loss)/earnings per share ('000)	<u>841,236</u>	841,236
Basic (loss)/earnings per share (cents per share)	<u>(0.44)</u>	0.02

(b) Diluted (loss)/earnings per share

For the purpose of calculating diluted (loss)/earnings per share, (loss)/profit 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 30 June 2022 and 30 June 2021.

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 30 June 2022 and 30 June 2021.

There are no dilutive effects for the warrants outstanding during the financial period ended 30 June 2022 and 30 June 2021 as the exercise price of the warrants exceed the average market price of the shares.

	6 months ended 30 June 2022	6 months ended 30 June 2021
Net (loss)/earnings attributable to equity holders of the Company (\$'000)	<u>(3,716)</u>	192
Weighted average number of ordinary shares outstanding for diluted (loss)/earnings per share ('000)	<u>841,236</u>	841,236
Diluted (loss)/earnings per share (cents per share)	<u>(0.44)</u>	0.02

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 30 June 2022

9. Net asset value

	<u>Group</u>		<u>Company</u>	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Net asset value per ordinary share (cents)	<u>5.56</u>	5.98	<u>9.33</u>	9.37
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 six months ended 30 June 2022, the Group acquired assets amounting to S\$1,925,000 (30 June 2021: S\$3,618,000) and disposed of assets amounting to S\$170,000 (30 June 2021: S\$174,000)

11. Intangible assets

Acquired computer software licences

	<u>Group</u>	
	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
<i>Cost</i>		
Beginning of financial period	1,221	1,210
Additions	-	11
End of financial period	<u>1,221</u>	<u>1,221</u>
<i>Accumulated amortisation</i>		
Beginning of financial period	1,066	879
Amortisation charge (Note 6)	73	87
End of financial period	<u>1,139</u>	<u>966</u>
Net book value	<u>82</u>	<u>255</u>

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12. Borrowings

	<u>Group</u>	
	30 June	31 December
	2022	2021
	\$'000	\$'000
Amount repayable in one year, or on demand		
- Secured	42,939	6,719
- Unsecured	27,385	27,809
	<u>70,324</u>	<u>34,528</u>
Amount repayable after one year		
- Secured	11,022	42,695
- Unsecured	16,952	18,756
	<u>27,974</u>	<u>61,451</u>

The Group's total borrowings of S\$98.3 million comprise (i) term loans of S\$49.2 million, (ii) property loan of S\$4.7 million, (iii) temporary bridging loan of S\$8.4 million, (iv) hire purchase loans of S\$1.4 million, (v) short term bank loans of S\$23.7 million, (vi) lease liabilities of S\$0.9 million and shareholder's loan of S\$10.0 million.

Details of any collaterals

The Group's term loans amounting to S\$49.2 million and property loan of S\$4.7 million as at 30 June 2022 are secured by first legal mortgages executed over the Group's ICPH and precast equipments located at the Group's ICPH, and 2 properties at Tuas South Link, Singapore.

13. Share capital

	← Issued share capital →	
	No. of ordinary shares '000	Amount \$'000
<u>Group and Company</u>		
2022		
Beginning and end of financial period	<u>841,236</u>	<u>71,553</u>
2021		
Beginning and end of financial year	<u>841,236</u>	<u>71,553</u>

The Company did not hold any treasury shares as at 30 June 2022.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

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14. Warrant reserve

	<u>Group and Company</u>	
	30 June	31
	2022	December
		2021
	\$'000	\$'000
Beginning of financial year	-	8,128
Warrants expired	-	(8,128)
End of financial year	-	-

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.

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 (31 December 2021: 168,247,125) warrants outstanding as at 30 June 2022. 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.

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14. Warrant reserve (continued)

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

	<u>Group and Company</u>	
	30 June	31
	2022	December
	'000	2021
		'000
2019 Warrants		
Beginning and end of financial period/ year	<u>168,247</u>	<u>168,247</u>
2016 Warrants		
Beginning of financial period/ year	-	168,848
Warrants expired	-	<u>(168,848)</u>
End of financial period/ year	<u>-</u>	<u>-</u>

15. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the six months ended 30 June 2022

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Soilbuild Construction Group Ltd and its subsidiaries as at 30 June 2022 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-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

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

First half ended 30 June 2022 ("1HFY2022") versus first half ended 30 June 2021 ("1HFY2021")

For 1HFY2022, the Group reported a net loss of approximately S\$3.7 million compared to net profit of approximately S\$0.2 million reported in the comparative period.

Revenue & Gross Profit

For the period under review, the Group's revenue increased by 9.9% from S\$129.4 million in 1HFY2021 to S\$142.2 million in 1HFY2022. The higher revenue reported for 1HFY2022 was due to increase in construction and precast manufacturing activities with the gradual recovery from the impact of COVID-19. The Group also secured new projects during the period which contributed to the increase in revenue.

Major revenue contributors in 1HFY2022 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);
- Pioneer Sector project (design and build of a warehouse at Pioneer Sector);
- Corporation Drive project (construction of a multi-user general industrial factory development at Jurong West Planning);
- Gambas project (construction of a multi-user general industrial factory development at Gambas Way);
- Kallang Junction project (construction of a multi-user light industrial building at Kallang Junction); and
- Verticus Condo project (construction of a multi-user condominium at Jalan Kemaman)

In 1HFY2022, the Precast and Prefabrication division contributed approximately S\$16.4 million to the Group's revenue on sales of its products.

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For the six months ended 30 June 2022

2. Review of performance of the Group (continued)

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

The Group reported a gross profit of S\$1.5 million in 1HFY2022 compared to gross profit of S\$4.0 million in 1HFY2021. The gross profit margin for 1HFY2022 was 1.1% compared to gross profit margin for 1HFY2021 of 3.1%.

Other Income

Other income for 1HFY2022 amounts to approximately S\$3.2 million which is comparable to the other income for 1HFY2021 which amounts to approximately S\$3.3 million.

Other (Losses)/Gains

Other losses (net) of approximately S\$757,000 in 1HFY2022 were mainly attributable to foreign exchange losses of approximately S\$756,000.

Administrative Expenses

Administrative expenses for 1HFY2022 increased by approximately S\$0.7 million as compared to 1HFY2021 mainly due to increase in staff related expenses and office expenses.

Other Operating Expenses

Other operating expenses for 1HFY2022 decreased by approximately S\$0.3 million as compared to 1HFY2021 mainly due to decrease in depreciation of fixed asset.

Share of Profit of Joint Ventures

The Group recognised approximately S\$1,000 in the share of profit of its joint ventures in 1HFY2022 as compared to approximately S\$2,000 in the comparative period.

Income tax expenses

The Group reported income tax expense of approximately S\$47,000 in 1HFY2022 as compared to income tax credit of approximately S\$2,000 in 1HFY2021.

Net loss after tax

With the impact of the above, the Group reported a net loss after tax of approximately S\$3.7 million in 1HFY2022.

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For the six months ended 30 June 2022

2. Review of performance of the Group (continued)

(b) Consolidated statement of balance sheet

Total assets increased by S\$23.7 million from S\$242.6 million as at 31 December 2021 to S\$266.3 million as at 30 June 2022, mainly due to (i) increase in trade and other receivables of S\$25.8 million as a result of higher progress billings rendered to customers arising from increase in construction activities and (ii) increase in cash and cash equivalents of S\$2.9 million.

The increase in total assets was partially offset by decrease in property, plant and equipment of S\$4.9 million mainly due to depreciation of property, plant and equipment.

Total liabilities increased by S\$27.2 million from S\$192.3 million as at 31 December 2021 to S\$219.5 million as at 30 June 2022, mainly due to (i) increase in trade and other payables of S\$26.4 million due to increase in billings from suppliers and sub-contractors and (ii) the increase in bank borrowings for working capital purposes of S\$2.3 million. However, the increase in total liabilities was partially offset by decrease in provision of other liabilities of S\$1.0 million due to utilisation of provision for foreseeable losses upon the progress of the loss-making projects

As at 30 June 2022, the Group's current liabilities, amounting to S\$183.1 million, exceeded its current assets, amounting to S\$119.5 million by S\$63.6 million. The negative working capital position was mainly due to timing difference arising from (i) expiry of a term loan amounting to S\$41.6 million within the next twelve months which resulted in the full amount of the term loan being classified as current and (ii) 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 the option and is in the process of extending the term loan amounting to \$41.6 million for 3 years under its arrangement with the bank. The Group also has existing bank facilities which have yet to be utilised amounting to S\$29.9 million 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 financing from the banks when required. 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.

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For the six months ended 30 June 2022

2. Review of performance of the Group (continued)

(c) Consolidated statement of cash flows

Operating Activities

For 1HFY2022, the net cash inflow from operating activities amounted to S\$2.5 million as compared to net cash outflow of S\$12.8 million in the comparative period. The cash inflow from operating activities in 1HFY2022 was mainly attributable to timing difference in payments to suppliers and subcontractors, which is partially offset by timing difference in collections from customers.

Investing Activities

For 1HFY2022, cash outflow from investing activities amounted to S\$1.8 million as compared to S\$3.4 million in the comparative period. The cash outflow in 1HFY2022 was mainly attributable to the purchase of plant and equipment capitalised during the period under review.

Financing Activities

For 1HFY2022, cash inflow from financing activities amounted to S\$1.4 million as compared to cash inflow of S\$6.6 million in the comparative period. The cash inflow in 1HFY2022 was mainly attributable to the proceeds from bank borrowings, 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 1HFY2022 and 1HFY2021 from what was previously discussed under paragraph 10 of the announcement of the Company's financial statements for the financial year ended 31 December 2021.

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For the six months ended 30 June 2022

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 14 July 2022, the Singapore economy grew by 4.8 per cent on a year-on-year basis in the second quarter of 2022, extending the 4.0 per cent growth recorded in the previous quarter. The construction sector grew by 3.8 per cent on a year-on-year in the second quarter of 2022, faster than the 1.8 per cent growth in the previous quarter. Construction activity picked up during the quarter, supported in part by the relaxation of border restrictions on the inflow of migrant workers.

During the period under review, the Group's construction division secured a new construction contract worth approximately S\$52.9 million for additions and alterations to an industrial development at Boon Lay Planning Area

Manufacturing and production activities for the Group's precast and prefabrication business had picked up pace. The revenue recognised from the precast and prefabrication business increased to S\$16.4 million for the current period under review. The Group's precast and prefabrication business secured 2 new supply and delivery contracts worth approximately S\$1.0 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. The state of emergency was later extended to 2 years and 6 months. During the period under review, construction activities at our sites in Myanmar have continued as there are no restrictions on the construction activities. The Group will continue to closely monitor the political development in Myanmar and its impact on the Group's construction projects.

The Group's order book as at 30 June 2022 amounted to S\$291.9 million, which comprise S\$256.9 million (of which, S\$212.9 million was contributed by local projects and S\$44.0 million was contributed by Myanmar projects) of construction projects, and S\$35.0 million of precast and prefabrication supply contracts from external parties.

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For the six months ended 30 June 2022

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 30 June 2022.

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.

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 declare/recommend any dividend

No dividend has been declared/recommended for the period ended 30 June 2022 to preserve the Group's working capital.

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For the six months ended 30 June 2022

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
Transactions during 1HFY2022		
<u>Soilbuild Group Holdings Ltd. & its subsidiaries</u>		
Office rental	-	122

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.

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For the six months ended 30 June 2022

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lim Han Ren	30	Son of Lim Chap Huat (Executive Chairman)	Position: Group General Manager Duties: Responsible for the Company and the Group's overall management and strategy development to spearhead its growth Date when position was first held: 31 March 2022	N.A.

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-month period ended 30 June 2022 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

10 August 2022
