



**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 2023*

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
*For the six months and full year ended 31 December 2023*

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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 and full year ended 31 December 2023*

	Note	<u>The Group</u>			<u>The Group</u>		
		Second Half Ended 31 December		Change %	Financial Year Ended 31 December		Change %
		2023 \$'000	2022 \$'000		2023 \$'000	2022 \$'000	
Revenue	4	118,669	106,161	11.8	247,390	248,409	(0.4)
Cost of sales		(104,026)	(128,949)	(19.3)	(225,260)	(269,700)	(16.5)
<b>Gross profit/(loss)</b>		<b>14,643</b>	<b>(22,788)</b>	NM	<b>22,130</b>	<b>(21,291)</b>	NM
Other income		3,339	4,301	(22.4)	6,951	7,530	(7.7)
Other (losses)/gains - net		(256)	1,108	NM	(917)	351	NM
Allowance for expected credit losses on financial assets		(953)	(65)	NM	(1,421)	(65)	NM
Expenses							
- Administrative		(5,163)	(4,222)	22.3	(9,427)	(8,559)	10.1
- Marketing		(19)	(36)	NM	(26)	(40)	NM
- Finance		(1,793)	(1,511)	18.7	(3,590)	(2,321)	54.7
- Others		(3,251)	(3,107)	4.6	(5,858)	(5,595)	4.7
Share of loss of joint ventures		(2)	(2)	NM	(3)	(1)	NM
<b>Profit/(loss) before income tax</b>	6	<b>6,545</b>	<b>(26,322)</b>	NM	<b>7,839</b>	<b>(29,991)</b>	NM
Income tax expenses	7	(586)	(1,664)	NM	(523)	(1,711)	NM
<b>Net Profit/(loss)</b>		<b>5,959</b>	<b>(27,986)</b>	NM	<b>7,316</b>	<b>(31,702)</b>	NM
<b>Other comprehensive loss:</b>							
<b>Items that may be reclassified subsequently to profit or loss:</b>							
Currency translation differences arising from consolidation		(377)	(1,412)	NM	(612)	(1,226)	NM
<b>Total comprehensive profit/(loss)</b>		<b>5,582</b>	<b>(29,398)</b>	NM	<b>6,704</b>	<b>(32,928)</b>	NM
<b>Profit/(loss) attributable to:</b>							
Equity holders of the Company		5,959	(27,986)	NM	7,316	(31,702)	NM
		5,959	(27,986)	NM	7,316	(31,702)	NM
<b>Total comprehensive profit/(loss) attributable to:</b>							
Equity holders of the Company		5,582	(29,398)	NM	6,704	(32,928)	NM
		5,582	(29,398)	NM	6,704	(32,928)	NM
<b>Profit/(loss) per share attributable to equity holders of the Company (cents per share)</b>							
- Basic	8	0.40	(3.33)		0.55	(3.77)	
- Diluted	8	0.40	(3.33)		0.55	(3.77)	

NM: Not meaningful

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

*As at 31 December 2023*

	Note	Group		Company	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		14,202	11,093	440	277
Trade and other receivables		89,109	84,792	4,755	3,898
Inventories		9,894	3,778	-	-
Other current assets		3,300	6,201	-	52
		<b>116,505</b>	<b>105,864</b>	<b>5,195</b>	<b>4,227</b>
<b>Non-current assets</b>					
Trade and other receivables		12,441	15,504	31,142	54,633
Other non-current assets		29	57	-	-
Investments in subsidiaries		-	-	106,130	91,970
Investments in joint ventures		6	9	-	-
Property, plant and equipment	10	121,981	123,878	-	-
Intangible assets	11	47	42	-	-
Deferred income tax assets		1,539	1,052	-	-
		<b>136,043</b>	<b>140,542</b>	<b>137,272</b>	<b>146,603</b>
<b>Total assets</b>		<b>252,548</b>	<b>246,406</b>	<b>142,467</b>	<b>150,830</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		107,556	115,920	27,347	55,483
Current income tax liabilities		1,270	69	1	-
Borrowings	12	17,256	35,456	2,533	2,483
Provision for other liabilities		2,517	3,504	-	-
		<b>128,599</b>	<b>154,949</b>	<b>29,881</b>	<b>57,966</b>
<b>Non-current liabilities</b>					
Trade and other payables		4,897	10,298	-	-
Borrowings	12	73,899	63,609	12,147	14,680
Deferred income tax liabilities		-	179	-	-
		<b>78,796</b>	<b>74,086</b>	<b>12,147</b>	<b>14,680</b>
<b>Total liabilities</b>		<b>207,395</b>	<b>229,035</b>	<b>42,028</b>	<b>72,646</b>
<b>NET ASSETS</b>		<b>45,153</b>	<b>17,371</b>	<b>100,439</b>	<b>78,184</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	13	92,631	71,553	92,631	71,553
Capital reserve		(1,070)	(1,070)	-	-
Currency translation reserve		(2,151)	(1,539)	-	-
(Accumulated losses)/retained profits		(44,257)	(51,573)	7,808	6,631
<b>TOTAL EQUITY</b>		<b>45,153</b>	<b>17,371</b>	<b>100,439</b>	<b>78,184</b>

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

*For the six months and full year ended 31 December 2023*

The Group	Note	← Attributable to equity holders of the Company →				Total equity \$'000
		Share capital \$'000	Capital reserve \$'000	Currency translation reserve \$'000	(Accumulated losses)/ Retained profits \$'000	
<b>2023</b>						
<b>Balance as at 1 January 2023</b>		<b>71,553</b>	<b>(1,070)</b>	<b>(1,539)</b>	<b>(51,573)</b>	<b>17,371</b>
Profit for the financial year		-	-	-	7,316	7,316
Other comprehensive loss for the financial year		-	-	(612)	-	(612)
<b>Total comprehensive (loss)/ income for the financial year</b>		<b>-</b>	<b>-</b>	<b>(612)</b>	<b>7,316</b>	<b>6,704</b>
Issuance of share pursuant to the Preferential Offerings of Rights Shares	13	21,078	-	-	-	21,078
<b>Total transactions with owners, recognised directly in equity</b>		<b>21,078</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,078</b>
<b>Balance as at 31 December 2023</b>		<b>92,631</b>	<b>(1,070)</b>	<b>(2,151)</b>	<b>(44,257)</b>	<b>45,153</b>
<b>2022</b>						
<b>Balance as at 1 January 2022</b>		<b>71,553</b>	<b>(1,070)</b>	<b>(313)</b>	<b>(19,871)</b>	<b>50,299</b>
Loss for the financial year		-	-	-	(31,702)	(31,702)
Other comprehensive loss for the financial year		-	-	(1,226)	-	(1,226)
<b>Total comprehensive loss for the financial year</b>		<b>-</b>	<b>-</b>	<b>(1,226)</b>	<b>(31,702)</b>	<b>(32,928)</b>
<b>Balance as at 31 December 2022</b>		<b>71,553</b>	<b>(1,070)</b>	<b>(1,539)</b>	<b>(51,573)</b>	<b>17,371</b>

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**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

*For the six months and full year ended 31 December 2023*

The Company	Note	← Attributable to equity holders of the Company →		
		Share capital \$'000	Retained profits/ (accumulated losses) \$'000	Total equity \$'000
<b>2023</b>				
<b>Balance as at 1 January 2023</b>		<b>71,553</b>	<b>6,631</b>	<b>78,184</b>
Profit for the financial year		-	1,177	1,177
<b>Total comprehensive income for the financial year</b>		<b>-</b>	<b>1,177</b>	<b>1,177</b>
Issuance of share pursuant to the Preferential Offerings of Rights Shares	13	21,078	-	21,078
<b>Total transactions with owners, recognised directly in equity</b>		<b>21,078</b>	<b>-</b>	<b>21,078</b>
<b>Balance as at 31 December 2023</b>		<b>92,631</b>	<b>7,808</b>	<b>100,439</b>
<b>2022</b>				
<b>Balance as at 1 January 2022</b>		<b>71,553</b>	<b>7,291</b>	<b>78,844</b>
Loss for the financial year		-	(660)	(660)
<b>Total comprehensive loss for the financial year</b>		<b>-</b>	<b>(660)</b>	<b>(660)</b>
<b>Balance as at 31 December 2022</b>		<b>71,553</b>	<b>6,631</b>	<b>78,184</b>

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

*For the six months and full year ended 31 December 2023*

	<b>The Group</b>	
	<b>Financial Year Ended</b>	
	<b>31 December</b>	
Note	2023	2022
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Net profit/(loss)	7,316	(31,702)
Adjustments for:		
- Amortisation of intangible assets	24	113
- Depreciation of property, plant and equipment	9,993	10,919
- Impairment loss on right-of-use asset	141	-
- Allowance for expected credit losses on financial assets	1,421	65
- Interest income	(9)	(3)
- Interest expense	3,590	2,321
- Income tax expense	523	1,711
- Loss on disposal of property, plant and equipment	711	41
- Property, plant and equipment written off	7	-
- Share of loss of joint ventures	3	1
Operating cash flows before working capital changes	<u>23,720</u>	<u>(16,534)</u>
Changes in working capital:		
- Trade and other receivables	(2,676)	(20,822)
- Other current assets	2,902	(2,546)
- Other non-current assets	28	(57)
- Inventories	(6,116)	5,404
- Trade and other payables	(13,787)	34,885
- Provision for other liabilities	(986)	(914)
Cash generated from/(used in) operations	<u>3,085</u>	<u>(584)</u>
Income tax paid	-	(387)
<b>Net cash provided by/(used in) operating activities</b>	<u><b>3,085</b></u>	<u><b>(971)</b></u>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(8,382)	(6,151)
Additions of intangible assets	(29)	-
Proceeds from disposal of property, plant and equipment	1,102	124
Government grant received	451	-
Dividend received from a joint venture	-	3
Interest received	9	3
<b>Net cash used in investing activities</b>	<u><b>(6,849)</b></u>	<u><b>(6,021)</b></u>
<b>Cash flows from financing activities</b>		
Proceeds from bank loans	44,254	60,347
Repayment of bank loans	(54,491)	(56,432)
Preferential offering of shares	13 21,620	-
Share issue expense	13 (542)	-
Principal repayment of lease liabilities	(863)	(868)
Interest paid	(3,468)	(2,180)
<b>Net cash provided by financing activities</b>	<u><b>6,510</b></u>	<u><b>867</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u><b>2,746</b></u>	<u><b>(6,125)</b></u>
Cash and cash equivalents at beginning of financial year	11,093	16,991
Effects of currency translation on cash and cash equivalents	363	227
<b>Cash and cash equivalents at end of financial year</b>	<u><b>14,202</b></u>	<u><b>11,093</b></u>

**SOILBUILD CONSTRUCTION GROUP LTD.  
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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
*For the six months and full year ended 31 December 2023*

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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 for the six months ("2HFY2023) and full year ended 31 December 2023 ("FY2023") comprise the Company and its subsidiaries (collectively, the Group). The primary activity 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) construction project management.

**2. Basis of preparation**

The condensed interim financial statements for the six months and full year ended 31 December 2023 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 2023.

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's and the Company's current liabilities exceed its current assets by \$12,094,000 and \$24,686,000 respectively as at 31 December 2023. The condensed interim financial statements have been prepared on a going concern basis due to the following reasons:

- (i) The Group has generated a profit amounting to \$7,316,000 and positive cash flow from operating activities amounting to \$3,085,000 for the financial year ended 31 December 2023, as the Group's operations recovers from the adverse impact of COVID-19 from the prior financial years. Management expects the Group to be able to meet its cash flow requirements from its normal course of business through its existing and future order books. The Group has strong order books amounting to \$490,507,000 as at 31 December 2023, which is expected to generate positive cash flows over the next twelve months.



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**2. Basis of preparation (continued)**

**Going concern (continued)**

- (ii) The Group has existing bank facilities which have yet to be utilised amounting to \$14,000,000 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.
- (iii) The related parties of the Group have expressed their willingness to provide early release of retention sums upon completion of certain ongoing construction projects.
- (iv) The Company's current liabilities mainly relate to loans from subsidiaries amounting to a total of \$26,952,000. Management does not expect that the subsidiaries would demand for repayment of these amounts within the next 12 months.

Management has prepared a cash flow projection for the next 12 months after balance sheet date which has taken into account the above considerations, and has been approved by the Board of Directors. Based on the projection, management believes that the Group will be able to pay its debts as and when they fall due for the next 12 months.

**2.1 New and amended standards adopted by the Group**

Interpretations and amendments to published standards effective in 2023

On 1 January 2023, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

**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 2022.

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**2. Basis of preparation** (continued)

**2.2 Use of judgements and estimates** (continued)

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.

(a) 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 2023.

If the estimated total construction cost of uncompleted contracts increase/decrease by 2% (2022: 2%) from management's estimates, the effects on the Group's net profit after tax (2022: net loss after tax) will be as follows:

	<b>Increase/(Decrease)</b>	
	<b>12 months</b>	<b>12 months</b>
	<b>ended 2023</b>	<b>ended 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Estimated total construction cost		
- increased by 2% (2022: 2%)	<b>(4,361)</b>	10,984
- decreased by 2% (2022: 2%)	<b>4,499</b>	(10,559)

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.

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**2. Basis of preparation** (continued)

**2.2 Use of judgements and estimates** (continued)

(a) Construction contracts: (continued)

Customers have a right to claim for liquidated damages under the contractual terms of the contracts if contractual obligations, including completion of the project by a specific date, are not fulfilled.

Due to COVID-19 pandemic, certain projects were completed after the contractual completion date. Management evaluated the probability of liquidated damages claims from customers by considering whether extension of time would be reasonably granted by its customers.

Management does not expect material liquidated damages to be claimed by its customers. The determination of the probability of claims are based on the circumstances and relevant events that were known to management at the date of these financial statements.

(b) Impairment assessment of the Group's property, plant and equipment:

Property, plant and equipment ("PPE") is tested for impairment whenever there are indications that these assets may be impaired. Management performs reviews to determine whether there are any indications of impairment in relation to the PPE held by the Group at the balance sheet date.

As at 31 December 2023, management has identified indications of impairment relating to certain property, plant and equipment with net book value amounting to \$59,460,000.

*Recoverable amount of identified PPE used for the Group's pre-cast manufacturing operations in Singapore and Malaysia*

The recoverable amounts of the identified PPE which are used for the Group's pre-cast manufacturing operations in Singapore and Malaysia are determined based on the value-in-use ("VIU") calculations. The VIU calculations are based on a discounted cash flow model and requires the Group to make an estimate of the expected future cash flows from the continuing use of the PPE.

The key inputs used in the VIU calculation that were subject to significant judgement were relating to the estimation of the revenue, discount rate, and terminal growth rate. Revenue is estimated based on the Group's existing and future order books, and utilisation growth rate of the plant.

As the recoverable amounts determined by management is higher than the net book value of the PPE, no impairment charge has been recognised relating to the identified PPE during the financial year.

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**2. Basis of preparation** (continued)

**2.2 Use of judgements and estimates** (continued)

(b) Impairment assessment of the Group's property, plant and equipment:  
(continued)

*Recoverable amount of identified right-of-use asset for the leasehold land located at Thilawa Special Economic Zone, Myanmar (continued)*

The recoverable amounts of the identified right-of-use asset for the leasehold land located at Thilawa Special Economic Zone, Myanmar are determined based on the fair value less costs to sell calculations, using the direct comparison method for valuation.

The key inputs used in the fair value less costs to sell calculation that were subject to significant judgement were relating to the adopted value per square metre.

As the recoverable amounts determined by management is lower than the net book value of the identified right-of-use asset, an impairment charge has been recognised relating to the identified right-of-use asset during the financial year.

**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, the Executive Director and the Chief Executive Officer, Construction Business and are the Group's chief operating decision-makers.

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**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
<b>Group</b>									
<b>1 July 2023 to 31 December 2023</b>									
<b>Revenue</b>									
External customers	93,062	23,056	64	2,487	-	-	-	-	118,669
Inter-segment revenue	1,204	172	-	1,215	-	6,648	-	(9,239)	-
	<u>94,266</u>	<u>23,228</u>	<u>64</u>	<u>3,702</u>	<u>-</u>	<u>6,648</u>	<u>-</u>	<u>(9,239)</u>	<u>118,669</u>
<b>Result</b>									
Segment result before interest	6,939	1,174	1,350	98	(283)	(1,502)	-	(1,242)	6,534
Interest income									<u>11</u>
Profit before income tax									6,545
Income tax expense									<u>(586)</u>
Net profit									<u>5,959</u>
<b>Segment results include:</b>									
- Depreciation of property, plant and equipment	2,064	1,550	-	84	101	1,718	-	-	5,517
- Amortisation of intangible assets	9	2	-	-	-	-	-	-	11
- Share of loss of joint ventures	(2)	-	-	-	-	-	-	-	(2)
<b>Segment assets</b>	<u>174,123</u>	<u>17,798</u>	<u>234</u>	<u>14,523</u>	<u>6,621</u>	<u>39,238</u>	<u>11</u>	<u>-</u>	<u>252,548</u>
Segment assets includes:									
Investment in joint ventures	6	-	-	-	-	-	-	-	6
Additions to:									
- Property, plant and equipment	-	1,416	-	-	266	2,998	-	-	4,680
- Intangible assets	29	-	-	-	-	-	-	-	29
<b>Segment liabilities</b>	<u>(141,225)</u>	<u>(33,786)</u>	<u>(15,095)</u>	<u>(13,473)</u>	<u>(8)</u>	<u>(3,801)</u>	<u>(7)</u>	<u>-</u>	<u>(207,395)</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>									
<b>1 July 2022 to 31 December 2022</b>									
<b>Revenue</b>									
External customers	90,201	11,493	982	3,485	-	-	-	-	106,161
Inter-segment revenue	496	3,497	-	-	-	4,178	-	(8,171)	-
	<u>90,697</u>	<u>14,990</u>	<u>982</u>	<u>3,485</u>	<u>-</u>	<u>4,178</u>	<u>-</u>	<u>(8,171)</u>	<u>106,161</u>
<b>Result</b>									
Segment result before interest	(18,848)	(4,624)	(328)	493	(61)	(3,111)	-	156	(26,323)
Interest income									<u>1</u>
Loss before income tax									(26,322)
Income tax expense									<u>(1,664)</u>
Net loss									<u>(27,986)</u>
<b>Segment results include:</b>									
- Depreciation of property, plant and equipment	2,358	1,299	-	116	32	887	-	-	4,692
- Amortisation of intangible assets	32	8	-	-	-	-	-	-	40
- Share of loss of joint ventures	(2)	-	-	-	-	-	-	-	(2)
<b>Segment assets</b>	<u>179,018</u>	<u>7,928</u>	<u>117</u>	<u>20,300</u>	<u>6,453</u>	<u>32,577</u>	<u>13</u>	<u>-</u>	<u>246,406</u>
Segment assets includes:									
Investment in joint ventures	9	-	-	-	-	-	-	-	9
Additions to:									
- Property, plant and equipment	131	1,599	-	-	2,453	44	-	-	4,227
- Intangible assets	-	-	-	-	-	-	-	-	-
<b>Segment liabilities</b>	<u>(170,357)</u>	<u>(17,275)</u>	<u>(17,483)</u>	<u>(21,358)</u>	<u>(4)</u>	<u>(2,551)</u>	<u>(7)</u>	<u>-</u>	<u>(229,035)</u>

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**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
<b>Group</b>									
<b>1 January 2023 to 31 December 2023</b>									
<b>Revenue</b>									
External customers	204,032	38,660	64	4,634	-	-	-	-	247,390
Inter-segment revenue	1,430	951	-	1,215	-	8,476	-	(12,072)	-
	<u>205,462</u>	<u>39,611</u>	<u>64</u>	<u>5,849</u>	<u>-</u>	<u>8,476</u>	<u>-</u>	<u>(12,072)</u>	<u>247,390</u>
<b>Result</b>									
Segment result before interest	10,115	1,743	1,158	(854)	(339)	(2,429)	-	(1,564)	7,830
Interest income									9
Profit before income tax									<u>7,839</u>
Income tax expense									<u>(523)</u>
Net Profit									<u>7,316</u>
<b>Segment results include:</b>									
- Depreciation of property, plant and equipment	4,326	2,902	-	188	131	2,446	-	-	9,993
- Amortisation of intangible assets	20	4	-	-	-	-	-	-	24
- Share of loss of joint ventures	(3)	-	-	-	-	-	-	-	(3)
<b>Segment assets</b>	<u>174,123</u>	<u>17,798</u>	<u>234</u>	<u>14,523</u>	<u>6,621</u>	<u>39,238</u>	<u>11</u>	<u>-</u>	<u>252,548</u>
Segment assets includes:									
Investment in joint ventures	6	-	-	-	-	-	-	-	6
Additions to:									
- Property, plant and equipment	6	1,871	-	-	1,539	4,966	-	-	8,382
- Intangible assets	29	-	-	-	-	-	-	-	29
<b>Segment liabilities</b>	<u>(141,225)</u>	<u>(33,786)</u>	<u>(15,095)</u>	<u>(13,473)</u>	<u>(8)</u>	<u>(3,801)</u>	<u>(7)</u>	<u>-</u>	<u>(207,395)</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>									
<b>1 January 2022 to 31 December 2022</b>									
<b>Revenue</b>									
External customers	208,500	28,073	6,224	5,612	-	-	-	-	248,409
Inter-segment revenue	1,379	11,678	-	-	-	18,945	-	(32,002)	-
	<u>209,879</u>	<u>39,751</u>	<u>6,224</u>	<u>5,612</u>	<u>-</u>	<u>18,945</u>	<u>-</u>	<u>(32,002)</u>	<u>248,409</u>
<b>Result</b>									
Segment result before interest	(20,993)	(4,710)	(675)	769	(117)	(4,676)	(3)	411	(29,994)
Interest income									3
Loss before income tax									<u>(29,991)</u>
Income tax credit									(1,711)
Net loss									<u>(31,702)</u>
<b>Segment results include:</b>									
- Depreciation of property, plant and equipment	4,757	2,565	-	241	61	3,295	-	-	10,919
- Amortisation of intangible assets	73	40	-	-	-	-	-	-	113
- Share of loss of joint ventures	(1)	-	-	-	-	-	-	-	(1)
<b>Segment assets</b>	<u>179,018</u>	<u>7,928</u>	<u>117</u>	<u>20,300</u>	<u>6,453</u>	<u>32,577</u>	<u>13</u>	<u>-</u>	<u>246,406</u>
Segment assets includes:									
Investment in joint ventures	9	-	-	-	-	-	-	-	9
Additions to:									
- Property, plant and equipment	131	2,701	-	-	2,922	398	-	-	6,152
- Intangible assets	-	-	-	-	-	-	-	-	-
<b>Segment liabilities</b>	<u>(170,357)</u>	<u>(17,275)</u>	<u>(17,483)</u>	<u>(21,358)</u>	<u>(4)</u>	<u>(2,551)</u>	<u>(7)</u>	<u>-</u>	<u>(229,035)</u>



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**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	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Construction						
- Singapore	93,062	90,201	-	-	93,062	90,201
- Myanmar	2,487	3,485	-	-	2,487	3,485
	<b>95,549</b>	<b>93,686</b>	<b>-</b>	<b>-</b>	<b>95,549</b>	<b>93,686</b>
Precast manufacturing						
- Singapore	-	-	23,056	11,493	23,056	11,493
	<b>-</b>	<b>-</b>	<b>23,056</b>	<b>11,493</b>	<b>23,056</b>	<b>11,493</b>
Others	(12)	817	76	165	64	982
Total	<b>95,537</b>	<b>94,503</b>	<b>23,132</b>	<b>11,658</b>	<b>118,669</b>	<b>106,161</b>

	<u>Over time</u>		<u>At a point in time</u>		<u>Total</u>	
	Financial Year Ended		Financial Year Ended		Financial Year Ended	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Construction						
- Singapore	204,032	208,500	-	-	204,032	208,500
- Myanmar	4,634	5,612	-	-	4,634	5,612
	<b>208,666</b>	<b>214,112</b>	<b>-</b>	<b>-</b>	<b>208,666</b>	<b>214,112</b>
Precast manufacturing						
- Singapore	-	-	38,660	28,073	38,660	28,073
	<b>-</b>	<b>-</b>	<b>38,660</b>	<b>28,073</b>	<b>38,660</b>	<b>28,073</b>
Others	(12)	6,059	76	165	64	6,224
Total	<b>208,654</b>	<b>220,171</b>	<b>38,736</b>	<b>28,238</b>	<b>247,390</b>	<b>248,409</b>

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 2023 \$'000	Financial year ended 31 December 2022 \$'000		
Sales reported for first half year	128,721	142,248	(13,527)	(9.5)
Operating profit after taxation reported for the first half year	1,357	(3,716)	5,073	NM
Sales reported for second half year	118,669	106,161	12,508	11.8
Operating profit after taxation reported for the second half year	5,959	(27,986)	33,945	NM

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**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 2023 and 31 December 2022:

	<u>Group</u>		<u>Company</u>	
	<b>31 December 2023 \$'000</b>	31 December 2022 \$'000	<b>31 December 2023 \$'000</b>	31 December 2022 \$'000
<b>Financial assets</b>				
Cash and bank balances and trade and other receivables (amortised cost)	<b>91,939</b>	67,134	<b>36,336</b>	58,804
	<b>91,939</b>	67,134	<b>36,336</b>	58,804
<b>Financial liabilities</b>				
Trade and other payables and borrowings (amortised cost)	<b>161,477</b>	181,399	<b>42,027</b>	72,646
	<b>161,477</b>	181,399	<b>42,027</b>	72,646

**6. Profit/(loss) before income tax**

**6.1 Significant items**

	<u>Group</u>		<u>Group</u>	
	<b>Second Half Ended 31 December 2023 \$'000</b>	2022 \$'000	<b>Financial Year Ended 31 December 2023 \$'000</b>	2022 \$'000
<b>Other Income</b>				
Government grants (including Job Support Scheme and levy rebates)	<b>23</b>	272	<b>920</b>	1,530
Rental income	<b>2,030</b>	1,318	<b>3,834</b>	2,684
Service income	<b>32</b>	1,181	<b>529</b>	1,436
Interest income	<b>7</b>	1	<b>9</b>	3
Others	<b>1,247</b>	1,529	<b>1,659</b>	1,877
	<b>3,339</b>	4,301	<b>6,951</b>	7,530
<b>Other (losses)/gains – net</b>				
Loss on disposal of property, plant and equipment, net	<b>(713)</b>	(23)	<b>(711)</b>	(41)
Write-off of property, plant and equipment	<b>(7)</b>	-	<b>(7)</b>	-
Foreign exchange gain/(loss)	<b>464</b>	1,148	<b>(199)</b>	392
Others	<b>-</b>	(17)	<b>-</b>	-
	<b>(256)</b>	1,108	<b>(917)</b>	351
<b>Expenses</b>				
Depreciation of property, plant and equipment	<b>(5,517)</b>	(4,692)	<b>(9,993)</b>	(10,919)
Impairment loss on right-of-use-asset	<b>(141)</b>	-	<b>(141)</b>	-
Amortisation of intangible assets	<b>(11)</b>	(40)	<b>(24)</b>	(113)

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**6.2 Related party transactions**

The following significant transactions took place between the Group and related parties at terms agreed by the parties:

	<u>Group</u>		<u>Group</u>	
	<b>Second Half Ended 31 December</b>		<b>Financial Year Ended 31 December</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Revenue from construction contracts from related parties <sup>#</sup>	24,600	64,213	74,632	160,289
Rental income charged to related parties <sup>#</sup>	166	166	332	332
Transportation and logistics services received/receivable from related parties <sup>#</sup>	471	-	471	-
Renovation/reinstatement services received/receivable from related parties <sup>#</sup>	-	47	-	55
Other service income received/receivable from related parties <sup>#</sup>	12	11	23	23
Share of common overheads paid/payable to related parties <sup>#</sup>	158	308	727	347
Share of common overheads received/receivable from related parties <sup>#</sup>	77	30	189	82

<sup>#</sup> Related parties pertain to a director and companies which are wholly-owned, majority-owned or jointly-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>	
	<b>Second Half Ended 31 December</b>		<b>Financial Year Ended 31 December</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Tax expense attributable to loss is made up of:				
Profit from current financial year:				
- Current income tax	1,273	(36)	1,279	(41)
- Deferred income tax	(571)	1,701	(571)	1,701
	<b>702</b>	1,665	<b>708</b>	1,660
(Over)/under provision in prior financial years:				
- Current income tax	(21)	(3)	(90)	49
- Deferred income tax	(95)	2	(95)	2
	<b>(116)</b>	(1)	<b>(185)</b>	51
	<b>586</b>	1,664	<b>523</b>	1,711

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**8. Profit/(loss) per share**

(a) Basic profit/(loss) per share

Basic profit/(loss) per share is calculated by dividing the net profit/(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	
	2023	2022	2023	2022
Net profit/(loss) attributable to equity holders of the Company (\$'000)	<b>5,959</b>	(27,986)	<b>7,316</b>	(31,702)
Weighted average number of ordinary shares outstanding for basic profit/(loss) per share ('000)	<b>1,472,162</b>	841,236	<b>1,324,197</b>	841,236
Basic profit/(loss) per share (cents per share)	<b>0.40</b>	(3.33)	<b>0.55</b>	(3.77)

(b) Diluted loss per share

For the purpose of calculating diluted profit/(loss) per share, net profit/(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 2023 and 31 December 2022.

There are no dilutive effects for the Soilbuild Construction Performance Share Plan 2023 ("PSP 2023") as there are no outstanding performance share awards granted during the financial period ended 31 December 2023 and 31 December 2022.

There are no dilutive effects for the warrants outstanding during the financial period ended 31 December 2023 and 31 December 2022 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	
	2023	2022	2023	2022
Net profit/(loss) attributable to equity holders of the Company (\$'000)	<b>5,959</b>	(27,986)	<b>7,316</b>	(31,702)
Weighted average number of ordinary shares outstanding for diluted profit/(loss) per share ('000)	<b>1,472,162</b>	841,236	<b>1,324,197</b>	841,236
Diluted profit/(loss) per share (cents per share)	<b>0.40</b>	(3.33)	<b>0.55</b>	(3.77)

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**9. Net asset value**

	<u>Group</u>		<u>Company</u>	
	<b>31 December 2023</b>	31 December 2022	<b>31 December 2023</b>	31 December 2022
Net asset value per ordinary share (cents)	<u>3.07</u>	2.06	<u>6.82</u>	9.29
Total number of shares in issue ('000)	<u>1,472,162</u>	841,236	<u>1,472,162</u>	841,236

**10. Property, plant and equipment**

During the full year ended 31 December 2023, the Group acquired assets (classified as plant and equipment and building within property, plant and equipment) amounting to S\$8,382,000 (31 December 2022: S\$6,151,000), disposed of assets amounting to S\$1,813,000 (31 December 2022: S\$165,000) and wrote-off assets amounting to \$7,000 (31 December 2022: \$Nil)

**11. Intangible assets**

Acquired computer software licences

	<u>Group</u>	
	<b>2023 \$'000</b>	2022 \$'000
<i>Cost</i>		
Beginning of financial period	1,221	1,221
Additions	29	-
Write-off	(9)	-
End of financial period	<u>1,241</u>	1,221
<i>Accumulated amortisation</i>		
Beginning of financial period	1,179	1,066
Amortisation charge (Note 6)	24	113
Write-off	(9)	-
End of financial period	<u>1,194</u>	1,179
Net book value	<u>47</u>	42

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**12. Borrowings**

	<u>Group</u>	
	31 December 2023 \$'000	31 December 2022 \$'000
<b>Amount repayable in one year, or on demand</b>		
- Secured	9,592	7,425
- Unsecured	7,664	28,031
<b>Total</b>	<u>17,256</u>	<u>35,456</u>
<b>Amount repayable after one year</b>		
- Secured	59,877	48,166
- Unsecured	14,022	15,443
<b>Total</b>	<u>73,899</u>	<u>63,609</u>

The Group's total borrowings of S\$91.2 million comprise (i) term loans of S\$65.9 million, (ii) property loan of S\$3.6 million, (iii) temporary bridging loan of S\$4.7 million, (iv) short term bank loans of S\$4.2 million, (vi) lease liabilities of S\$2.8 million and (vii) shareholder's loan of S\$10.0 million.

**Details of any collaterals**

The Group's term loan amounting to S\$65.9 million and property loan of S\$3.6 million as at 31 December 2023 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.

**13. Share capital**

	← Issued share capital →	
	<u>No. of ordinary shares</u> '000	<u>Amount</u> \$'000
<u>Group and Company</u>		
<b>2023</b>		
Beginning of financial period	841,236	71,553
Issuance of shares pursuant to the preferential offering of rights shares	630,926	21,620
Expenses relating to preferential offering of rights shares	-	(542)
End of financial year	<u>1,472,162</u>	<u>92,631</u>
<b>2022</b>		
Beginning and end of financial year	<u>841,236</u>	<u>71,553</u>

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**13. Share capital (continued)**

The Company did not hold any treasury shares as at 31 December 2023.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 December 2022.

January 2023 Preferential Offering

On 18 January 2023, the Company completed a preferential offering of 336,494,249 new ordinary shares in the capital of the Company (the "Rights Shares") at an issue price of \$0.031 for each Rights Share (the "January 2023 Preferential Offering").

The total proceeds from the January 2023 Preferential Offering amounted to \$10,431,000. The expenses relating to the January 2023 Preferential Offering of Rights Shares amounted to \$281,000.

June 2023 Preferential Offering

On 14 June 2023, the Company completed a preferential offering of 294,432,468 new ordinary shares in the capital of the Company (the "Rights Shares") at an issue price of \$0.038 for each Rights Share (the "June 2023 Preferential Offering").

The total proceeds from the June 2023 Preferential Offering amounted to \$11,189,000. The expenses relating to the June 2023 Preferential Offering of Rights Shares amounted to \$261,000.

**14. Warrant reserve**

<u>Group and Company</u>	
<b>31</b>	<b>31</b>
<b>December</b>	<b>December</b>
<b>2023</b>	<b>2022</b>
<b>\$'000</b>	<b>\$'000</b>

Beginning and end of financial year

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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.

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**14. Warrant reserve (continued)**

Arising from the January 2023 Preferential Offering as disclosed in Note 13, the number of 2019 Warrants was adjusted from 168,247,125 to 183,759,161 in accordance with the terms and conditions 2019 Warrants Instrument. Arising from the June 2023 Preferential Offering as disclosed in Note 13, the number of 2019 Warrants was adjusted from 183,759,161 to 185,615,237 in accordance with the terms and conditions 2019 Warrants Instrument.

There are 185,615,237 (31 December 2022: 168,247,125) warrants outstanding as at 31 December 2023. 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>	
	<b>2023</b>	<b>2022</b>
	<b>'000</b>	<b>'000</b>
2019 Warrants		
Beginning of financial year	<b>168,247</b>	168,247
Adjustments arising from preferential offerings	<b>17,368</b>	-
<b>End of financial year</b>	<b><u>185,615</u></b>	<u>168,247</u>

**15. Dividends**

At the Annual General Meeting on 26 April 2024, a first and final dividend of \$0.001 per share amounting to a total of \$1,472,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2024.

**16. Subsequent events**

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



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**OTHER INFORMATION**

**1. Review**

The condensed consolidated statement of financial position of Soilbuild Construction Group Ltd. and its subsidiaries as at 31 December 2023 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: 2HFY2023 vs 2HFY2022**

For 2HFY2023, the Group reported a net profit of approximately \$6.0 million compared to net loss of approximately \$28.0 million reported in comparative period.

Revenue & gross profit/(loss)

For the period under review, the Group's revenue increased by 11.8% from \$106.2 million in 2HFY2022 to \$118.7 million in 2HFY2023. The higher revenue reported for 2HFY2022 was mainly due to timing difference in the progress of construction projects.

Major revenue contributors in 2HFY2023 were:

- Pall Filtration A&A project (additions and alterations to an industrial development at Benoi Sector);
- Leica A&A project (additions and alterations to an industrial development);
- Tai Seng project (construction of a multi-user general industrial factory development at Tai Seng Avenue);
- Soitec Piling project (piling works for an industrial factory development at Pasir Ris Industrial Drive);
- Toa Payoh HDB project (construction of a public housing development at Toa Payoh Neighbourhood 1 Contract 27);
- Verticus Condo project (construction of a residential flat with sky terraces and communal facilities); and
- Gambas project (construction of a multi-user general industrial factory development at Gambas Way).

In 2HFY2023, the precast division contributed approximately \$23.1 million to the Group's revenue on sales of its products.

For the period under review, the Group reported a gross profit of \$14.6 million compared to gross loss of \$22.8 million reported in the comparative period. The gross profit margin for 2HFY2023 was 12.3% compared to gross loss margin for 2HFY2022 of 21.5%.

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**2. Review of performance of the Group (continued)**

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

**Half year results: 2HFY2023 vs 2HFY2022 (continued)**

Other income

Other income decreased by approximately \$1.0 million mainly due to decrease in service income, which is partially offset by increase in rental income.

Other gains/(losses) – net

Other losses (net) of \$256,000 in 2HFY2023 were mainly attributable to net loss on disposal and write-off of property, plant and equipment of \$720,000, which is partially offset by foreign exchange gain of \$464,000.

Administrative expenses

Administrative expenses increased by approximately \$0.9 million mainly due to increase in professional fees and employee remuneration.

Finance expenses

Finance expenses increased by approximately \$0.3 million mainly due to interest rate hikes for bank borrowings.

Other operating expenses

Other operating expenses for 2HFY2023 amounts to approximately \$3.3 million which is comparable to other operating expenses for 2HFY2022 which amounts to approximately \$3.1 million.

Income tax (expenses)/ credit

The Group reported income tax expenses of approximately \$0.6 million in 2HFY2023 as compared to approximately \$1.7 million in 2HFY2022.

**Full year results: FY2023 vs FY2022**

For FY2023, the Group reported a net profit of approximately \$7.3 million compared to net loss of approximately \$31.7 million reported in the comparative year.

Revenue & gross (loss)/profit

For the period under review, the Group's revenue amounts to approximately \$247.4 million, which is comparable to approximately \$248.4 million reported in the comparative period.

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**2. Review of performance of the Group (continued)**

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

**Full year results: FY2023 vs FY2022 (continued)**

Major revenue contributors in FY2023 were:

- Pall Filtration A&A project (additions and alterations to an industrial development at Benoi Sector);
- Leica A&A project (additions and alterations to an industrial development);
- Tai Seng project (construction of a multi-user general industrial factory development at Tai Seng Avenue);
- Soitec Piling project (piling works for an industrial factory development at Pasir Ris Industrial Drive);
- Toa Payoh HDB project (construction of a public housing development at Toa Payoh Neighbourhood 1 Contract 27);
- Verticus Condo project (construction of a residential flat with sky terraces and communal facilities); and
- Gambas project (construction of a multi-user general industrial factory development at Gambas Way).

In FY2023, the Precast and Prefabrication division contributed approximately \$38.7 million to the Group's revenue on sales of its products.

Correspondingly, the Group reported a gross profit of \$22.1 million in FY2023 compared to gross loss of \$21.3 million in FY2022. The gross profit margin for FY2023 was 8.9% compared to gross loss margin for FY2022 of 8.6%.

Other income

Other income decreased by approximately \$0.6 million mainly due to decrease in service income, which is partially offset by increase in rental income.

Other (losses)/gains – net

Other losses (net) of \$917,000 in FY2023 were mainly attributable to net loss on disposal and write-off of property, plant and equipment of \$718,000 and foreign exchange losses of \$199,000.

Allowance for expected credit losses on financial assets

Allowance for expected credit losses of approximately \$1.4 million in FY2023 were due to impairment of the Group's trade and other receivables from its Myanmar construction operations and Singapore precast operations.

Administrative expenses

Administrative expenses increased by approximately \$0.9 million mainly due to increase in professional fees and employee remuneration.

Finance expenses

Finance expenses increased by approximately \$1.3 million mainly due to interest rate hikes for bank borrowings.

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**2. Review of performance of the Group (continued)**

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

**Full year results: FY2023 vs FY2022 (continued)**

Other operating expenses

Other operating expenses for FY2023 amounts to approximately \$5.9 million which is comparable to other operating expenses for FY2022 which amounts to approximately \$5.6 million.

Income tax expenses

The Group reported income tax expenses of approximately \$0.5 million in FY2023 as compared to income tax expense of approximately \$1.7 million in FY2022.

Net profit after tax

With the impact of the above, the Group reported a net profit after tax of approximately \$7.3 million in FY2023.

**(b) Consolidated statement of balance sheet**

Total assets increased by \$6.1 million from \$246.4 million as at 31 December 2022 to \$252.5 million as at 31 December 2023, mainly due to (i) increase in inventories of \$6.1 million as a result of ramp up of production of precast and prefabrication materials for customers, (ii) increase in cash and cash equivalents of \$3.1 million which was explained in the Consolidated Statement of Cash Flow, (iii) increase in trade and other receivables of \$1.2 million due to timing differences in collections from customers and (iv) increase in deferred tax assets of \$0.5 million. The increase in total assets was partially offset by (i) decrease in property, plant and equipment of \$1.9 million mainly due to depreciation of property, plant and equipment, (ii) decrease in other current assets of \$2.9 million.

Total liabilities decreased by \$21.7 million from \$229.0 million as at 31 December 2022 to \$207.3 million as at 31 December 2023, mainly due to (i) decrease in trade and other payables of \$13.8 million due to timing difference in payment to suppliers and sub-contractors, (ii) decrease in bank borrowings by \$7.9 million due to repayment, (iii) decrease in provision of other liabilities of \$1.0 million mainly due to utilisation of provision for foreseeable losses upon the progress of the loss-making projects, and (iv) decrease in deferred tax liabilities of \$0.2 million. The decrease in total liabilities was partially offset by the increase in current income tax liabilities of \$1.2 million.

The Group's and the Company's current liabilities exceed its current assets by \$12,094,000 and \$24,686,000 respectively as at 31 December 2023.

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**2. Review of performance of the Group (continued)**

**(b) Consolidated statement of balance sheet (continued)**

The negative working capital position was mainly due to the significant operating losses in the prior financial years due to adverse impact of COVID-19 on the construction industry 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 is expected to be able to pay its debts as and when they fall due to the following reasons:

- (i) The Group has generated a profit amounting to \$7,316,000 and positive cash flow from operating activities amounting to \$3,085,000 for the financial year ended 31 December 2023, as the Group's operations recovers from the adverse impact of COVID-19 from the prior financial years. Management expects the Group to be able to meet its cash flow requirements from its normal course of business through its existing and future order books. The Group has strong order books amounting to \$490,507,000 as at 31 December 2023, which is expected to generate positive cash flows over the next twelve months.
- (ii) The Group has existing bank facilities which have yet to be utilised amounting to \$14,000,000 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.
- (iii) The related parties of the Group have expressed their willingness to provide early release of retention sums upon completion of certain ongoing construction projects.
- (iv) The Company's current liabilities mainly relate to loans from subsidiaries amounting to a total of \$26,952,000. Management does not expect that the subsidiaries would demand for repayment of these amounts within the next 12 months.

Management has prepared a cashflow projection for the next 12 months which has taken into account the above considerations, and has been approved by the Board of Directors. Based on the projection, management believes that the Group will be able to pay its debts as and when they fall due for the next 12 months.

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**2. Review of performance of the Group (continued)**

**(c) Consolidated statement of cash flows**

Operating Activities

For FY2023, the net cash outflow from operating activities amounted to \$3.1 million as compared to net cash outflow of \$1.0 million in the comparative year. The cash inflow from operating activities in FY2023 was mainly attributable to the operating profit.

Investing Activities

For FY2023, cash outflow from investing activities amounted to \$6.9 million as compared to cash outflow of \$6.0 million in the comparative year. The cash outflow in FY2023 was mainly attributable to the purchase of plant and equipment, which is partially offset by the proceeds from disposal of property, plant and equipment and government grants received.

Financing Activities

For FY2023, cash inflow from financing activities amounted to \$6.5 million as compared to cash inflow of \$0.9 million in the comparative year. The cash inflow in FY2023 was mainly attributable to the proceeds from Preferential Offering of Rights Shares and bank borrowings, partially offset by repayment of bank borrowings, interest payments and lease liabilities.

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

Not applicable.

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**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 2 January 2024, the Singapore economy grew by 2.8 per cent on a year-on-year basis in the fourth quarter of 2023, faster than the 1.0 per cent growth in the previous quarter.

The construction sector expanded by 9.1 per cent year-on-year in the fourth quarter, faster than the 6.2 per cent growth in the previous quarter. Both public and private sector construction output increased during the quarter. On a quarter-on-quarter seasonally adjusted basis, the pace of growth in the construction sector picked up to 4.3 per cent in the fourth quarter, from 0.8 per cent in the third quarter.

The Group's order book as at the date of this announcement stands at approximately \$600 million (as of end December 2023 and after including new orders since). This is backed by 4 new construction contracts and 19 new precast supply and delivery contracts, valued at approximately S\$396 million in total, which were secured since the last financial year ended 31 December 2022.

The construction contract secured relates to:

- Building of a high-tech manufacturing facility with cleanroom capabilities and a warehouse for the semi-conductor industry. The facilities will be built to satisfy the requirements for Green Mark Platinum, the highest eco-sustainable rating for a building under the Building & Construction Authority's revised Green Mark Certification Scheme 2021; and
- Building of a sustainable and energy efficient logistics facility in Singapore, which is built to achieve the following sustainability certifications:
  - Green Mark Platinum
  - Green Mark Zero Energy
  - Leadership in Energy and Environmental Design ("LEED") Gold
  - LEED Zero Carbon
- Demolition and piling works for a multiple-user industrial development at Tuas South Avenue, Singapore
- Building of a 5-storey industrial building

The precast contracts secured relates to the supply and delivery of precast components in Singapore for the following projects:

- Housing and Development Board public housing projects in various parts of Singapore
- Housing and Development Board term contract
- Public health facility in Serangoon & Yishun
- Industrial development in Jalan Ahmad Ibrahim
- Land Transport Authority Mass Rapid Transit project for Jurong Region Line

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**5. Dividend information**

**5a. Current Financial Period Reported on**

**Any dividend recommended for the current financial period reported on?**

The Directors are pleased to propose the payment of a first and final dividend of S\$0.001 per ordinary share, in respect of the financial year ended 31 December 2023, subject to the approval of shareholders at the next Annual General Meeting of the Company.

<b>Name of dividend</b>	First and Final (proposed)
<b>Dividend type</b>	Cash
<b>Dividend per share</b>	S\$0.001 per ordinary share
<b>Tax rate</b>	Tax exempt (1-Tier)

**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**

Subject to approval by the shareholders at the next Annual General Meeting, the payment date of the proposed dividend will be announced at a later date.

**5d. Books Closure Date**

Subject to approval by the shareholders at the next Annual General Meeting, the books closure date of the proposed dividend will be announced at a later date.

**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**

Not applicable. Dividend has been recommended for the financial year ended 31 December 2023 as indicated in Point 5 above.



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**7. Interested person transactions**

Name of Interested Person <sup>#</sup>	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)
	<b>\$'000</b>	<b>\$'000</b>
<b>Transactions during 2HFY2023</b>		
<u>Soilbuild Group Holdings Ltd. &amp; its subsidiaries</u>		
Office rental (Note A)	-	122
Revenue from construction contracts	-	23,500
Share of common overheads paid/payable to related parties (Note A)	-	229
<u>Soilbuild Business Space REIT</u>		
Revenue from construction contracts	-	113
<u>Lim Chap Huat</u>		
Revenue from construction contracts	-	869
<u>Dolphin Alpha Investments Pte Ltd and its subsidiary</u>		
Revenue from construction contracts	-	118
<u>Asian Worldwide Services Pte. Ltd.</u>		
Transportation and logistics services received	-	471

<sup>#</sup> Interested person pertain to a director and companies which are wholly-owned, majority-owned or jointly-owned by a director of the Company.

Note A:

Amount does not correspond back to Note 6.2 Related party transactions note under the condensed interim consolidated financial statements as the above disclosures exclude transactions less than S\$100,000.

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**7. Interested person transactions (continued)**

Name of Interested Person <sup>#</sup>	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
<b>Transactions during FY2023</b>		
<u>Soilbuild Group Holdings Ltd. &amp; its subsidiaries</u>		
Office rental (Note A)	-	244
Revenue from construction contracts	-	61,957
Share of common overheads paid/payable to related parties (Note A)	-	668
<u>Soilbuild Business Space REIT</u>		
Revenue from construction contracts	-	10,626
<u>Lim Chap Huat</u>		
Revenue from construction contracts	-	1,287
<u>Dolphin Alpha Investments Pte Ltd and its subsidiary</u>		
Revenue from construction contracts	-	762
<u>Asian Worldwide Services Pte. Ltd.</u>		
Transportation and logistics services received	-	471

<sup>#</sup> Interested person pertain to a director and companies which are wholly-owned, majority-owned or jointly-owned by a director of the Company.

Note A:

Amount does not correspond back to Note 6.2 Related party transactions note under the condensed interim consolidated financial statements as the above disclosures exclude transactions less than S\$100,000.

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**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)**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Lim Chap Huat	69	Father of Lim Han Ren, the Executive Director of the Company	Position: Executive Chairman  Duties: Chart the Group's strategic direction, business planning and development and succession planning and also provide guidance in project management and tender submission for the Group's various projects.  Date when position was first held: 14 January 2013	N.A.
Lim Han Ren	32	Son of Lim Chap Huat, the Executive Chairman of the Company and the Group and also the substantial shareholder of the Company	Position: Executive Director  Duties: Responsible for overall management of the Company and the Group, driving the development and execution of business strategies and will spearhead the growth of the Group.  Date when position was first held: 1 January 2023	N.A.

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**11. 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 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lim Chap Huat  
Executive Chairman

Lim Han Ren  
Executive Director

Singapore

28 February 2024