



**MEDIA STATEMENT**

**Soilbuild Construction records 55% increase in revenue to S\$331.3mil for FY2013 on strong progress of construction projects**

- Robust orderbook of S\$407.4 million to-date, expected to be completed substantially in the next 12-24 months
- Board of Directors recommends issuing a final dividend per share of 0.5 Singapore cents and a special dividend per share of 0.5 Singapore cents to reward shareholders
- Net profit grows 9% to S\$24 million, recording a third consecutive year of growth in revenue and profit

**Singapore, 13 February 2014** – Soilbuild Construction Group Ltd. (“The Group” or “Soilbuild”), a BCA A1-graded construction company with over 37 years of experience is pleased to announce that for the full year ended 31 December 2013 (“FY2013”), its revenue recorded a 55% year-on-year (“yoy”) increase to S\$331.3 million due to the strong progress of construction projects while net profit also improved 9% yoy to S\$24 million.

| <b>GROUP’S FINANCIAL HIGHLIGHTS</b> |               |               |                   |               |               |                   |
|-------------------------------------|---------------|---------------|-------------------|---------------|---------------|-------------------|
| <b>S\$' million</b>                 | <b>4Q2013</b> | <b>4Q2012</b> | <b>Change (%)</b> | <b>FY2013</b> | <b>FY2012</b> | <b>Change (%)</b> |
| <b>Revenue</b>                      | 110.8         | 91.8          | 21                | 331.3         | 213.5         | 55                |
| <b>Gross Profit</b>                 | 9.5           | 12.2          | (22)              | 31.6          | 28.1          | 12                |
| <b>Net profit</b>                   | 8.1           | 10.8          | (25)              | 24.0          | 22.0          | 9                 |

“Notwithstanding the ongoing challenges about rising labour costs and constraints, we remain prudent in our operating cost structure in order to ensure profitability by enhancing productivity and improving efficiency in our business operations.

On the back of a commendable set of financial results, the board of directors is pleased to recommend a final dividend per share of 0.5 Singapore cents and a special dividend per share of 0.5 Singapore cents to reward shareholders.”

Mr Ho Toon Bah  
Executive Director of Soilbuild Construction Group

## **Financial Review**

The Group's improved financial performance over the preceding year reported was largely contributed by higher revenue from the Group's existing and new projects such as the Lavender project which progressed faster in FY2013 as compared to FY2012. In addition, Changi Business Park Vista, Mandai Connection, Bukit Batok BizHub and Northview Bizhub projects also received maiden recognition in terms of revenue.

Despite the higher revenue and gross profit recorded, gross profit margin moderated from 13.1% in FY2012 to 9.5% in FY2013. Comparatively, the Group recognised more variation orders for the West Park BizCentral project and also higher gross profit for a residential project in FY2012.

Administrative expenses rose by S\$2.7 million for FY2013 as compared to the previous corresponding year due to the increase in share issue expenses, directors' remuneration, professional fees, fixed asset expenses, rental expenses and staff payroll as a result of the overall increase in business activities.

As at 31 December 2013, the Group maintained a strong balance sheet with cash and cash equivalents amounting to S\$76.0 million and zero borrowings.

## **Outlook**

Based on advance estimates released by the Ministry of Trade and Industry Singapore on 2 January 2014, the Singapore economy grew by 4.4% on a yoy basis in the fourth quarter of 2013, compared to 5.9% in the preceding quarter. The construction sector grew by 4.7% on a yoy basis, compared to 5.8% in the preceding quarter with a moderation in the growth of private sector construction activities leading to the slowdown.

Separately on 9 January 2014, the Building & Construction Authority announced that construction demand for 2014 will remain strong, with contracts for the built environment industry reaching between S\$31 and S\$38 billion in 2014, driven by strong public housing demand and anticipated higher construction demand for institutional developments and major infrastructure projects.

Mr Ho added, "In view of the increasing demand for infrastructure, the Group remains optimistic of the industry's outlook and plans to venture into civil engineering works in the near future. To date, we maintain a robust order book of S\$407.4 million, which is expected to complete substantially over the next 12 – 24 months.

We continue to leverage on our sterling track record and expertise to prospect actively for new contract opportunities in both the public and private sectors in order to strengthen our market position."

**The End**

*The initial public offering of the Company was sponsored by United Overseas Bank Limited (the “Issue Manager”). The Issue Manager assumes no responsibility for the contents of this Media Statement.*

**About Soilbuild Construction Group Ltd.:**

Soilbuild Construction is a general construction company with over 37 years of experience during which the Group has handled a wide range of projects, from residential buildings to conservation houses, schools, churches, industrial buildings and business parks. Soil-Build (Pte.) Ltd. (Soil-Build), a subsidiary of the Group, is graded A1 by Singapore’s Building and Construction Authority, and has acted as the main contractor for projects which have won architectural and environmental awards over the years.

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