



**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 2022*

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
*For the six months and full year ended 31 December 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 and full year ended 31 December 2022*

	Note	<u>The Group</u>			<u>The Group</u>		
		Second Half Ended 31 December		Change	Financial Year Ended 31 December		Change
		2022 \$'000	2021 \$'000	%	2022 \$'000	2021 \$'000	%
Revenue	4	106,161	128,862	(17.6)	248,409	258,280	(3.8)
Cost of sales		(128,949)	(128,057)	0.7	(269,700)	(253,426)	6.4
<b>Gross (loss)/profit</b>		<b>(22,788)</b>	805	NM	<b>(21,291)</b>	4,854	NM
Other income		4,301	2,814	52.8	7,530	6,099	23.5
Other gains - net		1,108	715	55.0	351	962	(63.5)
Allowance for expected credit losses on financial assets		(65)	(1,565)	NM	(65)	(1,565)	NM
Expenses							
- Administrative		(4,222)	(3,703)	14.0	(8,559)	(7,311)	17.1
- Marketing		(36)	-	NM	(40)	(9)	344.4
- Finance		(1,511)	(891)	70.0	(2,321)	(1,899)	22.2
- Others		(3,107)	(1,625)	91.2	(5,595)	(4,393)	27.4
Share of loss of joint ventures		(2)	(2)	NM	(1)	-	NM
<b>Loss before income tax</b>	6	<b>(26,322)</b>	(3,452)	662.5	<b>(29,991)</b>	(3,262)	819.4
Income tax (expenses)/credit	7	(1,664)	633	(362.9)	(1,711)	635	(369.5)
<b>Net loss</b>		<b>(27,986)</b>	(2,819)	892.7	<b>(31,702)</b>	(2,627)	1,106.8
<b>Other comprehensive (loss)/income:</b>							
<b>Items that may be reclassified subsequently to profit or loss:</b>							
Currency translation differences arising from consolidation		(1,412)	55	NM	(1,226)	97	NM
<b>Total comprehensive loss</b>		<b>(29,398)</b>	(2,764)	963.6	<b>(32,928)</b>	(2,530)	1,201.5
<b>Loss attributable to:</b>							
Equity holders of the Company		(27,986)	(2,819)	892.7	(31,702)	(2,627)	1,106.8
		(27,986)	(2,819)	892.7	(31,702)	(2,627)	1,106.8
<b>Total comprehensive loss attributable to:</b>							
Equity holders of the Company		(29,398)	(2,764)	963.6	(32,928)	(2,530)	1,201.5
		(29,398)	(2,764)	963.6	(32,928)	(2,530)	1,201.5
<b>Loss per share attributable to equity holders of the Company (cents per share)</b>							
- Basic	8	(3.33)	(0.34)		(3.77)	(0.31)	
- Diluted	8	(3.33)	(0.34)		(3.77)	(0.31)	

NM: Not meaningful

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

*As at 31 December 2022*

	Note	Group		Company	
		31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		11,093	16,991	277	157
Trade and other receivables		84,792	63,295	3,898	1,823
Inventories		3,778	9,182	-	-
Other current assets		6,201	3,655	52	4
		<b>105,864</b>	<b>93,123</b>	<b>4,227</b>	<b>1,984</b>
<b>Non-current assets</b>					
Trade and other receivables		15,504	16,244	54,633	33,859
Other non-current assets		57	-	-	-
Investments in subsidiaries		-	-	91,970	91,970
Investments in joint ventures		9	13	-	-
Property, plant and equipment	10	123,878	130,368	-	-
Intangible assets		42	155	-	-
Deferred income tax assets		1,052	2,689	-	-
		<b>140,542</b>	<b>149,469</b>	<b>146,603</b>	<b>125,829</b>
<b>Total assets</b>		<b>246,406</b>	<b>242,592</b>	<b>150,830</b>	<b>127,813</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		115,920	83,988	55,483	29,573
Current income tax liabilities		69	562	-	-
Borrowings	11	35,456	34,528	2,483	2,234
Provision for other liabilities		3,504	4,418	-	-
		<b>154,949</b>	<b>123,496</b>	<b>57,966</b>	<b>31,807</b>
<b>Non-current liabilities</b>					
Trade and other payables		10,298	7,214	-	-
Borrowings	11	63,609	61,451	14,680	17,162
Deferred income tax liabilities		179	132	-	-
		<b>74,086</b>	<b>68,797</b>	<b>14,680</b>	<b>17,162</b>
<b>Total liabilities</b>		<b>229,035</b>	<b>192,293</b>	<b>72,646</b>	<b>48,969</b>
<b>NET ASSETS</b>		<b>17,371</b>	<b>50,299</b>	<b>78,184</b>	<b>78,844</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	12	71,553	71,553	71,553	71,553
Capital reserve		(1,070)	(1,070)	-	-
Currency translation reserve		(1,539)	(313)	-	-
(Accumulated losses)/retained profits		(51,573)	(19,871)	6,631	7,291
<b>TOTAL EQUITY</b>		<b>17,371</b>	<b>50,299</b>	<b>78,184</b>	<b>78,844</b>

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**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

*For the six months and full year ended 31 December 2022*

The Group	Note	← Attributable to equity holders of the Company (Accumulated losses)/ Retained profits →					Total equity \$'000
		Share capital \$'000	Capital reserve \$'000	Currency translation reserve \$'000	Warrant reserve \$'000		
<b>2022</b>							
<b>Balance as at 1 January 2022</b>		<b>71,553</b>	<b>(1,070)</b>	<b>(313)</b>	<b>-</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>-</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>-</b>	<b>(51,573)</b>	<b>17,371</b>
<b>2021</b>							
<b>Balance as at 1 January 2021</b>		<b>71,553</b>	<b>(1,070)</b>	<b>(410)</b>	<b>8,128</b>	<b>(25,372)</b>	<b>52,829</b>
Loss for the financial year		-	-	-	-	(2,627)	(2,627)
Other comprehensive income for the financial year		-	-	97	-	-	97
<b>Total comprehensive income/(loss) for the financial year</b>		<b>-</b>	<b>-</b>	<b>97</b>	<b>-</b>	<b>(2,627)</b>	<b>(2,530)</b>
Transfer of warrant reserve to retained profits	13	-	-	-	(8,128)	8,128	-
<b>Balance as at 31 December 2021</b>		<b>71,553</b>	<b>(1,070)</b>	<b>(313)</b>	<b>-</b>	<b>(19,871)</b>	<b>50,299</b>

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**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

*For the six months and full year ended 31 December 2022*

The Company	Note	← Attributable to equity holders of the Company →			Total equity \$'000
		Share capital \$'000	Warrant reserve \$'000	Retained profits/ (accumulated losses) \$'000	
<b>2022</b>					
<b>Balance as at 1 January 2022</b>		<b>71,553</b>	<b>-</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>-</b>	<b>(660)</b>	<b>(660)</b>
<b>Balance as at 31 December 2022</b>		<b>71,553</b>	<b>-</b>	<b>6,631</b>	<b>78,184</b>
<b>2021</b>					
<b>Balance as at 1 January 2021</b>		<b>71,553</b>	<b>8,128</b>	<b>(241)</b>	<b>79,440</b>
Loss for the financial year		-	-	(596)	(596)
<b>Total comprehensive loss for the financial year</b>		<b>-</b>	<b>-</b>	<b>(596)</b>	<b>(596)</b>
Transfer of warrant reserve to retained profits	13	-	(8,128)	8,128	-
<b>Balance as at 31 December 2021</b>		<b>71,553</b>	<b>-</b>	<b>7,291</b>	<b>78,844</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 2022*

	<b>The Group</b>	
	<b>Financial Year Ended</b>	
	<b>31 December</b>	
Note	2022	2021
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Net loss	(31,702)	(2,627)
Adjustments for:		
- Amortisation of intangible assets	113	187
- Depreciation of property, plant and equipment	10,919	11,556
- Reversal of impairment loss on right-of-use assets	-	(1,262)
- Allowance for expected credit losses on financial assets	65	1,565
- Interest income	(3)	(5)
- Interest expense	2,321	1,899
- Income tax credit	1,711	(635)
- Loss/(gain) on disposal of property, plant and equipment	41	(13)
- Property, plant and equipment written off	-	10
- Fair value gain on derivative financial instruments	-	(663)
- Share of profit of joint ventures	1	-
Operating cash flows before working capital changes	(16,534)	10,012
Changes in working capital:		
- Trade and other receivables	(20,822)	(8,248)
- Other current assets	(2,546)	(1,329)
- Other non-current assets	(57)	-
- Inventories	5,404	(1,567)
- Trade and other payables	34,885	(12,872)
- Provision for other liabilities	(914)	(518)
Cash used in operations	(584)	(14,522)
Income tax paid	(387)	(190)
<b>Net cash used in operating activities</b>	<b>(971)</b>	<b>(14,712)</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(6,151)	(4,371)
Additions of intangible assets	-	(11)
Proceeds from disposal of property, plant and equipment	124	769
Government grant received	-	5,317
Dividend received from a joint venture	3	3
Interest received	3	5
<b>Net cash (used in)/provided by investing activities</b>	<b>(6,021)</b>	<b>1,712</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank loans	60,347	41,566
Repayment of bank loans	(56,432)	(41,106)
Proceeds from shareholder's loan	-	10,000
Principal repayment of lease liabilities	(868)	(855)
Interest paid	(2,180)	(1,858)
<b>Net cash provided by financing activities</b>	<b>867</b>	<b>7,747</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(6,125)</b>	<b>(5,253)</b>
Cash and cash equivalents at beginning of financial year	16,991	21,818
Effects of currency translation on cash and cash equivalents	227	426
<b>Cash and cash equivalents at end of financial year</b>	<b>11,093</b>	<b>16,991</b>

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
*For the six months and full year ended 31 December 2022*

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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 and full year ended 31 December 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 and full year ended 31 December 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 30 June 2022.

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 \$31,702,000 during the financial year ended 31 December 2022. In addition, the Group's current liabilities exceed its current assets by \$49,085,000 as at 31 December 2022.



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

**Going concern (continued)**

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

- a) Whilst the Group made a loss and generated negative cash flow from operating activities for the financial year, management has analysed that these are mainly due to the adverse impact of COVID-19 pandemic on the Group's construction and precast manufacturing operations.

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 \$461,485,000 as at 31 December 2022, which is expected to generate positive cash flows over the next twelve months.

- b) The Group has existing bank facilities which have yet to be utilised amounting to \$26,294,000 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.
- c) The related parties of the Group have expressed their willingness to provide advance payment for a construction project and early release of retention sums upon completion of certain ongoing construction projects.
- d) Subsequent to the financial year end, the Company completed a pro-rata and non-renounceable non-underwritten preferential offering of 336,494,249 ordinary shares in the capital of the Company (the "Rights Shares") at an issue price of S\$0.031 for each Rights Share (the "Preferential Offering"). The net proceeds from the Preferential Offering amounted to approximately \$10,100,000. The net proceeds from the Preferential Offering will be used for general corporate and working capital purposes, including funding short term contractual obligations for existing construction projects, and will help to strengthen the balance sheet and cashflow position of the Company.

Management has prepared a cash flow 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.

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

Interpretations and amendments to published standards effective in 2022

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

**2.1 New and amended standards adopted by the Group** (continued)

On 1 January 2022, 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 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.

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 2022.

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

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

(a) Construction contracts: (continued)

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 loss after tax) will be as follows:

	<b>Increase/(Decrease)</b>	
	<b>12 months</b>	<b>12 months</b>
	<b>ended 2022</b>	<b>ended 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Estimated total construction cost		
- increased by 2% (2021: 2%)	<b>10,984</b>	9,927
- decreased by 2% (2021: 2%)	<b>(10,559)</b>	(8,323)

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.

Due to COVID-19 pandemic, management expects that certain projects may be 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 2022, management has identified indications of impairment relating to certain property, plant and equipment with net book value amounting to \$117,602,000.

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

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

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

The recoverable amounts of the identified PPE, which are used for the Group's pre-cast manufacturing operations in Singapore and Malaysia and construction operations in Singapore 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, gross profit margin, 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.

**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 Officers 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 \$'000	Precast \$'000	Others \$'000	Construction \$'000	Others \$'000	Precast \$'000	\$'000	\$'000	\$'000
<b>Group</b>									
<b>1 July 2022 to 31 December 2022</b>									
<b>Revenue</b>									
External customers	90,855	11,821	-	3,485	-	-	-	-	106,161
Inter-segment revenue	496	3,497	-	-	-	4,178	-	(8,171)	-
	<u>91,351</u>	<u>15,318</u>	<u>-</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	-	-	-	-	-	-	-	-	1
Loss before income tax	-	-	-	-	-	-	-	-	(26,322)
Income tax expense	-	-	-	-	-	-	-	-	(1,664)
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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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months and full year ended 31 December 2022*

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

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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 2022 to 31 December 2022</b>									
<b>Revenue</b>									
External customers	214,559	28,238	-	5,612	-	-	-	-	248,409
Inter-segment revenue	1,379	11,678	-	-	-	18,945	-	(32,002)	-
	<u>215,938</u>	<u>39,916</u>	<u>-</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									(29,991)
Income tax expense									(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
- Reversal of impairment loss on right-of-use assets									
- 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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**4.1 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 2021 to 31 December 2021</b>									
<b>Revenue</b>									
External customers	223,425	21,356	-	13,499	-	-	-	-	258,280
Inter-segment revenue	2,709	9,033	-	-	-	18,688	-	(30,430)	-
	<u>226,134</u>	<u>30,389</u>	<u>-</u>	<u>13,499</u>	<u>-</u>	<u>18,688</u>	<u>-</u>	<u>(30,430)</u>	<u>258,280</u>
<b>Result</b>									
Segment result before interest	5,121	(3,776)	(607)	(1,181)	1,146	(4,213)	(29)	272	(3,267)
Interest income									5
Loss before income tax									<u>(3,262)</u>
Income tax credit									635
Net loss									<u>(2,627)</u>
<b>Segment results include:</b>									
- Depreciation of property, plant and equipment	5,265	1,712	-	272	59	4,248	-	-	11,556
- Reversal of impairment loss on right-of-use assets	-	-	-	-	(1,262)	-	-	-	(1,262)
- Amortisation of intangible assets	91	96	-	-	-	-	-	-	187
- Share of loss of joint ventures	-	-	-	-	-	-	-	-	-
<b>Segment assets</b>	<u>143,137</u>	<u>32,820</u>	<u>190</u>	<u>23,629</u>	<u>2,579</u>	<u>40,215</u>	<u>22</u>	<u>-</u>	<u>242,592</u>
Segment assets includes:									
Investment in joint ventures	13	-	-	-	-	-	-	-	13
Additions to:									
- Property, plant and equipment	68	164	-	-	-	4,139	-	-	4,371
- Intangible assets	-	11	-	-	-	-	-	-	11
<b>Segment liabilities</b>	<u>(138,815)</u>	<u>(6,360)</u>	<u>(19,607)</u>	<u>(19,572)</u>	<u>(32)</u>	<u>(7,891)</u>	<u>(16)</u>	<u>-</u>	<u>(192,293)</u>



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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	
	31 December 2022	2021	31 December 2022	2021	31 December 2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Construction						
- Singapore	90,201	107,652	-	-	90,201	107,652
- Myanmar	3,485	10,914	-	-	3,485	10,914
	<b>93,686</b>	<b>118,566</b>	<b>-</b>	<b>-</b>	<b>93,686</b>	<b>118,566</b>
Precast manufacturing						
- Singapore	-	-	11,493	9,656	11,493	9,656
			<b>11,493</b>	<b>9,656</b>	<b>11,493</b>	<b>9,656</b>
Others	817	640	165	-	982	640
Total	<b>94,503</b>	<b>119,206</b>	<b>11,658</b>	<b>9,656</b>	<b>106,161</b>	<b>128,862</b>

	<u>Over time</u>		<u>At a point in time</u>		<u>Total</u>	
	Financial Year Ended		Financial Year Ended		Financial Year Ended	
	31 December 2022	2021	31 December 2022	2021	31 December 2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Construction						
- Singapore	208,500	222,785	-	-	208,500	222,785
- Myanmar	5,612	13,499	-	-	5,612	13,499
	<b>214,112</b>	<b>236,284</b>	<b>-</b>	<b>-</b>	<b>214,112</b>	<b>236,284</b>
Precast manufacturing						
- Singapore	-	-	28,073	21,356	28,073	21,356
			<b>28,073</b>	<b>21,356</b>	<b>28,073</b>	<b>21,356</b>
Others	6,059	640	165	-	6,224	640
Total	<b>220,171</b>	<b>236,924</b>	<b>28,238</b>	<b>21,356</b>	<b>248,409</b>	<b>258,280</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 →			
	Financial year ended 31 December 2022 \$'000	Financial year ended 31 December 2021 \$'000	Increase/(Decrease)	
			\$'000	%
Sales reported for first half year	142,248	129,418	12,830	9.9
Operating profit/(loss) after taxation reported for the first half year	(3,716)	192	(3,908)	(2,035.4)
Sales reported for second half year	106,161	128,862	(22,701)	(17.6)
Operating loss after taxation reported for the second half year	(27,986)	(2,819)	(25,167)	892.8

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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 2022 and 31 December 2021:

	<u>Group</u>		<u>Company</u>	
	<b>31</b>	31	<b>31</b>	31
	<b>December</b>	December	<b>December</b>	December
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Financial assets</b>				
Cash and bank balances and trade and other receivables (amortised cost)	<b>63,619</b>	59,656	<b>58,804</b>	36,082
	<b>63,619</b>	59,656	<b>58,804</b>	36,082
<b>Financial liabilities</b>				
Trade and other payables and borrowings (amortised cost)	<b>184,501</b>	183,132	<b>72,645</b>	47,705
	<b>184,501</b>	183,132	<b>72,645</b>	47,705

**6. Loss before income tax**

**6.1 Significant items**

	<u>Group</u>		<u>Group</u>	
	<b>Second Half Ended</b>	2021	<b>Financial Year Ended</b>	2021
	<b>31 December</b>	2021	<b>31 December</b>	2021
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Other Income</b>				
Government grants (including Job Support Scheme and levy rebates)	<b>272</b>	703	<b>1,530</b>	1,817
Rental income	<b>1,318</b>	1,434	<b>2,684</b>	2,862
Service income	<b>1,181</b>	346	<b>1,436</b>	804
Interest income	<b>1</b>	2	<b>3</b>	5
Others	<b>1,529</b>	329	<b>1,877</b>	611
	<b>4,301</b>	2,814	<b>7,530</b>	6,099
<b>Other gains/(losses) – net</b>				
Fair value gain on derivative financial instrument	-	242	-	663
(Loss)/gain on disposal of property, plant and equipment, net	<b>(23)</b>	(18)	<b>(41)</b>	13
Foreign exchange gain	<b>1,148</b>	372	<b>392</b>	359
Others	<b>(17)</b>	119	-	(73)
	<b>1,108</b>	715	<b>351</b>	962
<b>Expenses</b>				
Depreciation of property, plant and equipment	<b>(4,692)</b>	(6,255)	<b>(10,919)</b>	(11,556)
Reversal of impairment loss on right-of-use assets	-	1,262	-	1,262
Amortisation of intangible assets	<b>(40)</b>	(100)	<b>(113)</b>	(187)

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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>	
	<b>Financial Year Ended</b>	
	<b>31 December</b>	
	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Revenue from construction contracts from related parties#	160,289	159,999
Revenue from rendering of project management services to related parties	-	-
Rental income charged to related parties#	332	311
Renovation/reinstatement services received/receivable from related parties#	55	29
Other service income received/receivable from related parties#	23	23
Share of common overheads paid/payable to related parties#	347	46
Share of common overheads received/receivable from related parties#	82	85

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

**7. Taxation**

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

	<u>Group</u>		<u>Group</u>	
	<b>Second Half Ended</b>		<b>Financial Year Ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Tax (expense)/credit attributable to loss is made up of:				
Loss from current financial year:				
- Current income tax	143	(52)	148	(50)
- Deferred income tax	<u>(1,686)</u>	605	<u>(1,686)</u>	605
	<b>(1,543)</b>	553	<b>(1,538)</b>	555
(Over)/under provision in prior financial years:				
- Current income tax	86	(149)	34	(149)
- Deferred income tax	<u>(207)</u>	229	<u>(207)</u>	229
	<b>(121)</b>	80	<b>(173)</b>	80
	<u><b>(1,664)</b></u>	<u>633</u>	<u><b>(1,711)</b></u>	<u>635</u>

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**8. Loss per share**

(a) Basic loss per share

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

	<b>Second Half Ended 31 December</b>		<b>Financial Year Ended 31 December</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
Net loss attributable to equity holders of the Company (\$'000)	<b>(27,986)</b>	(2,819)	<b>(31,702)</b>	(2,627)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	<b>841,236</b>	841,236	<b>841,236</b>	841,236
Basic loss per share (cents per share)	<b>(3.33)</b>	(0.34)	<b>(3.77)</b>	(0.31)

(b) Diluted loss per share

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

The Company has no dilutive potential ordinary share during the financial period ended 31 December 2022 and 31 December 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 31 December 2022 and 31 December 2021.

There are no dilutive effects for the warrants outstanding during the financial period ended 31 December 2022 and 31 December 2021 as the exercise price of the warrants exceed the average market price of the shares.

	<b>Second Half Ended 31 December</b>		<b>Financial Year Ended 31 December</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
Net loss attributable to equity holders of the Company (\$'000)	<b>(27,986)</b>	(2,819)	<b>(31,702)</b>	(2,627)
Weighted average number of ordinary shares outstanding for diluted loss per share ('000)	<b>841,236</b>	841,236	<b>841,236</b>	841,236
Diluted loss per share (cents per share)	<b>(3.33)</b>	(0.34)	<b>(3.77)</b>	(0.31)

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**9. Net asset value**

	<u>Group</u>		<u>Company</u>	
	<b>31 December 2022</b>	31 December 2021	<b>31 December 2022</b>	31 December 2021
Net asset value per ordinary share (cents)	<u>2.06</u>	5.98	<u>9.29</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 full year ended 31 December 2022, the Group acquired assets (classified as plant and equipment and building within property, plant and equipment) amounting to S\$6,151,000 (31 December 2021: S\$4,371,000) and disposed of assets amounting to S\$165,000 (31 December 2021: S\$756,000).

**11. Borrowings**

	<u>Group</u>	
	<b>31 December 2022 \$'000</b>	31 December 2021 \$'000
<b>Amount repayable in one year, or on demand</b>		
- Secured	7,425	6,719
- Unsecured	<u>28,031</u>	27,809
<b>Total</b>	<u>35,456</u>	34,528
<b>Amount repayable after one year</b>		
- Secured	48,166	42,695
- Unsecured	<u>15,443</u>	18,756
<b>Total</b>	<u>63,609</u>	61,451

The Group's total borrowings of S\$99.1 million comprise (i) term loans of S\$51.3 million, (ii) property loan of S\$4.3 million, (iii) temporary bridging loan of S\$7.2 million, (iv) hire purchase loans of S\$1.2 million, (v) short term bank loans of S\$24.7 million, (vi) lease liabilities of S\$0.4 million and (vii) shareholder's loan of S\$10.0 million.

**Details of any collaterals**

The Group's term loan amounting to S\$51.3 million and property loan of S\$4.3 million as at 31 December 2022 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.

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**12. Share capital**

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

The Company did not have any outstanding options or treasury shares as at 31 December 2022.

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

**13. Warrant reserve**

	<u>Group and Company</u>	
	31 December 2022 \$'000	31 December 2021 \$'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.

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**13. Warrant reserve** (continued)

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

There are 168,247,125 (2021: 168,247,125) warrants outstanding as at 31 December 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.

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

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

**14. Subsequent events**

Subsequent to the financial year end, the Company completed a pro-rata and non-renounceable non-underwritten preferential offering of 336,494,249 ordinary shares in the capital of the Company (the "Rights Shares") at an issue price of S\$0.031 for each Rights Share (the "Preferential Offering"). The net proceeds from the Preferential Offering amounted to approximately \$10,100,000. The net proceeds from the Preferential Offering will be used for general corporate and working capital purposes, including funding short term contractual obligations for existing construction projects, and will help to strengthen the balance sheet and cashflow position of the Company.

Arising from the Preferential Offering, the total number of 2019 Warrants outstanding has been increased from 168,247,125 to 183,759,161. No adjustments have been made to the Exercise Price of the 2019 Warrants.

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**OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**

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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 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 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: 2HFY2022 vs 2HFY2021**

For 2HFY2022, the Group reported a net loss of approximately \$28.0 million compared to net loss of approximately \$2.8 million reported in comparative period.

Revenue & gross (loss)/profit

For the period under review, the Group's revenue decreased by 17.6% from \$128.9 million in 2HFY2021 to \$106.2 million in 2HFY2022. The lower revenue reported for 2HFY2022 was mainly due to timing difference in the progress of construction projects.

Major revenue contributors in 2HFY2022 were:

- Tai Seng Avenue redevelopment 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);
- Yishun HDB project (public housing development at Yishun);
- Gambas project (construction of a multi-user general industrial factory development at Gambas Way); and
- Verticus Condo project (construction of a residential flat with sky terraces and communal facilities)
- Leica project (Additions and alterations to an industrial development).

In 2HFY2022, the precast division contributed approximately \$11.5 million to the Group's revenue on sales of its products.

For the period under review, the Group reported a gross loss of \$22.8 million compared to gross profit of \$0.8 million reported in the comparative period. The gross loss reported for 2HFY2022 was mainly due to the lingering impact of COVID-19 pandemic, and geopolitical tensions of Russian Military Invasion of Ukraine which causes rising costs of materials and global supply-chain challenges.



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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: 2HFY2022 vs 2HFY2021 (continued)**

Other income

Other income increased by approximately \$1.5 million mainly due to increase in service income for maintenance works and reversal of long outstanding payables.

Administrative expenses

Administrative expenses increased by approximately \$0.5 million mainly due to increase in staff payroll and training costs.

Finance expenses

Finance expenses increased by approximately \$0.6 million mainly due to interest rate hikes for bank borrowings.

Other operating expenses

Other operating expenses increased by approximately \$1.5 million mainly due to prior comparative period reversal of impairment loss of right-of-use assets of approximately \$1.3 million.

Income tax (expenses)/ credit

The Group reported income tax expenses of approximately \$1.7 million in 2HFY2022 as compared to income tax credit of approximately \$0.6 million in 2HFY2021.

**Full year results: FY2022 vs FY2021**

For FY2022, the Group reported a net loss of approximately \$31.7 million compared to net loss of approximately \$2.6 million reported in the comparative year.

Revenue & gross (loss)/profit

For the period under review, the Group's revenue decreased by 3.8% from \$258.3 million in FY2021 to \$248.4 million in FY2022. The lower revenue reported for FY2022 was mainly due to timing difference in the progress of construction contracts. Major revenue contributors in FY2022 were:

- Tai Seng Avenue redevelopment 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);
- Yishun HDB project (public housing development at Yishun);
- Gambas project (construction of a multi-user general industrial factory development at Gambas Way); and
- Verticus Condo project (construction of a residential flat with sky terraces and communal facilities)
- Leica project (Additions and alterations to an industrial development).

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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: FY2022 vs FY2021** (continued)

In FY2022, the Precast and Prefabrication division contributed approximately \$28.1 million to the Group's revenue on sales of its products.

Correspondingly, the Group reported a gross loss of \$21.3 million in FY2022 compared to gross profit of \$4.9 million in FY2021. The gross loss margin for FY2022 was (8.6%) compared to gross profit margin for FY2021 of 1.9%. The gross loss reported for FY2022 was mainly due to increase in manpower costs and the rising costs of materials arising from the lingering impact of COVID-19 pandemic and the geopolitical tensions of Russian Military Invasion of Ukraine.

Other income

Other income increased by approximately \$1.4 million mainly due to an increase in service income for maintenance works and reversal of long outstanding payables.

Other gains/(losses) – net

Other gains (net) of approximately \$0.4 million in FY2022 were mainly attributable to foreign exchange losses.

Allowance for expected credit losses on financial assets

Allowance for expected credit losses of approximately \$0.1 million in FY2022 and \$1.6 million in FY2021 was due to impairment of the Group's trade receivables from its Myanmar operations.

Administrative expenses

Administrative expenses increased by approximately \$1.2 million mainly due to increase in staff payroll and training costs.

Finance expenses

Finance expenses increased by approximately \$0.4 million mainly due to interest rate hikes for bank borrowings.

Other operating expenses

Other operating expenses increased by approximately \$1.2 million mainly due to prior year reversal of impairment loss of right-of-use assets of approximately S\$1.3 million.

Income tax (expenses)/ credit

The Group reported income tax expenses of approximately \$1.7million in FY2022 as compared to income tax credit of approximately \$0.6 million in FY2021.

Net loss after tax

With the impact of the above, the Group reported a net loss after tax of approximately \$31.7 million in FY2022.

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

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

Total assets increased by \$3.8 million from \$242.6 million as at 31 December 2021 to \$246.4 million as at 31 December 2022, mainly due to (i) increase in trade and other receivables of \$20.8 million as a result of higher progress billings rendered to customers arising from construction activities, and (ii) increase in other current assets of \$2.5 million. The increase in total assets was partially offset by (i) decrease in property, plant and equipment of \$6.5 million mainly due to depreciation of property, plant and equipment, (ii) decrease in cash and cash equivalents of \$5.9 million which was explained in the Consolidated Statement of Cash Flow, (iii) decrease in inventories of \$5.4 million due to deliveries of prefabrication materials to customers and (iv) decrease in deferred tax assets of \$1.6 million.

Total liabilities increased by \$36.7 million from \$192.3 million as at 31 December 2021 to \$229.0 million as at 31 December 2022, mainly due to (i) increase in trade and other payables of \$35.0 million due to timing difference in payment to suppliers and sub-contractors and (ii) increase in bank borrowings by \$3.1 million. The increase in total liabilities was partially offset by the (i) decrease in provision of other liabilities of \$0.9 million mainly due to utilisation of provision for foreseeable losses upon the progress of the loss-making projects and (ii) decrease in current income tax liabilities of \$0.5 million.

As at 31 December 2022, the Group's current liabilities, amounting to \$155.0 million, exceeded its current assets, amounting to \$105.9 million by \$49.1 million.

The negative working capital position was mainly due to the significant operating losses in the current and 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 strong order books amounting to \$461,485,000 as at 31 December 2022, 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 \$26,294,000 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 advance payment for a construction project and early release of retention sums upon completion of certain ongoing construction projects.

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

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

(iv) Subsequent to the financial year end, the Company completed a pro-rata and non-renounceable non-underwritten preferential offering of 336,494,249 ordinary shares in the capital of the Company (the "Rights Shares") at an issue price of \$0.031 for each Rights Share (the "Preferential Offering"). The net proceeds from the Preferential Offering amounted to approximately \$10,100,000. The net proceeds from the Preferential Offering will be used for general corporate and working capital purposes, including funding short term contractual obligations for existing construction projects, and will help to strengthen the balance sheet and cashflow position of the Company.

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.

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

Operating Activities

For the year ended 31 December 2022 ("FY2022"), the net cash outflow from operating activities amounted to \$1.0 million as compared to net cash outflow of \$14.7 million in the comparative year. The cash outflow from operating activities in FY2022 was mainly attributable to the operating loss and the timing difference in collection of receivables from customers.

Investing Activities

For FY2022, cash outflow from investing activities amounted to \$6.0 million as compared to cash inflow of \$1.7 million in the comparative year. The cash outflow in FY2022 was mainly attributable to the purchase of plant and equipment for the Group's precast operations and the Group's manufacturing facilities in Thilawa, Myanmar.

Financing Activities

For FY2022, cash inflow from financing activities amounted to \$0.9 million as compared to cash inflow of \$7.7 million in the comparative year. The cash inflow in FY2022 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**

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 3 January 2023, the Singapore economy grew by 2.2 per cent on a year-on-year basis in the fourth quarter of 2022, moderating from the 4.2 percent growth in the previous quarter. The construction sector grew by 10.4 per cent year-on-year in the fourth quarter, accelerating from the 7.8 per cent growth in the previous quarter, as both public and private sector construction output continued to recover. However, in absolute terms, the value-added of the construction sector remained 19.3 per cent below its pre-pandemic (i.e. fourth quarter of 2019) level. On a quarter-on-quarter seasonally adjusted basis, the sector expanded by 0.4 per cent in the fourth quarter, extending the 3.8 per cent expansion in the third quarter.

The Group's order book as at 31 December 2022 amounted to \$461.5 million, which comprise S\$352.9 million (of which, \$316.3 million was contributed by local projects and S\$36.6 million was contributed by Myanmar projects) of construction projects, and S\$108.6 million of precast and prefabrication supply contracts from external parties.

The Group has secured 5 new construction contracts, valued at S\$199.2 million, and 7 new precast supply and delivery contracts, valued at S\$74.2 million during 2HFY2022. The secured construction contracts include high tech industrial 4.0 manufacturing facilities with cleanroom capabilities for the electronics and semiconductor industry, a Housing and Development Board residential project, and a private residential project.

The precast contracts relate to supply and delivery of precast components including prefabricated prefinished volumetric construction components, prefabricated bathroom units, large panel slabs, hollow core slabs, and single and double T slabs for the construction of public housing developments, Mass Rapid Transit Lines, an international school and a hospital in Singapore.

The Group is also actively tendering for more high value, high tech facilities with clients in the semiconductor, precision engineering, food tech and logistics industries.

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**5. Dividend information**

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

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

No. There is no dividend recommended for the financial period ended 31 December 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 declared/recommend any dividend**

No dividend has been declared/recommended for the period ended 31 December 2022 to preserve the Group's working capital.

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**7. Interested person transactions**

<b>Name of Interested Person</b>	<b>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)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Transactions during 2HFY2022</u></b>		
<u>Soilbuild Group Holdings Ltd. &amp; its subsidiaries</u>		
Office rental	-	122
<u>Lim Chap Huat</u>		
Award of contract for renovation works	-	800
<u>Dolphin Alpha Investments Pte Ltd and its subsidiary</u>		
Award of contract for renovation works	-	350

**8. Use of Proceeds from Preferential Offering of Right Shares**

Pursuant to the preferential offering of Rights Shares on 18 January 2023, the Company received net proceeds from the issue of the shares of approximately \$10.1 million after deducting the actual issue expenses of \$0.3 million, as set out below. The utilization of the proceeds as at the date of this announcement is as follows:

<b>Use of proceeds from the preferential offering of Rights Shares</b>	<b>Amount Allocated S\$'000</b>	<b>Amount Used As At 24 February 2023 S\$'000</b>	<b>Amount Unused As At 24 February 2023 S\$'000</b>
General Working Capital	10,100	10,100	-
	<b>10,100</b>	<b>10,100</b>	-

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**9. 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.

**10. 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	68	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	31	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	Promoted from Group General Manager to Executive Director with effect from 1 January 2023



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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 2022 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 2023