

## MEDIA STATEMENT

### Soilbuild Construction posts net loss of S\$4.1 mil for 3QFY2017

- **Decline in revenue due to completion of major projects**
- **Focus on execution of new projects secured**
- **Continued investment in construction technologies to drive productivity**
- **Order book stood at S\$502.7 mil**

**Singapore, 31 October 2017** – Soilbuild Construction Group Ltd. (“The Group” or “Soilbuild”), today reported a net loss of S\$4.1 million for the third quarter ended 30 September 2017 (“3QFY2017”).

<b>Financial Highlights S\$'000</b>	<b>3QFY2017</b>	<b>3QFY2016</b>	<b>Change (%)</b>
Revenue	46,604	102,444	(54.5)
Gross (Loss)/Profit	(2,968)	4,886	(160.7)
Net (Loss)/Profit	(4,142)	2,246	(284.4)
Gross Profit Margin	(6.4%)	4.8%	(11.2)

### Financial Review

The Group recorded a lower revenue during 3QFY2017 mainly due to decrease in revenue contributions from its major projects carried forward from FY2016, which have either been completed or have been progressing towards completion during the period under review. Meanwhile, revenue contributed by newly secured projects in Singapore, namely Bedok Food City Project and 164 Kallang Way Project in 3QFY2017 were not significant as they are still at their initial construction phrase.

Due to lower revenue recognised in 3QFY2017 and increase in construction costs for certain projects due to cost overrun and extended construction period, the Group reported a net loss of S\$4.1 million in 3QFY2017.

“The continued decline in the local construction activities has intensified the competition in the tender of new construction projects. Despite the competitive market condition, the Group successfully secured a total of five construction contracts worth approximately S\$153.3 million in 2017 (including the latest project secured and announced on 5 October 2017). The Group’s order book stood at S\$502.7 million to-date, of which S\$326.4 million comprise order book from local construction projects while S\$176.3

million comprise order book from Myanmar construction projects. The Group will continue to focus on the execution of these new projects.

Meanwhile, the Group's investment in the integrated construction precast hub is progressing on schedule and we expect the completion of the hub in 2018 would improve our productivity and cost efficiency."

**Mr Ho Toon Bah**

**Executive Director of Soilbuild Construction Group**

## **Outlook**

The construction sector in Singapore contracted by 6.3 per cent on a year-on-year basis in the third quarter 2017, extending the 2.4 per cent decline in the previous quarter. The contraction was largely due to the continual slowdown in private sector construction activities.

**The End**

## **About Soilbuild Construction Group Ltd.:**

Soilbuild Construction is a leading builder with a long and successful track record of constructing a sterling award-winning portfolio of residential and business space properties. Since its inception in 1976, Soilbuild charts 40 years of success in offering a full spectrum of real estate services which includes Design and Build, Construction, Turnkey Construction, Project Management Consultancy, Procurement and Mechanical & Electrical Installation. Soil-Build (Pte.) Ltd., a subsidiary of the Group, is A1-graded under CW01 (General Building) and A2-graded under CW02 (Civil Engineering) by the 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.

## **For media queries, please contact:**

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