

MEDIA STATEMENT

Soilbuild Construction posts net profit of S\$0.4 mil for 1QFY2017

- **Decline in revenue due to near completion of major projects**
- **Focus on execution of new projects secured in 1QFY2017 and business expansion in Myanmar**
- **Order book stood at S\$493.6 mil to-date**

Singapore, 24 April 2017 – Soilbuild Construction Group Ltd. (“The Group” or “Soilbuild”), today reported that it has achieved a net profit of S\$0.4 million for the first quarter ended 31 March 2017 (“1QFY2017”).

Financial Highlights S\$'000	1QFY2017	1QFY2016	Change (%)
Revenue	66,591	102,508	(35.0)
Gross Profit	2,663	7,305	(63.5)
Net Profit	370	3,966	(90.5)
Gross Profit Margin	4.0%	7.1%	(3.1)

Financial Review

The Group recorded a lower revenue during 1QFY2017 as major projects carried forward from FY2016 progressed near its completion in the quarter. These projects included Jalan Lam Huat project (multiple-user general industrial development at 60 Jalan Lam Huat), Yishun HDB project (public housing development at Yishun 4/Yishun Ring Road), Ang Mo Kio HDB project (public housing development at Ang Mo Kio Avenue 3/Street 51) and Goodwood Grand project (residential flat development at Balmoral Road). Meanwhile, newly secured projects, namely Bedok Food City project (construction of a ramp-up 5-storey food complex at Bedok North Avenue 4) and Singapore Storage & Warehouses project (redevelopment of warehouses for rice storage), are still at preparation stage.

The lower revenue for 1QFY2017, coupled with proportionately higher percentage of revenue from its HDB projects that generated lower profit margins, drive the Group’s gross profit lower to S\$2.7 million. The Group’s net profit was also lower at S\$0.4 million in 1QFY2017.

“The Group expects that the domestic construction industry will continue to face significant challenges amid the slowdown in the private sector construction activities. While competition in tenders for local construction projects intensifies due to the current market condition, the Group will remain focused on driving cost efficiency and productivity in executing its newly secured projects and in tendering for new projects.

For the Myanmar business, the Group continued to record revenue from its on-going projects, which amounted to S\$7.3 million in 1QFY2017. The Group expects that these projects would contribute more revenue and profit to the Group in the near future in tandem with the construction progress.

The Group’s order book stood at S\$493.6 million to-date.”

Mr Ho Toon Bah
Executive Director of Soilbuild Construction Group

Outlook

The construction sector in Singapore contracted by 1.1 per cent on a year-on-year basis in the first quarter 2017, extending the 2.8 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.

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