



(Company Registration No.: 201301440Z)
(Incorporated in the Republic of Singapore)

DIFFERENCES BETWEEN UNAUDITED AND AUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The Board of Directors of Soilbuild Construction Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the unaudited full year financial results announcement for the financial year ended 31 December 2017 (“**FY2017**”) released via the SGXNet on 26 February 2018 (the “**Unaudited Financial Statements**”). Further reference is made to the Audited Financial Statements of the Company for FY2017 (the “**Audited Financial Statements**”) which will be provided to shareholders and the SGX-ST in due course.

Pursuant to Rule 704(6) of the Listing Manual, the Board wishes to highlight that there are certain adjustments made by the Company to the Balance Sheet (Group) compared to what was disclosed in the Unaudited Financial Statements. The adjustments were made following discussions with the Group’s auditors and the finalisation of the audit and a summary of the adjustments is set out below.

Balance Sheets (Group)

	Group			
	Audited Financial Statements S\$'000	Unaudited Financial Statements S\$'000	Change S\$'000	Note
ASSETS				
Current assets				
Cash and cash equivalents	27,871	27,871	-	
Trade and other receivables	56,100	54,768	1,332	1
Other current assets	14,637	15,969	(1,332)	1
Income tax recoverable	685	685	-	
	99,293	99,293	-	
Non-current assets				
Trade and other receivables	5,591	5,591	-	
Investments in joint ventures	943	943	-	
Property, plant and equipment	54,360	54,360	-	
Intangible assets	455	455	-	
Land lease prepayment	30,106	30,106	-	
Deferred tax assets	50	50	-	
	91,505	91,505	-	
Total assets	190,798	190,798	-	

	Group			
	Audited Financial Statements S\$'000	Unaudited Financial Statements S\$'000	Change S\$'000	Note
LIABILITIES				
Current liabilities				
Trade and other payables	93,988	93,988	-	
Current income tax liabilities	226	226	-	
Borrowings	11,244	3,219	8,025	2
Provision for other liabilities	1,093	1,093	-	
	106,551	98,526	8,025	
Non-current liabilities				
Trade and other payables	1,253	1,253	-	
Borrowings	-	8,025	(8,025)	2
	1,253	9,278	(8,025)	
Total liabilities	107,804	107,804	-	
NET ASSETS	82,994	82,994	-	
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	59,597	59,597	-	
Capital reserve	(1,070)	(1,070)	-	
Currency translation reserve	(310)	(310)	-	
Performance share plan reserve	-	-	-	
Warrant reserve	8,128	8,128	-	
Retained profits	16,652	16,652	-	
	82,997	82,997	-	
Non-controlling interests	(3)	(3)	-	
TOTAL EQUITY	82,994	82,994	-	

Notes:-

1. The difference was due to reclassification of an amount due from a third-party contractor, which is trade in nature, from other current assets to current trade receivables.
2. Based on the financial statements of the Group for FY2017, as at 31 December 2017, a subsidiary of the Company was in breach of a loan covenant in relation to borrowings from a bank to maintain a debt service ratio (the "**Breach**"). Arising from the Breach, a portion of the term loan amounting to S\$8,025,000 which is due twelve months after 31 December 2017 was reclassified from non-current borrowings to current borrowings on the balance sheet of the Group as at 31 December 2017. Subsequent to 31 December 2017, the Group had obtained a waiver of the Breach from the bank and in this regard, the facilities remain available to the Group and the repayment terms remain unchanged.

In the opinion of the Board of Directors, having regard to the waiver obtained from the bank, the Breach did not have impact on the operations of the Company and had the waiver of the Breach from the bank been received before 31 December 2017, the subject portion of the term loan amounting to S\$8,025,000 shall remain classified as non-current borrowings on the balance sheet of the Group as at 31 December 2017.

BY ORDER OF THE BOARD
SOILBUILD CONSTRUCTION GROUP LTD.
Ho Toon Bah
Executive Director
29 March 2018