



## MEDIA STATEMENT

### **Soilbuild Construction post 13% growth in 3Q2013 net profit to S\$6.3 million on healthy progress of construction projects**

- Revenue grew by 44% to S\$84.5 million; gross profit up 25% to S\$9.5 million
- Robust orderbook at S\$422 million as of 30 September 2013, expected to be completed substantially in the next 12–24 months
- Continue to focus on strengthening internal capabilities for project execution and delivery, productivity improvements and cost efficiency

Singapore, 31 October 2013 – Soilbuild Construction Group Ltd. (“The Group” or “Soilbuild”), a BCA A1-graded construction company with over 37 years of experience, is pleased to report that for the 3 months ended 30 September 2013 (3Q2013), its net profit grew 13% to S\$6.3 million on the back of a 44% jump in revenue to S\$84.5 million. The improved financial performance is mainly due to the healthy progress of the Group’s construction projects.

<b>Financial Highlights S\$’000</b>	<b>3Q2013</b>	<b>3Q2012</b>	<b>Change (%)</b>	<b>9M2013</b>	<b>9M2012</b>	<b>Change (%)</b>
Revenue	<b>84,536</b>	<b>58,572</b>	44	220,526	121,652	81
Gross Profit	<b>9,447</b>	<b>7,543</b>	25	22,029	15,874	39
Net Profit	<b>6,316</b>	<b>5,601</b>	13	15,925	11,182	42
Earnings per share (cents)	<b>0.95</b>	<b>1.13</b>	-16	2.76	2.25	23

“While industry-wide challenges such as rising labour costs and constraints are inevitable, we are pleased to say that our ability to execute our projects efficiently and effectively has led to another quarter of commendable results. This marks 9 months of continuous growth for the Group. We will continue to leverage on our vast experience and our multi-property sector approach to execute on our business space as well as public and private residential property construction projects.

Going forward, we believe that we are well positioned to pursue new tender opportunities in the local market and expand our offerings to incoming MNCs in the high growth sectors.”

**Mr Ho Toon Bah**

**Soilbuild Construction Executive Director**

## **Financial Review**

The Group's stronger financial performance was contributed mainly from revenue and gross profits recognized in line with the progress of the Group's Lavender project (mixed use development at Lavender Street/Kallang Avenue); Tampines HDB project (public housing development at Tampines Central 7/Tampines Concourse); Changi Business Park Vista project (research and development building at Changi Business Park); and Mandai Connection project (ramp up industrial development at Mandai Link).

Despite the higher revenue and gross profit, gross profit margin declined marginally from 12.9% in 3QFY2012 to 11.2% in 3QFY2013. The lower gross profit margin in 3QFY2013 was attributable to the NorthPoint Bizhub project and the Toh Guan Road projects which contributed better margins and were completed in prior periods.

Administrative expenses increased from S\$0.95 million in 3QFY2012 to S\$2.18 million in 3QFY2013 mainly due to higher manpower expenses, statutory and compliance expenses and manpower-related recruitment.

The Group's balance sheet remains strong as at 30 September 2013, with cash balance of \$41.8 million and nil borrowings.

## **Outlook**

Based on advanced estimates released by the Ministry of Trade and Industry Singapore on 14 October 2013, the Singapore economy grew by 5.1% on a year-on-year basis in the third quarter of 2013, compared to 4.2% in the preceding quarter.

The construction sector grew by 3.6% on a year-on-year basis, compared to 6.9% in the preceding quarter. Backed by the continual growth in the Singapore economy and the pipeline of housing and infrastructure construction projects planned by the Government to meet the needs of the population, the Group is of the view that the outlook for the local construction industry will remain positive for the near future.

On the operation aspect, the Group will continue to focus on efforts to strengthen internal capabilities for project execution and delivery, as well as productivity improvements and cost efficiency.

As at 30 September 2013, the Group's orderbooks remained strong with approximately S\$422 million projects' value in aggregate on hand, which are expected to be completed substantially in the next 12–24 months.

**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 Release.*

**About Soilbuild Construction Group Ltd.:**

Soilbuild 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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