



MEDIA STATEMENT

Soilbuild Construction posts net profit of S\$7.8 mil for 4QFY2014

- **S\$20.9 mil net profit for FY2014 full year**
- **Achieves record order book of S\$837.3 mil, to be substantially recognised over next 24 months**
- **Proposes final dividend of 0.5 Singapore cent per share and special dividend of 1.0 Singapore cent per share, bringing total cash dividend for FY2014 to 2.0 Singapore cents per share**

Singapore, 16 February 2015 – Soilbuild Construction Group Ltd. (“The Group” or “Soilbuild”), a BCA A1-graded construction group with over 38 years of experience, today reported that it has achieved a net profit of S\$20.9 million for the full year ended 31 December 2014 (“FY2014”).

| Financial highlights | 4Q2014 | 4Q2013 | Change | FY2014 | FY2013 | Change |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| S\$'000 | | | (%) | | | (%) |
| Revenue | 67,968 | 110,806 | (38.7) | 285,249 | 331,332 | (13.9) |
| Gross Profit | 10,066 | 9,533 | 5.6 | 31,175 | 31,562 | (1.2) |
| Net Profit | 7,756 | 8,112 | (4.4) | 20,887 | 24,036 | (13.1) |
| Gross Profit Margin | 14.8% | 8.6% | 6.2% | 10.9% | 9.5% | 1.4% |

Financial Review

The Group’s net profit for FY2014 decreased by S\$3.1 million or 13.1% from the corresponding period, driven mainly by a S\$2.6 million decrease in the share of profits of joint ventures, following completion of the development project, Solstice Business Centre, undertaken by its joint venture in FY2013.

FY2014 also saw the completion of several major construction projects such as the Lavender project, Tampines HDB project as well as Angullia Park project, while contributions from the newly secured construction projects (such as Xin Ming Hua project, Rigel project and Vector Aerospace project) had just started to contribute revenue and profit to the Group.

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 Statement.

Although there was a 13.9% decrease in revenue for FY2014, the Group's gross profit had only marginally decreased by 1.2% from S\$31.6 million to S\$31.2 million as a result of higher gross profit margin of 10.9% in FY2014 as compared with 9.5% in FY2013.

Meanwhile, administrative expenses increased by S\$1.3 million to S\$8.5 million in FY2014, attributable to the increase in employee remuneration, rental expenses as well as staff training expenses. Other income increased by S\$0.7 million to S\$1.4 million in FY2014 due mainly to increase in rental income, interest and service income.

“The Group is pleased with the results for the full year ended 31 December 2014, which was achieved amidst challenging external headwinds. Although the revenue for the full year saw a decline of 13.9%, the operating performance has remained stable with improvements in our construction margin. In particular, gross profit margin for 4QFY2014 grew to 14.8% compared to 8.6% in 4QFY2013. The Group also achieved a record order book of S\$837.3 million to-date, with a well-balanced construction contract portfolio covering both private and public sectors.

Good progress was also achieved in Myanmar as the Group started to recognise its revenue from projects in Myanmar during the year under review. Going forward into FY2015, the Group is working to strengthen its presence in the country.

On the back of its strong financial position, the board of directors is pleased to recommend a final dividend of 0.5 Singapore cent per share and a special dividend of 1.0 Singapore cent per share to reward shareholders. This will bring the full year cash dividend for FY2014 to 2.0 Singapore cent per share.

Mr Ho Toon Bah
Executive Director of Soilbuild Construction Group

Outlook

Based on advance estimates released by the Ministry of Trade and Industry Singapore on 2 January 2015, the Singapore economy grew by 1.5% on a year-on-year (“yoy”) basis in the fourth quarter of 2014, compared to 2.8% in the preceding quarter. The construction sector grew by 0.8% on a yoy basis, compared to 1.3% in the preceding quarter. The growth in the construction sector was supported mainly by public sector construction activities.

According to the Building & Construction Authority's announcement on 8 January 2015, construction contracts for the built environment sector is expected to reach between S\$29 billion to S\$36 billion in 2015 as a whole, which is supported by a sustained pipeline of public sector projects. The public sector projects are expected to account for an estimated 60% or S\$18 billion to S\$21 billion of the total construction demand. Meanwhile, the private sector construction demand is anticipated to moderate to

between S\$11 billion to S\$15 billion compared to S\$18 billion in 2014, as developers may adopt a cautious stance amid a slowdown in private home sales and global economic uncertainties.

Supported by the strong order book secured on hand, the Group believes that it is well positioned despite the challenging market outlook. It will continue to leverage on its experience and sharpen its operation discipline to strengthen its order book and execute its existing contracts efficiently.

The End

About Soilbuild Construction Group Ltd.:

Soilbuild Construction is a general construction company with over 38 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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