



SOILBUILD
CONSTRUCTION GROUP LTD.
SOILBUILD CONSTRUCTION GROUP LTD.
(Co Reg No. 201301440Z)

UNAUDITED FOURTH QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Fourth Quarter Ended			Financial Year Ended		
	31 December		Change	31 December		Change
	2014	2013		2014	2013	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	67,968	110,806	(39)	285,249	331,332	(14)
Cost of sales	(57,902)	(101,273)	(43)	(254,074)	(299,770)	(15)
Gross profit	10,066	9,533	6	31,175	31,562	(1)
Other income	521	408	28	1,436	743	93
Other gains, net	27	(1)	NM	36	26	38
Expenses						
Administrative	(2,433)	(1,198)	103	(8,535)	(7,205)	18
Marketing	-	(12)	NM	(12)	(13)	(8)
Finance	-	-	-	-	(59)	NM
Other operating	(141)	(197)	(28)	(658)	(547)	20
Share of profit (net of tax) of joint ventures	24	327	(93)	336	2,993	(89)
Profit before income tax	8,064	8,860	(9)	23,778	27,500	(14)
Income tax expense	(308)	(748)	(59)	(2,891)	(3,463)	(17)
Net profit	7,756	8,112	(4)	20,887	24,037	(13)
Other comprehensive income, net of tax	(2)	(1)	NM	(2)	(1)	NM
Total comprehensive income	7,754	8,111	(4)	20,885	24,036	(13)
Net profit and total comprehensive income attributable to:						
Equity holders of the Company	7,754	8,111	(4)	20,885	24,036	(13)

NM : Not meaningful

Notes to the consolidated statement of comprehensive income

	Fourth Quarter Ended		Financial Year Ended	
	31 December		31 December	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
(l) Other income				
Income from sale of materials	14	37	14	58
Interest income	79	36	292	83
Service income	229	84	371	178
Rental income	87	68	333	103
Others	112	183	426	321
	521	408	1,436	743

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Notes to the consolidated statement of comprehensive income (continued)

	Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
(II) Other gains, net				
(Loss)/gain on disposal of property, plant and equipment, net	(5)	-	-	21
Foreign exchange gain/(loss)	32	(1)	36	5
	<u>27</u>	<u>(1)</u>	<u>36</u>	<u>26</u>
(III) Profit before income tax is arrived at after (charging)/crediting:				
Amortisation of intangible assets	(10)	(5)	(26)	(18)
Depreciation of property, plant and equipment	(558)	(410)	(2,094)	(1,260)
Write back of impairment loss on trade receivables, net	-	79	-	79
Bad debts written off	(9)	(89)	(9)	(89)
(Loss)/gain on disposal of property, plant and equipment, net	(5)	-	-	21
Share issue expenses	-	-	-	(889)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(889)</u>
(IV) Finance expenses				
Interest expenses				
- Bank loans	-	-	-	(34)
- Finance lease liabilities	-	-	-	(25)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(59)</u>
(V) Income tax expense				
Tax expense attributable to profit is made up of :				
Profit from current financial period/year:				
- current income tax	(430)	(731)	(3,024)	(3,280)
- deferred income tax	(141)	7	(142)	(159)
	<u>(571)</u>	<u>(724)</u>	<u>(3,166)</u>	<u>(3,439)</u>
Over/(under)-provision in prior financial period/year:				
- current income tax	2	172	(258)	172
- deferred income tax	261	(196)	533	(196)
	<u>(308)</u>	<u>(748)</u>	<u>(2,891)</u>	<u>(3,463)</u>

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31/12/2014 S\$'000	31/12/2013 S\$'000	31/12/2014 S\$'000	31/12/2013 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	51,247	75,956	28,073	30,927
Trade and other receivables	72,395	55,890	22,936	20,707
Other current assets	1,250	2,752	18	17
	<u>124,892</u>	<u>134,598</u>	<u>51,027</u>	<u>51,651</u>
Non-current assets				
Trade and other receivables	16,800	12,459	-	-
Other non-current assets	10,000	-	-	-
Investments in subsidiaries	-	-	19,770	17,270
Investment in joint ventures	2,716	3,026	-	-
Property, plant and equipment	13,664	11,377	-	-
Intangible assets	179	74	-	-
	<u>43,359</u>	<u>26,936</u>	<u>19,770</u>	<u>17,270</u>
Total assets	<u>168,251</u>	<u>161,534</u>	<u>70,797</u>	<u>68,921</u>
LIABILITIES				
Current liabilities				
Trade and other payables	78,761	83,168	1,619	1,833
Current income tax liabilities	3,167	3,376	41	10
Provision for other liabilities	1,392	1,001	-	-
	<u>83,320</u>	<u>87,545</u>	<u>1,660</u>	<u>1,843</u>
Non-current liabilities				
Deferred income tax liabilities	462	853	-	-
Total liabilities	<u>83,782</u>	<u>88,398</u>	<u>1,660</u>	<u>1,843</u>
NET ASSETS	<u>84,469</u>	<u>73,136</u>	<u>69,137</u>	<u>67,078</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	57,490	57,490	57,490	57,490
Capital reserve	(1,070)	(1,070)	-	-
Currency translation reserve	(3)	(1)	-	-
Performance share plan reserve	408	-	408	-
Retained profits	27,644	16,717	11,239	9,588
TOTAL EQUITY	<u>84,469</u>	<u>73,136</u>	<u>69,137</u>	<u>67,078</u>

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Total assets increased by S\$6.7 million from S\$161.5 million as at 31 December 2013 to S\$168.3 million as at 31 December 2014, which arose mainly from:

(1) Increase in current and non-current trade and other receivables of S\$20.8 million mainly due to increase of construction contracts and progress billings receivable for construction projects.

(2) Increase in property, plant and equipment of S\$2.3 million due to purchases of fixed assets amounting to S\$4.4 million, partially offset by depreciation of S\$2.1 million.

(3) Increase in other non-current assets of S\$10.0 million pertains to a security deposit paid to a customer for a construction project.

The increase in total assets was partially offset by the decrease in the following categories of assets during the year under review:

(1) Decrease in cash and cash equivalents of S\$24.7 million as explained in the Consolidated Statement of Cash Flows.

(2) Decrease in other current assets of S\$1.5 million mainly due to decrease in tender and other deposits.

(3) Decrease in investment in joint ventures of S\$0.3 million mainly due to the receipt of dividend income amounted to S\$0.6 million from a joint venture, partially offset by S\$0.3 million share of profit from joint ventures in the year ended 31 December 2014.

Total liabilities decreased from S\$88.4 million as at 31 December 2013 to S\$83.8 million as at 31 December 2014 which was mainly due to the decrease in trade and other payables of S\$4.4 million. The decrease in trade and other payables was attributable to the payments made to sub-contractors during the year ended 31 December 2014.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

Not applicable as there were no borrowings and debt securities as at 31 December 2014 and 31 December 2013.

Details of any collaterals

Not applicable as there were no borrowings and debt securities as at 31 December 2014 and 31 December 2013.

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Cash flows from operating activities				
Net profit	7,756	8,112	20,887	24,037
Adjustments for:				
- Amortisation and depreciation	568	415	2,120	1,278
- Share-based compensation expense	296	-	408	-
- Finance expenses	-	-	-	59
- Interest income	(79)	(36)	(292)	(83)
- Income tax expense	308	748	2,891	3,463
- Share issue expenses	-	-	-	889
- Loss/(gain) on disposal of property, plant and equipment, net	5	-	-	(21)
- Share of profit of joint ventures	(24)	(327)	(336)	(2,993)
Operating cash flows before working capital changes	8,830	8,912	25,678	26,629
Changes in working capital				
- Trade and other receivables	(15,297)	(2,439)	(20,846)	(11,459)
- Other current assets	(427)	747	1,502	(1,900)
- Other non-current assets	-	-	(10,000)	-
- Trade and other payables	11,379	29,760	(4,407)	34,194
- Provision for other liabilities	(94)	17	391	39
Cash generated from/(used in) operations	4,391	36,997	(7,682)	47,503
Income tax paid	(418)	(422)	(3,491)	(3,666)
Net cash provided by/(used in) operating activities	3,973	36,575	(11,173)	43,837
Cash flows from investing activities				
Purchases of property, plant and equipment	(1,282)	(2,473)	(4,381)	(7,918)
Purchases of intangible assets	(130)	(6)	(131)	(51)
Proceeds from sale of property, plant and equipment	(5)	-	-	26
Proceeds from sale of investment property	-	-	-	2,466
Dividend received from a joint venture	-	-	646	1,187
Interest received	79	36	292	83
Net cash used in investing activities	(1,338)	(2,443)	(3,574)	(4,207)
Cash flows from financing activities				
Proceeds from issuance of shares	-	-	-	42,000
Share issue expenses	-	-	-	(1,969)
Repayment of bank loans	-	-	-	(1,338)
Repayments of finance lease liabilities	-	-	-	(254)
Dividends paid to equity holders of the Company	-	-	(9,960)	(7,320)
Interest paid	-	-	-	(59)
Net cash (used in)/provided by financing activities	-	-	(9,960)	31,060
Net increase/(decrease) in cash and cash equivalents	2,635	34,132	(24,707)	70,690
Cash and cash equivalents at beginning of financial period/year	48,614	41,825	75,956	5,267
Effects of currency translation on cash and cash equivalents	(2)	(1)	(2)	(1)
Cash and cash equivalents at end of financial period/year	51,247	75,956	51,247	75,956

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

Cash at bank and on hand	51,247	75,956	51,247	75,956
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Operating Activities

For the fourth quarter ended 31 December 2014 ("4QFY2014"), the net cash inflow from operating activities amounted to S\$4.0 million as compared to net cash inflow of S\$36.6 million in the comparative quarter. The lower cash inflow from operating activities in 4QFY2014 was mainly attributed to the changes in working capital for trade and other receivables which has increased by S\$15.3 million and trade and other payables which has increased by S\$11.4 million in 4QFY2014. The increase in trade and other receivables was mainly due to the increase in progress billing receivables from construction projects.

For FY2014, the net cash outflow from operating activities amounted to S\$11.2 million as compared to the net cash inflow of S\$43.8 million in the comparative year. The net cash outflow from operating activities in FY2014 was due to changes in working capital for trade and other receivables which has increased by S\$20.8 million and trade and other payables which has decreased by S\$4.4 million in FY2014. The increase in trade and other receivables was mainly due to the increase in progress billing receivables from construction projects, while the decrease of trade and other payable was due to the payment of progress claims to sub-contractors. There was an increase in non-current assets of S\$10.0 million as explained in 1(b)(i) which has contributed to the net cash outflow in FY2014.

Investing Activities

For 4QFY2014, cash outflow from investing activities of S\$1.4 million was mainly attributable to the purchases of property, plant and equipment and intangible assets.

For FY2014, the cash outflow from investing activities of S\$3.6 million was mainly attributable to the purchases of property, plant and equipment and intangible assets amounting to S\$4.5 million, partially offset by dividend received from our joint venture - Solstice Development Pte Ltd which amounted to S\$0.6 million and interest received of S\$0.3 million.

Financing Activities

There were no cash movement for financing activities in 4QFY2014 and 4QFY2013.

For FY2014, the cash outflow from financing activities was due to payment during the year for FY2013 final and special dividends of S\$6.6 million in total and the FY2014 interim dividend which amounted to S\$3.3 million, respectively.

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

- 1 (d)(i) A statement (for the issuer and group) showing either
 (i) all changes in equity or
 (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENTS OF CHANGES IN EQUITY

Group	Share Capital	Capital Reserve	Currency Translation Reserve	Performance Share Plan Reserve	Retained Profits	Equity attributable to the owners of the Company
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2014	57,490	(1,070)	(1)	-	16,717	73,136
Total comprehensive income for the period	-	-	-	-	3,868	3,868
Balance as at 31 March 2014	57,490	(1,070)	(1)	-	20,585	77,004
Dividends relating to 2013 paid	-	-	-	-	(6,640)	(6,640)
Total comprehensive income for the period	-	-	1	-	5,237	5,238
Balance as at 30 June 2014	57,490	(1,070)	-	-	19,182	75,602
Dividends relating to 2014 paid	-	-	-	-	(3,320)	(3,320)
Share-based compensation expense ¹	-	-	-	112	-	112
Total comprehensive income for the period	-	-	(1)	-	4,026	4,025
Balance as at 30 September 2014	57,490	(1,070)	(1)	112	19,888	76,419
Share-based compensation expense ¹	-	-	-	296	-	296
Total comprehensive income for the period	-	-	(2)	-	7,756	7,754
Balance as at 31 December 2014	57,490	(1,070)	(3)	408	27,644	84,469
Balance as at 1 January 2013	15,500	-	-	-	-	15,500
Total comprehensive income for the period	-	-	-	-	3,728	3,728
Balance as at 31 March 2013	15,500	-	-	-	3,728	19,228
Share swap pursuant to the Restructuring Exercise ²	(15,500)	-	-	-	-	(15,500)
Issuance of shares pursuant to the Restructuring ²	16,570	(1,070)	-	-	-	15,500
Issuance of new shares pursuant to the IPO	42,000	-	-	-	-	42,000
Share issue expenses	(1,080)	-	-	-	-	(1,080)
Dividends relating to 2013 paid ³	-	-	-	-	(4,000)	(4,000)
Total comprehensive income for the period	-	-	-	-	5,881	5,881
Balance as at 30 June 2013	57,490	(1,070)	-	-	5,609	62,029
Dividends relating to 2013 paid	-	-	-	-	(3,320)	(3,320)
Total comprehensive income for the period	-	-	-	-	6,316	6,316
Balance as at 30 September 2013	57,490	(1,070)	-	-	8,605	65,025
Total comprehensive income for the period	-	-	(1)	-	8,112	8,111
Balance as at 31 December 2013	57,490	(1,070)	(1)	-	16,717	73,136

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Company	Share Capital	Performance Share Plan Reserve	Retained Profits	Equity attributable to the owners of the Company
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2014	57,490	-	9,588	67,078
Total comprehensive loss for the period	-	-	(690)	(690)
Balance as at 31 March 2014	57,490	-	8,898	66,388
Dividends relating to 2013 paid	-	-	(6,640)	(6,640)
Total comprehensive income for the period	-	-	2,747	2,747
Balance as at 30 June 2014	57,490	-	5,005	62,495
Dividends relating to 2014 paid	-	-	(3,320)	(3,320)
Share-based compensation expense ¹	-	112	-	112
Total comprehensive loss for the period	-	-	(620)	(620)
Balance as at 30 September 2014	57,490	112	1,065	58,667
Share-based compensation expense ¹	-	296	-	296
Total comprehensive income for the period	-	-	10,174	10,174
Balance as at 31 December 2014	57,490	408	11,239	69,137
Balance as at date of incorporation on 14 January 2013⁴	-	-	-	-
Total comprehensive loss for the period	-	-	(405)	(405)
Balance as at 31 March 2013	-	-	(405)	(405)
Issuance of shares pursuant to the Restructuring ²	16,570	-	-	16,570
Issuance of new shares pursuant to the IPO	42,000	-	-	42,000
Share issue expense	(1,080)	-	-	(1,080)
Total comprehensive income for the period	-	-	3,795	3,795
Balance as at 30 June 2013	57,490	-	3,390	60,880
Dividends relating to 2013 paid	-	-	(3,320)	(3,320)
Total comprehensive income for the period	-	-	1,390	1,390
Balance as at 30 September 2013	57,490	-	1,460	58,950
Total comprehensive income for the period	-	-	8,128	8,128
Balance as at 31 December 2013	57,490	-	9,588	67,078

Note:

¹ On 22 August 2014, the Company announced the grant of up to 6,269,000 shares to be awarded to eligible employees of the Company under the Soilbuild Construction Performance Share Plan.

² On 6 May 2013, 15,499,999 shares were issued to the Company's immediate holding company, Soilbuild Group Holdings Ltd. ("SBGH") as consideration for the sale by SBGH of the entire issued ordinary shares in the capital of each of Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. to the Company ("Restructuring"). Pursuant to the Restructuring, the Company's issued and paid-up capital was increased to approximately S\$16.6 million, comprising 15,500,000 ordinary shares, of which one ordinary share was paid-up in cash and the remaining 15,499,999 shares were paid up with assets other than cash.

³ As disclosed in the Company's prospectus dated 17 May 2013 (the "Prospectus"), on 26 April 2013, our subsidiaries, Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd., paid an interim dividend of S\$4.0 million in aggregate to SBGH. This was not reflected in the statement of changes in equity of the Company as the dividends were paid before the Restructuring.

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During 4QFY2014, no shares were issued or acquired by the Company. The share capital of the Company as at 31 December 2014 comprised 664,000,000 ordinary shares (31 December 2013 : 664,000,000 ordinary shares).

Grant of share awards (the "Awards") pursuant to the Soilbuild Construction Performance Shares Plan (the "PSP")

On 22 August 2014, the Awards of up to 6,269,000 shares were granted to eligible executives of the Company pursuant to the PSP approved by members of the Company on 9 May 2013. The Awards will be released and vested as follows:

Descriptions:	Release and vesting date
First tranche of 40%	Within one month from the issuance of the Group's audited financial statements for FY2014.
Second tranche of 30%	Within one month from the issuance of the Group's audited financial statements for FY2015.
Third tranche of 30%	Within one month from the issuance of the Group's audited financial statements for FY2016.

None of the Awards had been released and vested as at 31 December 2014.

The Company did not have any outstanding options, convertibles or treasury shares as at 31 December 2014.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The share capital of the Company as at 31 December 2014 comprised 664,000,000 ordinary shares (31 December 2013 : 664,000,000 ordinary shares).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no treasury shares as at 31 December 2014.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those for the audited financial statements as at 31 December 2013.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual period beginning on or after 1 January 2014. The adoption of these new or revised FRS and INT FRS did not result in any substantial changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividend :-

- (a) Based on the weighted average number of ordinary shares in issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings).**

Earnings per share (EPS)	Group			
	Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
	2014	2013	2014	2013
(a) Based on the weighted average number of ordinary shares in issue (cents per share)	1.17	1.22	3.15	4.02
- Weighted average number of ordinary shares ('000)	664,000	664,000	664,000	598,462
(b) On a fully diluted basis (cents per share)	1.16	1.22	3.14	4.02
- Adjusted weighted average number of ordinary shares ('000)	669,083	664,000	665,595	598,462

- (a) Basic EPS is calculated based on the net profit attributable to equity holders of the Company set out in 1(a) above divided by the weighted average number of ordinary shares in issue during the financial period. The weighted average number of shares has been adjusted for the Share Split (as mentioned in the Prospectus), as if the Share Split had occurred at the beginning of the respective periods.
- (b) Diluted EPS is calculated based on the assumption that the share awards granted pursuant to the Soilbuild Construction Performance Share Plan on 22 August 2014 have been vested on the grant date.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-

- (a) current financial period reported on; and
(b) preceding financial year.**

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Net asset value per ordinary share is computed based on the total number of issued shares as at the end of the respective financial period / year				
Net asset value per ordinary share (cents)	12.72	11.01	10.41	10.10
Total number of shares in issue ('000)	664,000	664,000	664,000	664,000

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8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, cost, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a) **4QFY2014 vs 4QFY2013**

For 4QFY2014, the Group achieved a net profit of S\$7.8 million compared to net profit of S\$8.1 million reported in the comparative quarter.

Revenue & Gross Profit

For the period under review, the Group's revenue declined by 38.7% from S\$110.8 million in 4QFY2013 to S\$68.0 million in 4QFY2014, while the gross profit increased by 5.6% from S\$9.5 million in 4QFY2013 to S\$10.1 million in 4QFY2014.

The major revenue contributors in 4QFY2014 were:

- Mandai Connection project (ramp-up industrial development at Mandai Link);
- Bukit Batok HDB project (design and build for an upgrading project at Bukit Batok Street 31/Bukit Batok West Avenue 8);
- Xin Ming Hua project (industrial development at Tuas Crescent);
- Ang Mo Kio HDB project (public housing development at Ang Mo Kio Avenue 3/Street 51);
- Rigel project (industrial development at Changi Business Park); and
- Jalan Lam Huat project (multiple-user general industrial development at 60 Jalan Lam Huat)

The decrease in revenue was mainly due to the completion of the following projects:

- Lavender project (mixed use development at Lavender Street/Kallang Avenue);
- Tampines HDB project (public housing development at Tampines Central 7/Tampines Concourse);
- Angullia Park project (condominium housing development at Angullia Park); and
- Changi Business Park Vista project (research and development building at Changi Business Park)

Gross profit margin increased from 8.6% in 4QFY2013 to 14.8% in 4QFY2014. The higher gross profit margin in 4QFY2014 is mainly due to revenue recognised for projects that generated higher profit margins.

Other Income

Other income increased by S\$0.1 million mainly due to the increase in rental income, interest income from interest-bearing bank deposits and service income.

Other gains, net

Other gains of S\$0.03 million in 4QFY2014 were attributable to increase in foreign exchange gains.

Administrative Expenses

Administrative expenses increased by S\$1.2 million from S\$1.2 million in 4QFY2013 to S\$2.4 million in 4QFY2014 mainly due to the increase in staff salaries and related expenses as a result of higher headcount, as well as the increase in rental of office and equipments and other expenses.

Finance Expenses

There were no finance expenses in 4QFY2014 and 4QFY2013.

Other Operating Expenses

The decrease in other operating expenses in 4QFY2014 was mainly due to decrease of travelling expenses incurred.

Share of Profit of Joint Ventures

The Group recognised a gain of S\$0.03 million in the share of profit of its joint ventures in 4QFY2014 as compared to a gain of S\$0.3 million in the comparative period.

Full year ended 31 December 2014 ("FY2014") vs full year ended 31 December 2013 ("FY2013")

For FY2014, the Group achieved a net profit of S\$20.9 million compared to net profit of S\$24.0 million reported in the comparative year.

Revenue & Gross Profit

For the year under review, the Group's revenue declined by 13.9% from S\$331.3 million in FY2013 to S\$285.2 million in FY2014, while the gross profit decreased marginally by 1.2% from S\$31.6 million in FY2013 to S\$31.2 million in FY2014.

The decrease in revenue was contributed mainly from reduction in revenue recognised for the following projects:

- Lavender project (mixed use development at Lavender Street/Kallang Avenue);

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- Northspring Bizhub project (industrial development at Yishun Industrial Street 1/Yishun Street 23);
- Tampines HDB project (public housing development at Tampines Central 7/Tampines Concourse);
- Angullia Park project (condominium housing development at Angullia Park); and
- Changi Busines Park Vista project (research and development building at Changi Business Park).

This was partially offset by higher revenue recognised by the following projects:

- Mandai Connection project (ramp-up industrial development at Mandai Link);
- Bukit Batok BizHub project (industrial development at Bukit Batok Street 23);
- Ang Mo Kio HDB project (public housing development at Ang Mo Kio Avenue 3/Street 51);
- Bukit Batok HDB project (design and build for an upgrading project at Bukit Batok Street 31/Bukit Batok West Avenue 8);
- Xin Ming Hua project (industrial development at Tuas Crescent);
- Rigel project (industrial development at Changi Business Park); and
- Vector Aerospace Project (industrial development at Seletar Aerospace).

The gross profit margin increased from 9.5% in FY2013 to 10.9% in FY2014 mainly due to revenue recognised for projects that generated higher profit margins.

Other Income

Other income increased by S\$0.7 million mainly due to the increase in rental income, interest income from interest-bearing bank deposits and service income.

Other gains

Other gains increased by S\$0.01 million in FY2014 mainly due to foreign exchange gains.

Administrative Expenses

Administrative expenses increased by S\$1.3 million from S\$7.2 million in FY2013 to S\$8.5 million in FY2014 which was mainly due to the increase in staff salaries, directors' remuneration, rental expense and staff training expenses following the expansion of the Group's operations, partially offset by the absence of IPO expenses in FY2014 which amounted to S\$0.9 million in FY2013.

Finance Expenses

Finance expenses reduced from S\$0.06 million in FY2013 to S\$Nil in FY2014 mainly as a result of the full repayment of the Group's borrowings in FY2013.

Other Operating Expenses

Other operating expenses increased by S\$0.1 million during FY2014. The increase in other operating expenses in FY2014 was due to the increase in depreciation of computers and motor vehicle expenses.

Share of Profit of Joint Ventures

The Group recognised S\$0.3 million in share of profit of its joint ventures in FY2014 as compared to a gain of S\$3.0 million in FY2013 mainly due to the completion of the Solstice project undertaken by our joint venture, Solstice Development Pte Ltd in 2QFY2013, as well as decrease in profit of its joint venture, Forte Builder Pte. Ltd. in FY2014.

Income tax expense

After adjusting for the Group's share of profits of joint ventures, which is reported net of tax, the Group's effective tax rate for the current year is lower than the Singapore statutory corporate tax rate of 17%, which is due mainly to certain tax incentives.

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9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There is no material deviation in the actual results for the 4QFY2014 from what was previously discussed under paragraph 10 of the announcement of the Company's financial statements for the financial period ended 30 September 2014.

10 A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Based on the 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 basis in the fourth quarter of 2014, compared to 2.8% in the preceding quarter. The construction sector grew by 0.8% on a year-on-year basis in the fourth quarter of 2014, compared to the 1.3% growth recorded 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.

The Group secured a total of 11 construction contracts and 6 project management contracts in 2014, with aggregated contract value of approximately S\$747.3 million. These contracts had brought the Group's order book to approximately S\$785.4 million as at 31 December 2014. The Group further secured 2 construction projects subsequent to 31 December 2014, with total contract value of approximately S\$51.9 million, which increased the overall order book of Group to approximately S\$837.3 million as of the date of this announcement. The Group will substantially complete the existing order book in the next 24 months.

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.

11 Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Any dividend declared for the current financial period reported on?

Yes.

Name of dividend	Final (One-tier)
Dividend type	Cash
Dividend amount per share	S\$0.005
Tax rate	Tax-exempt

Name of dividend	Special (One-tier)
Dividend type	Cash
Dividend amount per share (in cents)	S\$0.010
Tax rate	Tax-exempt

(b) Corresponding period of the immediately preceding financial year

Please refer to item 18.

(c) The date the dividend is payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

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13 Interested Persons Transactions

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Transactions during 4QFY2014		
<u>SB Property Services Pte Ltd</u> Renovation / property reinstatement services	-	168
<u>Soilbuild Group Holdings Ltd.</u> Rental of premises	-	181
Construction contract awarded during 4QFY2014 <u>SB (Rosehill) Development Pte Ltd</u>	-	1,320

14 Use of IPO Proceeds

Pursuant to the IPO on 27 May 2013, the Company received net proceeds from the issue of the new shares of approximately S\$39.4 million after deducting the actual issue expenses of S\$2.6 million, as set out below. The utilisation of the IPO proceeds as at the date of this announcement is as follows:

Use of IPO proceeds	Amount Allocated S\$'000	Amount Used As At 31 December 2014 S\$'000	Amount Unused As At 31 December 2014 S\$'000
Investment in productivity improvements	Up to 10,000	9,410	590
Expansion of construction business to certain countries in Asia	Up to 5,000	892	4,108
Working capital purposes	24,400	24,400	-
	39,400	34,702	4,698

The Company will make periodic announcements on the use of the proceeds as and when the funds are materially disbursed. Pending the utilisation of the net proceeds as stated above, the unutilised amount may be placed in short-term deposits with banks and financial institutions or invested in money market instruments.

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15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable as the Group has only one business segment.

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable as explained in paragraph 15 above.

17 A breakdown of sales

	The Group			
	Financial year ended 31/12/2014	Financial year ended 31/12/2013	Increase/(Decrease)	
	\$'000	\$'000	\$'000	%
(a) Sales reported for first half year	155,068	135,990	19,078	14%
(b) Operating profit after taxation reported for the first half year	9,105	9,609	(504)	-5%
(c) Sales reported for second half year	130,181	195,342	(65,161)	-33%
(d) Operating profit after taxation reported for the second half year	11,782	14,428	(2,646)	-18%

18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	Financial year ended 31 December 2014	Financial year ended 31 December 2013
	(\$'000)	(\$'000)
Interim dividends	3,320	7,320
Proposed final dividend*	3,320	3,320
Proposed special dividend*	6,640	3,320
Total	13,280	13,960

* Represents the proposed ordinary dividend of \$0.005 per share and special dividend of \$0.010 per share for 664,000,000 issued shares as at the date of this announcement. The payment of the proposed final and special dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

For and on behalf of the Board of Directors,

Lim Chap Huat
Executive Chairman

Ho Toon Bah
Executive Director

16 February 2015

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 Announcement.