



SOILBUILD CONSTRUCTION GROUP LTD.

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

RECEIPT OF WRIT OF SUMMONS

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Soilbuild Construction Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, Precast Concrete Builders Pte. Ltd. (formerly known as Sembcorp EOSM Pte Ltd) (“**PCBPL**”), has, on 15 June 2021, received a Writ of Summons and a Statement of Claim, filed by Eldan Law LLP, the solicitors for T G Development Pte Ltd (“**TGD**”) in the High Court of the Republic of Singapore.

TGD is a company incorporated in Singapore and it is the developer of a commercial development known as “Peak II”, located at 61 Cairnhill Circle, Singapore 229789 (the “**Project**”). The main contractor of the Project was Thye Chuan Engineering Construction Co. Pte Ltd (“**TCEC**”).

On 25 June 2014, TCEC engaged PCBPL as a sub-contractor for the supply of precast elements for the Project, which include but not limited to the design, supply and delivery of precast concrete components in accordance to TCEC specifications and drawings, provision of design shop drawings and as-built drawings. The Project was completed on 30 November 2015 and pursuant to the sub-contract agreement between TCEC and PCBPL for the Project, on 25 January 2016, PCBPL issued a warranty (the “**Warranty**”) in favour of TGD to warrant the satisfaction of its precast elements’ workmanship, materials, performance, specification or requirement of the sub-contract works.

PCBPL was alleged to have breached its obligations in the Warranty, in failing to effectively rectify and/or otherwise carry out and complete such additional works and tests in such a manner and within such time as TGD has directed until all defects have been remedied to TGD’s absolute satisfaction.

2. WRIT OF SUMMONS (THE “WRIT”)

Pursuant to the Writ, PCBPL is required to:

- (i) satisfy the claim; or
- (ii) enter an appearance,

within 8 days after the service of the Writ, failing which, TGD may proceed with the action and enter judgement against PCBPL without further notice.

Pursuant to the Statement of Claim, TGD is claiming:

- (i) the sum of S\$1,416,436.90 as damages on account of the defects, or such other sum as the Court may decide;
- (ii) further and/or in the alternative, loss and damages to be assessed in respect of and/or in connection with the defects;
- (iii) interest on all sums found to be due to TGD at such rate and for such period as to the Court shall seem just under section 12 of the Civil Law Act (cap.43);
- (iv) cost; and
- (v) such further or other relief as the Court deems fit.

3. BACKGROUND OF PCBPL AND FINANCIAL IMPACT

PCBPL, formerly known as Sembcorp EOSM Pte Ltd, is a company incorporated in Singapore.

As announced by the Company on 21 November 2018, Precast Concrete Pte. Ltd. (“**PCPL**”), a wholly-owned subsidiary of the Company, entered into a share sale and purchase agreement (“**SSPA**”) with Sembcorp Design and Construction Pte. Ltd., TCEC, Wong Seng, Lim Tong Soon, Ling Hwee Doong William, Ho Hock Liong and Ho Thomas Kwok Tao (collectively, the “**Vendors**”) in respect of the acquisition of the entire issued and paid-up share capital of Sembcorp EOSM Pte Ltd.

Following the completion of the SSPA on 26 November 2018, Sembcorp EOSM Pte Ltd became a wholly-owned subsidiary of the Group. On 13 December 2018, Sembcorp EOSM Pte Ltd changed its name to PCBPL. The proprietary wall system, in particular, the ECC-Crete wall, for the Project which are the subject matter of the Writ were designed, supplied and delivered by the former Sembcorp EOSM Pte Ltd. Following the completion of the SSPA, PCBPL and/or PCPL have not continued with the design, production, supply and/or delivery of the aforesaid ECC-Crete wall elements.

Pursuant to the SSPA, the Vendors had provided an indemnity to the Group and PCPL in respect of any claim or demand arising from any project warranty obligations of Sembcorp EOSM Pte Ltd arising from the projects it had undertaken prior to 21 November 2018. In respect of such indemnity, part of the consideration for the SSPA payable to the Vendors is currently deposited in an escrow account and shall be withdrawn to satisfy the indemnity due by the Vendors to the Group and PCPL.

Taking into consideration of the above, the Board believes that the claims by TGD, if materialised, will not materially nor adversely affect the financial position of the Group taken as a whole.

The Company has engaged legal counsel to represent the Company and/or PCBPL in the case and is taking legal advice on its options.

4. GENERAL

The Company will make further announcements to update its shareholders when there are material developments in respect of the matter, as and when necessary.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

**BY ORDER OF THE BOARD
SOILBUILD CONSTRUCTION GROUP LTD.**

Ganessaraj Soocelaraj
Group Chief Executive Officer

16 June 2021
Singapore