



SoilBuild
CONSTRUCTION GROUP LTD

Progress Fuelled by Opportunities

ANNUAL REPORT 2024



Progress Fuelled by Opportunities



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Corporate Profile

VISION

To be the preferred multi-disciplinary construction company first in Asia Pacific, then global.



MISSION

To deliver optimal construction and management solutions to our partners and customers, and to enhance shareholder value.



Soilbuild Construction Group Ltd. (the "Soilbuild" or the "Group") is a leading builder with a long and successful track record of constructing a sterling award-winning portfolio of residential and business space properties. Since its inception in 1976, Soilbuild charts over 40 years of success in offering a full spectrum of real estate services which includes Design and Build, Construction, Turnkey Construction, Project Management Consultancy, Procurement, Mechanical & Electrical Installation and Precast and Prefabrication Solutions.

Construction Business

Soilbuild provides a wide range of construction services and has managed a broad spectrum of construction projects from industrial buildings and business parks, to residential buildings, conservation houses, schools and churches.

With Soilbuild's traditional strength being in industrial space, in recent years, the Group has also made a foray into higher value, high specifications industrial buildings with green mark gold plus and platinum certifications.

Soil-Build (Pte.) Ltd. and SB Procurement Pte. Ltd, both wholly-owned subsidiaries of the Group, are A1-graded under CW01 (General Building) by the Singapore's Building and Construction Authority ("BCA"), which allows us to tender for public sector projects in Singapore of unlimited contract value. In addition, Soil-Build (Pte.) Ltd. is also A2-graded under CW02 (Civil Engineering) by BCA which allows us to tender for public sector civil engineering projects with contract value of up to S\$105.0 million.

Our track records in public sector projects puts us in good stead as we compete in future tenders by the local public agencies including the Housing and Development Board ("HDB"). Projects in which we acted as the main contractor, have achieved building excellence in winning several architectural and environment awards over the years.

Precast and Prefabrication

Soilbuild offers a wide range of precast and prefabrication solutions, which includes Prefabricated Pre-finished Volumetric Construction ("PPVC"), Prefabricated Bathroom Units ("PBU") and Prefabricated Mechanical, Electrical and Plumbing ("MEP") modules.

In Singapore, the Group's Integrated Construction and Prefabrication Hub ("ICPH"), in which highly automated manufacturing processes have been adopted, primarily supplies the built environment sector with Large Panel Slabs ("LPS") and Hollow Core Slabs ("HCS").

In line with the Industrial Transformation Maps for the construction sector launched by Singapore government, where adoption of Design for Manufacturing and Assembly ("DfMA") methods is the key element, the Group has also expanded its manufacturing facilities in Johore, Malaysia to expand its precast capabilities and capacity.

Strategizing Growth Delivering Value



Chairman's Statement



LIM CHAP HUAT
Executive Chairman



With our order book increasing to more than S\$1 billion during FY2024, it provides the Group with enhanced revenue visibility, giving more confidence in our growth and expansion that aligns with Singapore's positive construction outlook ahead.





With our multi-category presence in the construction industry and track record as a green builder, Soilbuild is ready to emerge stronger and will continue to innovate and grow to keep up with new construction trends

On behalf of the Board of Directors, I am pleased to present the annual report of Soilbuild Construction Group Ltd. ("Soilbuild or the "Group") for the financial year ended 31 December 2024 ("FY2024").

We concluded FY2024 with a strong set of financial results that highlighted the tangible impact of our team's collective efforts in strategy, execution, and capital management.

In FY2024, revenue increased 58.4% to S\$391.8 million with gross profit surging 110.3% to S\$46.5 million and net profit rising 263.3% to S\$26.6 million. On top of it, the Group also reported substantial cash flow from operating activities with S\$35.9 million generated during FY2024. More details of our financial results of FY2024 can be found in the operating and financial review section of this annual report in the next few pages.

A major milestone was achieved during FY2024, the securing of our largest construction project to date—a S\$647.5 million contract for the PSA Supply Chain Hub @ Tuas—boosting our order book beyond S\$1 billion.

As at the date of this report, the Group's order book stands at approximately S\$1.26 billion (as of end December 2024 and after including new orders since). This is backed by 8 new construction contracts and 9 new precast supply and delivery contracts, valued at approximately S\$1.18 billion in total, which were secured since the last financial year ended 31 December 2023.

With improved revenue visibility from our robust project pipeline and the positive outlook of Singapore's construction industry, we remain confident in our growth prospects.

Leveraging our multi-category presence in the construction sector and our proven track record as a green builder, we will continue to harness the advantages of our scale to drive greater cost efficiencies and further strengthen our order book.

Aligned with our Integrated Digital Delivery ("IDD") roadmap and initiatives, we will continue to accelerate our adoption of digitalisation and automation strategies to improve our capabilities in delivering improved productivity in the face of the challenges arising from a tight labour supply and increasing operating costs.

We will also progressively extend our digitalisation capabilities to cover more construction processes to enhance our cost efficiencies and safety standards. Moving forward, we believe that Soilbuild is well positioned to continue our innovative approach and grow to keep up with new construction trends.

Chairman's Statement



OUTLOOK FOR CONSTRUCTION SECTOR

Based on a press release by the Ministry of Trade and Industry ("MTI") Singapore on 14 February 2025, the Singapore economy expanded by 4.4 per cent in 2024. MTI has maintained the GDP growth forecast for 2025 at "1.0 to 3.0 per cent". In the fourth quarter of 2024, the Singapore economy expanded by 5.0 per cent on a year-on-year basis, moderating from the 5.7 per cent growth in the third quarter. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 0.5 per cent, slower than the 3.0 per cent expansion in the previous quarter.

Growth in the construction sector came in at 4.4 per cent year on-year in the fourth quarter, following the 5.6 per cent growth in the third quarter. This was on account of the expansions in both public and private sector construction output. On a quarter on-quarter seasonally adjusted-basis, the sector grew by 0.3 per cent, moderating from the 1.9 per cent expansion in the previous quarter. For the whole of 2024, the sector expanded by 4.5 per cent, extending the 5.8 per cent expansion in 2023.

The Building and Construction Authority ("BCA") project the total construction demand, i.e. the value of construction contracts to be awarded to range between S\$47 billion and S\$53 billion in nominal terms in 2025. Normalised to real values, 2025's demand is projected to range between S\$35 billion and \$39 billion, which is between 0.3% to 11.7% higher than pre-COVID levels in 2019.

The strong demand is underpinned by the expected award of contracts for several large-scale developments, such as Changi Airport Terminal 5 (T5) and the expansion of the Marina Bay Sands Integrated Resort, alongside public housing development and upgrading works. Other contributors include high-specification industrial buildings, educational developments, healthcare facilities, Mechanical and Engineering contracts for the Thomson-East Coast Line Extension (TEL) and Cross Island Line (CRL), and infrastructure works for the Woodlands Checkpoint extension and the Tuas Port.

Over the medium-term, BCA expects the total construction demand to reach an average of between S\$39 billion and S\$46 billion per year from 2026 to 2029.

With the positive outlook of the construction sector in the near-to-mid terms, we believe it will enhance the Group's growth profile as we continue to develop our core Competencies and strengthen our order book.

DEMISE OF MR MOE ZAW (NON-EXECUTIVE CHAIRMAN FOR MYANMAR BUSINESS)

Mr Moe Zaw, our non-executive chairman for Myanmar has unfortunately passed away in December 2024 due to illness. On behalf of the Board of Directors, I would like to offer our condolences to his family and express our gratitude for his dedicated services.

APPRECIATION

Building on our strong performance in FY2024 and our commitment to delivering value to shareholders, we have proposed a final dividend of 1 cent per share, along with a special dividend of 1 cent per share.

The special dividend reflects our appreciation for shareholders' continued support and provides a one-time opportunity to share the achievements of FY2024 in a meaningful way.

On behalf of the Board, I would like to express my sincere appreciation to our management and staff for their perseverance and dedication, and our business partners, customers and shareholders for their continuous support and belief in us.

Thank You!

Five-Year Financial Highlights

BREAKDOWN OF REVENUE	FY2020		FY2021		FY2022		FY2023		FY2024	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Business Space Projects	71,843	48.2	161,172	62.4	158,040	63.6	170,858	69.1	270,690	69.1
Residential Projects	69,452	46.6	72,082	27.9	50,983	20.5	36,554	14.8	48,691	12.4
Civil Engineering Projects	933	0.6	3,030	1.2	5,089	2.0	1,254	0.5	-	-
Prefabricated and Precast Supply	6,636	4.5	21,356	8.3	28,073	11.3	38,660	15.6	72,325	18.5
Other	73	0.1	640	0.2	6,224	2.5	64	0.0	100	0.0
Total	148,937	100.0	258,280	100.0	248,409	100.0	247,390	100.0	391,806	100.0
Related Party Projects ⁽¹⁾	73,488	49.3	159,999	61.9	160,289	64.5	74,632	30.2	105,040	26.8
External Projects ⁽²⁾	75,449	50.7	98,281	38.1	88,120	35.5	172,758	69.8	286,766	73.2
Total	148,937	100.0	258,280	100.0	248,409	100.0	247,390	100.0	391,806	100.0

FINANCIAL RESULTS	FY2020	FY2021	FY2022	FY2023	FY2024
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	148,937	258,280	248,409	247,390	391,806
Gross profit/(loss)	(24,278)	4,854	(21,291)	22,130	46,545
Profit/(loss) before income tax	(29,513)	(3,262)	(29,991)	7,839	27,589
Profit/(loss) after income tax	(28,669)	(2,627)	(31,702)	7,316	26,579
Comprehensive income/(loss) attributable to shareholders	(28,918)	(2,530)	(32,928)	6,704	27,370
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	(17,563)	10,380	(16,638)	21,446	44,768

STATEMENT OF FINANCIAL POSITION	FY2020	FY2021	FY2022	FY2023	FY2024
	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment	141,006	130,368	123,878	121,981	119,297
Cash and cash equivalents	21,818	16,991	11,093	14,202	30,605
Current assets	94,059	93,123	105,864	116,505	200,575
Total assets	248,056	242,592	246,406	252,548	333,043
Current liabilities	131,126	123,496	154,949	128,599	177,729
Total liabilities	195,227	192,293	229,035	207,395	250,324
Working capital	(37,067)	(30,373)	(49,085)	(12,094)	22,846
Equity attributable to owners of the Company	52,829	50,299	17,371	45,153	82,719

RATIOS	FY2020	FY2021	FY2022	FY2023	FY2024
Current ratio (times)	0.72	0.75	0.68	0.91	1.13
Return on equity attributable to owners of the Company (%) ⁽³⁾	(42.61)	(5.09)	(93.70)	23.40	41.60
Return on assets (%) ⁽³⁾	(11.09)	(1.07)	(12.97)	2.93	9.10
Basic earnings/(losses) per share ("EPS") (cents) ⁽⁴⁾	(34.08)	(3.12)	(37.69)	5.52	16.99
Net asset value ("NAV") per share (cents) ⁽⁵⁾	62.8	59.8	20.6	30.7	50.0

Note:

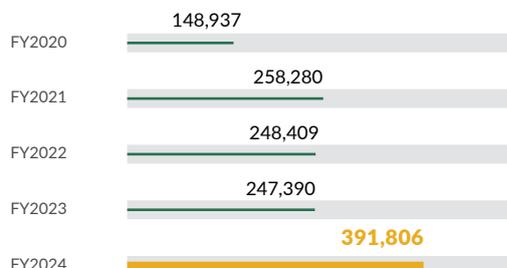
- 1 Related Party Projects refer to projects awarded by (i) companies which are wholly-owned, majority-owned or jointly-owned by a director of the Company and/or (ii) a director of the Company
- 2 External projects refer to projects awarded by third parties
- 3 In calculating return on equity attributable to owners of the Company and return on assets, the average basis has been used
- 4 Basic EPS in cents are calculated based on the net (loss)/profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial year. With the completion of the share consolidation of every ten (10) existing shares into one (1) consolidated share on 12 December 2024, prior year comparatives for earnings per share were restated per SFRS(I) 1-33 through retrospective application of the consolidation factor of 10 to the weighted number of shares.
- 5 NAV in cents are calculated based on the net asset value attributable to owners of the Company divided by number of ordinary shares in issue at the end of the financial year. With the completion of the share consolidation of every ten (10) existing shares into one (1) consolidated share on 12 December 2024, prior year comparatives for net asset value per share were restated per SFRS(I) 1-33 through retrospective application of the consolidation factor of 10 to the weighted number of shares.

Five-Year Financial Highlights



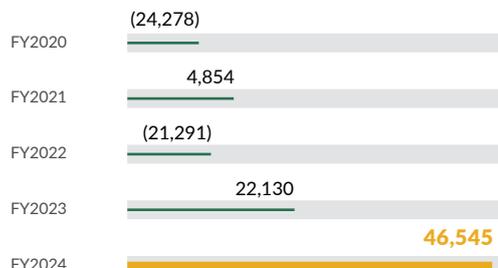
REVENUE (S\$'000)

391,806 ↑



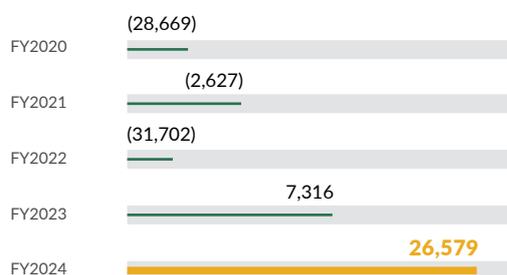
GROSS PROFIT/(LOSS) (S\$'000)

46,545 ↑



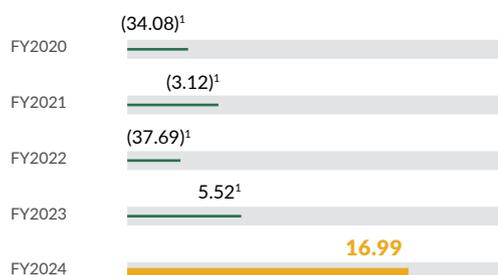
PROFIT/(LOSS) AFTER INCOME TAX (S\$'000)

26,579 ↑



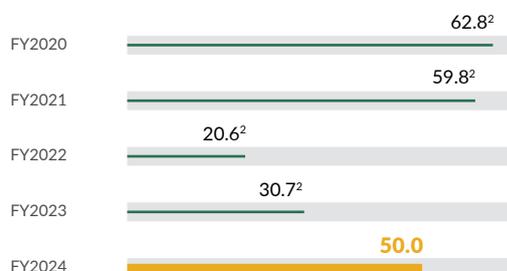
BASIC EARNINGS/(LOSS) PER SHARE (CENTS)

16.99 ↑



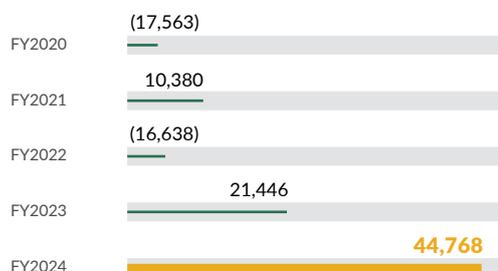
NET ASSET VALUE PER SHARE (CENTS)

50.0 ↑



EBITDA (S\$'000)

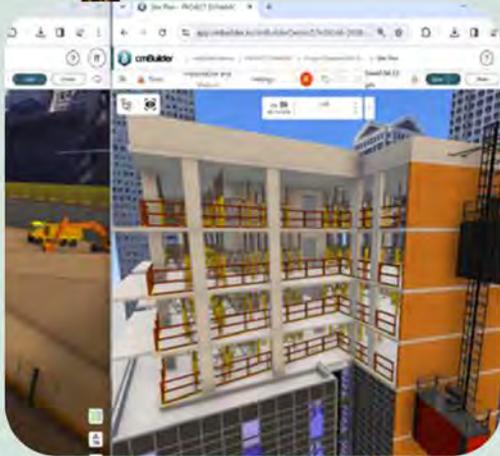
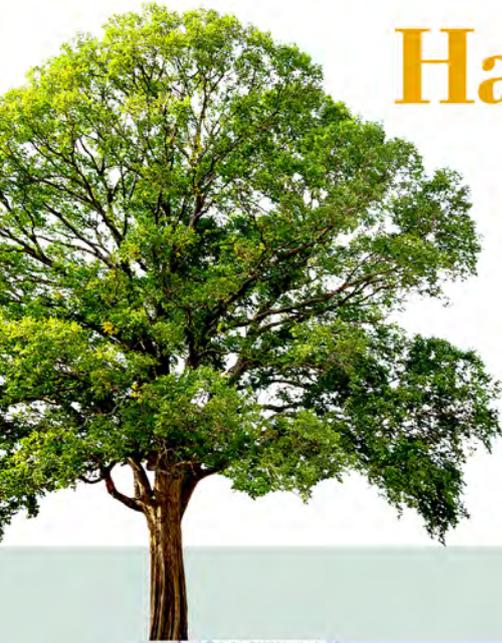
44,768 ↑



1 With the completion of the share consolidation of every ten (10) existing shares into one (1) consolidated share on 12 December 2024, prior year comparatives for earnings per share were restated per SFRS(I) 1-33 through retrospective application of the consolidation factor of 10 to the weighted number of shares.

2 With the completion of the share consolidation of every ten (10) existing shares into one (1) consolidated share on 12 December 2024, prior year comparatives for net asset value per share were restated per SFRS(I) 1-33 through retrospective application of the consolidation factor of 10 to the weighted number of shares.

Harnessing Technology Elevating Standards



Operating and Financial Review

OPERATING REVIEW

A. CONSTRUCTION CONTRACTS

(i) COMPLETED PROJECTS

During the financial year under review, the Group completed the following construction projects:



	TYPE OF PROJECT	YEAR OF COMPLETION
<p>Singapore VERTICUS CONDO PROJECT Building of a block of 28-storey residential flat at Jalan Kemaman</p>	Residential	2024
<p>Singapore PALL FILTRATION A&A PROJECT Additions and alterations to an industrial development at Benoi Sector</p>	Business Space	2024
<p>Singapore TUAS SOUTH AVENUE DEMOLITION AND PILING PROJECT Demolition and piling works for a multiple-user industrial development at Tuas South Avenue</p>	Business Space	2024
<p>Singapore TAMPINES NORTH HOARDING AND EARTHWORKS PROJECT Hoarding and Earthworks for a 10-storey multiple-user industrial development at Tampines North</p>	Business Space	2024
<p>Singapore NEW INDUSTRIAL ROAD PROJECT Building of a block of 5-storey industrial building</p>	Business Space	2024

Operating and Financial Review



	TYPE OF PROJECT	YEAR OF COMPLETION
<p>Myanmar ROSEHILL RESIDENCES PROJECT Building of a 24-storey residential development at Yangon</p>	Residential	2024

(ii) On-going Projects:

The Group expects that most of its on-going projects will be progressively and substantially completed over the next three years. Below are the significant on-going projects undertaken by the Group.



	TYPE OF PROJECT	EXPECTED YEAR OF COMPLETION
<p>Singapore TOA PAYOH HDB PROJECT Building of a public housing development at Toa Payoh Neighbourhood 1 Contract 27</p>	Residential	2027
<p>Singapore SOITEC MAIN CONSTRUCTION PROJECT Building of a high-tech manufacturing facility with cleanroom capabilities and a warehouse at Pasir Ris Planning Area</p>	Business Space	2025
<p>Singapore DB SCHENKER PROJECT Building of a sustainable and energy efficient logistics facilities at Greenwich Drive</p>	Business Space	2025
<p>Singapore TUAS SOUTH AVENUE MAIN PROJECT Building of a multiple-user industrial development at Tuas South Avenue</p>	Business Space	2025

Operating and Financial Review

	TYPE OF PROJECT	EXPECTED YEAR OF COMPLETION
<p>Singapore</p> <p>TAMPINES NORTH MAIN PROJECT Building of a 10-storey multiple-user industrial development at Tampines North</p>	Business Space	2026
<p>Singapore</p> <p>PSA SUPPLY CHAIN HUB @ TUAS PROJECT Building of PSA Supply Chain Hub at Tuas Port</p>	Business Space	2027
<p>Singapore</p> <p>UBI TRANSPORTATION HUB PROJECT Building of a 5-storey transportation hub in Ubi</p>	Business Space	2026
<p>Singapore</p> <p>LOYANG WAY PROJECT Building of a single user multi-storey industrial complex at Loyang Way</p>	Business Space	2027
<p>Singapore</p> <p>CHANGI NORTH PROJECT Additions and alteration works for an existing multi-storey single-user industrial development at Changi North</p>	Business Space	2025
<p>Myanmar</p> <p>68 RESIDENCES PROJECT Building of a 26 1/2 storey serviced apartment and a 26 1/2 storey condominium in Yangon Central Area</p>	Residential	2026



B. SUPPLY AND DELIVERY OF PRECAST AND PPVC CONTRACTS

Soilbuild offers a wide range of precast and prefabrication solutions, which includes PPVC, PBU and MEP modules.

The Group has developed an ICPH in which highly automated manufacturing processes have been adopted to offer precast and prefabrication solutions to the built environment sector.

In line with the Industrial Transformation Maps for the construction sector launched by Singapore government, where adoption of DfMA methods is the key element, the Group has also expanded its manufacturing facilities in Johore, Malaysia to capture the market share for the precast concrete sector.

The Group expects that most of its on-going precast projects will be progressively and substantially completed over the next 2 years.

In FY2024, the Precast and Prefabrication division contributed approximately S\$72.3 million to the Group's revenue on sales of its products compared to S\$38.7 million in FY2023.

FINANCIAL REVIEW

REVIEW OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue

The Group's revenue for FY2024 amounts to approximately S\$391.8 million, as compared to approximately S\$247.4 million reported in FY2023. Revenue were mainly contributed by projects such as Soitec main construction project, New Industrial Road project, Toa Payoh HDB project, DB Schenker project, PSA Supply Chain Hub @ Tuas project and Tuas South Avenue main construction project.

In FY2024, the Precast and Prefabrication division contributed approximately S\$72.3 million to the Group's revenue on sales of its products compared to S\$38.7 million in FY2023. The increase is mainly due to increase in precast production activities.

Gross Profit or Loss

The Group reported a gross profit of S\$46.5 million in FY2024 compared to gross profit of S\$22.1 million in FY2023. The gross profit margin for FY2024 was 11.9% compared to gross profit margin for FY2023 of 8.9%.

Other Income

Other income for FY2024 decreased by approximately S\$0.5 million as compared to FY2023 mainly due to decrease in government grant income and service income, which is partially offset by increase in rental income.

Other Gains - Net

Other gains (net) of approximately S\$0.4 million in FY2024 were mainly attributable to foreign exchange gains of S\$0.7 million, which is partially offset by property, plant and equipment written off amounting to approximately S\$0.4 million.

Allowance for Expected Credit Losses on Financial Assets

Allowance for expected credit losses of approximately S\$4.3 million in FY2024 were due to impairment of the Group's trade and other receivables from its Myanmar construction operations and Singapore precast operations.

Administrative Expenses

Administrative expenses for FY2024 increased by approximately S\$2.8 million as compared to FY2023 mainly due to increase in employee remuneration.

Finance Expenses

Finance expenses for FY2024 amounts to approximately S\$3.5 million which is comparable to finance expenses for FY2023 which amounts to approximately S\$3.6 million.

Other Operating Expenses

Other operating expenses for FY2024 amounts to approximately S\$5.7 million, which is comparable to other operating expenses for FY2023 which amounts to approximately S\$5.9 million.

Profit Before Income Tax

The Group reported a profit before income tax of S\$27.6 million in FY2024 as compared to a profit before income tax of S\$7.8 million in FY2023.

Operating and Financial Review

Income Tax Expenses

The Group reported income tax expense of approximately S\$1.0 million in FY2024 as compared to income tax expense of approximately S\$0.5 million in FY2023.

Net Profit

For FY2024, the Group reported a net profit of approximately S\$26.6 million compared to net profit of approximately S\$7.3 million reported in FY2023. Correspondingly, the Group's net profit margin was 6.8% in FY2024 compared net profit margin of 3.0% in FY2023.

REVIEW OF THE GROUP'S BALANCE SHEET

Current Assets

The Group's current assets increased from S\$116.5 million as at 31 December 2023 to S\$200.6 million as at 31 December 2024. The increase was mainly attributable to increase in trade and other receivables of S\$64.5 million due to timing differences in collection from customers, increase in cash and cash equivalents of S\$16.4 million, increase in inventories of S\$1.9 million as a result of ramp up of production of precast and prefabrication materials for customers and increase in other current assets of \$1.3 million.

Non-Current Assets

The Group's non-current assets decreased from S\$136.0 million as at 31 December 2023 to S\$132.5 million as at 31 December 2024. The decrease was mainly attributable to decrease in property, plant and equipment of S\$2.7 million mainly due to depreciation and decrease in deferred tax assets of S\$0.7 million.

Current Liabilities

The Group's current liabilities increased from S\$128.6 million as at 31 December 2023 to S\$177.7 million as at 31 December 2024. The increase was mainly attributable to increase in trade and other payables of S\$55.5 million due to timing differences in payment to suppliers and subcontractors and increase in current income tax liabilities of S\$0.1 million, which is partially offset by decrease in borrowings of S\$6.1 million mainly due to repayment of bank borrowings and decrease in provision for other liabilities of S\$0.4 million mainly due to utilisation of provision.

Non-Current Liabilities

The Group's non-current liabilities decreased from S\$78.8 million as at 31 December 2023 to S\$72.6 million as at 31 December 2024. The decrease was due to decrease in non-current bank borrowings of S\$9.4 million due to reclass to current bank borrowings during the year, which is partly offset by increase in trade and other payables of S\$3.2 million.

Total Equity

The Group's total equity increased by S\$37.6 million from S\$45.2 million as at 31 December 2023 to S\$82.7 million as at 31 December 2024. The increase was attributable to the net profit after tax and other comprehensive income of the Group for FY2024 and the proceeds from the exercise of 2019 Warrants by shareholder, which is partially offset by dividends paid during FY2024.



Sustainability Report Summary



This process enabled us to refine our ESG strategy, ensuring alignment with evolving industry standards, regulatory requirements, and the priorities of our key stakeholders.

At the Group, we remain steadfast in our commitment to sustainable business practices, aiming to enhance our environmental, social, and governance (“ESG”) performance. This section provides an update on our ESG initiatives and progress for FY2024, aligning with the Global Reporting Initiative (“GRI”) Standards 2021 and Singapore Exchange (“SGX-ST”) Listing Rules 711A and 711B.

We continue to integrate Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations and United Nations Sustainable Development Goals (“UN SDGs”) into our sustainability strategy to support global and local sustainability initiatives.

STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT

In FY2024, we conducted a stakeholder survey to gain deeper insights into stakeholder expectations regarding our sustainability efforts. This process enabled us to refine our ESG strategy, ensuring alignment with evolving industry standards, regulatory requirements, and the priorities of our key stakeholders. The survey findings reinforced our commitment to transparency, responsible business practices, and continuous improvement in sustainability performance.



KEY FOCUS AREAS & MATERIAL TOPICS

Our sustainability strategy is anchored in 6 key focus areas, covering 17 material topics that align with our business operations and stakeholder priorities:

- **Focus 1: Upholding Good Governance & Business Ethics**

Emphasizing strong governance practices, regulatory compliance, ethical business conduct, and transparency. This includes responsible tax management, fair procurement practices, and a robust approach to compliance with laws and regulations.
- **Focus 2: Enhancing Climate Resilience**

Strengthening climate-related risk management through improved emissions tracking, energy efficiency measures, and sustainable construction practices. This includes our commitment to renewable energy adoption and proactive climate adaptation strategies.
- **Focus 3: Promoting Health & Safety Excellence**

Ensuring a safe working environment with stringent occupational health and safety protocols, customer safety measures, and continuous improvement in workplace risk management.
- **Focus 4: Protecting Environment**

Implementing sustainable resource management practices such as green construction materials, water conservation initiatives, and waste reduction strategies to minimize environmental impact.
- **Focus 5: Prioritizing Workforce Benefits**

Fostering a diverse, skilled, and engaged workforce by investing in fair employment practices, comprehensive training programs, and career development opportunities.
- **Focus 6: Shaping Sustainable Community**

Strengthening relationships with local communities through responsible procurement, community engagement initiatives, and the integration of cybersecurity and data privacy measures to protect stakeholders.



As part of our ongoing efforts to enhance productivity and environmental stewardship, we will further digitalize construction processes to improve operational efficiency and resource management.

FUTURE COMMITMENTS

Looking ahead, the Group remains committed to advancing its sustainability initiatives by continuously reducing carbon emissions through the adoption of low-carbon construction materials and energy-efficient operations. As part of our ongoing efforts to enhance productivity and environmental stewardship, we will further digitalize construction processes to improve operational efficiency and resource management. Prioritizing the well-being of our workforce, we will strengthen our health and safety measures to maintain a zero-workplace-incident record, reinforcing our culture of safety and compliance. Additionally, we will expand our sustainability reporting efforts to align with global ESG standards, ensuring greater transparency and accountability in our environmental, social, and governance performance. Through these initiatives, we strive to create long-term value for our stakeholders while contributing to a more resilient and sustainable built environment.

For a detailed review of our ESG initiatives and our FY2024 ESG performance, please refer to the full FY2024 Sustainability Report, which will be published as a standalone report by end of April 2025.

Sustaining Growth Preserving Tomorrow



Directors



MR LIM CHAP HUAT
Executive Chairman

Mr Lim Chap Huat is the Company's Executive Chairman. Mr Lim was appointed to the Board on 14 January 2013 and was last re-elected as Director on 26 April 2023. He charts the Group's strategic direction, business planning and development as well as succession planning. Leveraging on his extensive industry experience, Mr Lim also provides guidance in project management and tender submission for the Group's various projects.

Mr Lim is a co-founder of the Group with over 40 years of experience in the construction and property development business. Apart from his role in strategic planning and development of corporate policies, Mr Lim has been involved in all key aspects of the operations and businesses of the Group to ensure quality at key planning, design and implementation levels, including the oversight of the tendering and management processes of construction and development projects. He has also established a network of relationships with developers, customers, consultants and architects within the real estate industry.

Prior experience

- Co-founder of the Group with over 40 years of experience in the construction and property development business.

Currently, Mr Lim also serves as the Chairman of Soilbuild Group Holdings Ltd. as well as a director on the board of all subsidiaries of the Group.

Mr Lim holds a Technician Diploma (Civil Engineering) from the Singapore Polytechnic. He is active in community service and was conferred the Pingat Bakti Masyarakat (Public Service Medal) in 2003 and the Bintang Bakti Masyarakat (Public Service Star) in 2009 and the Public Service Star (Bar) Bintang Bakti Masyarakat (Lintang) in 2019 by the President of the Republic of Singapore.

Pursuant to Article 94 of the Company's Constitution, Mr Lim will retire by rotation and is eligible for re-election at the forthcoming Twelfth Annual General Meeting.



Board of Directors



MR LIM HAN REN
Executive Director
and Group Chief
Executive Officer

Mr Lim Han Ren is the Company's Executive Director and Group Chief Executive Officer ("CEO"). Mr Lim was appointed to the Board on 1 January 2023 and was last elected as Director on 26 April 2023. As the Executive Director and Group Chief Executive Officer of the Company, Mr Lim is responsible for the overall management of the Company and the Group. He is also responsible for driving the development and execution of business strategies and spearheading the growth of the Group.

Prior experience

- 2022, Group General Manager at Soilbuild Construction Group Ltd.
- Since 2020, Director at Soilbuild Group Holdings Ltd.
- 2017 to 2020, Associate at Dymon Asia Private Equity

Mr Lim Han Ren is currently a Director of Soilbuild Group Holdings Ltd, which is a leading integrated property group with a successful track record of constructing, developing and managing an award-winning portfolio of residential and business space properties. As director of Soilbuild Group Holdings Ltd, Mr Lim Han Ren is responsible for evaluating real estate investments and manages all aspects of development projects from design development, construction to property management.

Complementing Mr Lim Han Ren's extensive and intimate understanding of the real estate and construction industry, he is also well versed in finance and strategic operational management from his previous experience at a Southeast Asian focused private equity firm, where he successfully completed the acquisition and divestment of various business entities, and was also actively involved in the roll-out of various operational initiatives in these entities, driving business transitions towards professional management and capital structure improvements.

Mr Lim Han Ren obtained his Bachelor of Science (Business), with double concentrations in Finance and General Accounting from the New York University, Leonard Stern School of Business.





MS LIM CHENG HWA
**Non-Executive
Director**

Ms Lim Cheng Hwa is the Company's Non-Executive Director. Ms Lim was appointed to the Board on 8 May 2013 and was last re-elected as Director on 26 April 2023. Ms Lim has around 30 years of investment and capital management experience, having served in various listed companies.

Prior experience

- Since 2011, Executive Director of Soilbuild Group Holdings Ltd. and also serves as the director of certain subsidiaries of Soilbuild Group Holdings Ltd.
- Since 2010, Director of Capital and Investment Management of Soilbuild Group Holdings Ltd., handling all financial, accounting, tax and treasury matters, business and investment development, corporate communications, human resources and administration of the group.

- 2013 to 2021, Non-Executive Director of SB REIT Management Pte. Ltd., the manager of Soilbuild Business Space REIT.
- 2007 to 2009, Group Financial Controller at Soilbuild Group Holdings Ltd.
- 1999 to 2007, Financial Controller at MTQ Corporation Limited
- 1995 to 1999, Accountant and Senior Accountant at L&M Group Investments Limited

Ms Lim holds a Bachelor of Accountancy (Honours) from the Nanyang Technological University.

Pursuant to Article 94 of the Company's Constitution, Ms Lim will retire by rotation and is eligible for re-election at the Twelfth Annual General Meeting.



Board of Directors



**MR CHEE WEE
KIONG**
Lead Independent
Director

Mr Chee Wee Kiong is the Company's Lead Independent Director. Mr Chee was appointed to the Board on 27 April 2023 and was last elected as Director on 26 April 2024. Mr Chee is the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committee of the Company.

Mr Chee served forty years in the Singapore Public Service and the Singapore Armed Forces. His last appointment was Permanent Secretary in the Ministry of Foreign Affairs, where he served from 2010 to 2022. In the course of his career with the Singapore Armed Forces and the Ministry of Defence, Mr Chee held many key command and staff appointments which included Commander of Air Defence Systems Division, Chief of Staff for Air Staff and Director of Joint Operations and Planning Department. He also served as Director, Security and Intelligence Division in the Ministry of Defence.

Mr Chee is currently a Board Member of the Gambling Regulatory Authority and Senior Fellow of the Civil Service College. Mr Chee currently also sits on the Board of Trustee of ISEAS Yusof Ishak Institute, and on the Microsoft Technology and National Security Advisory Council.

Mr Chee previously also served as a Board Member of several statutory boards which includes the Public Utilities Board, Defence, Science & Technology Agency, DSO National Laboratories and Jurong Town Council Corporation; and was also previously a Director of Singapore Technologies Logistics Pte Ltd and Singapore Technologies Electronics Ltd.

Mr Chee obtained his:

- Bachelor of Science (1st Class Honours) in Mechanical Engineering from the University College London, United Kingdom in 1985;
- Masters in Business Administration from the National University of Singapore in 1994;
- Masters in Public Administration from the Harvard University, USA in 1998.



Board of Directors



MR NG FOOK AI VICTOR
Independent Director

Mr Ng Fook Ai Victor is the Company's Independent Director. Mr Ng was appointed to the Board on 30 April 2022 and was last elected as Director on 26 April 2024. Mr Ng is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee of the Company.

Mr Ng has more than 30 years of experience as a company director, including directorships in listed companies in Singapore, Hong Kong and Malaysia.

Mr Ng is currently the Chairman of Healthbank Holdings Limited and Quantum Healthcare Limited (previously known as QT Vascular Ltd) and an independent director of The Place Holdings Limited, which are listed on the SGX-ST. He is also an independent director of Sunshine 100 China Holdings Ltd which is listed on the Hong Kong Stock Exchange.

Mr Ng was previously an independent director of Asia Power Corporation Limited, Memories Group Limited (Formerly known as SHC Capital Asia Limited), SB REIT Management Pte Ltd (Manager of Soilbuild Business Space REIT) and Devotion Energy Group Limited which are listed on the SGX-ST. He was also previously an independent director of My E.G. Services Berhad which is listed on the Kuala Lumpur Stock Exchange.

Mr Ng holds a Bachelor of Science (Honours) in Economics and Master of Science in Economics from Birkbeck College, University of London. He was awarded the University of London Convocation Book Prize (First) and the Lord Hailsham Scholarship in 1974.



MR CHIAM TAO KOON
Independent Director

Mr Chiam Tao Koon is the Company's Independent Director and was appointed to the Board on 1 January 2023 and last elected as Director on 26 April 2024. Mr Chiam is the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee of the Company.

Mr Chiam has around twenty years of experience in legal practice, and is a corporate transactions specialist in mergers and acquisitions, joint ventures and corporate restructuring with a particular focus on cross border private equity. He represents sovereign wealth funds, private equity funds and family offices and has extensive experience acting on complex transactions across industry-sectors.

Prior experience

- Since 2022: Head of M&A, Southeast Asia, and Director at Ashurst ADTLaw, a Formal Law Alliance in Singapore between Ashurst LLP and ADTLaw LLC
- 2008 to 2022: Partner at Allen & Gledhill LLP, Co-Head Venture Capital

Mr Chiam holds a Bachelor of Law (Honours) from the National University of Singapore and was admitted to the Singapore Bar in 2004.

Management Team



MR CHUA MENG KIM
Chief Operations Officer

Mr Chua Meng Kim is our Chief Operations Officer and his responsibilities includes overall management of projects to ensure that the relevant projects are on time, within budget and adhere to the safety and health standard with acceptable quality, planning and implementing of project work schedules and formulation of construction budgets. Mr Chua has over 20 years of experience in the construction industry.

Prior experience

- 2000 to 2014, Senior Trades Production Manager at Dragages Singapore Pte. Ltd.
- Prior to 2000, worked in various roles such as Quantity Surveyor, Site Supervisor and Assistant Engineer in various construction companies

Mr Chua graduated from the Curtin University of Technology Australia with a Bachelor of Applied Science in Construction Management and Economic in 1998.



MR ANDY KOH TEE YEONG
Chief Operations Officer

Mr Andy Koh Tee Yeong is our Chief Operations Officer. Mr Koh's main responsibility is to provide leadership in the management of all projects, from overall execution and completion to resource allocation and deployment. Mr Koh is also the Group's key contractor representative to attend to important issues with customers and consultants. Mr Koh has close to 30 years of experience in the construction industry.

Prior Experience

- 2021 to 2023: Project Director at Boustead Projects Limited
- 2017 to 2021: Project Director at BHCC Construction Pte Ltd
- 2014 to 2017: Senior Project Manager at BHCC Construction Pte Ltd
- 2011 to 2014: Senior Project Manager at Jurong Primewide Pte Ltd

- 1994 to 2011: Worked in various roles which includes Project Manager, Construction Manager and Senior Project Engineer in various construction companies.

Mr Koh obtained his:

- Professional Certificate in Real Estate Wealth Management from National University of Singapore Business School in 2023
- Masters in Business Administration and Masters in Project Management from the University of Adelaide, Australia in 2009.
- Bachelor of Engineering – Honours in Civil Engineering from the University of Newcastle Upon Tyne, United Kingdom in 1997.
- Diploma in Civil Engineering from Singapore Polytechnic in 1992.

Management Team



MR SIM TECK WUI
Chief Commercial Officer

Mr Sim Teck Wui is our Chief Commercial Officer and is responsible to lead our business development team, source and evaluate tender opportunities for construction projects, build relationships in the industry, complete business deals and to evaluate and implement cross-functional decision. Mr Sim is also tasked to oversee and monitor the Group's procurement and purchasing activities, supervising our quantity surveying functions and provide support to the execution of our construction projects.

Prior experience

- 2015 to 2020, General Manager at PT-G Builders Pte Ltd
- 2014 to 2015, Senior QS & Procurement Manager at Jian Huang Construction Co Pte Ltd
- 2005 to 2014, Senior QS & Procurement Manager at Soilbuild Construction Group Ltd

Prior to 2005, Mr Sim worked as Quantity Surveyor in various construction companies.

Mr Sim obtained his Bachelor of Building Surveying (Second Class Honours) from University of Malaya, Kuala Lumpur in 1999.



MR LIM THIAM LAY
Director, Mechanical & Electrical

Mr Lim Thiam Lay is our Director, Mechanical and Electrical and is responsible for the day-to-day operation of all M&E related works which include tender bidding and design development. Having worked in various civil engineering and construction companies, Mr Lim brings to the Group around 30 years of related experience in the construction industry.

Prior experience

- 2001 to 2014, since joining the Group, he held various positions in the M&E department, including M&E Coordinator, Assistant M&E Manager, M&E Manager, Deputy Head and Senior M&E Manager, and Head of M&E at Soil-Build (Pte.) Ltd.
- Prior to 2001, he had 6 years of experience as M&E Coordinator/ Assistant Manager liaising and coordinating all M&E, structural and architectural works for Toda Corporation, Tekken Corporation and Arab Malaysian Toda Sdn Bhd

Mr Lim obtained a Diploma in Electrical & Electronics Engineering from the Institute Teknologi Jaya, Malaysia in 1992.

Management Team



MR ZHANG LIPING
General Manager, Precast & Prefabrications

Mr Zhang LiPing is our General Manager, Precast and Prefabrication Business. Mr Zhang oversees the day-to-day operations of the precast and prefabrication division of the group and is responsible for implementing the Group's strategies and policies for the precast and prefabrication division.

Prior experience

- 2019 to 2022: Technical Director, Precast and Prefabrication Business at Precast Concrete Pte Ltd
- 2013 to 2019: Assistant General Manager at Prefab Technology Pte Ltd
- 2003 to 2013: Technical Manager at HL Building Materials Pte Ltd
- 2001 to 2003: Project Engineer at Chip Eng Seng Contractor (1998) Pte Ltd

Mr Zhang obtained his Bachelor Degree in Engineering (Civil) from the National University of Singapore in 2001 and his Master of Science in Geotechnical Engineering in 2013. Mr Zhang is a registered Professional Engineer with Professional Engineers Board, and is a Chartered Structural Engineer under the Institute of Structural Engineers.



MR TOH YIQIANG
Group Financial Controller

Mr Toh Yiqiang is our Group Financial Controller. Mr Toh joined the Group in 2021. He is responsible for managing the finance and accounting functions of the Group including financial reporting and planning, treasury management and taxation. He is also responsible for the corporate affairs of the Group and supports the administrative, IT and dormitory operations of the Group. Mr Toh has around 18 years of finance, accounting and auditing experience.

Prior Experience

- 2007 to 2021, Senior Manager (General Assurance) at PricewaterhouseCoopers LLP

Mr Toh graduated from the Nanyang Technological University Singapore with a Bachelor of Accountancy (First Class Honours) and a second specialisation in Business Law in 2007. Mr Toh is a member of the Institute of Singapore Chartered Accountants.

Myanmar Team



MR NGWE ZAW
Director, Myanmar
Business

Mr Ngwe Zaw is our Director, Myanmar Business. He joined the Group in 2013. His responsibilities are to lead the day-to-day operation of the Group's subsidiaries in Myanmar, leading the tender bidding and overseeing the execution of the construction works in Myanmar.

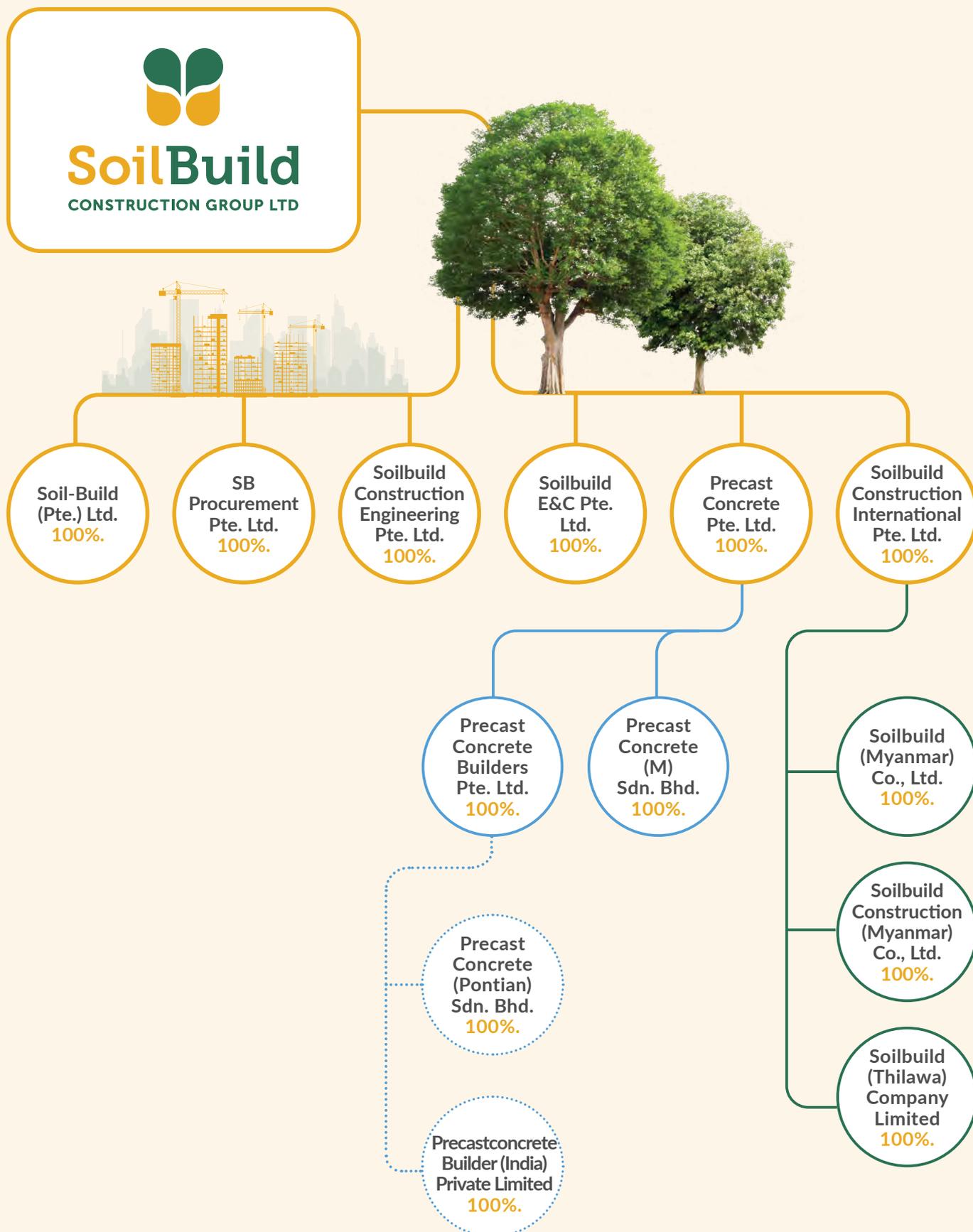
Prior experience

- 2005 to 2013, Project Director at MA Builders Pte Ltd
- 2000 to 2005, Deputy Project Manager at Ban Teck Construction Pte Ltd
- 1998 to 2000, Site Engineer at Aoki Corporation Singapore Branch

Mr Ngwe Zaw holds a Diploma in Civil Engineering from Government Technical Institute, Insein, Myanmar, and a Bachelor of Science in Construction Management from Heriot-Watt University.



Group Structure



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Corporate Governance Report

The Board of Directors (the “**Board**”) of Soilbuild Construction Group Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to maintain a high standard of corporate governance which is essential to discharge its responsibilities and enhance shareholders’ value, while seeking to achieve operational excellence and delivering the Group’s long-term strategic objectives. The Board has also established various self-regulatory and monitoring mechanisms, where applicable, to ensure that effective corporate governance is practised.

Set out in the Report are the Group’s corporate governance practices and structures that have been adopted with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) and the accompanying Practice Guidance, and where applicable, the Listing Manual (“**SGX-ST Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Companies Act 1967 of Singapore (the “**Companies Act**”) and the Guidebook for Audit Committees in Singapore, focusing on areas such as internal controls, risk management, financial reporting, internal and external audit.

The Board confirms that for the financial year ended 31 December 2024, the Company has adhered to the principles and provisions as set out in the Code, where applicable, and has specified and explained any variations from the Code, including the reason for variation and how the practices the Company had adopted are consistent with the intent of the relevant principle of the Code, in this report. The Board considers that the alternative corporate governance practices are sufficient to meet the underlying objective of the Code.

(A) BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board is made up of Directors who are fiduciaries who act objectively in the best interests of the Group and hold management accountable for performance for the long-term success of the Group. The Board works with management to set appropriate tone from-the-top and desired organisational culture, to put in place a code of conduct and ethics and ensure proper accountability within the Group.

In addition to its statutory duties, the principal functions of the Board, among others, include:

- providing entrepreneurial leadership, reviewing and setting the strategic directions and broad policies, ensuring that the necessary financial and human resources are in place for the Group to meet its objectives and monitoring the organisational performance towards them;
- approving the Group’s annual budgets, key operational matters, investment and divestment proposals, corporate or financial restructuring, material acquisitions and disposal of assets, making decisions in the interests of the Group, interested person transactions of a material nature, convening of shareholders’ meetings and major funding proposals;
- establishing and reviewing the adequacy and integrity of the Company’s framework of risk management systems, internal controls and financial reporting systems;
- ensuring the Group’s compliance with relevant laws, regulations, policies, directives, guidelines, internal codes of conduct and obligations to shareholders;

Corporate Governance Report

- approving all Board appointments or re-appointments and appointments of any persons who have authority and responsibility for planning, directing and controlling the activities of the Company (“**key management personnel**”) as well as evaluating their performance and reviewing their compensation packages;
- ensuring accurate, adequate and timely reporting to, and communication with shareholders;
- considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation;
- identifying the key stakeholder groups and recognising that their perceptions affect the Company’s reputation;
- setting the Group’s values and standards of conduct and assuming the responsibility for the satisfactory fulfilment of social responsibilities of the Group; and
- reviewing the performance of the Group towards achieving adequate shareholder value including but not limited to the declaration of interim and final dividends, if applicable, approval of financial results of the Group and the audited financial statements and timely announcements of material transactions.

The Company has in place practices to address potential conflicts of interest. All Directors are required to notify the Company promptly of all conflicts of interest as soon as it is practicable after the relevant facts have come to his/her knowledge as well as when required and refresh the required declaration annually. Directors are required to recuse themselves from all deliberations/ voting in relation to the matters which he has a conflict of interest in, unless the Board is of the opinion that the participation of the conflicted Director is of the best interest to the Company. Nonetheless, he/she shall abstain from voting in relation to the conflict-related matters.

To facilitate effective management and assist the Board in discharging its responsibilities and to enhance the Group’s corporate governance framework, the Board has delegated specific responsibilities to three committees with clear written terms of reference setting out their compositions, authorities and duties, namely, the Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”) (each a “**Board Committee**” and collectively, the “**Board Committees**”), details of which are set out below. These Board Committees have the authority to review and examine particular issues and to report to the Board their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board, which will take into consideration the best interests of the Group.

The Board decides on what decisions are to be delegated to the management of the Company (“**Management**”) and clearly communicates this to management in writing through a set of internal guidelines. Matters which are specifically reserved for the Board’s decision include those involving corporate plans and budgets, material acquisitions and disposals of assets, corporate strategy, financial restructuring, share issuances, dividends and other returns to shareholders, major financial decisions such as investment and divestment proposals, expenditure beyond a prescribed amount as well as interested person transactions.

The Company conducts a comprehensive and tailored induction programme for newly appointed directors which seeks to familiarise directors with the Group’s businesses, board processes, internal controls and governance practices. The induction programme includes meetings with various key management personnel and briefings on key areas of the Company’s operations. The Company provides a formal letter to each new director upon his appointment, setting out clearly the director’s duties and obligations (including their roles as executive, non-executive and independent directors). The Company provides training for first-time directors in the roles and responsibilities of a listed company director, including in areas such as accounting, legal and industry-specific knowledge as appropriate. All newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore will attend the mandatory training as prescribed by the Exchange at the Singapore Institute of Directors or any other relevant courses at the Company’s expenses within one year of appointment.

Corporate Governance Report

The Directors are also provided with updates and/or briefings from time to time by professional advisers, auditors, Management and the Company Secretary in areas such as Directors' duties and responsibilities, corporate governance practices, risk management matters and changes in financial reporting standards. The Company also encourages and where appropriate, arrange for training courses to supplement and keep Directors updated on areas such as accounting, legal and industry-specific knowledge. The Company is responsible for funding the training of Directors.

In the financial year ended 31 December 2024 ("FY2024"), the external auditors, Company Secretary, Executive Director and Group CEO; and Group Financial Controller ("Group FC") briefed the AC and the Board on amendments to the accounting and governance standards, regulatory updates and the Group's business and strategy respectively. All board members have also attended the mandatory training on sustainability matters prescribed by the SGX.

The Board meets at least two times a year with additional meetings convened as and when necessary. Fixed meetings are scheduled at the start of each financial year. The Company's Constitution allows Board meetings to be conducted by way of telephone conferencing or other methods of simultaneous communication by telegraphic or electronic means, whereby all persons participating in the meeting are able to communicate as a group without requiring the Directors' physical presence at the meeting. The Board and the NC regularly review whether the Directors with multiple board representations have sufficient time and attention given to the Group's affairs, details of which as set out below. Each Board member brings with him/her independent judgement, diversified knowledge and experience when dealing with issues of strategy, performance, resources and standards of conduct.

The matrix on the frequency of the Board and Board Committee meetings and the attendance of Directors at these meetings during the financial year ended 31 December 2024 is disclosed below:

MEETING OF	Board	AC	NC	RC
Total meetings held	2	4	2	1
Total meetings attended:				
Lim Chap Huat	2	4*	1*	1*
Lim Han Ren	2	4*	1*	1*
Lim Cheng Hwa	2	4*	2*	1*
Chee Wee Kiong	2	4	2	1
Ng Fook Ai Victor	2	4	2	1
Teo Chee Seng ⁽¹⁾	-	-	1	-
Chiam Tao Koon	2	4	2	1

* Attendance by invitation of the relevant Board Committee

Note:

(1) Mr Teo Chee Seng retired as Independent Director with effect from 26 April 2024.

Corporate Governance Report

Board reports are provided to the Directors prior to the Board meetings. This is issued in sufficient time prior to the meeting to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting. The Board report includes, among others, the following details:

- minutes of meetings of all Board Committees;
- background and explanations of proposals submitted to the Board for approval;
- relevant budgets, forecasts and projections, including explanations on any material variances between the projections and actual results;
- copies of disclosure documents;
- major operational and financial information issues;
- updates on corporate developments; and
- market responses to the Group's strategies.

All analysts' and media reports on the Group, if any, are forwarded to the Directors on an on-going basis. The Board receives financial highlights of the Group's performance and development which are presented on a half-yearly basis at Board meetings. The Group's key management personnel are present at these presentations to address any queries which the Board may have.

All Directors have separate and independent access to the Group's key management personnel, senior management and the Company Secretary and external professionals including the external auditors, internal auditors and legal counsels at all times. They are entitled to request for such additional information as needed to make informed decisions. All Directors are provided with complete and adequate information prior to Board meetings and on an on-going basis. The Company Secretary provides secretarial support to the Board and ensures adherence to Board procedures and relevant rules and regulations which are applicable to the Company. The Company Secretary attends all Board Committee meetings. Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows within the Board and its Board Committees and between Management and Non-Executive Directors, advising the Board on all governance matters, as well as facilitating orientation and assisting with professional development as required. The appointment and removal of the Company Secretary are subject to the approval of the Board.

Where decisions to be taken require expert opinion or specialist knowledge, the Directors, whether as a group or individually, may seek independent professional advice as and when necessary in furtherance of their duties, at the Company's expense. The appointment of such independent professional advisers are subject to the approval by the Board.

Corporate Governance Report

Board Composition and Guidance

Principle 2

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at the date of this Annual Report, the Board comprises two Executive Directors, a Non-Executive Director and three Independent Directors. The Board composition is as follows, where Non-Executive Directors make up a majority of the Board:

Executive Directors:

Mr Lim Chap Huat (Executive Chairman)

Mr Lim Han Ren

Non-Executive Director:

Ms Lim Cheng Hwa

Independent Directors:

Mr Chee Wee Kiong (Lead Independent Director)

Mr Ng Fook Ai Victor

Mr Chiam Tao Koon

The size and composition of the Board are reviewed by the NC annually to ensure that the current Board size and number of Board Committees facilitates effective decision making, taking into account the size, nature and scope of the Group's present operations, as well as the requirements of business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees.

The NC, with the concurrence of the Board, is of the opinion that the current Board size of six Directors is appropriate and that the Board possesses the appropriate mix of gender, skills, knowledge, expertise and experience to provide core competencies in areas such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and legal knowledge relevant to the Group and to the expansion of the Group. Further details on each Director, including their academic and professional qualifications, shareholding in the Company and its subsidiaries, Board Committees served on (as a member or Chairman), dates of first appointment and the last re-election as a director, directorships or chairmanships both present and those held over the preceding three years in other listed companies and other major appointments or principal commitments, are presented under the "Directors' Statement" and "Board of Directors" sections of this Annual Report.

Of the four Non-Executive Directors, three are independent and make up half of the Board. Notwithstanding that the Independent Directors do not constitute a majority of the Board, and the Chairman is not independent, which deviates from Provision 2.2 of the Code, both the NC and the Board are of the opinion that the Board maintains a strong sense of independence and the Board has designated Mr Chee Wee Kiong as the Lead Independent Director to uphold a balanced distribution of power. There is also an appropriate balance in the Board because of the presence of majority of Non-Executive Directors who have the calibre necessary to carry sufficient weight in Board decisions.

The Board's ability to exercise objective judgment independently from Management is underscored by the thorough review and robust discussion of all key issues and strategies by all Board members, with constructive challenges posed by the Independent Directors and the Non-Executive Director. There is no dominance by any individuals or small group of individuals in the Board's decision.

Corporate Governance Report

The NC and the Board emphasise that the independence of Independent Directors should be grounded in their professionalism, integrity and objectivity, rather than solely based on formal criteria such as the requirement for a majority of independent directors on the Board or the duration of their service. Therefore, the NC and the Board believe that there is no requirement currently that Independent Directors constitute a majority of the Board.

Nevertheless, the Board will actively keep a lookout for suitable candidates with appropriate skillsets to appoint as independent directors to improve its Board Diversity and independence ratio.

The Board and Management fully appreciate that an effective and robust Board whose members engage in open and constructive debate and challenge Management on its assumptions and proposals is fundamental to good corporate governance. Although all the Directors have equal responsibilities towards the Group's operations, the role of the Independent and Non-Executive Directors is particularly important in ensuring that the strategies proposed by the executive management team are fully discussed and examined, and take into account the long-term interests of shareholders as well as employees, customers, suppliers, and the various communities which the Group conducts business with. They also review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

The Company has adopted initiatives to ensure that the Non-Executive Directors are well supported by accurate, complete and timely information, have unrestricted access to Management, and have sufficient time and resources to discharge their oversight function effectively. These initiatives include regular informal meetings for Management to brief the Directors on prospective deals and potential developments at an early stage, and the circulation of relevant information on business initiatives, industry developments, and analyst and media commentaries on matters in relation to the Company and the industries in which it operates.

The Board has approved its Board diversity policy ("**Policy**") in the financial year ended 31 December 2022 ("**FY022**"). The Board recognises and embraces the importance and benefits of having a diverse Board to enhance its performance. The Board believes that diversity is an important attribute of a well-functioning and effective Board. It is accordingly committed to promoting diversity on the Board. The Board believes that a diverse Board will enhance the decision-making of the Board by utilising the variety in skills, industry and business experiences, gender, age, ethnicity and culture, tenure of service and other distinguishing qualities of the members of the Board. Diversity will be considered in determining the optimum composition of the Board, so that as a whole, it reflects a range of viewpoints. All director appointment will be based on merit, having due regard to the overall balance and effectiveness of the Board. The NC is responsible for reviewing and assessing the composition of the Board and making recommendations to the Board on the appointment of new directors and/or the re-appointment of incumbent Directors. The NC will also review the structure, size, balance, and diversity of the Board annually and recommend any proposed changes to the Board to complement Soilbuild Construction Group Ltd.'s objectives and strategies, including this Policy. In the process of searching for qualified persons to serve on the Board, the NC shall strive for the inclusion of diverse groups and viewpoints. The final decision on selection of directors will be based on merit against the objective criteria set and after giving due regard for the benefits of diversity of the Board. The NC will discuss and agree annually the relevant measurable objectives for promoting and adhering diversity on the Board and make recommendations for consideration and approval by the Board. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

In relation to gender diversity, there is currently one female representative on the Board. The Company has set its targets to maintain at least one female representation on the Board. Notwithstanding that the Company has currently met its target on female representation, the NC will continue to search and consider suitable female candidates for Board appointments.

The Board currently also has Directors with diverse skills, knowledge, expertise and experience as detailed in the "Board of Directors" sections of this Annual Report, with an age group ranging from the 30's to the 70's. The Board considers that its current Directors possess the necessary competencies, knowledge and diversity to lead and govern the Group effectively. As such, the NC is of the view that the Company does not need any additional targets or plans to diversify its Board composition. Notwithstanding, the NC will monitor the Board's composition on an annual basis in conjunction with its Board diversity and where necessary, set such additional targets and timelines, if needed.

Corporate Governance Report

Non-Executive Director and/or Independent Directors meet at least once a year without the presence of Management to discuss the matters in relation to the corporate development of the Group to ensure effective and independent review of the Management.

Led by the Lead Independent Director, the Non-Executive Director and/or Independent Directors meet regularly without the presence of other Directors to discuss matters such as board processes, corporate governance initiatives, succession and leadership development planning, and remuneration matters. Feedback on the outcomes of these discussions is provided to the Executive Chairman after such meetings.

Independence of Directors

The NC reviews and determines the independence of each Independent Director annually. As part of the review process, the NC requires all Independent Directors to complete and execute declaration forms in relation to their independence. These declaration forms are drawn up based on the provision of the Code, Practice Guidance and SGX-ST Listing Manual. The NC has reviewed the declaration forms and confirmed their independence in accordance with the Code, Practice Guidance and SGX-ST Listing Manual. Taking into account the views of the NC, the Board determined that the said Directors are independent in conduct, character and judgement and there are no relationships or circumstances with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, the said Directors' exercise of independent business judgement in the best interests of the Company.

At the end of FY2024, there are no Independent Director who has served beyond nine years since the date of first appointment.

Executive Chairman; and Executive Director and Group CEO

Principle 3

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Executive Chairman; and the Executive Director and Group CEO for the Group are separate persons to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

As the Executive Chairman, Mr Lim Chap Huat charts the strategic direction, the business planning and development of the Group. He also ensures that Board meetings are held as and when necessary, approves the Board meeting agenda and ensures adequate time is available for discussion of all agenda items, in particular strategic issues, reviews the Board papers before they are presented to the Board to ensure that Board members are provided with complete, adequate and timely information. Management staff who have prepared the papers or can provide additional insights into the matters to be discussed are invited to present the papers or attend the relevant Board meetings. Mr Lim Chap Huat also monitors communications and relations between the Company and its shareholders, between the Board and Management, between Executive and Non-Executive Directors and between Independent and Non-Independent Directors, with a view to encourage constructive relations and dialogue amongst them. The Executive Chairman also works to facilitate the effective contribution of Non-Executive Directors and assists to ensure procedures are introduced to comply with the Company's guidelines on corporate governance.

As the Executive Director and Group CEO of the Company, Mr. Lim Han Ren is responsible for the overall management of the Company and the Group. He also drives the development and execution of business strategies and spearhead the growth of the Group.

Mr Lim Han Ren is the son of Mr Lim Chap Huat.

Lead Independent Director

For good corporate governance, since 27 April 2023, the Board has appointed Mr Chee Wee Kiong as Lead Independent Director to lead and co-ordinate the activities of the Independent Directors of the Company. The Lead Independent Director assists the Board in ensuring effective corporate governance in managing the affairs of the Board and the Company, and in particular, to provide leadership in situations where the Chairman is conflicted, the Lead Independent Director is available to the shareholders when they have concerns over contacting through the normal channels to the Chairman, the Executive Director or the Group FC; or for when such contact is inappropriate.

Corporate Governance Report

Board Membership

Principle 4

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Board has established a NC to, among other things, make recommendations to the Board on the appointment and re-appointment of directors and oversee the Company's succession and leadership development plans.

The NC, regulated by a set of written terms of reference, comprises the following three members, all of whom, including the Chairman, are Independent Directors:

Mr Chiam Tao Koon (Chairman)
Mr Chee Wee Kiong
Mr Ng Fook Ai Victor

The Lead Independent Director is a member of the NC.

The NC is responsible for the following under its terms of reference:

- reviewing the structure, size and composition of the Board and Board Committees and making recommendations to the Board, where appropriate;
- giving full consideration to succession planning for Directors and other key management and senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- to establish procedures for and make recommendations to the Board on all board nominations and re-nominations;
- reviewing and recommending to the Board the nomination of retiring Directors and those appointed during the year standing for re-election at the Company's annual general meeting ("AGM"), having regard to the Director's contribution and performance;
- reviewing and evaluating whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations;
- reviewing and determining annually if a Director is independent, bearing in mind the circumstances set forth in the Code and any other salient factors and assessment process including independence of any director who has served on the Board for more than nine years;
- deciding how the Board's performance may be evaluated and propose objective performance criteria, which allow for comparison with industry peers and address how the Board has enhanced long term shareholders' value, for approval by the Board;
- implementing a process to assess the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board and for assessing the contribution of the Chairman and each individual Director to the effectiveness of the Board of Directors;
- ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings;
- review of training and professional development programmes for the Board; and
- such other duties or functions as may be delegated by the Board or required by regulatory authorities.

The NC has had two meetings during the financial year ended 31 December 2024. The matrix on the frequency of meetings and the attendance of Directors at these meetings is disclosed on page 32 of this Annual Report.

Corporate Governance Report

Process for selection, appointment and re-appointment

Table 4.1 – Process for the Selection and Appointment of New Directors

1. Selection criteria determination	<ul style="list-style-type: none">The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills, experience, knowledge and gender, to complement and strengthen the Board and increase its diversity.
2. Search for suitable candidates	<ul style="list-style-type: none">The NC would consider candidates proposed by the Directors, Management or substantial shareholders, and may engage external search consultants where necessary and appropriate.The NC will assess the candidates and their abilities taking into consideration the existing composition of the Board and strives to ensure that the Board has the appropriate balance of independent directors as well as qualification and experience, to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives and to ensure that the candidates are aware of the expectations and level of commitment required of them.
3. Assessment of shortlisted candidates	<ul style="list-style-type: none">The NC would meet and interview the shortlisted candidates to assess their suitability.
4. Appointment of director	<ul style="list-style-type: none">The NC would recommend the selected candidate to the Board for consideration and approval.

Table 4.2 – Process for the Re-election of Incumbent Directors

1. Assessment of director	<ul style="list-style-type: none">The NC would assess the performance of the director in accordance with the performance criteria set by the Board; andThe NC would also consider the current needs of the Board.
2. Re-appointment of director	<ul style="list-style-type: none">Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.

Pursuant to the Company's Constitution, at least one-third of the Board, including executive and non-executive Directors, must retire from office by rotation and are subject to re-election at every AGM. All Directors are required to retire at least once every three years. Newly appointed Directors are subject to retirement and re-election at the AGM immediately following their appointment. This will enable all shareholders to exercise their rights in selecting all board members.

The NC is also responsible for making recommendations to the Board on the re-nomination of Directors, having regard to the Director's contribution and performance including, if applicable, as an independent Director.

The NC has, in its deliberations on the re-election of existing Directors, taken into consideration the relevant Director's competencies, commitment, contribution and performance. The assessment parameters include attendance record, preparedness, intensity of participation and candour at meetings of the Board and Board Committees as well as the quality of participation and special contribution.

At the forthcoming AGM, Mr Lim Chap Huat and Ms Lim Cheng Hwa will retire and seek re-election pursuant to Article 94 of the Company's Constitution. Additional information relating to the Directors seeking re-election is set out on Pages 141 to 145 of the Annual Report.

Corporate Governance Report

The NC determines annually, and as and when circumstances require, if a director is independent. The NC has adopted the Code's definition of an independent Director and guidelines as to relationships, shareholding in the Company and the period of the appointment in determining the independence of a Director. In addition, the NC requires each Non-Executive Director to disclose their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence. If the Board, having taken into account the views of the NC, determines that such Directors are independent notwithstanding the existence of such relationships, the Company discloses the relationships and its reasons in its annual report.

During the financial year ended 31 December 2024, the NC has reviewed the independence of the Board members with reference to the guidelines set out in the Code and has determined Mr Chee Wee Kiong, Mr Ng Fook Ai Victor and Mr Chiam Tao Koon to be independent and free from any of the relationships and relevant shareholding in the Company, as outlined in the Code. Each of the Directors has also confirmed his independence. The Board has concurred with the NC's views.

During the financial year ended 31 December 2024, the NC has also conducted an annual review of the performance of Mr Lim Chap Huat, the Executive Chairman of the Company, including whether Mr Lim Chap Huat is able to and has been adequately carrying out his duties as Executive Chairman of the Company, and has made such recommendations to the Board as appropriate. The NC is satisfied and the Board has concurred that Mr Lim Chap Huat had carried out his duties adequately as Executive Chairman of the Company.

Save as disclosed in the table below, none of the Directors on the Board are related and do not have any relationship with the Company, its related companies, its substantial shareholders or its officers which could interfere or be reasonably perceived to interfere with the exercise of their independent judgement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lim Chap Huat	70	Father of Lim Han Ren, the Executive Director and Group CEO of the Company	Position: Executive Chairman Duties: Chart the Group's strategic direction, business planning and development and succession planning and also provide guidance in project management and tender submission for the Group's various projects.	N.A.
			Date when position was first held: 14 January 2013	
Lim Han Ren	33	Son of Lim Chap Huat, the Executive Chairman of the Company and the Group and also the substantial shareholder of the Company	Position: Executive Director and Group CEO Duties: Responsible for overall management of the Company and the Group, driving the development and execution of business strategies and will spearhead the growth of the Group.	N.A.
			Date when position was first held: 1 January 2023	

The Board does not encourage the appointment of alternate Directors. No alternate Director is appointed to the Board.

Corporate Governance Report

The NC also considers annually whether Directors who serve on multiple boards are able to commit the necessary time to discharge their responsibilities as Directors of the Company. The NC has taken into account the results of the assessment of the effectiveness of the individual Director, and the respective Director's actual conduct on the Board in making this determination and is satisfied that sufficient time and attention are being given by each Director to the affairs of the Group, notwithstanding that some of the Directors may have multiple board representations. In view of the foregoing, the NC does not consider it necessary to determine a maximum number of listed company board representations which any Director may hold.

The Group recognises that its Executive Chairman; and Executive Director and Group CEO may be invited to become non-executive Director of other companies and that exposure to such non-executive duties can broaden the experience and knowledge of its Executive Chairman; and Executive Director and Group CEO which will benefit the Group. The Executive Chairman; and Executive Director and Group CEO is therefore allowed, with the Board's consent, to accept non-executive appointments, as long as these are non-competing companies and are not likely to lead to conflicts of interest. The Executive Chairman; and Executive Director and Group CEO is allowed to retain the fees received.

The Directors are also kept updated on revisions to relevant laws and regulations through presentations and workshops organised by the Management. The Board supports Directors receiving further relevant training in connection with their duties, particularly on relevant new laws and regulations. In addition, Management facilitates attendance at such training sessions by disseminating information on the availability of such training sessions to each Director.

The NC also ensures that new directors are aware of their duties and obligations at law, which includes acting in good faith and the best interests of the Company, exercising due care, skills and diligence, and avoiding conflicts of interest. Please also refer to Principle 1 above on the induction, training and development provided to new directors.

The key information and profile of the Directors are disclosed in page 19 to 23 of this Annual Report.

Board Performance

Principle 5

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC reviews the performance of the Board, Board Committees and individual Directors on an annual basis, based on performance criteria as agreed by the Board, and decides how this may be evaluated. The Board has established a process for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director towards the effectiveness of the Board.

Evaluation process

This assessment is conducted by the NC at least once a year by way of a Board evaluation where the Directors complete the Board Performance Evaluation Questionnaire ("Questionnaire") seeking their views on various aspects of Board performance, such as Board composition, information and process.

The NC and the Board are of the view that a separate assessment on the effectiveness of the Board Committees is not necessary as the Board Committees share common members and a section on each Board committees' performance is included in the Questionnaire. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his/her performance or renomination as a Director. The Board will act on the results of the performance evaluation, and in consultation with the NC, propose, where appropriate, that new members be appointed to the Board or seek the resignation of Directors.

Corporate Governance Report

To assess the effectiveness of the Board as a whole, the factors evaluated by the NC include but are not limited to:

- Board structure
- Information to the Board
- Board processes
- Governance – Board risk management & internal controls
- Board accountability
- Access to top management
- Standards of conduct
- Board committees' performance in relation to discharging their responsibilities set out in their respective terms of reference

To assess the contribution of each individual Director, each Director is required to complete the Director Peer Performance Evaluation Form. The factors evaluated by the NC include but are not limited to:

- Attendance in meetings
- Adequacy of preparation for meetings
- Participation in discussions
- Contribution to the effectiveness of internal financial controls and risk management

The performance criteria do not change from year to year. Directors can also provide input on issues which do not fall under these categories, for instance, addressing specific areas where improvements can be made. Feedback and comments received from the Directors are reviewed by the NC, in consultation with the Chairman of the Board, to determine the actions required to improve the corporate governance of the Company and the overall effectiveness of the Board.

The NC is generally satisfied with the results of the board performance for the financial year ended 31 December 2024, which indicated areas of strengths and those that could be improved further. The NC, with the concurrence of the Executive Chairman and the Board, is of the opinion that the Board has met its performance objectives. No significant problems were identified. The NC had discussed the results with Board members who agreed to work on those areas that could be improved further.

The Board has not engaged any external consultant to conduct an assessment of the effectiveness of the Board and the contribution by each individual Director to the effectiveness of the Board. However, the NC will consider such an engagement, if and when necessary.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC is responsible for ensuring a formal and transparent procedure for developing policies on executive remuneration, and for fixing the remuneration packages of individual Directors and the key management personnel.

The RC, regulated by a set of written terms of reference, comprises the following three members, all of whom, including the Chairman, are Independent and Non-Executive Directors:

Mr Ng Fook Ai Victor (Chairman)
Mr Chee Wee Kiong
Mr Chiam Tao Koon

Corporate Governance Report

The RC is responsible for the following under its terms of reference:

- recommending to the Board, in consultation with the Executive Chairman, for endorsement, a comprehensive remuneration policy framework and guidelines for computation of Directors' fees, as well as remuneration of the Executive Chairman and the key management personnel. For the Executive Chairman and the key management personnel, the framework covers all aspects of executive remuneration (including but not limited to Directors' fees, salaries, allowances, benefits-in-kind, bonuses, incentive payments and share options or other share awards);
- in the case of service agreements, reviewing the Company and the Group's obligations arising in the event of termination of the Executive Chairman and key management personnel's service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous with a view to be fair and avoid rewarding poor performance;
- approving performance targets for assessing the performance of each of the key management personnel and recommend such targets as well as employee specific remuneration packages for each of such key management personnel as well as each Director, for endorsement by the Board;
- periodically considering and reviewing remuneration packages in order to maintain their attractiveness, to retain and motivate (a) the Directors to provide good stewardship of the Company and (b) key management personnel to manage the Company and the Group and to align the level and structure of remuneration with the long-term interest and risk policies of the Group, such as through the participation in the respective options plans, share plans and/or other equity-based plans (collectively, the "share plans") implemented or that may be implemented by the Group;
- administering the performance bonus scheme and share-based schemes for the employees of the Group, in particular, the Soilbuild Construction Employee Share Option Scheme and Soilbuild Construction Performance Share Plan ("PSP"); and
- ensuring that, to the extent applicable, all provisions regarding disclosure of remuneration as set out in the Code are fulfilled.

In setting remuneration packages, the employment and pay conditions within the industry and in comparable companies are taken into consideration. Where necessary, the RC will seek both internal and external expert advice on the remuneration of Directors and key management personnel. The remuneration policy recommended by the RC is submitted for approval by the Board. No external remuneration consultants were engaged for the financial year ended 31 December 2024.

During the financial year ended 31 December 2024, the RC made recommendations regarding the framework of remuneration for the Directors and submitted them for endorsement by the entire Board. The RC's recommendations covered all aspects of remuneration, including but not limited to the Directors' fees, salaries and benefits-in-kind. In setting remuneration packages, the RC has taken into account the key performance targets of the Group, comprising both qualitative and quantitative targets, as well as the key performance indicators of individual Directors and key management personnel in order to align their interests with those of the shareholders and to promote the long-term success of the Company, linking their remuneration to corporate and individual performance. In the course of deliberations, the RC has taken into consideration industry practices and norms in compensation. The RC has also reviewed the remuneration of key management personnel during the year under review. No Director was involved in deciding his own remuneration.

The RC has had one meeting during the financial year ended 31 December 2024. The matrix on the frequency of meetings and the attendance of Directors at these meetings is disclosed on page 32 of this Annual Report.

Corporate Governance Report

Level and Mix of Remuneration

Principle 7

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The Company has adopted the objectives as recommended by the Code to determine the framework and levels of remuneration for Directors and key management personnel so as to ensure that the Company sets an appropriate level of remuneration to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel needed to run the Group successfully for the long-term, without being excessive.

The component parts of remuneration are structured so as to link rewards to the performance of the Group, the respective business units and individual performance, and to align the interests of the Directors and key management personnel with those of shareholders. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken and time spent by the particular Non-Executive Director concerned. The Non-Executive Directors are not over-compensated to the extent that their independence may be compromised.

Remuneration paid/payable to the Executive Chairman is determined by the Board after considering the performance of the relevant Executive Chairman and the Company against comparable organisations. The fees paid/payable to Non-Executive Directors take into account factors such as effort and time spent and responsibilities of these Directors. Each Director is paid a basic fee. In addition, Non-Executive Directors who serve as members of the Board Committees are paid additional fees, in view of their heavier responsibilities.

The Company has a service agreement with Mr Lim Chap Huat, which commenced on 1 January 2025 and a service agreement with Mr Lim Han Ren, which commenced on 1 January 2023. Both agreements last for a period of three (3) years, unless otherwise terminated by not less than six (6) months' notice in writing by either party.

The total remuneration package of the Executive Chairman; Executive Director and Group Chief Executive Officer; and key management personnel comprises a fixed cash component, annual performance incentive and long-term incentive. The annual fixed cash component comprises the annual basic salary, statutory employer's contributions to the Central Provident Fund and other fixed allowances. The annual performance incentive is tied to the performance of the Group, business unit and individual employee. To align the interests of the Directors and executives of the Group with the interests of shareholders, the Group also has adopted the PSP 2023. Further details on the PSP 2023 are presented under the "Directors' Statement" section of this Annual Report.

During the financial year ended 31 December 2024, there were no share awards under the PSP 2023 granted to the Executive Chairman and key management personnel. As at 1 January 2024, the share awards granted in prior financial years are nil.

The RC has reviewed the level and mix of remuneration for the Executive Chairman during the financial year ended 31 December 2024 as well as that of the key management personnel (other than the Directors) of the Company to ensure that the levels and mix are appropriate to attract, retain and motivate the required talents for the Group and are sufficiently linked to performance. While the remuneration components are regularly benchmarked against those of comparable companies, the RC remains mindful that there is a general correlation between increased remuneration and performance improvements.

The RC is of the view that it is currently not necessary to have contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Chairman and key management personnel in exceptional circumstances of misstatement of financial statements, or misconduct resulting in financial loss to the Company.

Corporate Governance Report

The Non-Executive Directors do not have service agreements and are required to seek nomination and re-election at regular intervals. The Non-Executive Directors and the Independent Directors are remunerated under a framework of basic fees for serving on the Board and Board Committees. The Executive Chairman of the Board also receives a nominal fee. If the Non-Executive Director occupies a position for part of the financial year, the fees payable will be pro-rated accordingly. No compensation is payable for the early termination of a Non-Executive Director. The Directors' fees for Directors are subject to the approval of shareholders at the Annual General Meetings ("AGM").

No Director was involved in deciding his own remuneration.

Disclosure on Remuneration

Principle 8

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The following information relates to the level and mix of remuneration of the Directors and key management executives (other than Directors) of the Group during the financial year ended 31 December 2024:

Name of Directors	Fee S\$'000	Salaries S\$'000	Variable/ Performance bonus S\$'000	Benefits-in kind ¹ S\$'000	Long-term incentives ² S\$'000	Total S\$'000
Executive Chairman:						
Mr Lim Chap Huat	70	578	660	9	-	1,317
Executive Director and Group CEO:						
Mr Lim Han Ren	40	292	660	29	-	1,021
Non-executive Director:						
Ms Lim Cheng Hwa	40	-	-	-	-	40
Independent Directors:						
Mr Chee Wee Kiong	70	-	-	-	-	70
Mr Ng Fook Ai Victor	60	-	-	-	-	60
Mr Chiam Tao Koon	60	-	-	-	-	60
<i>Retired Director</i>						
Independent Director:						
Mr Teo Chee Seng ³	19.1	-	-	-	-	19.1

Corporate Governance Report

Name of key management personnel	Salaries %	Variable Performance bonus %	Benefits in kind ¹ %	Long-term incentives ² %	Total %
<u>S\$250,000 to below S\$500,000</u>					
Key Management Personnel					
Mr Chua Meng Kim	59	32	9	-	100
Mr Andy Koh Tee Yeong	64	27	9	-	100
Mr Sim Teck Hui	61	31	8	-	100
Mr Lim Thiam Lay	61	30	9	-	100
Mr Ngwe Zaw	63	21	16	-	100
Mr Zhang LiPing	64	27	9	-	100
Mr Toh Yiqiang	64	27	9	-	100
Resigned key management personnel					
<u>Below S\$250,000</u>					
CEO, Construction					
Mr Ong Eng Hwa ⁴	91	-	9	-	100
Key Management Personnel					
Mr Ng Kwoon Hong ⁴	91	-	9	-	100

1. Benefits-in-kind is inclusive of Central Provident Fund contribution and fixed allowances, if any.
2. There were no long-term incentives granted to the Directors and the key management personnel.
3. Director who retired during the financial year ended 31 December 2024.
4. Key management personnel who resigned during the financial year ended 31 December 2024.

There were no termination, other retirement and post-employment benefits paid to the Directors and key management personnel of the Group during the financial year ended 31 December 2024.

The aggregate total remuneration paid to top nine key management personnel, inclusive of those resigned key management personnel and who are not Directors, amounted to approximately S\$2,426,000 for the financial year ended 31 December 2024.

Other than Mr Lim Chap Huat and Mr Lim Han Ren, there are no employees who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during FY2023.

Taking into consideration Rule 1207(10D) of the SGX Listing Rules, the Company will continue to disclose the exact amounts with breakdown of remuneration paid to each individual director, on a named basis, by the Company and its subsidiaries for its annual report.

Corporate Governance Report

Soilbuild Construction Performance Share Plan 2023

The Company adopted the following share incentive schemes on 31 October 2023 to provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty:

- A performance share plan known as the “Soilbuild Construction Performance Share Plan 2023 (“PSP 2023”); also known as, the “Share-Based Incentive Plan”.

The Share-Based Incentive Plan is administered by the RC. During FY2024, there were no share awards under the PSP 2023. The PSP 2023 will expire on 31 October 2033. Further details on the PSP 2023 are presented under the “Directors’ Statement” section of this Annual Report.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board recognises the importance of having a sound system of risk management and internal controls for good corporate governance. The Board affirms its overall responsibility for the oversight of management in the design, implementation and monitoring of the Group’s system of risk management and internal controls, including financial, operational, compliance, sustainability and information technology controls, and risk management policies and systems to safeguard shareholders’ interest and maintain accountability of its assets, and for reviewing the adequacy and integrity of those systems on an annual basis. However, due to the inherent nature of risk management and control systems, it should be noted that such systems are meant to provide reasonable and not absolute assurance against material misstatement of loss, safeguarding of assets, maintenance of proper accounting records, reliability of financial information and compliance with relevant legislation.

The Group has adopted a balanced risk approach that spans across the organisational structure, from the Board to all operating business units. In this way, risks can be assessed and managed across the Group by leveraging on the expertise within each business unit and the sharing of best practices.

While the Board has overall responsibility for establishing the objectives and underlying principles of risk management for the Group, the AC is tasked with providing an oversight for the entire risk management system, including the setting up of risk management strategies, regularly enhancing the risk management assessments and processes, reviewing its comprehensiveness and effectiveness, business continuity planning as well as guiding Management in the formulation of risk policies, procedures and processes to prioritise, manage, mitigate and monitor risks arising from its business. The AC also ensures that adequate resources and expertise are available and allocated for the risk management process and evaluates the need to engage independent external advisers to supplement such efforts.

The AC has set up a risk management team, comprised mainly of key management personnel and led by the Executive Directors, to establish and implement the Group’s overall risk management framework. Key indicators of such risks will be monitored and reported on a regular basis to the AC and the Board. Where necessary, these will also be circulated outside of the regular Board and AC meetings. Each business unit also identifies the risks pertaining to the respective units and is accountable for the integration and embedding of risk management into their business operations and processes.

Corporate Governance Report

The Group's internal auditors conduct an annual review of the effectiveness of the Group's material internal controls, including internal financial controls, operational and compliance controls. Any material noncompliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of the actions taken by Management on the recommendations made by the internal and external auditors in this respect.

During the financial year ended 31 December 2024, the AC and the Board have reviewed the adequacy and effectiveness of the Group's risk management procedures and internal controls established by the Management and the regular audits, monitoring and reviews performed by the internal and external auditors. Based on the above, the Board, with the concurrence of the AC, is satisfied that the Group's risk management system and internal controls, including financial, operational, compliance, sustainability and information technology controls, are effective and are adequate to meet the needs of the Group in its current business environment.

The Board and the AC have received assurance from:

- (a) the Executive Director and Group CEO; and the Group FC that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the Executive Director and Group CEO; and other key management personnel who are responsible regarding the adequacy and effectiveness of the Group's risk management and internal control systems.

The Board, together with the AC and Management, will continue to enhance and improve the existing risk management and internal control framework to identify and mitigate any relevant risks.

Following the close of financial year end FY2021, international bodies and national governments have imposed sanctions with the aim of achieving foreign policy or national security goals. Although the Group has overseas operations, none of the Group's person or entity is exposed to sanctions-related risks. The Board has confirmed that there has been no material change in the Group's risk of being subject to any Sanctions Law. The Board's comment as aforementioned on the adequacy and effectiveness of internal controls and risk management systems included consideration related to any sanctions-related risk.

In view of the changes in the risk appetite taking into consideration sanctions-related risk, the terms of reference of the risk management team will be reviewed in due course. The Board and AC will be responsible for (a) monitoring the issuer's risk of becoming subject to, or violating, any Sanctions Law; and (b) ensuring timely and accurate disclosures to SGX and other relevant authorities.

Audit Committee

Principle 10

The board has an Audit Committee ("AC") which discharges its duties objectively.

The AC, regulated by a set of written terms of reference, comprises the following three members, all of whom, including the Chairman, are Independent and Non-Executive Directors:

Mr Chee Wee Kiong (Chairman)

Mr Ng Fook Ai Victor

Mr Chiam Tao Koon

The members of the AC are appropriately qualified to discharge their responsibilities. The AC Chairman has recent and relevant accounting or related financial management expertise or experience. The other three members of the AC have many years of experience in business management and finance services and have gone through trainings for the development of the relevant financial management skills which enable them to discharge their duties and obligations in the AC.

The AC meets at least two times a year, as and when deemed appropriate to carry out its function.

Corporate Governance Report

The AC has had four meetings during the financial year ended 31 December 2024. The matrix on the frequency of the meetings and the attendance of Directors at these meetings is disclosed on page 32 of this Annual Report. The meetings were also attended by the Executive Chairman, the Executive Director and Group CEO, Non-Executive Director and some key management personnel, as well as the internal and external auditors.

The AC has explicit authority from the Board to investigate any matter within its terms of reference. It has unrestricted access to any information pertaining to the Group, full access to the internal and external auditors, and all employees of the Group, and has full discretion to invite any Director or executive officer to attend its meetings. The AC has adequate resources to enable it to discharge its responsibilities properly and is also authorised by the Board to obtain external legal or other independent professional advice when necessary and at the expense of the Group.

The AC was briefed at the AC meeting by the External Auditor on changes in Financial Reporting Standards which are relevant to the Group's businesses. This allows the AC to keep abreast of accounting standards and issues which have a direct impact on financial statements.

The AC is responsible for the following under its terms of reference:

- reviewing the external auditor's audit plan and audit report, and the external auditor's evaluation of the system of internal accounting controls, as well as the assistance given by Management to the external auditor, and reviewing and assessing the annual internal audit plan;
- reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls and risk management systems;
- reviewing the procedures to ensure co-ordination between internal and external auditors, co-operation from Management and assistance given to facilitate their respective audits and discussing problems and concerns, if any, arising from the interim and final audits, and any matters which the internal and external auditors may wish to discuss (in the absence of Management, where necessary);
- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance, e.g. the half-yearly and full year financial results announcements of the Group, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the SGX-ST Listing Manual and other relevant statutory or regulatory requirements;
- reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations which has or is likely to have material impact on the Company's operating results or financial position;
- reviewing annually the cost effectiveness, scope and results of the audit and the independence, objectivity and performance of the external auditors and reviewing the adequacy and effectiveness of the internal audit function;
- reviewing arrangements under which staff of the Group may in confidence, raise concerns about possible wrongdoing in financial reporting or, other matters;
- nominating and reviewing the appointment or re-appointment of the external auditors and the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced, and matters relating to the resignation or dismissal of the auditors, if any;

Corporate Governance Report

- approving the remuneration and terms of engagement of the external auditors and the hiring, removal, evaluation and compensation of the internal auditors;
- reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual;
- reviewing conflicts or potential conflicts of interest, if any, and ensuring that appropriate measures are put in place to mitigate such conflicts of potential conflicts;
- reviewing the assurance from the Executive Director and Group CEO; and the Group FC on the financial records and financial statements; and
- reviews the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The AC has met with the Group's internal and external auditors and Management to review accounting, auditing and financial reporting matters so as to ensure that effective internal control and risk management system are maintained in the Group.

During the financial year ended 31 December 2024, the AC has carried out its functions which included the following:

- reviewed the internal and external audit plans, including the nature and scope of work before commencement of these audits;
- met up with the Group's internal and external auditors without the presence of Management to discuss their findings set out in their respective reports to the AC. Both the internal and external auditors have confirmed that they had access to and received full co-operation and assistance from Management and no restrictions were placed on the scope of auditors;
- reviewed and approved the consolidated statement of comprehensive income, statements of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and auditors' reports (including key audit matters and matters involving difficult or complex auditors' judgements); and
- conducted a review of the non-audit services provided by the external auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors as well as the cost effectiveness of the audit before confirming their re-nomination.

External Auditors

The Company has engaged PricewaterhouseCoopers LLP as its external auditor, to audit the accounts of the Company and its subsidiaries. The report of the external auditor is set out in the Independent Auditor's Report section of this Annual Report.

During the financial year ended 31 December 2024, the aggregate amount of fees paid/payable to the external auditors amounted to S\$315,000, comprising S\$260,000 in audit fees; and S\$55,000 in non-audit fees.

The AC has conducted a review of all the non-audit services provided by the external auditors for the financial year ended 31 December 2024, which pertained mainly to income tax advisory services and other advisory services. In the AC's opinion, the provision of such non-audit services does not affect the independence and objectivity of PricewaterhouseCoopers LLP as the external auditor.

Corporate Governance Report

The external auditor submitted its audit quality indicators to the AC for consideration. After considering the audit quality indicators and the adequacy of the resources and experience of the current auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group and the number and experience of supervisory and professional staff assigned to the particular audit, the AC has recommended the re-appointment of PricewaterhouseCoopers LLP as the external auditor for the Company at the forthcoming AGM.

In relation to its appointment of auditing firms, the Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual, as PricewaterhouseCoopers LLP has been appointed as the external auditor for the Company as well as the Company's Singapore incorporated subsidiaries.

No former partner or Director of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of his ceasing to be a partner of the auditing firm or Director of the auditing corporation; and in any case (b) for as long as he has any financial interest in the auditing firm or auditing corporation, was appointed to the AC.

Whistle-blowing Policy

The Group has put in place a whistle-blowing programme ("**Whistle-blowing Policy**") which provides well-defined and accessible channels in the Group through which employees, suppliers, subcontractors and vendors may in confidence, raise concerns about possible wrongdoing in financial reporting, fraudulent activities, malpractices or improper conduct within the Group, in a responsible and effective manner. The Whistle-blowing Policy and procedures for raising such concerns under the Whistle-blowing Policy were publicly disclosed as appropriate.

Whistle-blowing Policy were publicly disclosed as appropriate. Reporting can be done by writing through email to ac@soilbuild.com.

The AC serves as the independent function responsible for oversight and monitoring of whistle-blowing and will investigate reports made in good faith. The Company is committed to ensure whistle-blowers who submit complaints or reports in good faith are protected against any discrimination, retaliation or harassment.

Significant matters passed through the whistle-blowing channel are reported to the Board.

Internal audit

The internal audit function is independent and reports directly to the AC on audit matters and to the Executive Chairman, and the Executive Director and Group CEO on administrative matters. The internal auditor assists the AC in ensuring that the Company maintains a sound system of internal controls through regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC, and conducting regular audits of high-risk areas. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC, and has appropriate standing within the Company. The AC approves the hiring, removal, evaluation and compensation of the Internal Audit resources. The Company does not separately have a head of internal audit function to whom the internal auditor reports.

The AC also reviewed and approved the internal auditor's plan during the AC meeting of each financial year to ensure that the scope of the internal auditor's plan is adequate and covers the reviewing of the significant internal controls of the Group, including financial, operational, compliance, sustainability and information technology controls. Audits were carried out on all significant business functions of the Group and all internal audit findings and reports were submitted to the AC for deliberation with copies of these reports extended to the Executive Chairman, the Executive Director and Group CEO; and the relevant key management personnel. The internal auditor's summary of findings and recommendations are discussed at the AC meetings.

Corporate Governance Report

The Group has outsourced its internal audit function to RSM Risk Advisory Pte Ltd, a professional company with qualified accountants specialised in providing management consultancy and internal audit services, which meets the standards set by international recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors for FY2024. The engagement team of RSM Risk Advisory Pte Ltd, in providing internal audit services to the Company, is led by Mr Keith Tan, a Chartered Accountant of Singapore, who has extensive experience in the related field.

The engagement of RSM Risk Advisory Pte Ltd, including the internal audit plan, the scope of the internal audit, the internal audit work and the internal audit report thereon, the engagement team and the relevant experience of the engagement team, have been reviewed by the AC to ensure the internal audit function is independent, effective and adequately resourced. In FY2024, the AC has met up with the engagement team of RSM Risk Advisory Pte Ltd without the presence of the management. Following such review and meeting, the AC is satisfied that the internal audit function is independent, effective and adequately resourced, and has provided its comments and recommendations to the Board.

The Board also has reviewed the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls) and risk management systems and is satisfied that the team is adequately resourced and has appropriate standing within the Group.

(D) SHAREHOLDERS' RIGHTS AND RESPONSIBILITIES

Shareholder Rights and Conduct of General Meetings

Principle 11

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Engagement with shareholders

Principle 12

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Corporate Governance Report

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with stakeholders

Principle 13

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Group values dialogue with its shareholders and believes in regular, effective and fair communication with them, and is committed to hearing their views and addressing their concerns where possible. The Group adopts the practice of regularly communicating major developments in its business and operations through SGXNET and news releases.

Relevant key management personnel are tasked to deal with all investor relations (“IR”) matters of the Group, including managing the dissemination of corporate information to the media, institutional investors and public shareholders and facilitating effective, regular and fair communication with such parties. Contact details of the Group’s IR representative are also provided in the news releases and on the Group’s website, <http://www.soilbuildconstruction.com>.

The Group monitors the dissemination of material information to ensure that it is made publicly available on a timely and non-selective basis. Half-yearly and full year results as well as the annual reports are announced or issued within the mandatory period. However, material information that may be permitted by law to be kept undisclosed will not be given. The Group issues announcements and news releases as soon as reasonably practicable. Where an immediate announcement is not possible, the announcement is made as soon as possible to ensure that the stakeholders and the public have fair access to the information.

Briefings and meetings for analysts and the media when appropriate generally coincide with the release of the Group’s half-yearly and full year results. Presentations are made, as appropriate, to explain the Group’s strategies, performance and major developments.

The Company does not have a formal dividend policy. The form, frequency and amount of dividends will depend on the Group’s earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate. In light of the financial performance of the Company for the financial year ended 31 December 2024, the Board has declared an interim dividend of S\$0.001 per share and proposed a final dividend of \$0.01 per share and a special dividend of \$0.01 per share for the financial year ended 31 December 2024.

The Group believes in encouraging shareholder participation at general meetings. E-copies of the annual report, circulars and notices of all shareholders’ meetings are made available on both SGXNET and the Company’s website where shareholders could easily access.

Shareholders are invited during such meetings to put forth any questions they may have on the motions to be debated and decided upon. A shareholder who is unable to attend the general meetings is entitled to appoint up to two proxies, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). A relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Shareholders are also informed of the rules, including the voting procedures that govern general meetings.

The Company will be conducting the forthcoming AGM on Friday 23 April 2025 (“AGM 2025”). There will be no option for shareholders to participate virtually. Arrangements relating to attendance at the AGM 2025, submission of questions to the Chairman of the Meeting in advance of, or at, the AGM 2025, and voting at the AGM 2025 by shareholders or their duly appointed proxy(ies), will be set out in a separate announcement released on SGXNET in April 2025. The shareholders can appoint proxy(ies) other than the Chairman of Meeting to attend, speak and vote at the AGM on their behalf.

Corporate Governance Report

The Board is not implementing absentia voting methods by mail, e-mail or fax until security, integrity and other pertinent issues are satisfactory resolved. Accordingly, the Company's Constitution does not currently allow for such absentia voting methods at general meetings of shareholders.

At each general meeting, separate resolutions will be proposed for each substantially separate issue. This is consistent with the Code's recommendation that companies should avoid "bundling" resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution. The Board also encourages shareholders to participate during the question and answer session.

All Directors will attend the AGM. In particular, the Executive Chairman of the Board, the Executive Director and Group CEO; and the Chairman of the AC, NC and RC, will be present at the AGM, and other general meetings held by the Company, if any, to address shareholders' queries. The external auditors have also been invited to attend the AGM and will be available to address shareholders' queries on the conduct of the audit and the preparation and content of the auditors' report. The appropriate key management personnel will also be present at general meetings to respond, if necessary, to operational questions from shareholders.

All the Directors attended the AGM for the financial year ended 31 December 2023 held in 2024.

The proceedings of the general meeting will be properly recorded, including substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and Management. Minutes of such meetings will be published on SGXNET and the Company's corporate website as soon as practicable and no later than one month from the date of such meetings.

The Board has regularly engaged its stakeholders through various channels to ensure that the mutual interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve quality of the deliverables, as well as to sustain the Group's business operations for long-term growth. The Company maintains a current corporate website to communicate and engage with stakeholders.

Five stakeholders' groups have been identified through an assessment of their significance to the Group's business operations. They are namely, suppliers and subcontractors, customers, employees, community and regulators.

The Board has undertaken a process to determine the environmental, social and governance ("ESG") issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually. We look forward to updating our stakeholders on our Sustainability Report and welcome their feedback.

(F) OTHER CORPORATE GOVERNANCE MATTERS

Dealing in Securities

Pursuant to Rule 1207(19) of the SGX-ST Listing Manual regarding compliance with best practices in respect of dealings in securities, the Group has adopted an internal code of conduct which prohibits the Directors and key management personnel of the Group and their connected persons from dealing in the Company's shares during the "black-out" period commencing one month immediately preceding the announcement of the Company's half-yearly and full year financial statements (if the Company does not announce quarterly financial statements), or if they are in possession of unpublished price-sensitive information of the Group. In addition, Directors, key management personnel and their connected persons are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading periods. They are also discouraged from dealing in the Company's shares on short-term considerations.

Corporate Governance Report

Material Contracts

Pursuant to Rule 1207(8) of the SGX-ST Listing Manual, the Company confirms that other than as disclosed below, there were no material contracts of the Group involving the interests of any Director or controlling shareholder, either still subsisting at the end of the financial year ended 31 December 2024 or if not then subsisting, entered into since the end of the financial year ended 31 December 2024.

Interested Person Transactions

The Company has adopted an internal policy governing procedure for the identification, approval and monitoring of interested person transactions. All interested person transactions are subject to review by the AC at its meetings to ensure that such transactions are conducted on an arm's length basis and are not prejudicial to the interests of the minority shareholders.

The AC with the concurrence of the Board has confirmed that no other interested person transactions have been entered into during the financial year ended 31 December 2024, save for those disclosed below pursuant to the disclosure under Rule 920 of the SGX-ST Listing Manual:

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 FY2024		
<u>Soilbuild Group Holdings Ltd. & its subsidiaries</u>		
Construction contracts awarded		232,595
Revenue from construction contracts	-	102,934
Office rental (Note A)	-	244
Share of common overheads paid/payable to related parties (Note A)	-	175
<u>Soilbuild Business Space REIT</u>		
Revenue from construction contracts	-	1,526
<u>Lim Chap Huat</u>		
Revenue from construction contracts	-	580
<u>Asian Worldwide Services Pte. Ltd.</u>		
Transportation and logistics services received	-	867

[#] Interested person pertain to a director and companies which are wholly-owned, majority-owned or jointly-owned by a director of the Company.

Note A:

Amount does not correspond back to Related party transactions note under the consolidated financial statements as the above disclosures exclude transactions less than S\$100,000.

Corporate Governance Report

Non-Competition Deeds

To mitigate the potential conflicts of interest arising from Mr Lim Chap Huat's, Mr Lim Han Ren's, and Ms Lim Cheng Hwa's directorships in both Soilbuild Group Holdings Ltd and the Company, Soilbuild Group Holdings Ltd. entered into a non-competition deed with the Company ("Parent Non-Competition Deed"). In addition to the Parent Non-Competition Deed, Mr Lim Chap Huat and Mr Lim Han Ren have a non-competition provision in their service agreement with the Company ("Service Agreement") which is similar to the scope of the Parent Non-Competition Deed. Mr Lim Chap Huat has provided a personal non-competition deed ("Personal Non-Competition Deed"), which shall be in force for so long as he is a Director or controlling shareholder of the Company. Mr Lim Han Ren has also provided a personal non-competition deed ("Personal Non-Competition Deed"), which shall be in force for so long as he is a Director of the Company. The Board had received and noted the written confirmations of adherence (including the waivers referenced therein) to the terms and conditions of each of the Parent Non-Competition Deed from Soilbuild Group Holdings Ltd. and the Personal Non-Competition Deed from Mr Lim Chap Huat and Mr Lim Han Ren.

Use of Proceeds from Exercise of 2019 Warrants

Pursuant to the exercise of 2019 Warrants, the Company received net proceeds totalling approximately S\$13,323,000. The Company and the Group has fully utilised the proceeds towards the repayment of the Group's bank borrowings as at 31 December 2024.

Directors' Statement

For the financial year ended 31 December 2024

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2024 and the balance sheet of the Company as at 31 December 2024.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 66 to 131 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due, due to the reasons as stated in Note 2.1 to the financial statements.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Mr Lim Chap Huat
Mr Lim Han Ren
Ms Lim Cheng Hwa
Mr Chee Wee Kiong
Mr Ng Fook Ai Victor
Mr Chiam Tao Koon

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under “Share plans” in this statement.

Directors’ Statement

For the financial year ended 31 December 2024

DIRECTORS’ INTERESTS IN SHARES OR DEBENTURES

- (a) According to the register of directors’ shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares, debentures or warrants of the Company or its related corporations, except as follows:

Company	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2024	At 1.1.2024	At 31.12.2024	At 1.1.2024
Company				
<u>(No. of ordinary shares)</u>				
Mr Lim Chap Huat	129,599,735	1,146,961,292	478,047	4,780,475
Mr Lim Han Ren	6,712,513	59,609,375	-	-
Ms Lim Cheng Hwa	43,750	437,500	-	-
<u>(No. of warrants)</u>				
Mr Lim Chap Huat	-	149,036,060	-	-
Mr Lim Han Ren	-	7,515,759	-	-
Ms Lim Cheng Hwa	-	55,160	-	-

- (b) According to the register of directors’ shareholdings, none of the directors holding office at the end of the financial year were granted contingent awards of performance shares pursuant to the Soilbuild Construction Performance Share Plan, details of which are set out below and under “Share Plans” in this statement.
- (c) Mr Lim Chap Huat, who by virtue of his interest of not less than 20% of the issued capital of the Company, is deemed to have an interest in the whole of the share capital of the Company’s wholly-owned subsidiaries.
- (d) The directors’ interests in the ordinary shares of the Company as at 21 January 2025 were the same as those as at 31 December 2024.

Directors’ Statement

For the financial year ended 31 December 2024

SHARE PLANS

The Remuneration Committee (“**RC**”) comprises the following directors and is responsible for administering the Soilbuild Construction Performance Share Plan 2023:

Mr Ng Fook Ai Victor (Chairman)
Mr Chee Wee Kiong
Mr Chiam Tao Koon

The Soilbuild Construction Performance Share Plan 2023 (“**PSP 2023**”) was approved by members of the Company at an extraordinary general meeting (“**EGM**”) held on 31 October 2023. It was established to facilitate the Company’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees and non-executive directors to achieve increased performance in their respective capacities, as well as encourage greater dedication and loyalty by enabling the Company to give recognition to past contributions and service as well as motivating participants generally to contribute towards the long-term growth of the Group.

Awards represent the right of a participant to receive fully paid shares free of charge, provided that certain prescribed performance targets (if any) are met at the expiry of the prescribed performance period. Executive directors and employees of the Group and its associated companies who have attained the age of twenty-one (21) years and hold such rank as may be designated by the RC from time to time (“**Group Executives**”), and non-executive directors (including the Independent Directors) of the Group, shall be eligible to participate in the PSP 2023. Controlling shareholders of the Company or associates of such controlling shareholders are eligible to participate in the PSP 2023 if their participation and awards are approved by independent shareholders in separate resolutions for each such person and for each such award.

While the RC has the discretion to grant awards at any time in the year, it is currently anticipated that awards would, in general, be made once a year. The selection of a participant and the number of shares which are the subject of each award to be granted to a participant in accordance with the PSP 2023 shall be determined at the absolute discretion of the RC, which shall take into account criteria such as rank, job performance and potential for future development, the participant’s contribution to the success and development of the Group and, if applicable, the extent of effort with which the performance condition may be achieved within the performance period.

Awards granted under the PSP 2023 are principally performance-based with performance targets to be set over a performance period and may vary from one performance period to another performance period and from one grant to another grant. Performance targets set by the RC are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. Such performance targets and performance periods will be set according to the specific roles of each participant, and may differ from participant to participant. The performance targets are stretched targets aimed at sustaining long-term growth. These targets will be tied in with our Company’s corporate key performance indicators. The RC has the discretion to impose a further vesting period after the performance period to encourage participants to continue serving the Group for a further period of time.

As soon as reasonably practicable after the end of each performance period, the RC shall review the performance targets specified in respect of each award and determine at its discretion whether they have been satisfied and, if so, the extent to which they have been satisfied, and provided that the relevant participant has continued to be a Group executive or a non-executive director up to the end of the performance period, shall release to the relevant participant all or part (as determined by the RC at its discretion in the case where the RC has determined that there has been partial satisfaction of the performance target) of the shares to which the relevant award relates in accordance with the release schedule specified in respect of the relevant award. If not, the Awards shall lapse and shall be of no value.

The RC shall have the discretion to determine whether the performance condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the RC shall have the right to make computational adjustments to the audited results of our Company or our Group, to take into account such factors as the RC may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if the RC decides that a changed performance target would be a fairer measure of performance.

Directors' Statement

For the financial year ended 31 December 2024

SHARE PLANS (CONTINUED)

The total number of shares which may be issued or transferred pursuant to awards granted under the PSP 2023 shall not exceed 15% of the total number of issued shares (excluding treasury shares) from time to time.

The PSP 2023 shall continue in force at the discretion of the RC, subject to a maximum period of 10 years commencing from 31 October 2023, and will expire on 31 October 2033.

There are no outstanding performance share awards granted as at 31 December 2024.

There are no performance share awards granted during the financial year ended 31 December 2024 and 31 December 2023.

No PSP 2023 has been granted to controlling shareholders of the Company or their associates.

No participants under the PSP 2023 have received 5% or more of the total number of shares under the PSP 2023.

AUDIT COMMITTEE

The members of the Audit Committee at the end of the financial year were as follows:

Mr Chee Wee Kiong (Chairman)
Mr Ng Fook Ai Victor
Mr Chiam Tao Koon

All members of the Audit Committee were non-executive and independent directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2024 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Directors' Statement

For the financial year ended 31 December 2024

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Lim Chap Huat
Director

Lim Han Ren
Director

Date: 28 March 2025

Independent Auditor's Report

To the Members of Soilbuild Construction Group Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying consolidated financial statements of Soilbuild Construction Group Ltd. (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2024;
- the balance sheets of the Group and the Company as at 31 December 2024;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

To the Members of Soilbuild Construction Group Ltd.

Our Audit Approach (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Accounting for construction contracts <i>Refer to Note 3(a) (Critical accounting estimates, assumptions and judgements), Note 4 (Revenue from contracts with customers) and Note 13 (Contract assets and liabilities) to the financial statements</i></p> <p>During the financial year ended 31 December 2024, revenue from construction contracts amounted to \$319,381,000 and it represented 81.5% of the total revenue of the Group.</p> <p>The Group accounts for its revenue from a construction contract over time by reference to the Group's progress toward completing the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs.</p> <p>Significant judgement is required to estimate the total construction contract costs, variations or claims recognised as contract revenue, and provision for liquidated damages that will affect the measure of progress, revenue and profit margins recognised from construction contracts. Accordingly, we have assessed the accounting for construction contracts as a key audit matter.</p>	<p>We performed the following audit procedures to address the key audit matter:</p> <p>We obtained an understanding of the projects under construction at year-end through discussions with management and examination of project documentation (including contracts and correspondences with customers and sub-contractors).</p> <p>In relation to total contract revenue, our audit procedures include the following:</p> <ol style="list-style-type: none">Traced total contract sums to signed contract and variation orders agreed by the Group and its customers;Assessed the adequacy of provision for liquidated damages to be net off against contract revenue recognised (where relevant), including discussion with project teams and obtaining other audit evidence on the estimated completion date;Assessed the reasonableness of the revenue recognised via discussion with the project teams and obtaining corroborating evidence including architect certificates;Recomputed the measurement of progress based on the proportion of contract costs incurred to date to the estimated total contract costs; andRecomputed the revenue for the current financial year based on the measurement of progress and traced to the accounting records.

Independent Auditor's Report

To the Members of Soilbuild Construction Group Ltd.

Our Audit Approach (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Accounting for construction contracts (continued)	<p>In relation to total contract cost, our audit procedures include the following:</p> <ul style="list-style-type: none">a) Reviewed the actual costs incurred by tracing to supplier invoices or subcontractor progress billings; andb) Reviewed management's estimates of total construction costs and costs to complete via the following:<ul style="list-style-type: none">i. Traced to quotations and contracts entered for subcontracting costs; andii. Reviewed the estimation of the materials, labour and other construction costs with reference to the progress of the project. <p>We found no exceptions from performing the above procedures.</p> <p>We have also assessed the adequacy of the disclosures of the key accounting estimates and sensitivity and found the disclosures in the financial statements to be appropriate.</p>

OTHER INFORMATION

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

To the Members of Soilbuild Construction Group Ltd.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

To the Members of Soilbuild Construction Group Ltd.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ms Rebekah Khan.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 28 March 2025

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Revenue	4	391,806	247,390
Cost of sales	5	(345,261)	(225,260)
Gross profit		46,545	22,130
Other income	7(a)	6,411	6,951
Other gains/(losses) - net	7(b)	393	(917)
Allowance for expected credit losses on financial assets	34(b)	(4,310)	(1,421)
Expenses			
- Administrative	5	(12,183)	(9,427)
- Marketing	5	(19)	(26)
- Finance	8	(3,538)	(3,590)
- Others	5	(5,712)	(5,858)
Share of profit/(loss) of joint ventures	17	2	(3)
Profit before income tax		27,589	7,839
Income tax expense	9(a)	(1,010)	(523)
Net profit		26,579	7,316
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation		791	(612)
Total comprehensive profit		27,370	6,704
Net profit attributable to equity holders of the Company		26,579	7,316
Total comprehensive profit attributable to equity holders of the Company		27,370	6,704
Profit per share attributable to equity holders of the Company (cents per share)	10		
- Basic		16.99	5.52*
- Diluted		16.99	5.52*

* With the completion of the share consolidation of every ten (10) existing shares into one (1) consolidated share on 12 December 2024, prior year comparatives for earnings per share were restated per SFRS(I) 1-33 through retrospective application of the consolidation factor of 10 to the weighted number of shares.

The accompanying notes form an integral part of these consolidated financial statements.

Balance Sheets

As at 31 December 2024

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	30,605	14,202	4,741	440
Trade and other receivables	12	153,567	89,109	42,663	4,755
Inventories	14	11,803	9,894	-	-
Other current assets	15	4,600	3,300	5	-
		200,575	116,505	47,409	5,195
Non-current assets					
Trade and other receivables	12	12,011	12,441	153	31,142
Other non-current assets	15	9	29	-	-
Investments in subsidiaries	16	-	-	134,738	106,130
Investments in joint ventures	17	-	6	-	-
Property, plant and equipment	18	119,297	121,981	-	-
Intangible assets	21	346	47	-	-
Deferred income tax assets	24	805	1,539	-	-
		132,468	136,043	134,891	137,272
Total assets		333,043	252,548	182,300	142,467
LIABILITIES					
Current liabilities					
Trade and other payables	22	163,078	107,556	58,619	27,347
Current income tax liabilities	9(b)	1,388	1,270	11	1
Borrowings	25	11,107	17,256	1,931	2,533
Provision for other liabilities	23	2,156	2,517	-	-
		177,729	128,599	60,561	29,881
Non-current liabilities					
Trade and other payables	22	8,050	4,897	-	-
Borrowings	25	64,545	73,899	10,216	12,147
		72,595	78,796	10,216	12,147
Total liabilities		250,324	207,395	70,777	42,028
NET ASSETS		82,719	45,153	111,523	100,439
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	105,954	92,631	105,954	92,631
Capital reserve	27	(1,070)	(1,070)	-	-
Currency translation reserve	28	(1,360)	(2,151)	-	-
(Accumulated losses)/retained profits	30	(20,805)	(44,257)	5,569	7,808
TOTAL EQUITY		82,719	45,153	111,523	100,439

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2024

← Attributable to equity holders of the Company →							
		Share capital	Capital reserve	Currency translation reserve	Warrant reserve	(Accumulated losses)/ retained profits	Total equity
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024							
Balance as at 1 January 2024		92,631	(1,070)	(2,151)	–	(44,257)	45,153
Profit for the year		–	–	–	–	26,579	26,579
Other comprehensive profit for the year		–	–	791	–	–	791
Total comprehensive profit for the year		–	–	791	–	26,579	27,370
Issuance of share pursuant to the exercise of 2019 Warrants	26	13,323	–	–	–	–	13,323
Dividends paid	31	–	–	–	–	(3,127)	(3,127)
Total transactions with owners, recognised directly in equity		13,323	–	–	–	(3,127)	10,196
Balance as at 31 December 2024		105,954	(1,070)	(1,360)	–	(20,805)	82,719
2023							
Balance as at 1 January 2023		71,553	(1,070)	(1,539)	–	(51,573)	17,371
Profit for the year		–	–	–	–	7,316	7,316
Other comprehensive loss for the year		–	–	(612)	–	–	(612)
Total comprehensive (loss)/profit for the year		–	–	(612)	–	7,316	6,704
Issuance of share pursuant to the Preferential Offerings of Rights Shares	26	21,078	–	–	–	–	21,078
Total transactions with owners, recognised directly in equity		21,078	–	–	–	–	21,078
Balance as at 31 December 2023		92,631	(1,070)	(2,151)	–	(44,257)	45,153

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Net profit		26,579	7,316
Adjustments for:			
- Amortisation of intangible assets	5	22	24
- Depreciation of property, plant and equipment	5	13,619	9,993
- Impairment loss on property, plant and equipment	5	111	141
- Allowance for expected credit losses on financial assets	34(b)	4,310	1,421
- Interest income	7(a)	(233)	(9)
- Interest expense	8	3,538	3,590
- Income tax expense	9(a)	1,010	523
- (Gain)/loss on disposal of property, plant and equipment	7(b)	(97)	711
- Property, plant and equipment written off	7(b)	377	7
- Share of (profit)/loss of joint ventures	17	(2)	3
Operating cash flows before working capital changes		49,234	23,720
Changes in working capital:			
- Trade and other receivables		(68,338)	(2,676)
- Other current assets		(1,300)	2,902
- Other non-current assets		20	28
- Inventories		(1,909)	(6,116)
- Trade and other payables		58,684	(13,787)
- Provision for other liabilities		(361)	(986)
Cash generated from operations		36,030	3,085
Income tax paid		(150)	-
Net cash provided by operating activities		35,880	3,085
Cash flows from investing activities			
Additions to property, plant and equipment		(8,049)	(8,382)
Additions of intangible assets		(315)	(29)
Proceeds from disposal of property, plant and equipment		97	1,102
Government grant relating to property, plant and equipment received		-	451
Return of capital on dissolution of a joint venture		7	-
Interest received		233	9
Net cash used in investing activities		(8,027)	(6,849)
Cash flows from financing activities			
Proceeds from bank loans	25	4,000	25,550
Proceeds received under a supplier finance arrangement	25	5,854	18,704
Repayment of bank loans	25	(20,346)	(27,040)
Repayments to a financial institution under a supplier finance arrangement	25	(5,854)	(27,451)
Preferential offering of shares	26	-	21,620
Conversion of warrants to shares	26	13,323	-
Share issue expense	26	-	(542)
Principal repayment of lease liabilities	25	(1,162)	(863)
Dividends paid	31	(3,127)	-
Interest paid	25	(3,547)	(3,468)
Net cash (used in)/provided by financing activities		(10,859)	6,510
Net increase in cash and cash equivalents		16,994	2,746
Cash and cash equivalents at beginning of financial year	11	14,202	11,093
Effects of currency translation on cash and cash equivalents		(591)	363
Cash and cash equivalents at end of financial year	11	30,605	14,202

The accompanying notes form an integral part of these consolidated financial statements.

Notes to The Financial Statements

For the financial year ended 31 December 2024

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

1. GENERAL INFORMATION

Soilbuild Construction Group Ltd. (the "Company") is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and is incorporated and domiciled in Singapore. The address of its registered office is 23 Defu South Street 1, Singapore 533847. The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 16.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

These financial statements have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Going concern

The Company's current liabilities exceed its current assets by S\$13,152,000 as at 31 December 2024. The financial statements have been prepared on a going concern basis as the Company controls subsidiaries with sufficient cash reserves and has the ability to direct these subsidiaries to pay for its debts as and when they fall due.

Interpretations and amendments to published standards effective in 2024

The following are the amendments to standards have become effective for the financial year beginning 1 January 2024:

Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants
Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements
Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Notes to The Financial Statements

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Revenue recognition

(a) Construction contracts

The Group performs construction works for customers through fixed-price contracts. Contract revenue is recognised when the Group's performance creates or enhance an asset that the customer controls as the asset is created or enhanced.

For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

The period between the transfer of the promised goods and payment by the customer may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the customer from the Group's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Revenue from construction contracts are also adjusted with variations to the contracts claimable from customers, as well as liquidated damages due to delays or other causes, payable to customers.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The customer is invoiced on a milestone payment schedule. If the value of the construction contract services transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the construction contract services transferred, a contract liability is recognised.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (e.g. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (a) these cost relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these cost generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

Notes to The Financial Statements

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Revenue recognition (continued)

(b) Sale of precast components

The Group manufactures and produces specialised precast components through fixed-price contracts. Revenue is recognised when the control over the specialised precast components has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the components over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

The specialised precast components have no alternative use for the Group due to the customer-specific design of the components that limits the Group's practical ability to readily direct the components to another customer, and the Group has enforceable rights to payment arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the supply and delivery of precast components. The measure of progress is determined based on proportion of units delivered to date relative to the total units to be supplied and delivered under the contract.

For certain contracts where the Group does not have an enforceable right to payment, revenue is recognised only when the completed specialised precast components are delivered to the customers and there is no unfulfilled obligation that would affect the customer's acceptance of the products. Delivery occurs when products have been transferred to the specific location and the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue from these sales is recognised based on the price specified in the contract and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

No element of financing is deemed present. The credit terms for these sales are generally 30 days.

The customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (e.g. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

Notes to The Financial Statements

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Revenue recognition (continued)

(c) *Sale of mesh*

Revenue is recognised when control of the products has transferred to its customer, being when the products are delivered to the customer and there is no unfulfilled obligation that would affect the customer's acceptance of the products. Delivery occurs when products have been transferred to the specific location and the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

No element of financing is deemed present. The credit terms for these sales are generally 30 days.

A receivable (financial asset) is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(d) *Rendering of services*

Revenue from rendering of services is recognised over the period in which the services are rendered.

(e) *Rental income*

Rental income from operating leases (net of any incentives given to the lessees) on property, plant and equipment is recognised on a straight-line basis over the lease term.

(f) *Interest income*

Interest income is recognised using the effective interest method.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

Notes to The Financial Statements

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.8 for the accounting policy on "Investment in subsidiaries and joint ventures" in the separate financial statements of the Company.

Notes to The Financial Statements

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Group accounting (continued)

(b) Joint ventures

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in a joint venture equal to or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Investments in joint ventures are derecognised when the Group loses joint control. If the retained equity interest in the former joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to Note 2.8 for the accounting policy on "Investment in subsidiaries and joint ventures" in the separate financial statements of the Company.

2.5 Property, plant and equipment

(a) Measurement

Freehold land and assets under construction are initially recognised at cost and subsequently carried at cost less accumulated impairment losses. All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses (Note 2.9).

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, except for right-of-use asset for leasehold land whereby the measurement of the cost is as disclosed in Note 2.15.

Notes to The Financial Statements

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Property, plant and equipment (continued)

(b) Depreciation

Freehold land and assets under construction are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Leasehold land	2 to 72 years
Buildings	20 to 30 years
Plant and equipment (excluding specific molds)	3 to 15 years
Motor vehicles	5 years
Renovation, furniture and equipment	3 to 5 years
Computers	3 years
Containers	3 years

Specific molds which are included in Plant and equipment are depreciated over their estimated useful lives of 12 to 18 months, based on the units of production method.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within other gains/(losses) - net.

2.6 Intangible assets

Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses (Note 2.9). These costs are amortised to profit or loss using the straight-line method over the shorter of their estimated economic life of five years and the licence period.

The amortisation period and amortisation method of intangible assets are reviewed at least at the end of each financial year. The effects of any revision are recognised in profit or loss when the changes arise.

Notes to The Financial Statements

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method, except for those costs that are directly attributable to assets under construction. This includes those costs on borrowings acquired specifically for assets under construction, as well as those in relation to general borrowings used to finance assets under construction.

2.8 Investment in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses (Note 2.9) in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Impairment of non-financial assets

Intangible assets

Property, plant and equipment

Investments in subsidiaries and joint ventures

Intangible assets, property, plant and equipment and investments in subsidiaries and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.10 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets at amortised cost.

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

Notes to The Financial Statements

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial assets (continued)

(a) Classification and measurement (continued)

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments of the Group mainly comprise of cash and cash equivalents, trade and other receivables and deposits.

There are two subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, lease receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group assesses on forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

Notes to The Financial Statements

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- (a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.15 Leases

- (a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

Notes to The Financial Statements

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Leases (continued)

(a) When the Group is the lessee: (continued)

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(b) When the Group is the lessor:

Lessor - Subleases

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognise lease income from sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

Notes to The Financial Statements

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Costs include all cost of purchase, costs of conversion and other costs in bringing the inventories to their present location and conditions. In the case of manufacturing inventories and work in progress cost includes an appropriate share of production overheads and labour costs based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

The Group accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for other tax credits where deferred tax assets are recognised for unused tax credits to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilised.

Notes to The Financial Statements

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The Group recognises the estimated liability to rectify defects still under warranty at the balance sheet date. This provision is calculated based on historical experience of the level of defects.

2.19 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Short-term compensated absences*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(c) *Bonus plans*

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to equity holders of the Company after certain adjustments. The Group recognises a provision where the Group is contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

(d) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of shares is recognised as an expense with a corresponding increase in the share-based compensation reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the performance shares granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under the share-based compensation plan that are expected to be released on the vesting date.

At each balance sheet date, the Group revises its estimates of the number of shares under the share-based compensation plan that are expected to be released on the vesting date and recognises the impact of the revision of the estimates in the statement of comprehensive income, with a corresponding adjustment to the Performance Share Plan reserve over the remaining vesting period.

When the shares are released, the related balance previously recognised in the share-based compensation reserve are credited to share capital account, when new ordinary shares are issued, or to the treasury shares account, when treasury shares are re-issued to the employees.

Notes to The Financial Statements

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the Company's functional and presentation currency.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities.

Foreign exchange gains and losses impacting profit or loss are presented in the income statement within other gains/ (losses) - net.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

Notes to The Financial Statements

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to senior management who are responsible for allocating resources and assessing performance of the operating segments.

2.22 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.23 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.24 Warrants

Proceeds from warrants issued that meet the definition of an equity instrument are classified as warrant reserve under equity. Incremental costs directly attributable to the issuance of new warrants are deducted against the warrant reserve.

When the warrants are subsequently exercised for the issuance of new ordinary shares, the proceeds from the warrants issued are reclassified from the warrant reserve to share capital.

When the warrants have expired, the proceeds from the warrants issued are reclassified from the warrant reserve to retained earnings.

2.25 Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Construction contracts

The Group has significant ongoing construction contracts. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the contracts. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method"). Management has to estimate these total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for foreseeable losses is recognised immediately.

Significant judgement is used to estimate these total construction contract costs that will affect the revenue and profit margins recognised from construction contracts. In making the judgement, management has applied its past experience of completing similar projects, as well as quotations from and contracts with suppliers and subcontractors. These estimations are also made with due consideration of the physical surveys of the construction in-progress and circumstances and relevant event that were known to management at the date of these financial statements.

Notes to The Financial Statements

For the financial year ended 31 December 2024

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(a) Construction contracts (continued)

If the estimated total construction cost of uncompleted contracts increase/decrease by 2% (2023: 2%) from management's estimates, the effects on the Group's net profit after tax will be as follows:

	Increase/(Decrease)	
	2024	2023
	\$'000	\$'000
Estimated total construction cost		
- increased by 2% (2023: 2%)	(4,702)	(4,361)
- decreased by 2% (2023: 2%)	4,894	4,499

Significant judgement is also used to estimate variations or claims recognised as contract revenue and provision for liquidated damages that will affect the revenue and profit margins recognised from construction contracts. In making the judgement, the Group evaluates and places reliance on past experience, contractual obligations, estimates from quantity surveyors and value of work performed as determined by the architects.

Customers have a right to claim for liquidated damages under the contractual terms of the contracts if contractual obligations, including completion of the project by a specific date, are not fulfilled. Management evaluated the probability of liquidated damages claims from customers by considering whether extension of time would be reasonably granted by its customers.

Liquidated damages are provided for projects which management determine that claims from customers are probable. The determination of the probability of claims are based on the circumstances and relevant events that were known to management at the date of these financial statements.

(b) Impairment assessment of the Group's property, plant and equipment

Property, plant and equipment ("PPE") is tested for impairment whenever there are indications that these assets may be impaired. Management performs reviews to determine whether there are any indications of impairment in relation to the PPE held by the Group at the balance sheet date.

As at 31 December 2024, management has identified indications of impairment relating to certain leasehold land and building used for the Group's manufacturing operations in Myanmar with net book value amounting to \$6,775,000 due to the political situation in Myanmar.

The recoverable amounts of the identified leasehold land and building located at Thilawa Special Economic Zone, Myanmar are determined based on the fair value less costs to sell calculations, using the direct comparison method for valuation. Leasehold land and building are valued using transacted prices for comparable properties in Yangon with necessary adjustments made for differences in location, tenure, size, design, layout and condition of the buildings. The key inputs used in the fair value less costs to sell calculation that were subject to significant judgement were relating to the adopted value per square metre.

As the recoverable amounts determined by management is higher than the net book value of the identified leasehold land and building, no impairment charge has been recognised relating to the identified leasehold land and building during the financial year.

Notes to The Financial Statements

For the financial year ended 31 December 2024

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(c) Allowances for expected credit losses on financial assets

As at 31 December 2024, the Group's trade and other receivables amounted to \$165,578,000. The Group uses a provision matrix to measure the expected credit loss allowance for trade receivables. Trade receivables are grouped based on shared credit risk characteristics and days past due.

The Group further evaluates the expected credit loss on customers on a case-by-case basis, which will be assessed based on indicators such as changes in financial capability of the debtor, and default or significant delay in payments. A group of customers amounted to \$3,867,000 are identified to be credit impaired and separately assessed for recoverability.

Accordingly, expected credit loss allowance of \$4,310,000 for trade receivables, contract assets and retention receivables were recognised in the statement of comprehensive income as at 31 December 2024.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions. Revenue is attributed to countries by location of customers.

	Over time		At a point in time		Total	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Construction						
- Singapore	315,945	204,032	-	-	315,945	204,032
- Myanmar	3,436	4,634	-	-	3,436	4,634
	319,381	208,666	-	-	318,381	208,666
Precast manufacturing						
- Singapore	55,202	-	17,123	38,660	72,325	38,660
	55,202	-	17,123	38,660	72,325	38,660
Others	-	(12)	100	76	100	64
Total	374,583	208,654	17,223	38,736	391,806	247,390

Notes to The Financial Statements

For the financial year ended 31 December 2024

5. EXPENSES BY NATURE

	Group	
	2024	2023
	\$'000	\$'000
Materials, subcontractors and other construction costs	291,153	181,674
Amortisation of intangible assets (Note 21)	22	24
Depreciation of property, plant and equipment (Note 18)	13,619	9,993
Total depreciation and amortisation	13,641	10,017
Employee compensation (Note 6)	43,597	42,288
Auditors' fees:		
Fees on audit services paid/payable to:		
- Auditor of the Company	260	258
- Other auditors	55	44
Fees on non-audit services paid/payable to:		
- Auditor of the Company	44	41
- Other auditors	50	88
Directors' fees		
- Directors of the Company	359	400
- Directors of a subsidiary	35	35
Transportation expenses	4,256	2,029
Professional fees	460	757
Changes in inventories	(1,909)	(6,116)
Inventory write down	371	117
Repair and maintenance	832	843
Upkeep of property, plant and equipment	1,270	859
Utilities	1,177	1,171
Impairment loss on property, plant and equipment - net	111	141
Other expenses	7,413	5,925
Total cost of sales, administrative, marketing and other operating expenses	363,175	240,571

6. EMPLOYEE COMPENSATION

	Group	
	2024	2023
	\$'000	\$'000
Wages and salaries	41,601	40,563
Employer's contribution to Central Provident Fund	1,996	1,725
Employee compensation recognised in profit or loss (Note 5)	43,597	42,288

Notes to The Financial Statements

For the financial year ended 31 December 2024

7(A). OTHER INCOME

	Group	
	2024	2023
	\$'000	\$'000
Income from sale of materials	711	910
Interest income	233	9
Service income	38	529
Rental income	4,655	3,834
Government grants	170	920
Others	604	749
	6,411	6,951

Government grant income relates mainly to reimbursement grant under the Construction Support Package and Foreign Worker Levy ("FWL") rebates.

7(B). OTHER GAINS/(LOSSES) - NET

	Group	
	2024	2023
	\$'000	\$'000
Gain/(loss) on disposal of property, plant and equipment	97	(711)
Property, plant and equipment written off	(377)	(7)
Foreign exchange gains/(losses) - net	673	(199)
	393	(917)

8. FINANCE EXPENSES

	Group	
	2024	2023
	\$'000	\$'000
Interest expense		
- Bank borrowings	3,391	3,493
- Lease liabilities	147	97
	3,538	3,590

Notes to The Financial Statements

For the financial year ended 31 December 2024

9. INCOME TAXES

(a) Income tax expense

	Group	
	2024	2023
	\$'000	\$'000
Tax expense attributable to profit is made up of:		
- Current income tax	1,143	1,279
- Deferred income tax (Note 24)	349	(571)
	1,492	708
(Over)/under provision in prior financial years:		
- Current income tax	(876)	(90)
- Deferred income tax (Note 24)	394	(95)
	(482)	(185)
	1,010	523

The tax expense on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2024	2023
	\$'000	\$'000
Profit before tax	27,589	7,839
Share of (profit)/loss of joint ventures, net of tax	(2)	3
Profit/(loss) before tax and share of profit/loss of joint ventures	27,587	7,842
Tax calculated at tax rate of 17% (2023: 17%)	4,690	1,333
Effects of:		
- different tax rates in other countries	25	(298)
- Singapore statutory stepped income exemption	(8)	(37)
- income not subject to tax	(124)	-
- expenses not deductible for tax purposes	2,339	1,523
- tax rebate	(17)	-
- deferred tax assets not recognised	5	816
- utilisation of previously unrecognised:		
- capital allowances	(1,079)	(760)
- tax losses	(4,339)	(1,911)
- over provision of tax	(482)	(185)
- others	-	42
Tax expense	1,010	523

Notes to The Financial Statements

For the financial year ended 31 December 2024

9. INCOME TAXES (CONTINUED)

(b) Movements in current income tax liabilities

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	1,270	69	1	-
Tax expense	1,143	1,279	8	1
Income tax paid	(150)	-	(1)	-
(Over)/under provision in prior financial years	(876)	(90)	3	-
Currency translation differences	1	12	-	-
End of financial year	1,388	1,270	11	1

10. PROFIT PER SHARE

(a) Basic profit per share

Basic profit per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2024	2023*
Net profit attributable to equity holders of the Company (\$'000)	26,579	7,316
Weighted average number of ordinary shares outstanding for basic profit per share ('000)	156,398	132,420
Basic profit per share (cents per share)	16.99	5.52

* With the completion of the share consolidation of every ten (10) existing shares into one (1) consolidated share on 12 December 2024, prior year comparatives for earnings per share were restated per SFRS(I) 1-33 through retrospective application of the consolidation factor of 10 to the weighted number of shares

(b) Diluted profit per share

For the purpose of calculating diluted earnings per share, net profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

Notes to The Financial Statements

For the financial year ended 31 December 2024

10. PROFIT PER SHARE (CONTINUED)

(b) Diluted profit per share (continued)

For the financial year ended 31 December 2024:

The Company has one category of dilutive potential ordinary shares: warrants. For warrants, the weighted average number of shares on issue has been adjusted as if all dilutive warrants were exercised. The number of shares that could have been issued upon the exercise of all dilutive warrants less the number of shares that could have been issued at fair value (determined as the Company's average share price for each corresponding quarter during the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

For the financial year ended 31 December 2023:

There are no dilutive effects for the warrants outstanding during the financial period ended 31 December 2023 as the exercise price of the warrants exceed the average market price of the shares.

	2024	2023*
Net profit attributable to equity holders of the Company (\$'000)	26,579	7,316
Weighted average number of ordinary shares outstanding for diluted profit per share ('000)	156,398	132,420
Adjustments ('000)		
- Warrants	7	-
	156,405	132,420
Diluted profit per share (cents per share)	16.99	5.52

* With the completion of the share consolidation of every ten (10) existing shares into one (1) consolidated share on 12 December 2024, prior year comparatives for earnings per share were restated per SFRS(I) 1-33 through retrospective application of the consolidation factor of 10 to the weighted number of shares

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	30,605	14,202	4,741	440

Notes to The Financial Statements

For the financial year ended 31 December 2024

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current				
Trade receivables				
- Related parties#	4,172	1,185	-	-
- Non-related parties	97,637	41,802	-	-
	101,809	42,987	-	-
Less: Allowance for expected credit loss - non-related parties [Note 34(b)]	(795)	(655)	-	-
Trade receivables - net	101,014	42,332	-	-
Contract assets (Note 13)				
- Due from customers	16,942	16,477	-	-
- Due from related parties#	12,094	9,097	-	-
	29,036	25,574	-	-
Less: Allowance for expected credit loss - non-related parties [Note 34(b)]	(1,738)	(1,389)	-	-
Contract assets - net	27,298	24,185	-	-
Retention receivables				
- Related parties#	11,121	11,799	-	-
- Non-related parties	15,346	8,974	-	-
	26,467	20,773	-	-
Less: Allowance for expected credit loss - non-related parties [Note 34(b)]	(2,372)	(627)	-	-
Retentions - net	24,095	20,146	-	-
Amounts due from related parties# (non-trade)	57	31	-	-
Amounts due from subsidiaries (non-trade)	-	-	1,663	4,742
Loans to subsidiaries	-	-	41,000	-
Other receivables	1,168	2,478	-	13
Less: Allowance for expected credit loss - non-related parties [Note 34(b)]	(65)	(63)	-	-
Other receivables - net	1,103	2,415	-	13
	153,567	89,109	42,663	4,755

Notes to The Financial Statements

For the financial year ended 31 December 2024

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Non-current				
Retention receivables				
- Related parties [#]	2,246	3,274	-	-
- Non-related parties	11,929	9,694	-	-
	14,175	12,968	-	-
Less: Allowance for expected credit loss - non-related parties [Note 34(b)]	(2,164)	(527)	-	-
Retention receivables - net	12,011	12,441	-	-
Loans to subsidiaries	-	-	153	31,142
	12,011	12,441	153	31,142
Total trade and other receivables	165,578	101,550	42,816	35,897

Related parties pertain to family members of a director and companies which are wholly-owned or jointly-controlled by a director of the Company.

The Group has non-trade amounts due from related parties which are unsecured, interest-free and are repayable on demand.

The Company has non-trade amounts due from subsidiaries which are unsecured, interest-free and are repayable on demand.

The Company has loans due from subsidiaries amounting to \$41,000,000 (2023:\$Nil) which are unsecured, repayable on demand and loans due from subsidiaries amounting to \$153,000 (2023: \$31,142,000) which are unsecured, not repayable in the foreseeable future. Both loans are interest-bearing at the rate of 1.14% to 1.35% per annum (2023: 1.45% to 2.18% per annum) over Singapore Overnight Rate Average ("SORA"). The loans have an average effective interest rate of 4.78% (2023: 5.64%) per annum as at 31 December 2024.

Notes to The Financial Statements

For the financial year ended 31 December 2024

15. CONTRACT ASSETS AND LIABILITIES

	Group		
	1 January	31 December	
	2024	2023	2023
	\$'000	\$'000	\$'000
Contract assets			
- Construction contracts for building works	45,988	19,165	19,332
- Precast manufacturing	3,151	6,409	9,704
	49,139	25,574	29,036
Less: Allowance for expected credit loss - non-related parties [Note 33(b)]	(755)	(1,389)	(1,738)
Net contract assets	48,384	24,185	27,298
Contract liabilities			
- Construction contracts for building works	41,239	35,416	54,091
- Precast manufacturing	1,686	3,119	2,333
Total contract liabilities	42,925	38,535	56,424

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date on construction contracts for building works and precast manufacturing. The contract assets balance increased as the Group provided more services and transferred more goods ahead of the agreed payment schedules.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for construction contracts for building works and precast manufacturing. The contract liabilities balance increased due to more contracts in which the Group billed and received consideration ahead of the provision of services.

(i) *Revenue recognised in relation to contract liabilities*

	2024	2023
	\$'000	\$'000
<i>Revenue recognised in current period that was included in the contract liability balance at the beginning of the period</i>		
- Construction contracts for building works	33,446	39,623
- Precast manufacturing	2,917	1,473
<i>Revenue recognised in current period from performance obligations satisfied in previous periods</i>		
- Construction contracts for building works, not previously recognised due to constraint	2,825	(811)

Notes to The Financial Statements

For the financial year ended 31 December 2024

13. CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(ii) Unsatisfied performance obligations

	2024	2023
	\$'000	\$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 December		
- Construction contracts for building works	898,639	366,576
- Precast manufacturing	151,027	108,562

Management expects that the transaction price allocated to the unsatisfied performance obligations as of 31 December 2024 and 2023 may be recognised as revenue within the next one to four financial years. The amount disclosed above does not include variable consideration which is subject to significant risk of reversal.

As permitted under SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, or are billed based on time incurred, is not disclosed.

(iii) Trade receivables from contract with customers

	Group		
	31 December	1 January	
	2024	2023	2023
	\$'000	\$'000	\$'000
Current assets			
Trade receivables	101,809	42,987	16,872
Retention sum receivables	26,467	20,773	19,725
	128,276	63,760	36,597
Non-current assets			
Retention sum receivables	14,175	12,968	15,504
Trade receivables from contracts with customers	142,451	76,728	52,101
Loss allowances	(5,331)	(1,809)	(1,129)
	137,120	74,919	50,972

Notes to The Financial Statements

For the financial year ended 31 December 2024

14. INVENTORIES

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Precast manufacturing</u>				
Raw materials	4,912	4,331	-	-
Finished goods	6,891	5,563	-	-
	11,803	9,894	-	-

The cost of inventories recognised as an expense and included in cost of sales amounted to \$39,329,000 (2023: \$16,816,000). During the current financial year, the Group charged \$371,000 (2023: \$117,000) to cost of sales to write-down its inventories to their net realisable value.

15. OTHER ASSETS

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Deposits	1,805	1,667	-	-
Prepayments	2,795	1,633	-	-
Others	-	-	5	-
	4,600	3,300	5	-
<u>Non-current</u>				
Prepayments	9	29	-	-
	4,609	3,329	5	-

Notes to The Financial Statements

For the financial year ended 31 December 2024

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024	2023
	\$'000	\$'000
<i>Equity investments at cost</i>		
Beginning of financial year	107,270	92,270
Subscription of new ordinary shares of subsidiaries	32,100	15,000
End of financial year	139,370	107,270
<i>Allowance for impairment loss</i>		
Beginning of financial year	1,140	300
Impairment	3,492	840
End of financial year	4,632	1,140
Carrying amount	134,738	106,130

During the financial year ended 31 December 2024, the Company increased its investment in the share capital of its wholly-owned subsidiary, Precast Concrete Pte. Ltd. by subscribing for an additional 32,100,000 ordinary shares through converting part of its loan to Precast Concrete Pte. Ltd. to equity.

During the financial year ended 31 December 2023, the Company increased its investment in the share capital of its wholly-owned subsidiary, Soil-Build (Pte). Ltd. by subscribing for an additional 15,000,000 ordinary shares through converting part of its loan to Soil-Build (Pte). Ltd. to equity.

During the financial year ended 31 December 2024, the Company assessed that the recoverable amounts of an investment in a subsidiary is less than its carrying amount and recognised an impairment loss of \$3,492,000 (2023: \$840,000) on its investment in a subsidiary.

Notes to The Financial Statements

For the financial year ended 31 December 2024

16. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries as at 31 December 2024 and 2023:

Name of subsidiaries	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Group	
			2024 %	2023 %
<u>Held by the Company</u>				
Soil-Build (Pte.) Ltd. ^(a)	Building contractors	Singapore	100	100
SB Procurement Pte. Ltd. ^(a)	Construction and procurement services	Singapore	100	100
Precast Concrete Pte. Ltd. ^(a)	Manufacturing of construction materials and parts	Singapore	100	100
Soilbuild Construction International Pte. Ltd. ^(a)	Project and construction management	Singapore	100	100
Soilbuild Construction Engineering Pte. Ltd. ^(a)	Building contractors	Singapore	100	100
Soilbuild E&C Pte. Ltd. ^(a)	Building contractors	Singapore	100	100
<u>Held by subsidiaries</u>				
Soilbuild (Myanmar) Company Limited ^(b)	Construction and project management	Myanmar	100	100
Soilbuild Construction (Myanmar) Company Limited ^(b)	Construction and procurement services	Myanmar	100	100
Soilbuild (Thilawa) Company Limited ^(b)	Manufacturing of construction materials and parts	Myanmar	100	100
Precast Concrete Builders Pte. Ltd. ^(a)	Manufacturing of construction materials and parts	Singapore	100	100
Precast Concrete (Pontian) Sdn. Bhd. ^(c)	Manufacturing of construction materials and parts	Malaysia	100	100
<u>Held by subsidiaries</u>				
Precastconcrete Builder (India) Private Limited ^(d)	Manufacturing of construction materials and parts	India	100	100
Precast Concrete (M) Sdn. Bhd. ^(e)	Manufacturing of construction materials and parts	Malaysia	100	100

(a) Audited by PricewaterhouseCoopers LLP, Singapore

(b) Audited by Win Thin & Associates (Certified Public Accountants, Myanmar)

(c) Audited by PricewaterhouseCoopers PLT, Malaysia

(d) Audited by BSR & Associates LLP, India, a member firm of KPMG International

(e) Audited by WS & CO PLT, Malaysia

In accordance to Rule 715 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and the Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the consolidated financial statements.

Notes to The Financial Statements

For the financial year ended 31 December 2024

17. INVESTMENTS IN JOINT VENTURES

	Group	
	2024	2023
	\$'000	\$'000
Beginning of financial year	6	9
Share of gain/(loss)	2	(3)
Return of capital on dissolution of a joint venture	(7)	-
Others	(1)	-
End of financial year	-	6

Set out below are the joint ventures of the Group as at 31 December 2024:

Name of entity	Place of business/ country of incorporation	% of ownership interest	
		2024	2023
		Solstice Development Pte. Ltd. ^(a)	Singapore
Soilbuild-Shincon J.V. ^(a)	Singapore	-	51

(a) Audit is not required.

* Although the Group has only 19% ownership in Solstice Development Pte. Ltd., decisions about the relevant activities of Solstice Development Pte. Ltd. require the unanimous consent of the Group and the other joint venture partners. Accordingly, the Group has joint control over Solstice Development Pte. Ltd.

Solstice Development Pte. Ltd. is in the business of investment in properties, development of properties for sale and management of properties in Singapore.

Soilbuild-Shincon J.V. is in the business of general building construction and civil engineering works in Singapore.

There are no contingent liabilities relating to the Group's interest in the joint ventures.

Notes to The Financial Statements

For the financial year ended 31 December 2024

18. PROPERTY, PLANT AND EQUIPMENT

	Freehold land		Leasehold lands		Plant and equipment		Project equipment		Motor vehicles		Renovation, furniture and equipment		Containers under construction		Assets under construction		Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<u>Group</u>																	
2024																	
Cost																	
Beginning of financial year	5,426	41,203	70,870	46,561	6,369	2,199	1,589	669	230	-	-	-	-	-	-	-	175,116
Additions	-	1,948	-	647	5,834	36	1,499	33	-	-	-	-	-	-	-	-	9,997
Disposals	-	-	-	-	-	(206)	-	(37)	-	-	-	-	-	-	-	-	(243)
Written off	-	(91)	(499)	(2,337)	(1,272)	-	(174)	(248)	(167)	-	-	-	-	-	-	-	(4,788)
Currency translation differences	69	119	1,204	406	455	121	40	3	3	-	-	-	-	-	-	-	2,420
End of financial year	5,495	43,179	71,575	45,277	11,386	2,150	2,954	420	66	-	-	-	-	-	-	-	182,502
Accumulated depreciation and impairment																	
Beginning of financial year	-	11,065	12,656	22,511	2,525	2,141	1,436	585	216	-	-	-	-	-	-	-	53,135
Depreciation charge (Note 5)	-	2,473	2,530	3,267	5,101	53	139	50	6	-	-	-	-	-	-	-	13,619
Impairment loss	-	(49)	(93)	253	-	-	-	(37)	-	-	-	-	-	-	-	-	111
Disposals	-	-	-	-	-	(206)	-	(248)	(167)	-	-	-	-	-	-	-	(243)
Written off	-	(91)	(122)	(2,337)	(1,272)	-	(174)	(248)	(167)	-	-	-	-	-	-	-	(4,411)
Currency translation differences	-	14	418	258	267	15	14	4	4	-	-	-	-	-	-	-	994
End of financial year	-	13,412	15,389	23,952	6,621	2,003	1,415	354	59	-	-	-	-	-	-	-	63,205
Net book value																	
End of financial year	5,495	29,779	56,186	21,325	4,765	147	1,539	66	7	-	-	-	-	-	-	-	119,297

Notes to The Financial Statements

For the financial year ended 31 December 2024

18. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold Leasehold land		Plant and equipment		Project equipment		Motor vehicles		Renovation, furniture and equipment		Containers construction		Assets under construction		Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Group															
2023															
Cost															
Beginning of financial year	5,489	39,619	67,146	48,803	2,213	2,209	2,209	2,209	1,531	739	241	2,944	2,944	170,934	
Additions	-	3,202	354	1,277	5,251	-	-	-	85	6	-	1,435	1,435	11,610	
Reclassification	-	-	4,379	-	-	-	-	-	-	-	-	(4,379)	(4,379)	-	
Grants received	-	-	-	(451)	-	-	-	-	-	-	-	-	-	(451)	
Disposals	-	-	-	(2,559)	(1)	-	-	-	-	(70)	-	-	-	(2,630)	
Written off	-	(1,546)	-	(61)	(893)	-	-	-	(16)	(4)	(8)	-	-	(2,528)	
Currency translation differences	(63)	(72)	(1,009)	(448)	(201)	(10)	(10)	(10)	(11)	(2)	(3)	-	-	(1,819)	
End of financial year	5,426	41,203	70,870	46,561	6,369	2,199	2,199	2,199	1,589	669	230	-	-	175,116	
Accumulated depreciation and impairment															
Beginning of financial year	-	10,414	10,373	19,915	2,108	2,081	2,081	2,081	1,337	613	215	-	-	47,056	
Depreciation charge (Note 5)	-	2,164	2,559	3,603	1,427	69	69	69	112	48	11	-	-	9,993	
Impairment loss	-	49	90	2	-	-	-	-	-	-	-	-	-	141	
Disposals	-	-	-	(746)	(1)	-	-	-	-	(70)	-	-	-	(817)	
Written off	-	(1,546)	-	(61)	(886)	-	-	-	(16)	(4)	(8)	-	-	(2,521)	
Currency translation differences	-	(16)	(366)	(202)	(123)	(9)	(9)	(9)	3	(2)	(2)	-	-	(717)	
End of financial year	-	11,065	12,656	22,511	2,525	2,141	2,141	2,141	1,436	585	216	-	-	53,135	
Net book value															
End of financial year	5,426	30,138	58,214	24,050	3,844	58	58	58	153	84	14	-	-	121,981	

Notes to The Financial Statements

For the financial year ended 31 December 2024

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (a) Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 19.
- (b) Bank borrowings are secured on a building, leasehold lands, freehold land and plant and equipment of the Group with carrying amounts of \$50,881,000 (2023: \$53,649,000), \$23,959,000 (2023: \$25,130,000), \$5,494,000 (2023: \$5,415,000) and \$9,111,000 (2023: \$10,069,000) respectively (Note 25).
- (c) Leasehold lands relate to the land located at Defu South Street 1, Tuas South Link 3 in Singapore, land located in Thilawa Special Economic Zone, Myanmar and land located in Kayu Ara Pasong, Pontian, Johor, Malaysia. The leases will expire from 2037 to 2088.
- (d) Grant received pertains to Reimbursement Grant under the Construction Support Package in relation to plant and equipment used in precast operations.

19. LEASES - THE GROUP AS A LESSEE

Nature of the Group's leasing activities

Leasehold lands

The Group has made upfront payments to secure the right-of-use of five leasehold lands for a period of 20 to 72 years, which are used in the Group's construction and precast operations. These leasehold lands are recognised within Property, plant and equipment (Note 18). There are no externally imposed covenants on these lease arrangements.

The Group also makes monthly lease payments for another three (2023: two) leasehold lands, which are used in the Group's construction and precast operations. The right-of-use of the land is classified within Property, plant and equipment (Note 18).

Equipment

The Group leases photocopier and printer equipment for the purpose of back office operations. These are classified within property, plant and equipment under renovation, furniture and equipment.

Notes to The Financial Statements

For the financial year ended 31 December 2024

19. LEASES - THE GROUP AS A LESSEE (CONTINUED)

Nature of the Group's leasing activities (cont'd)

(a) Carrying amounts

ROU assets classified within Property, plant and equipment

	2024	2023
	\$'000	\$'000
Leasehold lands	29,767	30,138
Renovation, furniture and equipment	17	22
	29,784	30,160

(b) Depreciation and impairment charge during the year

	2024	2023
	\$'000	\$'000
<i>Depreciation</i>		
Leasehold lands	2,473	2,164
Renovation, furniture and equipment	5	7
	2,478	2,171
<i>Impairment</i>		
Leasehold lands	49	49
Total depreciation and impairment charge during the year	2,527	2,220

(c) Interest expense

	2024	2023
	\$'000	\$'000
Interest expense on lease liabilities	147	97

(d) Total cash outflow for all leases in 2024 was \$1,309,000 (2023: \$960,000).

(e) Addition of ROU assets during the financial year 2024 was \$1,948,000 (2023: \$3,228,000).

Notes to The Financial Statements

For the financial year ended 31 December 2024

20. LEASES - THE GROUP AS A LESSOR

Nature of the Group's leasing activities - Group as a lessor

The Group has leased out a part of their building to related parties and non-related parties for monthly lease payments. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease. This lease is classified as an operating lease because the risks and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from the building is disclosed in Note 7(a).

The Group has undiscounted lease payments from the operating leases to be received after the reporting date as follows:

	2024	2023
	\$'000	\$'000
Less than one year	741	777
One to two years	109	59
Total undiscounted lease payments	850	836

21. INTANGIBLE ASSETS

Acquired computer software licences

	Group	
	2024	2023
	\$'000	\$'000
<i>Cost</i>		
Beginning of financial year	1,241	1,221
Additions	315	29
Currency translation differences	65	-
Write-off	(743)	(9)
End of financial year	878	1,241
<i>Accumulated amortisation</i>		
Beginning of financial year	1,194	1,179
Amortisation charge (Note 5)	22	24
Currency translation differences	59	-
Write-off	(743)	(9)
End of financial year	532	1,194
Net book value	346	47

Amortisation of intangible assets of \$22,000 (2023: \$24,000) was recognised in the statement of comprehensive income under "Expenses - Others".

Notes to The Financial Statements

For the financial year ended 31 December 2024

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Current</u>				
Trade payables:				
- Non-related parties	39,314	21,559	-	-
Retention payables:				
- Non-related parties	17,552	16,680	-	-
Contract liabilities (Note 13)				
- Due to customers	55,725	30,409	-	-
- Due to related parties [#]	699	8,126	-	-
	56,424	38,535	-	-
Rental deposits	581	437	-	-
Interest payable	113	122	-	-
Accrued operating expenses	5,535	6,063	1,722	368
Accrued construction costs	37,872	20,115	-	-
Other payables	5,671	3,996	111	27
Amounts due to related parties [#] (non-trade)	16	49	-	-
Amounts due to subsidiaries (non-trade)	-	-	5,582	4,787
Loans from subsidiaries	-	-	51,203	22,165
	163,078	107,556	58,619	27,347
<u>Non-current</u>				
Retention payables:				
- Non-related parties	8,050	4,897	-	-
Total trade and other payables	171,128	112,453	58,619	27,347

[#] Related parties pertain to companies which are wholly-owned by a director of the Company.

The Group has non-trade amounts due to related parties which are unsecured, interest-free and are repayable on demand.

The Company has non-trade amounts due to subsidiaries which are unsecured, interest-free and are repayable on demand.

The Company has loans due to subsidiaries which are unsecured, repayable on demand, interest-bearing at the rate of 1.14% to 1.35% per annum (2023: 1.45% to 2.18% per annum) over Singapore Overnight Rate Average ("SORA").

Notes to The Financial Statements

For the financial year ended 31 December 2024

25. PROVISION FOR OTHER LIABILITIES

	Group	
	2024	2023
	\$'000	\$'000
<u>Current</u>		
Provision for cost of defects	1,036	1,236
Provision for foreseeable losses	–	1,101
Other provision	1,120	180
	2,156	2,517

Provision for cost of defects

The Group has a contractual commitment to rectify defects works for its construction contracts during the defect's liability period. A provision is recognised at the balance sheet date for expected defects costs based on past experience of the level of defects.

Movement in provision for cost of defects is as follows:

	Group	
	2024	2023
	\$'000	\$'000
Beginning of financial year	1,236	538
Provision made	565	1,206
Provision utilised	(765)	(508)
End of financial year	1,036	1,236

Provision for foreseeable losses

The Group has ongoing construction contracts for building works. A provision for foreseeable losses is recognised at the balance sheet date as it is probable that the total construction contract costs will exceed the total construction contract revenue for certain projects.

Movement in provision for foreseeable losses is as follows:

	Group	
	2024	2023
	\$'000	\$'000
Beginning of financial year	1,101	2,966
Provision made	–	1,101
Provision utilised	(1,101)	(2,966)
End of financial year	–	1,101

Notes to The Financial Statements

For the financial year ended 31 December 2024

23. PROVISION FOR OTHER LIABILITIES (CONTINUED)

Other provision

Movement in other provision is as follows:

	Group	
	2024	2023
	\$'000	\$'000
Beginning of financial year	180	-
Provision made	940	180
End of financial year	1,120	180

24. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group	
	2024	2023
	\$'000	\$'000
Deferred income tax assets	(805)	(1,539)

The movement in the net deferred income tax account is as follows:

	Group	
	2024	2023
	\$'000	\$'000
Beginning of financial year	(1,539)	(873)
Charged/(credited) to profit or loss	743	(666)
Currency translation differences	(9)	-
End of financial year	(805)	(1,539)

Notes to The Financial Statements

For the financial year ended 31 December 2024

24. DEFERRED INCOME TAXES (CONTINUED)

The movement in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax assets

	Provisions \$'000	Tax losses \$'000	Unutilised capital allowances \$'000	Lease liabilities \$'000	Others \$'000	Total \$'000
2024						
Beginning of financial year	(1,145)	(140)	(218)	(464)	(44)	(2,011)
Charged/(credited) to profit or loss	442	(3,113)	(27)	(141)	44	(2,795)
Currency translation differences	-	-	(9)	-	-	(9)
End of financial year	(703)	(3,253)	(254)	(605)	-	(4,815)
2023						
Beginning of financial year	(751)	(140)	(218)	(62)	(44)	(1,215)
Credited to profit or loss	(394)	-	-	(402)	-	(796)
End of financial year	(1,145)	(140)	(218)	(464)	(44)	(2,011)

Deferred income tax liabilities

	Accelerated tax depreciation \$'000	Lease assets \$'000	Total \$'000
2024			
Beginning of financial year	8	464	472
Charged to profit or loss	3,417	121	3,538
End of financial year	3,425	585	4,010
2023			
Beginning of financial year	280	62	342
(Credited)/charged to profit or loss	(272)	402	130
End of financial year	8	464	472

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of \$18,349,000 (2023: \$43,841,000) and capital allowances of \$8,325,000 (2023: \$12,821,000) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to those subsidiary companies meeting certain statutory requirements in their respective countries of incorporation. The tax losses have no expiry date except for tax losses amounting to \$3,895,000 (2023: \$3,895,000) which can be carried forward for a period of three to ten years subsequent to the year of the loss. The capital allowances have no expiry date.

Notes to The Financial Statements

For the financial year ended 31 December 2024

25. BORROWINGS

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
Bank borrowings	9,284	16,340	1,931	2,533
Lease liabilities	1,823	916	-	-
	11,107	17,256	1,931	2,533
Non-current				
Bank borrowings	52,790	62,024	216	2,147
Loan from shareholder	10,000	10,000	10,000	10,000
Lease liabilities	1,755	1,875	-	-
	64,545	73,899	10,216	12,147
Total borrowings	75,652	91,155	12,147	14,680

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Variable rate borrowings	55,559	67,452	-	-
Fixed rate borrowings – repricing or maturity dates				
– Less than 1 year	5,665	5,313	1,931	2,533
– 1–5 years	4,428	8,390	216	2,147
Interest-free borrowings	10,000	10,000	10,000	10,000
	75,652	91,155	12,147	14,680

(a) Security granted

The borrowings of the Group include secured liabilities of \$59,927,000 (2023: \$70,470,000) and unsecured liabilities of \$15,725,000 (2023: \$20,685,000). Term loan of the Group is secured over leasehold land and building of the Group and the Company has issued corporate guarantees to banks for borrowings of certain subsidiaries as disclosed in Note 32.

Notes to The Financial Statements

For the financial year ended 31 December 2024

25. BORROWINGS (CONTINUED)

(b) Loan covenants

Under the terms of the major non-current bank borrowings, which has a carrying amount of \$52,790,000 (2023: \$62,024,000), the Group is required to comply with the following financial covenants at the end of each yearly period:

- the consolidated debt servicing coverage ratio must not be less than 120%;
- the consolidated gearing ratio must be not more than 200%; and
- the Consolidated Tangible Net Worth must be not less than \$39,000,000.

The Group has complied with these covenants throughout the reporting period.

(c) Fair value of borrowings

The fair value of the borrowings are expected to approximate their carrying value as interest rates of these borrowings are adjusted for changes in the relevant market interest rates.

(d) Reconciliation of liabilities arising from financing activities

	1 January 2024 \$'000	Proceeds from loans \$'000	Principal and interest payments \$'000	Non-cash changes			31 December 2024 \$'000
				Addition during the year \$'000	Interest expense \$'000	Foreign exchange movement \$'000	
Bank borrowings	78,364	4,000	(20,346)	-	-	56	62,074
Loan from shareholder	10,000	-	-	-	-	-	10,000
Lease liabilities	2,791	-	(1,309)	1,948	147	1	3,578
Interest payable	122	-	(3,400)	-	3,391	-	113

	1 January 2024 \$'000	Financing cash flows \$'000	Non-cash changes \$'000		31 December 2024 \$'000
			Liabilities under supplier finance arrangement transferred from trade payables \$'000	Payments to suppliers by the bank under supplier finance arrangement \$'000	
Liabilities under supplier finance arrangements	-	-	5,854	(5,854)	-

Notes to The Financial Statements

For the financial year ended 31 December 2024

25. BORROWINGS (CONTINUED)

(d) Reconciliation of liabilities arising from financing activities (continued)

	1 January 2023 \$'000	Proceeds from loans \$'000	Principal and interest payments \$'000	Non-cash changes			31 December 2023 \$'000
				Addition during the year \$'000	Interest expense \$'000	Foreign exchange movement \$'000	
Bank borrowings	78,665	25,550	(25,813)	-	-	(38)	78,364
Loan from shareholder	10,000	-	-	-	-	-	10,000
Hire purchase loan	1,227	-	(1,227)	-	-	-	-
Lease liabilities	426	-	(960)	3,228	97	-	2,791
Interest payable	141	-	(3,371)	-	3,493	(141)	122

	1 January 2023 \$'000	Financing cash flows \$'000	Non-cash changes \$'000		31 December 2023 \$'000
			Liabilities under supplier finance arrangement transferred from trade payables \$'000	Payments to suppliers by the bank under supplier finance arrangement \$'000	
Liabilities under supplier finance arrangements	8,747	(8,747)	18,704	(18,704)	-

Notes to The Financial Statements

For the financial year ended 31 December 2024

26. SHARE CAPITAL

	Issued share capital	
	No. of ordinary shares	Amount
	'000	\$'000
Group and Company		
2024		
Beginning of financial year	1,472,162	92,631
Issuance of shares pursuant to the exercise of 2019 Warrants	182,498	13,323
Adjustment for number of shares pursuant to Share Consolidation	(1,489,194)	-
End of financial year	165,466	105,954
2023		
Beginning of financial year	841,236	71,553
Issuance of shares pursuant to the preferential offering of rights shares	630,926	21,620
Expenses relating to preferential offering of rights shares	-	(542)
End of financial year	1,472,162	92,631

The Company did not hold any treasury shares as at 31 December 2024.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2024 and 31 December 2023.

(a) For the Financial year ended 31 December 2024:

(i) Exercise of 2019 Warrants

On 29 July 2019, the Company issues 168,247,125 new ordinary shares with 168,247,125 free detachable warrants ("2019 Warrants") arising from the exercise of 168,247,125 rights issue at S\$0.073 ("2019 Preferential Offering"). Each 2019 Warrant carry the rights to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.073 for each new ordinary share. There is no value attributable to the 2019 Warrants issued as the average market value of the warrants is S\$Nil at the date of issuance. Accordingly, the entire proceeds from the issuance of rights shares with warrants is accounted for under share capital.

Arising from the January 2023 Preferential Offering as disclosed in Note 26(b), the number of 2019 Warrants was adjusted from 168,247,125 to 183,759,161 in accordance with the terms and conditions 2019 Warrants Instrument. Arising from the June 2023 Preferential Offering as disclosed in Note 26(b), the number of 2019 Warrants was adjusted from 183,759,161 to 185,615,237 in accordance with the terms and conditions 2019 Warrants Instrument.

During the period from 1 January 2024 up to the expiry of the 2019 Warrants on 29 July 2024, a total of 182,498,345 2019 Warrants were exercised, resulting in the issuance of 182,498,345 new ordinary shares. The remaining 3,116,892 2019 Warrants which have not been exercised have expired. The proceeds from the exercise of these warrants amounted to approximately S\$13,323,000. These new ordinary shares issued have been accounted for in shareholders' equity.

Notes to The Financial Statements

For the financial year ended 31 December 2024

26. SHARE CAPITAL (CONTINUED)

(a) For the Financial year ended 31 December 2024: (continued)

(ii) Share Consolidation

The Company's share consolidation of every ten (10) existing shares into one (1) consolidated share (with fractional entitlements disregarded (the "Share Consolidation") was approved by the shareholders at an Extraordinary General Meeting held on 25 November 2024, and was subsequently completed and effective from 12 December 2024. Upon the completion of the Share Consolidation, the Company's number of ordinary shares was adjusted from 1,654,660,687 existing shares into 165,466,046 Consolidated Shares.

(b) For the Financial year ended 31 December 2023:

(i) January 2023 Preferential Offering

On 18 January 2023, the Company completed a preferential offering of 336,494,249 new ordinary shares in the capital of the Company (the "Rights Shares") at an issue price of \$0.031 for each Rights Share (the "January 2024 Preferential Offering").

The total proceeds from the January 2023 Preferential Offering amounted to \$10,431,000. The expenses relating to the January 2023 Preferential Offering of Rights Shares amounted to \$281,000.

(ii) June 2023 Preferential Offering

On 14 June 2023, the Company completed a preferential offering of 294,432,468 new ordinary shares in the capital of the Company (the "Rights Shares") at an issue price of \$0.038 for each Rights Share (the "June 2023 Preferential Offering").

The total proceeds from the June 2023 Preferential Offering amounted to \$11,189,000. The expenses relating to the June 2023 Preferential Offering of Rights Shares amounted to \$261,000.

27. CAPITAL RESERVE

	Group	
	2024	2023
	\$'000	\$'000
Beginning and end of financial year	1,070	1,070

During the financial year ended 31 December 2013, pursuant to a restructuring exercise, the Company entered into a sales and purchase agreement with a related company to acquire the entire equity interests of Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and Precast Concrete Pte. Ltd. A related company pertains to a company which is wholly-owned by a director of the Company.

The capital reserve represents the difference between the purchase consideration amounting to \$16,570,000 which is entirely satisfied by the allotment and issuance of shares and the carrying value of the net assets acquired amounting to \$15,500,000.

Notes to The Financial Statements

For the financial year ended 31 December 2024

28. CURRENCY TRANSLATION RESERVE

	Group	
	2024	2023
	\$'000	\$'000
Beginning of financial year	(2,151)	(1,539)
Net currency translation differences of foreign operations	791	(612)
End of financial year	(1,360)	(2,151)

29. WARRANT RESERVE

	Group and Company	
	2024	2023
	\$'000	\$'000
Beginning and end of financial year	-	-

The movement of the outstanding warrants during the period under review was as follows:

	Group and Company	
	2024	2023
	'000	'000
2019 Warrants		
Beginning of financial year	185,615	168,247
Exercise of 2019 Warrants (Note 26(a))	(182,498)	-
Expiry of 2019 Warrants (Note 26(a))	(3,117)	-
Adjustments arising from preferential offerings	-	17,368
End of financial year	-	185,615

Notes to The Financial Statements

For the financial year ended 31 December 2024

30. RETAINED PROFITS

Movement in retained profits for the Group and the Company is as follows:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	(44,257)	(51,573)	7,808	6,631
Total net profit for the financial year	26,579	7,316	888	1,177
Dividends paid (Note 31)	(3,127)	-	(3,127)	-
End of financial year	(20,805)	(44,257)	5,569	7,808

31. DIVIDENDS

	Group	
	2024	2023
	\$'000	\$'000
Final dividend paid in respect of the previous financial year of 0.1 cents per share	1,472	-
Interim dividend paid in respect of the financial year ended 31 December 2024 of 0.1 cents per share	1,655	-
	3,127	-

At the upcoming Annual General Meeting to be held in April 2025, a final dividend of 1.0 cent per share and a special dividend of 1.0 cent per share amounting to a total of approximately S\$3,309,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2025.

32. CONTINGENCIES

The Company has issued corporate guarantees to banks for borrowings of certain subsidiaries. These bank borrowings amount to \$59,927,000 (2023: \$73,685,000) at the balance sheet date.

Notes to The Financial Statements

For the financial year ended 31 December 2024

33. COMMITMENTS

Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2024	2023
	\$'000	\$'000
Property, plant and equipment	170	165

34. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risks (including currency risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise potential adverse effects from the unpredictability of financial markets on the Groups' financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. Management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors. Financial risk management is carried out by management in accordance with the policies set.

(a) Market risk

(i) Currency risk

The Group operates predominately in Singapore, Myanmar and Malaysia and the functional currencies of the entities in each of the countries are the Singapore Dollar ("SGD"), the United States Dollar ("USD") and the Malaysian Ringgit ("MYR") respectively. Currency risks arise within entities in the Group when transactions are denominated in foreign currencies such as the SGD, USD, Euro ("EUR"), MYR and Myanmar Kyat ("MMK"). Entities in the Group transact predominately in their functional currencies and hold matching currency assets and liabilities to manage the currency risk.

The Company's business operations are not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currencies.

Notes to The Financial Statements

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The currency exposure of the Group based on the information provided to key management is as follows:

	Group				
	SGD	USD	MMK	EUR	MYR
	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 December 2024					
Financial assets					
Cash and cash equivalents	28,762	397	429	22	984
Trade and other receivables	161,481	1,502	2,138	-	457
Intra-group receivables	130,582	863	1,674	-	1,677
Other financial assets	1,778	-	5	-	22
	322,603	2,762	4,246	22	3,140
Financial liabilities					
Trade and other payables	159,907	5,493	-	-	5,720
Intra-group payables	154,182	4,644	1,674	-	597
Borrowings	75,634	-	-	-	18
	389,723	10,137	1,674	-	6,335
Net financial (liabilities)/assets	(67,120)	(7,375)	2,572	22	(3,195)
Less: Net financial assets denominated in the respective entities' functional currencies	54,093	7,673	-	-	3,834
Currency exposure	(13,027)	298	2,572	22	639

Notes to The Financial Statements

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The currency exposure of the Group based on the information provided to key management is as follows:
(continued)

	Group				
	SGD	USD	MMK	EUR	MYR
	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 December 2023					
Financial assets					
Cash and cash equivalents	12,729	344	587	23	508
Trade and other receivables	88,842	12,287	108	-	313
Intra-group receivables	117,071	6,500	1,621	-	673
Other financial assets	1,642	-	5	-	21
	220,284	19,131	2,321	23	1,515
Financial liabilities					
Trade and other payables	98,948	7,808	2,233	2	3,454
Intra-group payables	137,480	6,500	1,621	-	669
Borrowings	89,418	1,715	-	-	22
	325,846	16,023	3,854	2	4,145
Net financial (liabilities)/assets	(105,562)	3,108	(1,533)	21	(2,630)
Less: Net financial assets denominated in the respective entities' functional currencies	91,224	(2,435)	-	-	3,299
Currency exposure	(14,338)	673	(1,533)	21	669

Notes to The Financial Statements

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis for currency risk

If the USD changes against the SGD by 5% (2023: 5%), the MMK changes against the SGD by 5% (2023: 5%), the EUR changes against the SGD by 5% (2023: 5%), and the MYR changes against the SGD by 5% (2023: 5%) with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit after Tax	
	2024 \$'000	2023 \$'000
Group		
USD against SGD		
– strengthened	12	28
– weakened	(12)	(28)
	Increase/(decrease) Profit after Tax	
	2024 \$'000	2023 \$'000
Group		
MMK against SGD		
– strengthened	107	(64)
– weakened	(107)	64
EUR against SGD		
– strengthened	1	1
– weakened	(1)	(1)
MYR against SGD		
– strengthened	27	28
– weakened	(27)	(28)

Notes to The Financial Statements

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Group and the Company are not exposed to any significant price risks.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

The Group's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings. The Company's exposure to cash flow interest rate risks arises mainly from loans due from subsidiaries at variable rates. The Group manages these interest rate risks by maintaining a mix of fixed and variable rate debt instruments with varying maturities.

The Group's bank borrowings at variable rates are denominated mainly in SGD. If the SGD interest rates had been higher/lower by 0.50% (2023: 0.50%) with all other variables including tax rate being held constant, the effects arising from the higher/lower interest expense on these borrowings will be as follows:

	(Decrease)/increase Profit after tax	
	2024	2023
	\$'000	\$'000
Interest rates		
- increased by 0.50%	(231)	(325)
- decreased by 0.50%	231	325

The Company has interest-bearing loans due from and due to subsidiaries at variable rates on which effective hedges have not been entered into. If the interest rates had been higher/lower by 0.5% (2023: 0.50%) with all other variables including tax rate being held constant, the effects arising from the higher/lower interest expense (2023: higher/lower interest income) on these loans due from and due to subsidiaries will be as follows:

	Increase/(decrease) Profit after tax	
	2024	2023
	\$'000	\$'000
Interest rates		
- increased by 0.50%	(42)	37
- decreased by 0.50%	42	(37)

Notes to The Financial Statements

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Management based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored by the Management.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet except as follows:

	Company	
	2024	2023
	\$'000	\$'000
Corporate guarantees provided to banks on subsidiaries' loans	59,927	73,685

(i) Impairment of financial assets

The Group has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. Management has considered, among other factors (including forward-looking information), the Group's historical loss pattern over the last three financial years, historical payment trends of customers, and time value of money. Management concluded that the expected credit losses of trade receivables and unbilled revenue is immaterial, with the exception of certain trade receivables and unbilled revenue where credit loss allowances amounting to approximately \$3,261,000 have been recognised based on the expected amount and timing of settlement.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Notes to The Financial Statements

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(i) Impairment of financial assets (continued)

The Group's and the Company's credit risk exposure in relation to trade receivables and contract assets from construction contracts for building works and precast manufacturing as at 31 December 2024 and 31 December 2023 are set out in the provision matrix as follows:

	← Past due →					Total \$'000
	Current \$'000	Within 30 days \$'000	30 to 60 days \$'000	60 to 90 days \$'000	More than 90 days \$'000	
<u>Group</u>						
As at 31 December 2024						
Construction contracts for building works						
Contract assets	19,332	-	-	-	-	19,332
Trade receivables	57,364	29,086	5,429	335	211	92,425
Loss allowance	(1,738)	-	-	-	(66)	(1,804)
Precast manufacturing						
Contract assets	9,704	-	-	-	-	9,704
Trade receivables	7,994	697	358	-	335	9,384
Loss allowance	(418)	(13)	(6)	(5)	(287)	(729)

	← Past due →					Total \$'000
	Current \$'000	Within 30 days \$'000	30 to 60 days \$'000	60 to 90 days \$'000	More than 90 days \$'000	
<u>Group</u>						
As at 31 December 2023						
Construction contracts for building works						
Contract assets	19,165	-	-	-	-	19,165
Trade receivables	30,039	4,020	24	60	2,107	36,250
Loss allowance	(1,389)	-	-	-	(213)	(1,602)
Precast manufacturing						
Contract assets	6,409	-	-	-	-	6,409
Trade receivables	4,781	1,120	74	27	735	6,737
Loss allowance	(1)	(2)	(4)	(27)	(408)	(442)

Notes to The Financial Statements

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(i) Impairment of financial assets (continued)

Movements in expected credit loss allowance for financial assets are as follows:

	Trade receivables ^(a)	Contract assets ^(a)	Retention receivables ^(a)	Other receivables ^(a)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
2024					
Balance at 1 January 2024	655	1,389	1,154	63	3,261
Loss allowance recognised in profit or loss during the financial year:					
– Allowance for expected credit losses on financial assets	675	298	3,337	–	4,310
Written off	(539)	–	(52)		(591)
Currency translation differences	4	51	97	2	154
Balance at 31 December 2024	795	1,738	4,536	65	7,134
2023					
Balance at 1 January 2023	260	755	869	–	1,884
Loss allowance recognised in profit or loss during the financial year:					
– Allowance for expected credit losses on financial assets	399	657	302	63	1,421
Currency translation differences	(4)	(23)	(17)	–	(44)
Balance at 31 December 2024	655	1,389	1,154	63	3,261

(a) Loss allowance measured at lifetime ECL

Notes to The Financial Statements

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(ii) Amounts due from related parties

The Group monitors the credit risk of the related parties based on the past due information to assess if there is any significant increase in credit risk. The amounts due from related parties are measured on 12-month expected credit losses. The expected credit loss is immaterial.

(iii) Cash and cash equivalents

The Group held cash and cash equivalents of \$30,605,000 (2023: \$14,202,000) with banks which have high credit-ratings assigned by international credit-rating agencies and are considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

(iv) Financial guarantee contracts

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(c) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group will constantly raise committed funding from financial institutions and prudently balance its portfolio with some short-term funding so as to achieve overall cost effectiveness.

The Group's liquidity risk is managed and mitigated over the next twelve months by maintaining strong order books which is expected to generate positive cash flows, and tapping on existing bank facilities for its funding requirements, in which further details are disclosed in Note 2.1.

Notes to The Financial Statements

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Not later than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	More than 5 years \$'000
<u>Group</u>				
At 31 December 2024				
Trade and other payables	(101,668)	(8,050)	-	-
Loan from shareholder	-	(10,000)	-	-
Borrowings (exclude lease liabilities)	(12,267)	(18,256)	(38,649)	-
Lease liabilities	(1,969)	(1,843)	(8)	-
	(115,904)	(38,149)	(38,657)	-
At 31 December 2023				
Trade and other payables	(65,426)	(4,897)	-	-
Loan from shareholder	-	(10,000)	-	-
Borrowings (exclude lease liabilities)	(20,114)	(36,010)	(29,775)	-
Lease liabilities	(1,050)	(1,010)	(972)	-
	(86,590)	(51,917)	(30,747)	-
<u>Company</u>				
At 31 December 2024				
Trade and other payables	(58,527)	-	-	-
Loan from shareholder	-	(10,000)	-	-
Borrowings (exclude lease liabilities)	(1,953)	(217)	-	-
	(60,480)	(10,217)	-	-
At 31 December 2023				
Trade and other payables	(27,344)	-	-	-
Loan from shareholder	-	(10,000)	-	-
Borrowings (exclude lease liabilities)	(2,604)	(1,953)	(217)	-
	(29,947)	(11,953)	(217)	-

Notes to The Financial Statements

For the financial year ended 31 December 2024

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholder, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The Group is required by the banks to maintain consolidated gearing ratio of not exceeding 200% (2023: 200%). The consolidated gearing ratio is calculated as total bank borrowings divided by tangible net worth. Tangible net worth is calculated as total equity less intangible assets.

	Group	
	2024 \$'000	2023 \$'000
Total bank borrowings	62,074	78,364
Tangible net worth	82,373	45,106
Gearing ratio	75%	173%

The Group is in compliance with all externally imposed capital requirements for the financial year ended 31 December 2024.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments are as follows:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial assets, at amortised cost	170,493	91,738	47,557	36,337
Financial liabilities, at amortised cost	185,370	161,477	70,674	42,023

Notes to The Financial Statements

For the financial year ended 31 December 2024

35. RELATED PARTY TRANSACTIONS

- (a) In addition to the information shown elsewhere in the financial statements, the following significant transactions took place between the Group and related parties at terms agreed by the parties:

	Group	
	2024	2023
	\$'000	\$'000
Revenue from construction contracts from related parties [#]	105,040	74,632
Rental income charged to related parties [#]	332	332
Transportation and logistics services received/receivable from related parties [#]	867	471
Minor Works paid/payable to related parties [#]	98	-
Other service income received/receivable from related parties [#]	22	23
Share of common overheads paid/payable to related parties [#]	200	727
Share of common overheads received/receivable from related parties [#]	76	189

[#] Related parties pertain to family members of a director and companies which are wholly-owned by a director of the company.

- (b) Key management personnel compensation

The key management personnel compensation is as follows:

	Group	
	2024	2023
	\$'000	\$'000
Salaries and other short-term employee benefits	4,504	2,712
Contribution to Central Provident Fund	151	146
	4,655	2,858

Details on directors' remuneration are discussed in the Corporate Governance Report.

36. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by senior management that are used to make strategic decisions. Senior management comprises the Executive Chairman, Non-Executive Directors and Executive Directors, and is the Group's chief operating decision-maker.

Senior management considers the business of the Group from the geographical perspective. Geographically, senior management manages and monitors the business in these three primary geographic areas namely Singapore, Myanmar and Malaysia. The Singapore geographic area is engaged both in construction and precast manufacturing business while Myanmar geographic area is engaged only in construction and Malaysia geographic area is engaged only in precast manufacturing business.

Notes to The Financial Statements

For the financial year ended 31 December 2024

56. SEGMENT INFORMATION (CONTINUED)

The segment information provided to senior management for the reportable segments is as follows:

	Singapore		Myanmar		Malaysia		Others	Elimination	Total
	Construction	Precast	Construction	Others	Construction	Precast			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group									
2024									
Revenue									
External customers	315,945	72,326	-	3,435	100	-	-	-	391,806
Inter-segment revenue	2,145	21,210	-	-	-	45,641	-	(68,996)	-
	318,090	93,536	-	3,435	100	45,641	-	*68,996)	391,806
Result									
Segment result before interest	19,853	8,420	(1,860)	(4,038)	(3,030)	3,925	-	4,086	27,356
Interest income									233
Profit before income tax									27,589
Income tax expense									(1,010)
Net profit									26,579
Segment results include:									
- Depreciation of property, plant and equipment	4,071	3,919	-	159	180	5,290	-	-	13,619
- Amortisation of intangible assets	20	2	-	-	-	-	-	-	22
- Share of loss of joint ventures	2	-	-	-	-	-	-	-	2
- Interest expense	2,072	1,373	71	22	-	-	-	-	3,538
Segment assets	244,713	24,940	4,571	8,716	6,888	43,204	11	-	333,043
Segment assets include:									
Investment in joint ventures	-	-	-	-	-	-	-	-	-
Additions to:									
- Property, plant and equipment	938	2,115	-	-	-	4,996	-	-	8,049
- Intangible assets	315	-	-	-	-	-	-	-	315
Segment liabilities	(187,646)	(34,061)	(14,003)	(8,408)	(460)	(5,738)	(8)	-	(250,324)

Notes to The Financial Statements

For the financial year ended 31 December 2024

56. SEGMENT INFORMATION (CONTINUED)

The segment information provided to senior management for the reportable segments is as follows: (continued)

	← Singapore →		← Myanmar →		Malaysia		Others		Elimination		Total	
	Construction	Precast	Others	Construction	Others	Precast	Others	Precast	Others	Elimination	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group												
2023												
Revenue												
External customers	204,032	38,660	64	4,634	-	-	-	-	-	-	-	247,390
Inter-segment revenue	1,403	951	-	1,215	-	8,476	-	-	-	(12,072)	-	-
	205,462	39,611	64	5,849	-	8,476	-	-	-	(12,072)	-	247,390
Result												
Segment result before interest	10,115	1,743	1,158	(854)	(339)	(2,429)	-	-	-	(1,564)	-	7,830
Interest income												9
Profit before income tax												7,839
Income tax expense												(523)
Net profit												7,316
Segment results include:												
- Depreciation of property, plant and equipment	4,326	2,920	-	188	131	2,446	-	-	-	-	-	9,993
- Amortisation of intangible assets	20	4	-	-	-	-	-	-	-	-	-	24
- Share of loss of joint ventures	(3)	-	-	-	-	-	-	-	-	-	-	(3)
- Interest expense	2,625	670	120	173	-	2	-	-	-	-	-	3,590
Segment assets	174,123	17,798	234	14,523	6,621	39,238	11	-	-	-	-	252,548
Segment assets includes:												
Investment in joint ventures	6	-	-	-	-	-	-	-	-	-	-	6
Additions to:												
- Property, plant and equipment	6	1,871	-	-	1,539	4,966	-	-	-	-	-	8,382
- Intangible assets	29	-	-	-	-	-	-	-	-	-	-	29
Segment liabilities	(141,225)	(33,786)	(15,095)	(13,473)	(8)	(3,801)	(7)	-	-	-	-	(207,395)

Notes to The Financial Statements

For the financial year ended 31 December 2024

36. SEGMENT INFORMATION (CONTINUED)

Revenue between segments are recognised at market terms. The revenue from external parties reported to the senior management is measured in a manner consistent with that in the consolidated statement of comprehensive income.

Senior management assesses the performance of the operating segments based on net profit whereby the amounts are prepared on the same basis as the financial statements. Accordingly, there are no reconciling items to be disclosed.

The amounts reported to senior management with respect to total assets, total liabilities have been prepared on the same basis as the financial statements. Accordingly, there are no reconciling items to be disclosed.

Revenues of \$214,341,000 (2023: \$134,044,000) are derived from 10 external customers (2023: 7 external customers). These revenues are attributable to the Singapore construction and Myanmar construction segments.

37. ULTIMATE CONTROLLING PARTY

The Company's ultimate controlling party is Mr Lim Chap Huat who is a controlling shareholder and director of the Company.

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2024 and which the Group has not early adopted.

Amendments to SFRS(I) 1-21 – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

SFRS(I) 1-21 is amended to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, SFRS(I) 1-21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

Amendments to SFRS(I) 9 and SFRS(I) 7 – Amendments to the Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 1 January 2026)

SFRS(I) 9 and SFRS(I) 7 are amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

SFRS(I) 18 – Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 18 replaces SFRS(I) 1-1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

Notes to The Financial Statements

For the financial year ended 31 December 2024

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of SFRS(I) 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:
 - Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
 - SFRS(I) 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the group is currently evaluating the need for change.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.
- The group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - for the first annual period of application of SFRS(I) 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying SFRS(I) 18 and the amounts previously presented applying SFRS(I) 1-1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows. The group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.

The group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.

39. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Soilbuild Construction Group Ltd on 28 March 2025.

Statistics Of Shareholders

As At 13 March 2025

Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share
No. of Issued Shares ("Shares")	:	165,466,046

There are no treasury shares held in the issued capital of the Company.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 13 MARCH 2025

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	45	3.25	940	0.00
100 - 1,000	527	38.11	215,265	0.13
1,001 - 10,000	552	39.91	2,511,989	1.52
10,001 - 1,000,000	252	18.22	15,583,429	9.42
1,000,001 and above	7	0.51	147,154,423	88.93
	1,383	100.00	165,466,046	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	DIRECT INTEREST	%	DEEMED INTEREST	%
Lim Chap Huat	129,599,735	78.32	478,047 ⁽¹⁾	0.29

Note:

(1) Lim Chap Huat is deemed to have an interest in the 478,047 shares held by his spouse, Madam Leo Jee Lin.

Statistics Of Shareholders

As At 13 March 2025

TWENTY LARGEST SHAREHOLDERS AS AT 13 MARCH 2025

NO.	SHAREHOLDER'S NAME	NO. OF SHARES	%
1	LIM CHAP HUAT	129,599,735	78.32
2	LIM HAN REN (LIN HANREN)	6,712,513	4.06
3	LIM HAN QIN	2,669,006	1.61
4	LIM HAN FENG (LIN HANFENG)	2,456,250	1.48
5	OCBC SECURITIES PRIVATE LTD	2,355,764	1.42
6	WONG KOON CHUE @ WONG KOON CHUA	1,909,573	1.15
7	DBS NOMINEES PTE LTD	1,451,582	0.88
8	LIM CHAP HENG	578,500	0.35
9	LEO JEE LIN	478,047	0.29
10	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	461,561	0.28
11	LEO HOCK LENG (LIAO FULONG)	415,878	0.25
12	LIM SZE PHENG	405,161	0.24
13	LEE CHEE SENG	400,000	0.24
14	TIGER BROKERS (SINGAPORE) PTE. LTD.	292,980	0.18
15	LIM MIAO HUA	270,274	0.16
16	AMIR HAMZAH BIN MOHAMED SALLEH	263,390	0.16
17	PHILLIP SECURITIES PTE LTD	258,641	0.16
18	CHAN KOK HIANG	235,000	0.14
19	HO POH LIN	231,380	0.14
20	UNITED OVERSEAS BANK NOMINEES PTE LTD	222,669	0.13
TOTAL:		151,667,904	91.64

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on the information provided, to the best knowledge of the Directors and the substantial shareholders of the Company, 13.62% of the issued share capital of the Company was held in the hands of public as at 13 March 2025. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Notice of Twelfth Annual General Meeting

NOTICE IS HEREBY GIVEN that Twelfth Annual General Meeting of Soilbuild Construction Group Ltd. (the “Company”) will be held at 1 Tai Seng Avenue, Blk F #02-26/28, Singapore 536464 on Wednesday, 23 April 2025 at 2.30 p.m. (Singapore time) to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2024 and the Directors’ Statement and Independent Auditor’s Report thereon. **(Resolution 1)**
2. To declare a final tax-exempt (one-tier) dividend of S\$0.01 per share and a special dividend of S\$0.01 per share for the financial year ended 31 December 2024. **(Resolution 2)**
3. To approve the Directors’ fees of S\$340,000 for the financial year ending 31 December 2025. (FY2024: S\$359,100)
(See Explanatory Note 1) **(Resolution 3)**
4. To re-elect the following Directors retiring by rotation pursuant to Article 94 of the Company’s Constitution:
 - (i) Mr Lim Chap Huat (Article 94) *(See Explanatory Note 2)* **(Resolution 4)**
 - (ii) Ms Lim Cheng Hwa (Article 94) *(See Explanatory Note 3)* **(Resolution 5)**

Mr Lim Chap Huat will, upon re-election as Director of the Company, remain as the Executive Chairman of the Company.

Ms Lim Cheng Hwa will, upon re-election as Director of the Company, remain as the Non-Executive Director of the Company.
5. To re-appoint PricewaterhouseCoopers LLP as auditor of the Company to hold office until the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

Notice of Twelfth Annual General Meeting

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, of which Resolutions 7 and 8 will be proposed as ordinary resolutions, with or without modifications:

ORDINARY RESOLUTIONS

6. Authority to allot and issue shares

- (a) That pursuant to Section 161 of the Companies Act 1967 of Singapore and the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:
- (i) issue shares of the Company whether by way of rights, bonus or otherwise;
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and
 - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and
- (b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that:

- (1) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a *pro rata* basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company. Unless prior shareholder approval is required under the Listing Manual, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits.

For the purpose of this resolution, the total number of issued shares excluding treasury shares and subsidiary holdings is based on the Company’s total number of issued shares excluding treasury shares and subsidiary holdings at the time this resolution is passed, after adjusting for:

- (a) new shares arising from the conversion or exercise of convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and
- (b) any subsequent bonus issue, consolidation or subdivision of the Company’s shares;

and

- (2) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. *(See Explanatory Note 4) (Resolution 7)*

Notice of Twelfth Annual General Meeting

7. Proposed Renewal of the General Mandate for Interested Person Transactions

That:

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual of the SGX-ST (“**Chapter 9**”), for the Company, its subsidiaries and associated companies that are considered to be “**entities at risk**” (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of Mandated Interested Person Transactions described in the Appendix to the Notice of Twelfth Annual General Meeting (the “**Appendix**”) which is enclosed with the Company’s Annual Report 2024, with any party who is of the class of Mandated Interested Persons described in the Appendix, provided that such transactions are made on normal commercial terms, are not prejudicial to the interests of the Company and its minority shareholders, and are in accordance with the review procedures for Mandated Interested Person Transactions (the “**IPT Mandate**”) as set out in the Appendix;
- (b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

(See Explanatory Note 5) (Resolution 8)

8. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Chan Wan Mei (Ms)
Company Secretary
Singapore, 7 April 2025

Notice of Twelfth Annual General Meeting

Explanatory Notes on the Ordinary Business and Special Business to be transacted:

1. The ordinary resolution proposed in item 3 above is to seek approval for the payment of Directors' fees for the financial year ending 31 December 2025.

The amount of Directors' fees proposed for the financial year ending 31 December 2025 are calculated based on the assumption that all Directors will hold office until the end of the financial year.

This resolution is to facilitate the payment of Directors' fees for the financial year ending 31 December 2025 based on the current Board size. In the event the Directors' fees proposed is insufficient (eg. due to the enlarged Board size), approval will be sought at the next Annual General Meeting ("AGM") for additional fees to meet the shortfall.

2. In relation to the ordinary resolution proposed in item 4(i) above, Mr Lim Chap Huat is the Executive Chairman and controlling shareholder of the Company and also father of Mr Lim Han Ren, the Executive Director and Group Chief Executive Officer of the Company. Apart from that, there is no relationship (including immediate family relationships) between Mr Lim Chap Huat and the other Directors and the Company or its substantial shareholder and detailed information on Mr Lim Chap Huat is set out in the section entitled "Board of Directors" and in the Corporate Governance Report section of the Company's Annual Report 2024.
3. In relation to the ordinary resolution proposed in item 4(ii) above, Ms Lim Cheng Hwa is the Non-Executive Director of the Company and a Director of Soilbuild Group Holdings Ltd. (of which Mr Lim Chap Huat, the Company's Executive Chairman is a director and the sole shareholder of Soilbuild Group Holdings Ltd. and Mr Lim Han Ren, the Company's Executive Director and Group Chief Executive Officer is a director of Soilbuild Group Holdings Ltd.). Apart from that, there is no relationship (including immediate family relationships) between Ms Lim Cheng Hwa and the other Directors and the Company or its substantial shareholder and the detailed information on Ms Lim Cheng Hwa is set out in the section entitled "Board of Directors" and in the Corporate Governance Report section of the Company's Annual Report 2024.
4. The ordinary resolution proposed in item 6 above is to authorise the Directors of the Company from the date of the Meeting until the next Annual General Meeting to issue shares and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in aggregate 50% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, of which the total number of shares (including shares to be issued in pursuance of instruments made or granted) issued other than on a *pro rata* basis to existing shareholders shall not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. Rule 806(3) of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") currently provides that the total number of issued shares excluding treasury shares and subsidiary holdings of the Company for this purpose shall be the total number of issued shares excluding treasury shares and subsidiary holdings at the time this resolution is passed (after adjusting for new shares arising from the conversion or exercise of convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.
5. The ordinary resolution proposed in item 7 above, if passed, will renew, effective until the conclusion of the next Annual General Meeting, the mandate (the "**IPT Mandate**") to enable the Company, its subsidiaries and associated companies which are considered "**entities at risk**" to enter in the ordinary course of business into certain types of interested person transactions with specific classes of the Company's interested persons. Particulars of the IPT Mandate are set out in the Appendix to this Notice of Twelfth Annual General Meeting (the "**Appendix**") which is enclosed with the Company's Annual Report 2024.

Notice of Twelfth Annual General Meeting

Notes:

1. The members of the Company are invited to attend physically at the AGM. **There will be no option for the members to participate virtually.** Printed copies of the Annual Report 2024 (including Appendix) will not be despatched to members. Instead, the Annual Report 2024 (including Appendix) will be made available via publication on the Company's website at the URL <https://www.soilbuildconstruction.com> and on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
2. Each of the resolutions to be put to the vote of members at the AGM (and at any adjournment thereof) will be voted on by way of a poll.
3. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.

A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote on his/her/its behalf at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

4. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.
5. A proxy need not be a member of the Company. The Chairman of the AGM, as proxy, need not be a member of the Company.
6. A corporation which is a member may appoint an authorized representative or representatives by resolution of its directors or other governing body in accordance with Section 179 of the Companies Act 1967 to attend, speak and vote for and on behalf of such corporation.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.
8. Where an instrument appointing a proxy is signed on behalf of the appointor by the attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
9. Completion and return of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person(s) appointed under the relevant instrument appointing a proxy(ies) to the AGM.

Notice of Twelfth Annual General Meeting

10. The instrument appointing a proxy(ies), together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:
- (a) if sent personally or by post, be lodged at the Share Registrar's office at 9 Raffles Place, #26-01 Republic Plaza 1, Singapore 048619; or
 - (b) if submitted by email, be received by the Company at sg.is.proxy@vistra.com,

in either case, by 2.30 p.m. (Singapore time) on 20 April 2025 being not less than seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid. **Members of the Company are strongly encouraged to submit completed proxy forms electronically via email.**

11. CPFIS/SRS investors who hold shares through CPF Agent Banks/SRS Operators:
- (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should contact their CPF Agent Banks/SRS Operators to submit their votes not less than seven (7) working days before the AGM (ie by 10 April 2025).

12. Shareholders who wish to ask questions in advance of the AGM related to the resolutions to be tabled for approval at the AGM, must submit their questions by 2.30 p.m. (Singapore time) on 14 April 2025 via email to sbcg_ir@soilbuild.com. When sending in your questions, provide your full name, address, contact details and the manner in which you hold shares in the Company (eg via CDP, CPF or SRS) for verification purposes, failing which the submission will be treated as invalid.

The Company shall only address substantial and relevant questions (as may be determined by the Company in its sole discretion) received in advance of the AGM by publishing the responses to such questions on the Company's website and on SGX's website by 2.30 p.m. (Singapore time) on 17 April 2025.

The Company endeavours to address (i) subsequent clarifications sought (ii) follow-up questions or (iii) subsequent substantial and relevant questions which are received after its responses referred to the above, at the AGM itself. Where substantial similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

The Company will publish the minutes of the AGM on the SGX's website at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website within one (1) month after the date of the AGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Notice of Twelfth Annual General Meeting

NOTICE OF RECORD DATE AND DIVIDENDS PAYMENT DATE

NOTICE IS HEREBY GIVEN that subject to shareholders of Soilbuild Construction Group Ltd. (the “**Company**”) approving the proposed payment of the final tax-exempt (one-tier) dividend of S\$0.01 per share and a special dividend of S\$0.01 per share for the financial year ended 31 December 2024 (the “**Proposed Dividends**”) at the Annual General Meeting to be held on 23 April 2025 (the “**AGM**”), the Share Transfer Books and the Register of Members of the Company will be closed at 5.00 p.m. on 7 May 2025 for the purpose of determining shareholders’ entitlements to the Proposed Dividends.

Duly completed transfers in respect of shares of the Company (“**Shares**”) received by the Company’s Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place #26-01 Republic Plaza 1, Singapore 048619, up to 5.00 p.m. on 7 May 2025 (the “**Record Date**”) will be registered to determine shareholders’ entitlements to the Proposed Dividends.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares at 5.00 p.m. on the Record Date will be entitled to the Proposed Dividends.

The Proposed Dividends, if approved at the AGM, will be paid on 19 May 2025.

BY ORDER OF THE BOARD

Chan Wan Mei (Ms)
Company Secretary
Singapore, 7 April 2025

Disclosure of Information on Directors Seeking Re-Election

Mr Lim Chap Huat and Ms Lim Cheng Hwa are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 23 April 2025 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	Mr Lim Chap Huat	Ms Lim Cheng Hwa
Date of Appointment	14 January 2013	8 May 2013
Date of last re-appointment	26 April 2023	26 April 2023
Age	70	51
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Lim Chap Huat for re-appointment as Executive Chairman of the Company. The Board have reviewed and concluded that Mr Lim Chap Huat possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Ms Lim Cheng Hwa for re-appointment as Non-Executive Director of the Company. The Board have reviewed and concluded that Ms Lim Cheng Hwa possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for the Group’s strategic direction, business planning and development as well as succession planning. Also provides guidance in the project management and tender submission for the Group’s various projects.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman	Non-Executive Director
Professional qualifications	Technician Diploma (Civil Engineering) from the Singapore Polytechnic.	Bachelor of Accountancy (Honours) from the Nanyang Technological University

Disclosure of Information on Directors Seeking Re-Election

	Mr Lim Chap Huat	Ms Lim Cheng Hwa
Working experience and occupation(s) during the past 10 years	<p>Chairman of Soilbuild Group Holdings Ltd. and also serves as the director on the board of all subsidiaries of Soilbuild Group Holdings Ltd. He also is a non-executive director of SB REIT Management Pte. Ltd., the manager of Soilbuild Business Space REIT.</p> <p>Co-Founder of Soilbuild Group with over 40 years of experience in the construction and property development business.</p>	<p>2011 to current – Executive Director of Soilbuild Group Holdings Ltd. and also serves as the director of certain subsidiaries of Soilbuild Group Holdings Ltd.</p> <p>2010 to current – Director of Capital and Investment Management of Soilbuild Group Holdings Ltd., handling all financial accounting, tax and treasury matters, business and investment development, corporate communications, human resources and administration of the Group.</p> <p>2013 to 2021 – Non-Executive Director of SB REIT Management Pte. Ltd., the manager of Soilbuild Business Space REIT.</p> <p>2007 to 2009 – Group Financial Controller at Soilbuild Group Holdings Ltd.</p>
Shareholding interest in the listed issuer and its subsidiaries	<p>Direct Interest: 129,599,735 ordinary shares</p> <p>Deemed Interest (held by spouse): 478,047 ordinary shares</p>	Direct Interest: 43,750 ordinary shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Lim Chap Huat is the father of Mr Lim Han Ren, the Executive Director and Group Chief Executive Officer of the Company.	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships#		
Past (for the last 5 years)	1. Clay Holdings II Limited and its subsidiaries	1. SB REIT Management Pte. Ltd.

Disclosure of Information on Directors Seeking Re-Election

	Mr Lim Chap Huat	Ms Lim Cheng Hwa
Present	<ol style="list-style-type: none"> 1. Soilbuild Construction Group Ltd. and its subsidiaries 2. Soilbuild Group Holdings Ltd. and its subsidiaries 3. SB Asset & Investment Management Pte Ltd (Formerly known as SB REIT Management Pte. Ltd.) 4. CHL Holdings Pte. Ltd. 5. Qilin Fund 6. Qilin Asset Management Pte. Ltd. 7. Qilin Wealth Fund Pte. Ltd. 8. Golden Bakery International Pte. Ltd. 9. Dolphin Alpha Investments Pte. Ltd. 	<ol style="list-style-type: none"> 1. Soilbuild Construction Group Ltd. 2. Soilbuild Group Holdings Ltd. 3. SB Development Pte. Ltd. 4. SB (Kemaman) Development Pte. Ltd. 5. SB (Vietnam) Investment Pte. Ltd. 6. Asiaone Online Pte Ltd 7. SB JV Holdco Pte. Ltd.

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.

a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

Disclosure of Information on Directors Seeking Re-Election

	Mr Lim Chap Huat	Ms Lim Cheng Hwa
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

Disclosure of Information on Directors Seeking Re-Election

	Mr Lim Chap Huat	Ms Lim Cheng Hwa
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

If you are in any doubt as to the contents herein or as to the course of action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

**APPENDIX TO THE
NOTICE OF TWELFTH ANNUAL GENERAL MEETING
DATED 7 APRIL 2025**

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DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

“AGM”	:	The Annual General Meeting of the Company to be held on 23 April 2025
“Associate”	:	An associate as defined under the Listing Manual
“Audit Committee”	:	The Audit Committee of the Company, comprising Mr Chee Wee Kiong, Mr Ng Fook Ai Victor and Mr Chiam Tao Koon
“Auditor”	:	The auditor of the Company for the time being
“Board”	:	The board of directors of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	Companies Act 1967 of Singapore
“Company”	:	Soilbuild Construction Group Ltd.
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	A person who holds directly or indirectly 15% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder, or in fact exercises Control over the Company
“Director”	:	A director of the Company for the time being
“FY”	:	Financial year ended or, as the case may be, ending 31 December
“Group”	:	The Company and its subsidiaries
“Listing Manual”	:	The listing manual of the SGX-ST
“Non-executive Director”	:	A director of the Company and/or its subsidiaries, other than one who performs an executive function
“Securities Account”	:	Securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“SFA”	:	Securities and Futures Act, 2001 of Singapore
“SGX-ST” or “the Exchange”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register maintained by CDP. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“Shares”	:	Ordinary shares of the Company
“S\$”	:	Singapore dollars
“%”	:	Percentage or per centum

DEFINITIONS

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them in the SFA.

The term “**subsidiary holdings**” means shares referred to in sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, or any statutory modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts listed and the totals thereof are due to rounding.

APPENDIX TO THE NOTICE OF TWELFTH ANNUAL GENERAL MEETING

1 INTRODUCTION

- 1.1 The Company refers to Resolution 8 of the Notice of Twelfth Annual General Meeting of the Company (“AGM”). Resolution 8 is an ordinary resolution to be proposed at the AGM for the renewal of the Company’s general mandate for interested person transactions (the “IPT Mandate”).
- 1.2 The purpose of this Appendix is to provide Shareholders with information relating to Resolution 8.

2 PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

2.1 Background

At the Eleventh Annual General Meeting of the Company held on 26 April 2024 (the “2024 AGM”), Shareholders had approved the renewal of the IPT Mandate for the purposes of the Listing Manual. The terms of the IPT Mandate were set out in the Appendix to the Notice of Eleventh Annual General Meeting dated 9 April 2024.

The IPT Mandate enables the Company, its subsidiaries and associated companies that are considered to be “entities at risk” within the meaning of Chapter 9 of the Listing Manual (the “SBC Group”), to enter in the ordinary course of business into any of the mandated transactions with specified classes of the Company’s interested persons, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. Mr Lim Chap Huat is considered a Controlling Shareholder, and Mr Lim Chap Huat and his Associates, including Soilbuild Group Holdings Ltd. (“Soilbuild Group Holdings”), as well as the rest of the Directors and their Associates, are regarded as “interested persons” of the Company for the purposes of Chapter 9 of the Listing Manual.

2.2 Annual Renewal of the IPT Mandate

The IPT Mandate renewed at the 2024 AGM was expressed to be effective until the conclusion of the forthcoming AGM. Hence, the IPT Mandate will continue in force only until the conclusion of the forthcoming AGM, which is to be held on 23 April 2025. Accordingly, it is proposed that the IPT Mandate be renewed at the forthcoming AGM, to take effect until the conclusion of the next annual general meeting of the Company.

2.3 Particulars of the IPT Mandate to be Renewed

The nature of the interested person transactions and the classes of interested persons in respect of which the IPT Mandate is sought to be renewed remain unchanged. Particulars of the IPT Mandate, including the rationale for the IPT Mandate, the benefits to be derived by the SBC Group, as well as the review procedures for determining transaction prices with the specified classes of interested persons, are set out in paragraph 2.6 of this Appendix.

2.4 Audit Committee’s Confirmation

Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices have not changed since the 2024 AGM; and
- (b) the methods and procedures referred to in sub-paragraph (a) above are sufficient to ensure that the Mandated Transactions (as defined below) carried out thereunder will be on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

APPENDIX TO THE NOTICE OF TWELFTH ANNUAL GENERAL MEETING

2.5 Chapter 9 of the Listing Manual

2.5.1 Chapter 9 of the Listing Manual governs transactions between a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be “at risk”, with the listed company’s interested persons.

2.5.2 Except for any transaction which is below S\$100,000 in value¹ and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9, when this Chapter applies to a transaction with an interested person and the value of the transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company’s latest audited consolidated net tangible assets (“NTA”)), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for the transaction. In particular, shareholders’ approval is required for an interested person transaction of a value equal to, or exceeding:

- (a) 5% of the listed company’s latest audited consolidated NTA; or
- (b) 5% of the listed company’s latest audited consolidated NTA, when aggregated with the values of all other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

Based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2024, the consolidated NTA of the Company was S\$82.7 million. Accordingly, in relation to the Company, for the purposes of Chapter 9 of the Listing Manual, in the current financial year and until the audited consolidated financial statements of the Company for the financial year ending 31 December 2025 are published, 5% of the Company’s latest audited consolidated NTA would be S\$4.1 million.

- 1 The IPT Mandate would, however, cover interested person transactions with values below S\$100,000 entered into during the same financial year and which are aggregated by the SGX-ST under Chapter 9 of the Listing Manual and treated as if they were one interested person transaction which has a value of S\$100,000 or more.

2.5.3 Chapter 9 of the Listing Manual, however, allows the Company to seek a mandate from its Shareholders for recurrent interested person transactions which are of a revenue or trading nature or for those necessary for the SBC Group’s day-to-day operations. These transactions may not include the purchase or sale of assets, undertakings or businesses which are not part of the SBC Group’s day-to-day operations.

2.5.4 For the purposes of Chapter 9 of the Listing Manual:

- (a) an “**associate**” in relation to an interested person who is a director, chief executive officer, substantial shareholder or controlling shareholder, includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer, substantial shareholder or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family, the substantial shareholder/his immediate family, or the controlling shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family, the substantial shareholder/his immediate family or the controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a substantial shareholder or controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;

APPENDIX TO THE NOTICE OF TWELFTH ANNUAL GENERAL MEETING

- (b) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9;
- (c) an “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;
- (d) an “**entity at risk**” means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;
- (e) an “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder. The SGX-ST may also deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into (i) a transaction with an entity at risk, and (ii) an agreement or arrangement with an interested person in connection with that transaction;
- (f) an “**interested person transaction**” means a transaction between an entity at risk and an interested person;
- (g) a “**primary interested person**” means a director, chief executive officer or controlling shareholder of the listed company;
- (h) a “**transaction**” includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of goods or services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly; and
- (i) in interpreting the term “**same interested person**” for the purpose of aggregation of the values of all transactions entered into with the same interested person during the same financial year under Rules 905 and 906 of the Listing Manual, the following applies:
 - (i) transactions between (a) an entity at risk and a primary interested person; and (b) an entity at risk and an associate of that primary interested person, are deemed to be transactions between an entity at risk with the same interested person. Transactions between (i) an entity at risk and a primary interested person; and (ii) an entity at risk and another primary interested person, are deemed to be transactions between an entity at risk with the same interested person if the primary interested person is also an associate of the other primary interested person;
 - (ii) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person; and
 - (iii) if an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and have audit committees whose members are completely different.

APPENDIX TO THE NOTICE OF TWELFTH ANNUAL GENERAL MEETING

2.6 Renewal of the IPT Mandate

2.6.1 Introduction. The Company anticipates that the SBC Group would, in the ordinary course of business, continue to enter into certain transactions with its interested persons (as such term is defined in the Listing Manual), including but not limited to those categories of transactions described below. In view of the time-sensitive and recurrent nature of commercial transactions, it would be advantageous for the Company to obtain an IPT Mandate to enter into certain interested person transactions in the normal course of business, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. As the SBC Group is principally engaged in general construction services, such services would fall under the scope of recurrent transactions of a revenue nature, thereby allowing the Company to obtain an IPT Mandate pursuant to Rule 920(1) of the Listing Manual.

Chapter 9 of the Listing Manual allows a listed company to obtain a mandate from its shareholders for recurrent interested person transactions which are of a revenue or trading nature or for those necessary for its day-to-day operations. These transactions may not include the purchase or sale of assets, undertakings or businesses which are not part of its day-to-day operations.

The IPT Mandate will take effect from the passing of Resolution 8 relating thereto, and will continue in force until the conclusion of the next annual general meeting of the Company (unless sooner revoked or varied by the Company in general meeting). Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next annual general meeting and each subsequent annual general meeting of the Company, subject to satisfactory review by the Audit Committee of its continued application to the Mandated Transactions.

2.6.2 Rationale for and Benefits of the IPT Mandate. The SBC Group will benefit from transacting with Mandated Interested Persons (as defined below), in addition to non-Mandated Interested Persons, in an expeditious manner. The IPT Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential interested person transactions with a specific class of Mandated Interested Persons arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the SBC Group.

The IPT Mandate is intended to facilitate transactions in the normal course of the SBC Group's business which are transacted from time to time with the specified classes of Mandated Interested Persons, provided that they are carried out in accordance with the procedures outlined in this Appendix and on normal commercial terms and are not prejudicial to the Company and its minority Shareholders.

In accordance with the requirements of Chapter 9 of the Listing Manual, the Company will: (a) disclose in the Company's annual report the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT Mandate during the financial year (as well as in the annual reports for subsequent financial years that the IPT Mandate continues to be in force); and (b) announce the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report.

2.6.3 Entities at Risk. For the purposes of the IPT Mandate, an "Entity At Risk" means:

- (a) the Company;
- (b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or
- (c) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Group and its interested person(s) have control over the associated company.

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2.6.4 Classes of Mandated Interested Persons. The IPT Mandate will apply to the transactions that are carried out with Soilbuild Group Holdings, the Company's Directors and their respective Associates (the "Mandated Interested Persons").

2.6.5 Categories of Mandated Interested Person Transactions. The types of transactions to which the IPT Mandate will apply (the "Mandated Transactions"), and the benefits to be derived therefrom, are set out below:

(a) Construction Transactions

This category of transactions pertains to the construction business of the SBC Group ("**Construction Transactions**"). The transactions within this category comprise:

- (i) the tender by the SBC Group for (whether by way of public tender, invitation or otherwise) and/or obtaining by the SBC Group of the award of contracts from the Mandated Interested Persons as main contractors, subcontractors, suppliers and/or consultants for construction, building, engineering, architectural, retro-fitting and/or alteration and addition works for residential, commercial, industrial, institutional, recreational, infrastructural and other projects, turnkey projects and design and build projects ("**Construction Services**");
- (ii) the provision of renovation services (such as fitting-out, upgrading and tenancy works) ("**Renovation Services**") by the SBC Group to the Mandated Interested Persons;
- (iii) the provision and/or obtaining of property-linked services (such as project management, property marketing, property and rental valuation services, building maintenance services and security services) ("**Property-linked Services**") by the SBC Group to and/or from the Mandated Interested Persons; and
- (iv) the provision and/or obtaining of such other products and services which are incidental to or in connection with the provision or obtaining of products and services in sub-paragraphs (i) to (iii) above, by the SBC Group to and/or from the Mandated Interested Persons.

(b) General Transactions

This category of transactions pertains to the general business transactions for services and products arising in the day-to-day operations of various companies in the SBC Group ("**General Transactions**"). The transactions within this category comprise:

- (i) the leasing and/or rental of properties, other than as envisaged in any lease agreement in force between the SBC Group and the Mandated Interested Persons; and
- (ii) the provision or obtaining of such other products and services which are incidental to or in connection with the provision or obtaining of products and services in sub-paragraph (i) above.

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2.6.6 Review Procedures for Mandated Transactions with Mandated Interested Persons. The SBC Group has an internal control system in place to ensure that Mandated Transactions with the Mandated Interested Persons are made on normal commercial terms and consistent with the SBC Group's usual policies and practices.

(a) The internal control system includes the following procedures:

Provision of Construction Services, Renovation Services and Property-linked Services

In relation to the provision of Construction Services, Renovation Services or Property-linked Services, the payments made by the Mandated Interested Person will be based on the higher tender price determined by the following approaches:

- (i) Comparable third party contracts approach: At least two recent contracts, for the same or substantially the same nature of Construction Services, Renovation Services or Property-linked Services, entered into by the SBC Group with third parties will be used as a basis of comparing and determining the tender price and commercial terms (including the credit terms) to be offered to the Mandated Interested Person, after taking into account, inter alia, if applicable, factors such as but not limited to, the complexity of the services rendered, the Mandated Interested Person's project specifications, the delivery schedule, the sufficiency and availability of resources, creditworthiness of the Mandated Interested Person, engineering and technical expertise requirements, soil conditions, and prevailing estimated project costs determined by quantity surveyor(s). The SBC Group will compare and determine the tender price in the following manner:
- (1) as the main drivers affecting construction costs are floor area and installations required, the contracts of a similar nature will be analysed on a cost per square feet or cost per installation basis. After analysing the costs in specific detail, the SBC Group will then derive a meaningful contract sum for the Mandated Interested Person. For example, in the construction of flatted factories, it is envisaged that the core materials and services required, as well as the construction method, will generally be similar; hence, the detailed costing methodology will also be similar;
 - (2) for all projects, the SBC Group will perform the internal costing and budgetary evaluations according to the design and specifications in the technical drawings. This process includes, inter alia, quantification and costing of materials, equipment, labour and services requirements, and where necessary, obtaining quotations from external suppliers and/or service providers to justify the costing; and
 - (3) adjustments to the contract sum will be made based on the assessment by the SBC Group to account for differences between the comparable third party contracts and the transaction with the Mandated Interested Person, as described above.
- (ii) Appropriate gross profit margins approach: Where it is impractical or impossible to compare against recent contracts entered into by the SBC Group with third parties, the tender price will be determined based on internal costing and budgetary evaluations of the arm's length project costs determined by a project director and quantity surveyor(s) marked up with an appropriate gross profit margin which will not be more favourable to the Mandated Interested Person than those extended to third parties, in line with the SBC Group's usual business and pricing policies (including the SBC Group's gross profit margin policies for contracting with third parties). For instance, it is impractical to adopt the comparable third party contracts approach when there are projects of a unique nature to be awarded by the Mandated Interested Person. In such situations, the SBC Group may not have executed projects of a similar nature with third parties. For example, the SBC Group has not been involved in the construction of major infrastructure projects and there are no meaningful comparable third party contracts available. In such instances, the SBC Group will have to rely on the appropriate gross margins approach which utilises a bottom up methodology to derive a reasonable tender price based on costing and budgetary fundamental factors and marked up with an acceptable gross profit margin.

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In determining the appropriate gross profit margin, the SBC Group will take into account, inter alia, if applicable, factors such as but not limited to, the complexity of the services rendered, the Mandated Interested Person's specifications, the delivery schedule, the sufficiency and availability of resources, creditworthiness of the Mandated Interested Person, engineering and technical expertise requirements, and soil conditions. In addition, the Audit Committee or such other senior executive(s) of the Company designated by the Audit Committee from time to time for such purpose will check that the appropriate gross profit margin is in line with those reported by certain construction companies deemed relevant for the purposes of comparison based on the nature of business, business segments and geographical segments of such companies.

Others

Except for the provision of Construction Services, Renovation Services or Property-linked Services, in relation to Construction Transactions and General Transactions, any transaction proposed to be carried out with a Mandated Interested Person for the obtaining or provision of the services or products described above shall be made at the prevailing rates/prices of the service or product provider which (in relation to services or products to be provided to a Mandated Interested Person) are no more favourable to the Mandated Interested Person than those extended to third parties, or (in relation to services or products to be obtained from a Mandated Interested Person) are no less favourable than those extended by the Mandated Interested Person to third parties, and on the service or product provider's usual commercial terms or otherwise in accordance (where applicable) with industry norms.

For the above purposes, market rates will be reviewed where applicable. As a basis for comparison to determine whether the price and terms offered to the Mandated Interested Person are no more favourable than those extended to third parties, at least two recent contracts for the same or substantially the same types of transactions entered into by the SBC Group with third parties will be used. As a basis for comparison to determine whether the terms offered by the Mandated Interested Person are fair and reasonable (taking into account, where relevant, factors such as pricing, delivery schedule, rebates or discounts accorded for bulk purchases), quotes will be obtained wherever possible from at least two third party suppliers, for the same or substantially similar quantities and quality of products and/or services. Where it is impractical or not possible for such contracts or (as the case may be) quotes to be obtained:

- (i) in relation to the sale of goods or services to the Mandated Interested Person, the terms of supply will be determined in accordance with the SBC Group's usual business practice and consistent with the margins obtained by the SBC Group in its business operations; and
- (ii) in relation to the purchase of goods or services from the Mandated Interested Person, the terms of supply will be compared to those for the same or substantially the same types of transactions entered into between the Mandated Interested Persons and third parties. The review procedures in such cases may include, where applicable, reviewing the standard price lists provided by the Mandated Interested Person to its customers for such services or products and be based on the commercial merits of the transaction. Where it is impractical or not possible to compare the terms of supply with those for the same or substantially the same types of transactions entered into between the Mandated Interested Persons and third parties, the Relevant Authorised Persons (as referred to in sub-paragraph (b) below) will determine whether the terms of supply are fair and reasonable. This would include taking into account, where known, among other matters as may be necessary, the nature and duration of the transaction, the cost and margins of the relevant project (if any) and the quality of the items or services to be purchased.

APPENDIX TO THE NOTICE OF TWELFTH ANNUAL GENERAL MEETING

- (b) The following review and approval procedures will apply to the Mandated Transactions:
- (i) Transactions equal to or exceeding S\$100,000 each in value but below the Financial Limit (as defined below) each in value, will be reviewed and approved by either the Company's Executive Directors, together with the Audit Committee or such other senior executive(s) of the Company designated by the Audit Committee from time to time for such purpose (collectively, the "**Relevant Authorised Persons**"), and tabled for review by the Audit Committee on a half-yearly basis.
 - (ii) Transactions equal to or exceeding the Financial Limit each in value will be reviewed and approved by the Audit Committee.
 - (iii) Any of the Relevant Authorised Persons, and the Audit Committee, may, as he/it deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including requesting for an independent financial adviser's opinion and/or the obtaining of valuations from independent professional valuers.

For the purposes of sub-paragraphs (i) and (ii) above, the Financial Limit shall be the amount equivalent to 5% of the Group's audited consolidated NTA for the time being, as determined by reference to the Group's latest announced audited consolidated financial statements.

- (c) The following will apply to the review and approval process for all categories of Mandated Transactions:
- (i) If any of the Relevant Authorised Persons has an interest in the transaction or is a nominee for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by the remaining Relevant Authorised Persons who do not have an interest in the transaction or are not nominees for the time being of the Mandated Interested Person, save that if the Executive Directors of the Company have an interest in the transaction or are nominees for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by the Audit Committee or such other senior executive(s) of the Company designated by the Audit Committee from time to time for such purpose.
 - (ii) If all of the Relevant Authorised Persons have an interest in the transaction or are nominees for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by the Chairman of the Audit Committee or another member of the Audit Committee (who is not a nominee of the Mandated Interested Person and has no interest in the transaction) designated by the Chairman of the Audit Committee from time to time for such purpose.
 - (iii) If a member of the Audit Committee has an interest in a transaction or is a nominee for the time being of the Mandated Interested Person, he shall abstain from participating in the review and approval process of the Audit Committee in relation to that transaction.
 - (iv) If a member of the Audit Committee (who is not a nominee of the Mandated Interested Person and has no interest in the transaction) also serves as an independent non-executive director on the board of directors or (as the case may be) an audit or other board committee of the Mandated Interested Person, and he participates in the review and approval process of the Audit Committee in relation to a transaction with that Mandated Interested Person, he will abstain from participating on any decision before the board or committee of that Mandated Interested Person with respect to such transaction.

APPENDIX TO THE NOTICE OF TWELFTH ANNUAL GENERAL MEETING

- (d) The Company will maintain a register of Mandated Transactions carried out with Mandated Interested Persons (recording the basis, including the quotations obtained to support such basis, on which they are entered into), and the Company's annual internal audit plan will incorporate a review of all Mandated Transactions entered into in the relevant financial year pursuant to the IPT Mandate.

The Audit Committee will review the internal audit reports on Mandated Transactions to ascertain that the internal control procedures and review procedures for Mandated Transactions have been complied with.

- (e) If during any of the reviews by the Audit Committee, the Audit Committee is of the view that the internal control procedures and review procedures for Mandated Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the SBC Group or the Mandated Interested Persons are conducted, the Company will revert to Shareholders for a fresh general mandate based on new internal control procedures and review procedures so that the Mandated Transactions will be carried out at arm's length, on commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3 DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial Shareholders of the Company in the issued share capital of the Company can be found on pages 57 and 133 of the Company's Annual Report 2024.

4 ABSTENTION FROM VOTING

Mr Lim Chap Huat, the Executive Chairman of the Company, and Mr Lim Han Ren, the Executive Director and Group Chief Executive Officer of the Company, are directors of Soilbuild Group Holdings. Ms Lim Cheng Hwa, a Non-Executive Director of the Company, is also a director of Soilbuild Group Holdings. As Soilbuild Group Holdings is an interested person in relation to the IPT Mandate, each of Mr Lim Chap Huat, Mr Lim Han Ren and Ms Lim Cheng Hwa has abstained from making any recommendation to Shareholders in relation to the proposed renewal of the IPT Mandate.

Mr Lim Chap Huat, Mr Lim Han Ren and Ms Lim Cheng Hwa, the Relevant Directors (as defined below), Soilbuild Group Holdings and their respective Associates, which or who are interested persons in relation to the renewal of the IPT Mandate, will also abstain from voting their Shares, if any, at the AGM in respect of Resolution 8 relating to the renewal of the IPT Mandate, and will also decline to accept appointment as proxy for any Shareholder to vote in respect of Resolution 8 unless that Shareholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Resolution 8. The Company will disregard any votes cast by Mr Lim Chap Huat, Mr Lim Han Ren and Ms Lim Cheng Hwa, the Relevant directors (as defined below), Soilbuild Group Holdings and their respective Associates, which or who are interested persons in relation to the renewal of the IPT Mandate, in respect of their holdings of Shares (if any) on Resolution 8.

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5 DIRECTORS' RECOMMENDATIONS

Proposed Renewal of the General Mandate for Interested Person Transactions

Notwithstanding that all the Directors are Mandated Interested Persons (as described in paragraph 2.6.4 above), it is anticipated that none of Mr Chee Wee Kiong, Mr Ng Fook Ai Victor and Mr Chiam Tao Koon (the "Relevant Directors") (or their respective Associates) will enter into any Mandated Transactions (as described in paragraph 2.6.5 above) with the SBC Group (as described in paragraph 2.1 above). Accordingly, the Relevant Directors are considered independent for the purposes of the proposed renewal of the IPT Mandate. Having considered the terms of the IPT Mandate, the Relevant Directors are of the opinion that the entry by the SBC Group into the Mandated Transactions with the Mandated Interested Persons in the ordinary course of business will enhance the efficiency of the SBC Group, and is in the interests of the Company. For the reasons set out in paragraphs 2.6.1, 2.6.2 and 2.6.5 above, they recommend that minority Shareholders vote in favour of Resolution 8 relating to the renewal of the IPT Mandate at the AGM.

6 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the IPT Mandate, and the Company and its subsidiaries which are relevant to the proposal renewal of the IPT Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

7 INSPECTION OF DOCUMENTS

The Constitution of the Company may be inspected at the registered office of the Company during normal business hours from the date hereof up to and including the date of the AGM.

SOILBUILD CONSTRUCTION GROUP LTD.(Company Registration No. 201301440Z)
(Incorporated in the Republic of Singapore)**IMPORTANT:**

- Members who hold shares through the relevant intermediaries as defined in Section 181 of the Companies Act 1967 (including SRS investors and holders under depository agents) and who wish to appoint the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including SRS approved banks or depository agents) to submit their votes by 2.30 p.m. on 10 April 2025.
- By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 7 April 2025.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of a member's proxy to vote on his/her/ its behalf at the AGM.

**ANNUAL GENERAL MEETING
PROXY FORM**

I/We, _____ (Name) _____ (NRIC / Passport no.)
of _____ (Address)

being *a member/members of Soilbuild Construction Group Ltd. (the "Company"), hereby appoint:

Name	NRIC/ Passport No.	Address	Proportion of Shareholding (%)

*and/or (delete as appropriate)

Name	NRIC/ Passport No.	Address	Proportion of Shareholding (%)

or failing him/her or both of them, the Chairman of the Annual General Meeting (the "AGM" or the "Meeting"), as *my/our *proxy/proxies, to attend, speak and vote for *me/us on *my/our behalf, at the AGM of the Company to be held at 1 Tai Seng Avenue, Blk F #02-26/28, Singapore 536464 on Wednesday, 23 April 2025 at 2.30 p.m. (Singapore time) and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder.

NOTE: Each resolution at the AGM will be voted on by way of a poll. The Chairman will not exercise his casting vote.

No.	ORDINARY RESOLUTIONS	For	Against	Abstain
Ordinary Business				
1.	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2024 and the Directors' Statement and Independent Auditor's Report thereon.			
2.	To declare a final tax-exempt (one-tier) dividend of S\$0.01 per share and a special dividend of S\$0.01 per share for the financial year ended 31 December 2024.			
3.	To approve the Directors' fees for the financial year ending 31 December 2025.			
4.	To re-elect Mr Lim Chap Huat retiring by rotation pursuant to Article 94 of the Company's Constitution.			
5.	To re-elect Ms Lim Cheng Hwa retiring by rotation pursuant to Article 94 of the Company's Constitution.			
6.	To re-appoint PricewaterhouseCoopers LLP as auditor of the Company and to authorise the Directors to fix their remuneration.			
Special Business				
7.	To authorise Directors to allot and issue shares pursuant to Section 161 of the Companies Act 1967 of Singapore and the Listing Manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST").			
8.	To authorise the Company, its subsidiaries and associated companies to enter into transactions with interested persons as defined in Chapter 9 of the Listing Manual of the SGX-ST.			

* Delete accordingly.

Dated this _____ day of _____ 2025

Total Number of Shares Held

Signature(s) of member(s) or Common Seal of Corporate Shareholder

Voting will be conducted by poll. If you wish your proxy/proxies to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" or a "√" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with an "X" or a "√" in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the below resolutions if no voting instruction is specified, and on any other matter arising at the AGM and at any adjournment thereof.

IMPORTANT: Please read notes overleaf



Notes:

1. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.

A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote on his/her/its behalf at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

2. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.
3. A proxy need not be a member of the Company. The Chairman of the AGM, as proxy, need not be a member of the Company.
4. A corporation which is a member may appoint an authorized representative or representatives by resolution of its directors or other governing body in accordance with Section 179 of the Companies Act 1967 to attend, speak and vote for and on behalf of such corporation.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.
6. Where an instrument appointing a proxy is signed on behalf of the appointor by the attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. Completion and return of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person(s) appointed under the relevant instrument appointing a proxy(ies) to the AGM.
8. The instrument appointing a proxy(ies), together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:
 - (a) if sent personally or by post, be lodged at the Share Registrar's office at 9 Raffles Place, #26-01 Republic Plaza 1, Singapore 048619; or
 - (b) if submitted by email, be received by the Company at sg.is.proxy@vistra.com,

in either case, by 2.30 p.m. (Singapore time) on 20 April 2025 being not less than seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid. **Members of the Company are strongly encouraged to submit completed proxy forms electronically via email.**

9. CPFIS/SRS investors who hold shares through CPF Agent Banks/SRS Operators:
 - (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should contact their CPF Agent Banks/SRS Operators to submit their votes not less than seven (7) working days before the AGM (ie by 10 April 2025).
10. In the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding of the AGM as certified by The Central Depository (Pte) Limited to the Company.

The Company Secretary
SOILBUILD CONSTRUCTION GROUP LTD.
c/o Tricor Barbinder Share Registration Services
9 Raffles Place #26-01
Republic Plaza 1
Singapore 048619

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Corporate Information

BOARD OF DIRECTORS

Mr Lim Chap Huat (Executive Chairman)
Mr Lim Han Ren (Executive Director and
Group Chief Executive Officer)
Ms Lim Cheng Hwa (Non-Executive Director)
Mr Chee Wee Kiong (Lead Independent Director)
Mr Ng Fook Ai Victor (Independent Director)
Mr Chiam Tao Koon (Independent Director)

AUDIT COMMITTEE

Mr Chee Wee Kiong (Chairman)
Mr Ng Fook Ai Victor
Mr Chiam Tao Koon

NOMINATING COMMITTEE

Mr Chiam Tao Koon (Chairman)
Mr Chee Wee Kiong
Mr Ng Fook Ai Victor

REMUNERATION COMMITTEE

Mr Ng Fook Ai Victor (Chairman)
Mr Chee Wee Kiong
Mr Chiam Tao Koon

COMPANY SECRETARY

Ms Chan Wan Mei

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

23 Defu South Street 1
Singapore 533847
Tel: (65) 6542 2882
Fax: (65) 6543 1818
Website: www.soilbuildconstruction.com

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
9 Raffles Place #26-01
Republic Plaza 1
Singapore 048619

AUDITORS

PricewaterhouseCoopers LLP
Public Accountants and Chartered
Accountants
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936
Partner-in-charge: Ms Rebekah Khan
Financial year appointed: 31 December 2020

PRINCIPAL BANKERS

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

Malayan Banking Berhad
2 Battery Road
Maybank Tower
Singapore 049907

Oversea-Chinese Banking Corporation
Limited
65 Chulia Street #09-00
OCBC Centre
Singapore 049513

INVESTOR AND MEDIA RELATIONS

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Mr Toh Yiqiang
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Mr Alex Tan
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Mobile: (65) 9451 5252
Email: alex.tan@8prasia.com



SoilBuild
CONSTRUCTION GROUP LTD



Progress Fuelled by Opportunities

ANNUAL REPORT 2024

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