



SOILBUILD CONSTRUCTION GROUP LTD.

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

INTEREST-FREE LOAN FACILITY

The Board of Directors (the “**Board**”) of Soilbuild Construction Group Ltd. (the “**Company**”) wishes to announce that the Company has on 24 February 2021 entered into a facility agreement (the “**Facility Agreement**”) with Mr Lim Chap Huat, who is the Company’s Executive Chairman, pursuant to which Mr Lim has agreed to provide a loan facility for up to S\$10,000,000 to the Company (the “**Loan Facility**”), on an interest-free and unsecured basis.

Mr Lim is also a controlling shareholder of the Company, holding an aggregate direct and deemed shareholding interest of 74.93% of the total issued share capital of the Company.

Pursuant to the Facility Agreement, Mr Lim shall make available to the Company the Loan Facility, pursuant to which the Company may from time to time between the date of the Facility Agreement up to and through 30 June 2021, request for loan advances up to an aggregate value of S\$10,000,000. All outstanding loans made under the Loan Facility shall be repaid by the Company to Mr Lim in full on the second anniversary of the date of advance of the first loan that is drawn down under the Loan Facility, or on such other date as the parties may agree. In addition, all outstanding loans shall also be repayable on demand upon the occurrence of certain events of default, including, among other things, the inability of the Company to pay its debts as they fall due, any steps having been taken in relation to the winding-up, dissolution, administration or reorganisation of the Company or the appointment of a liquidator, receiver, administrator or similar officer in respect of the Company.

The Company intends to use the loans made under the Loan Facility for the Group’s general corporate and working capital purposes.

Mr Lim is an “interested person”, and the Loan Facility is an “interested person transaction” for the purposes of Chapter 9 of Mainboard Rules of the Singapore Exchange Securities Trading Limited. However, as the Loan Facility is interest-free, there is no “amount at risk” to the Company and the Loan Facility is, accordingly, not subject to the approval of the Company’s shareholders.

The Board and the Audit Committee, having reviewed the terms and conditions of the Facility Agreement, are of the view that the Loan Facility is not prejudicial to the interests of the Company and its minority shareholders.

As at the date of this announcement, the total value of all new interested person transactions (excluding the Loan Facility) entered into by the Group since 1 January 2021 (being the commencement of the current financial year ending 31 December 2021) is S\$55,000, comprising office rental charged to

interested parties. All of these interested person transactions have been entered into pursuant to the general mandate for interested person transactions approved by the Company's shareholders at its Annual General Meeting held on 24 June 2020. Other than the Loan Facility, the Group has not entered into any interested person transaction with Mr Lim other since 1 January 2021 to the date of this announcement.

Save as disclosed above, none of the directors and/or substantial shareholders of the Company has any interest, direct or indirect (other than through their respective shareholdings in the Company), in

BY ORDER OF THE BOARD
SOILBUILD CONSTRUCTION GROUP LTD.

Ganessaraj Soocelaraj
Group Chief Executive Officer
24 February 2021