



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

PROFIT GUIDANCE FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2018

The Board of Directors of Soilbuild Construction Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to advise shareholders that the Group is expected to report a loss for the fourth quarter ended 31 December 2018 (“**4Q2018**”) and the financial year ended 31 December 2018 (“**FY2018**”), due to a grant of arbitration award dated 25 February 2019 by an arbitrator against the Company’s wholly-owned subsidiary, Soil-Build (Pte.) Ltd. (“**Soil-Build**”), in connection with an arbitration commenced by Soil-Build against a sub-contractor for damages suffered due to the sub-contractor’s delay in the completion of its sub-contracted work for a construction project.

Under the award, the sub-contractor is not liable to pay Soil-Build any damages for delay, liquidated or otherwise, and Soil-Build is liable to pay the sub-contractor the balance of the amount due to the sub-contractor (of approximately S\$1.4 million without taking into account, amongst other, accrued interest payable) which was originally anticipated to be not payable as a result of the sub-contractor’s delay in the completion of its sub-contracted work prior to the launch of the arbitration. Soil-Build is in the process of taking advice from its solicitors in relation to the arbitration award and intends to take all steps necessary to protect its interests.

The award would result in the Company having to recognise (a) such sum; and (b) other associated project costs (including those damages previously deemed receivable and amounts under the retention sum), as additional cost of sales in respect of the relevant construction project for 4Q2018 and FY2018. As at the date of this announcement, the Company is in the midst of making an assessment with a view to finalising the amount of other associated project costs to be recognised.

Further details of the Group’s financial performance for 4Q2018 and FY2018 will be disclosed when the Company announces its unaudited consolidated financial results for 4Q2018 and FY2018 which is expected to be announced on or around 27 February 2019.

In the meantime, the Board wishes to advise shareholders and investors to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD
SOILBUILD CONSTRUCTION GROUP LTD.

Lim Chap Huat
Executive Chairman
26 February 2019